

2.5 THE PLANET: ENVIRONMENT

The Group's sustainable development involves knowing, controlling and reducing its environmental impacts, as part of a responsible approach to its operations. More broadly, Hermès contributes, through its commitments and actions, to the fight against climate change for a responsible and sustainable development.

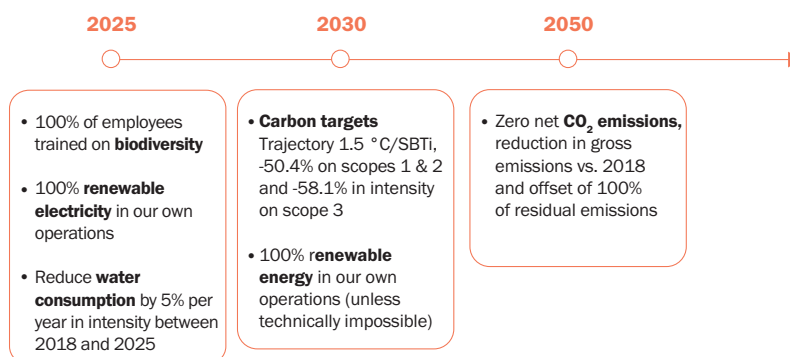
Introduction

Respect for nature, the source of its exceptional raw materials and the living environment surrounding its sites, is one of the Group's strong and unwavering values. In 2002, the Group drafted an environmental policy, last updated in 2020, aimed at limiting the impact of its activity across all areas. Pragmatic but ambitious solutions preserving the environment in the long-term are systematically sought, trying to go further than regulatory requirements wherever possible. The priority is to control the impact across the entire value chain, from upstream agricultural production to distribution, and from purchases to internal operations.

Water and energy consumption in 2022 were back to their pre-Covid crisis 2019 level in a context of strong growth in activity. The industrial energy mix is changing, with gas consumption down by just over 6% compared to 2021, reflecting the initial effects of the programme to "phase out fossil fuels" at industrial sites.

This mindset in favour of the environment requires the involvement of everyone, from investment decisions to everyday eco-actions, together with a robust Environment, Health and Safety (EHS) culture on all sites. It is structured around policies, procedures, tools and major commitments:

THE MAIN COMMITMENTS OF THE PLANET PILLAR: ENVIRONMENT



In 2022, the Group made progress on the main environmental issues, with the aim of making a long-term difference through steady improvements with a significant impact. Among these, the selected elements below are particularly illustrative of 2022 for this section:

- ◆ confirmation of the reduction in carbon emissions;
 - ◆ scopes 1 and 2: -28.4% since 2018 in absolute value,
 - ◆ scope 3: -46.5% in intensity since 2018;
- ◆ CDP "A list" entry: CDP Climate Change A- and CDP Water Security A ranking;
- ◆ setting a notional internal carbon price at €40;
- ◆ 60% reduction in water consumption intensity over 10 years and implementation of a notional internal water price of €1.5/m³;
- ◆ new investment in Livelihoods (Carbon fund) and offset in 2022 for 100% of scopes 1 and 2 and transportation emissions;
- ◆ two LWG-certified tanneries, Silver and Bronze levels;
- ◆ continued use of the ZDHC protocol (chemicals) in the Tanneries division;
- ◆ certification of the Harmonie standard for responsible and sustainable real estate.