

**Company Name** Hermes International  
**Industry** Apparel (Supply Chain and Own Operations)  
**Overall Score (\*)** 12.6 out of 100

Theme Score	Out of	For Theme
2.6	10	A. Governance and Policies
4.7	25	B. Embedding Respect and Human Rights Due Diligence
0.8	15	C. Remedies and Grievance Mechanisms
0.8	20	D. Performance: Company Human Rights Practices
2.5	20	E. Performance: Responses to Serious Allegations
1.2	10	F. Transparency

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: UNGC principles 1 &amp; 2: The Company is signatory to the UN Global Compact. [UN Global Compact website - Hermes, N/A: <a href="http://unglobalcompact.org">unglobalcompact.org</a> &amp; Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Met: UNGPs: The company indicates that 'The Hermès Group's ethics policy aligns with the universal framework set out by the major principles, standards and international agreements, adhering notably to: (...) the United Nations Guiding Principles on Business and Human Rights, which commit companies to respecting human rights and addressing the negative impacts of their activities'. [Code of Ethics, 2018: <a href="http://finance.hermes.com">finance.hermes.com</a> &amp; Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: UNGC principles 3-6: The Company is signatory to the UN Global Compact. [UN Global Compact website - Hermes, N/A: <a href="http://unglobalcompact.org">unglobalcompact.org</a>]</li> <li>Met: Explicitly list ALL four ILO for AP suppliers: The Company states that 'From a legal standpoint, as part of policy to support and monitor suppliers, Hermes seeks the formal undertaking of each of its suppliers to comply with its social, regulatory and environmental obligations through two undertaking handbooks, signed by both parties, which define the contractual relationships [...] Handbook 2 defining undertakings in respect of: Social policies (human rights and fundamental freedoms, prohibition of child labour, prohibition of forced labour, respect for</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>health and safety, respect for freedom of association and the right to collective bargaining, non-discrimination, respect for appropriate disciplinary measures, respect for regulated working time, respect for the provisions of mandatory labour laws, respect for adequate compensation).<sup>1</sup> [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> &amp; Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: The Company states that ‘on the legal front, Hermès asks suppliers for their formal undertaking that they will comply with their responsibilities, through handbooks on undertakings, which are updated on a regular basis (...). In particular they include the following sections: Good labour practices (...): child labour, forced labour, compliance with health and safety rules, respect for freedom of association, non-discrimination, working time, compensation, illegal work’. However, no commitment to respecting the right of collective bargaining found. Although Company's activity takes place mainly in France, CHRB looks for Company wide commitments. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> &amp; Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The company indicates that ‘the Group is committed to respecting human rights and fundamental freedoms, the health and safety of people’. The Code of conduct includes a health and safety statement. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> &amp; Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: H&amp;S applies to AP suppliers: The company indicates that ‘the Group is committed to respecting human rights and fundamental freedoms, the health and safety of people and the environment in relation to its activities and the activities of its subcontractors or suppliers’. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> &amp; Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: working hours for workers</li> <li>• Not met: Working hours for AP suppliers</li> </ul>
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's Rights</li> <li>• Not met: Children's Rights</li> <li>• Not met: Migrant worker's rights</li> <li>• Not met: Expecting suppliers to respect these rights: The company indicates that ‘Purchasers must take care to regularly remind their suppliers and subcontractors of the undertakings they have made by signing handbooks 1 and 2. The new, expanded versions published in 2018 were presented to the Group’s strategic and sensitive suppliers and discussed with them to check that their undertakings are genuine’. However, no publicly available statement of policy expecting its suppliers to commit to respecting women’s rights or to respecting children’s rights or to respecting the rights of migrant workers was found in any of these handbooks. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Respecting the right to water</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to stakeholder engagement: The company indicates that ‘it is Hermès’s policy to create the best conditions for high-quality social dialogue and employee freedom of expression wherever possible. In France (...), it is enshrined by law and organised, company by company, through representative bodies and agreements signed each year. In other countries, dialogue takes various forms, according to local practices. The Hermès Group’s ethical charter confirms its commitment to the conventions of the International Labour Organisation (ILO), especially with regard to the freedom of association’. However, CHRB is looking for a publicly available statement of policy committing it to engage with its potentially and actually affected stakeholders, including in local communities where relevant. No further information found. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Regular stakeholder engagement: Furthermore, the company indicates that ‘at Group level, social dialogue is expressed first and foremost through the annual meeting of the Group Works Council, which fosters discussion with employee representatives and representatives of the five national trade unions present in the Group. This meeting enables dialogue and the sharing of results from</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>the previous year and the outlook for the coming years. Furthermore, a Social Dialogue Monitoring Committee (France) was set up in 2008 pursuant to the agreement on social dialogue and the exercise of union rights within Hermès Group companies, signed in 2008 by all of the representative trade unions. In 2018, in addition to its annual meeting, this Committee had a second exceptional meeting to provide its members with answers regarding the establishment of the Social and Economic Committee, the new employee representative body created by French law that combines the three former representative bodies (Employee Delegates, Works Council, Health and Safety Committee). Social dialogue at the Group level also involves the annual meeting of the Health Expense Reflection and Discussion Group, which is a forum for dialogue organised around the healthcare plan applicable in most of the Group's companies'. However, although this could be an evidence of regular engagement, the engagement with affected or potentially affected stakeholders should not be limited to workers, but it should be open to include other affected or potentially affected stakeholders such as their families, local communities and any other person or group of people whose life and environment might be impacted by the company's activities. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Not met: Regular stakeholder design engagement</li> </ul>
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with AP suppliers to remedy impacts</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs)</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Expects AP suppliers to reflect company HRD commitments</li> </ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: CEO or Board approves policy: The company's Code of Business Conduct, which contains the company's human rights commitments, is signed by the CEO by name. [Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: Board level responsibility for HRs: The new duties of the CAG-CSR committee relating to social and environmental responsibility are: assist the Supervisory Board in monitoring issues relating to CSR so that the Hermès Group can better foresee and tackle opportunities, challenges and the related risks; assist the Supervisory Board in monitoring the Hermès Group's social policy and the non-discrimination and diversity policy. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Speeches/letters by Board members or CEO</li> </ul>
A.2.2	Board discussions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Board/Committee review of salient HRs</li> <li>• Not met: Examples or trends re HR discussion</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Incentives for at least one board member</li> <li>• Not met: At least one key AP HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2</li> <li>• Met: Senior responsibility for HR: The Company has a Sustainable Development Committee, 'in which two members of the Executive Committee play an active role alongside the heads of the human resources'. This committee is in charge to oversee issues related to people and communities where the company operates. It states that 'the framework has highly ambitious requirements for working conditions, human relationships and the scrupulous attention to be paid to the health and safety of our employees, harmonious labour relations, well-being and balanced lives. It asserts a strong commitment in the area of diversity and solidarity, particularly towards those who are experiencing difficulties or have a disability'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Day-to-day responsibility</li> <li>• Met: Day-to-day responsibility for AP in supply chain: The Company indicates that 'the two purchasing divisions, direct and indirect, coordinate the House's network of purchasers and conduct common training initiatives within this network. As such, in 2018, they started developing a training course for purchasers, aimed at strengthening and structuring the training already offered within the Group. In particular, a "Legal and Compliance" course and an "Environment, Health and Safety" course were developed in 2018 to be rolled out in the second half of 2019.' Also, 'monitoring of practices is primarily the responsibility of the métiers and their purchasers, who are in direct contact with our suppliers. The topics that are monitored closely include working conditions (hours, health and safety, compensation, right to organise and representation, disciplinary practices), risks of discrimination, forced labour, child labour, and, more broadly, living conditions (considering the local environment)'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul>
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Senior manager incentives for human rights</li> <li>• Not met: At least one key AP HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR risks is integrated as part of enterprise risk system: In the risk management section, the following issues are included as part of the Company's risks: 'risks bearing on social, societal and environmental responsibility', which includes 'preventing the risk of serious violations of human rights, fundamental freedoms, and the health and safety of people; preventing risks associated with our natural materials, supply chain, regulatory compliance on environmental matters and carbon emissions'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Audit Ctte or independent risk assessment</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2</li> <li>• Met: Communicates its policy to all workers in own operations: The Company indicates that 'the house's values are formalised in a code of ethics, updated in 2018 and available in twelve languages and distributed to all employees worldwide'. The Code of Ethics contains the company's human rights policy. Moreover, 'Code of Business Conduct, available in 10 languages and updated in 2018, is distributed to all employees worldwide' and, among other issues, contains a part that deals with 'human rights and fundamental freedoms: This sheet describes the Group's ethics policy within the context of the universal framework set down by the major principles, standards and international agreements to which its adheres'. [Code of Ethics, 2018: <a href="http://finance.hermes.com">finance.hermes.com</a> &amp; Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to all 4 ILO core conventions: See indicator A.1.2</li> <li>• Not met: Communication of policy commitments to stakeholder</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to all 4 ILO core conventions for suppliers: See indicator A.1.2</li> <li>• Met: Requiring AP suppliers to communicate policy down the chain: The company indicates that 'from a legal standpoint, as part of its policy to support and monitor suppliers, Hermès seeks the formal undertaking of each of its suppliers to comply with its social, regulatory and environmental obligations through two undertaking handbooks, signed by both parties, which define the contractual relationships. (...) Handbook 1 defining undertakings with respect to non-disclosure and fair trading; and Handbook 2 defining undertakings in respect of: social policies (human rights and fundamental freedoms, prohibition of child labour, prohibition of forced labour, respect for health and safety, respect for freedom of association and the right to collective bargaining, non-discrimination, respect for appropriate disciplinary measures, respect for regulated working time, respect for the provisions of mandatory labour laws, respect for adequate compensation)'. Moreover, 'by signing handbook 2, suppliers and subcontractors formally undertake to carry out their own duty of care with respect to all suppliers and subcontractors. Moreover, they are responsible for reporting all their subcontractors to Hermès and may not subcontract any production for the Group to a new subcontractor without Hermès' written agreement. This agreement is often tied to a pre-accreditation visit based on the "know your supplier questionnaire", or to an audit by an external firm'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How HR commitments made binding/contractual: The company states that 'Hermès seeks the formal undertaking of each of its suppliers to comply with its social, regulatory and environmental obligations through two undertaking handbooks, signed by both parties, which define the contractual relationships. These are regularly updated, with: (...) Handbook 2 defining undertakings in respect of: social policies (human rights and fundamental freedoms, prohibition of child labour, prohibition of forced labour, respect for health and safety, respect for freedom of association and the right to collective bargaining, non-discrimination, respect for appropriate disciplinary measures, respect for regulated working time, respect for the provisions of mandatory labour laws, respect for adequate compensation)'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: Including on AP suppliers: See above</li> </ul>
B.1.5	Training on Human Rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Scores at least 1 on A.1.2</li> <li>• Not met: Trains all workers on HR policy commitments [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: Trains relevant AP managers including procurement: The company indicates that 'the supplier risk management system, [...] was strengthened and accelerated in 2018 as part of the implementation of a reasonable duty of care plan with respect to suppliers [...] The system was presented to all the Group's purchasers (over 100 people) and internal controllers during a Purchasing day organised on 10 April 2018 on the theme of supplier risk management. After discussing the regulatory environment, the methodology and tools offered for supplier risk management were presented. In particular, a methodology to carry out risk mapping by purchase category, a supplier management analysis framework and a "know-your-supplier questionnaire" were pre-presented, and purchasers were requested to implement them. The know your supplier questionnaire 'was revised and expanded in 2018 to better assess respect for human rights and fundamental freedoms, employment conditions', etc. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Scores at least 1 on A.1.2</li> <li>• Not met: Monitoring implementation of HR policy commitments: The Company indicates that 'the monitoring plan helps to identify risks and prevent serious breaches of human rights and fundamental rights, health, safety and the environment arising from the activity of the Company and companies it controls, as well as the activities of subcontractors and suppliers'. However, it is not clear how this monitoring takes place. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Monitoring AP suppliers: The company indicates that 'for each purchasing category previously covered in a risk mapping, the purchasers within each métier carry out a second-level risk analysis of suppliers. It aims to (...) risks related to human rights and fundamental freedoms, the health and safety of people, and more generally employment conditions, as well as the protection of the environment'. If a risk is identified, an audit is organised to confirm or deny this risk, supported by a "know your supplier questionnaire" setting out the various topics included in the previously completed supplier risk analysis framework. This "know your supplier" questionnaire was revised and expanded in 2018 to better assess respect for human rights and fundamental freedoms, employment conditions, in particular the health and safety of people, ...' [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Not met: Describes corrective action process: The company indicates that 'a feedback meeting is held at the end of these audits to share all findings with the supplier and define the corrective action plan to be implemented to prevent or mitigate the risks identified during the audit. The métiers' purchasers are responsible for monitoring each supplier's progress in implementing these action plans'. No details found in relation to the number of incidences. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Example of corrective action</li> <li>• Not met: Discloses % of AP supply chain monitored</li> </ul>
B.1.7	Engaging business relationships	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: HR affects AP selection of suppliers: The company indicates that 'any new supplier is required to sign handbooks 1 and 2 (which contains human rights requirements) before any partnership can be undertaken, and in particular prior to participating in any call for tenders'. However, it is not clear whether the Company carries out active due diligence with potential suppliers prior to contracting. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: HR affects on-going AP supplier relationships: In the context of a monitoring process, 'if a risk is identified, an audit is organised to confirm or deny this risk, supported by a "know your supplier questionnaire" setting out the various topics included in the previously completed supplier risk analysis framework. [...] When a subject is identified, it is discussed with our partner to help it understand why the topic is important to us, examine possible improvement solutions and put in place an action plan (...). If this process cannot be put in place, the subject is discussed by the Management Committee of the appropriate métier, the industrial affairs department and the sustainable development committee and the relationship is suspended'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Working with AP suppliers to improve performance</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Stakeholder process or systems</li> <li>• Not met: Frequency and triggers for engagement</li> <li>• Not met: Workers in AP SC engaged</li> <li>• Not met: Communities in the AP SC engaged</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations</li> <li>• Met: Identifying risks in AP suppliers: In its Annual Report 2017, the Company describes its plan to monitor its suppliers in relation to human rights, employee health and safety and environmental protection, according to the Duty of Care. This plan includes a process of risk assessment and risk mapping. [Annual report, 2017: <a href="https://finance.hermes.com/en/Reports-and-Presentations/Annual-reports#finance.hermes.com">https://finance.hermes.com/en/Reports-and-Presentations/Annual-reports#finance.hermes.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: The company indicates that it 'has produced a risk mapping, into which the mappings produced by each of the main métiers, distribution subsidiaries and support activities are fed. Each of these mappings takes risks related to suppliers and subcontractors into account. In addition, to guarantee the thorough assessment of each supply chain, the purchasers within each métier formalise a risk mapping for each of their purchasing categories, assessing in particular the risks of the entire supply chain with respect to human rights and fundamental freedoms, the health and safety of people, social aspects, the environment, and corruption risks'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context): The Company indicates that 'in addition, to guarantee the thorough assessment of each supply chain, the purchasers within each métier formalise a risk mapping for each of their purchasing categories, assessing in particular the risks of the entire supply chain with respect to human rights and fundamental freedoms, the health and safety of people, social aspects, the environment, and corruption risks. These risks are prioritised based on their criticality, on the one hand, calculated as the product of the impact on the Group or its stakeholders by probability of occurrence, and on the level of control, on the other hand'. However, it is not clear how the Company takes into account geographical, economic or social factors in assessing risks. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Public disclosure of salient risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including in AP supply chain</li> <li>• Not met: Example of Actions decided: The Company indicates that 'since 2017, the purchasing policy with our construction partners was gradually rolled out to subsidiaries. With each new relationship, suppliers are asked to make an undertaking to comply with local regulations and accept the fair trading charters and social and environmental responsibility policies prior to working with the Hermès Group. Based on the importance of the risks identified, specialised third-party firms are requested to conduct an on-site audit. They will be responsible for determining action plans that will be shared with the suppliers for actions to be monitored internally by the Hermès Group'. However, no details found of how the Company mitigates a particular human rights salient issue. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective: No description found of a system for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Lessons learnt from checking effectiveness: No example found of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including AP suppliers</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company indicates that 'to ensure compliance with laws and regulations, as well as to step up the fight against breaches of ethics and integrity, the Group has strengthened its global alert system "H-Alert !" designed to enable its employees worldwide, as well as its external and occasional workforce, to report any issues of which they have been personally made aware'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved</li> <li>• Not met: Channel is available in all appropriate languages</li> <li>• Not met: Expect AP supplier to have equivalent grievance systems</li> <li>• Not met: Opens own system to AP supplier workers: The Company indicates that the H-Alert! System 'is designed to enable its employees worldwide, as well as its external and occasional workforce, to report any issues of which they have been personally made aware'. No evidence found, therefore, of this (or other) channel being open for suppliers' employees to file complaints. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Grievance mechanism for community: The company indicates that 'to ensure compliance with laws and regulations, as well as to step up the fight against breaches of ethics and integrity, the Group has strengthened its global alert system "H-Alert !" designed to enable its employees worldwide, as well as its external and occasional workforce, to report any issues of which they have been personally made aware'. However, it is not clear that the channel is accessible to all external individuals and communities who may be adversely impacted by the Company (or individuals or organisations acting on behalf of them or who are otherwise in a position to be aware of adverse impacts). [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages: It also states that 'this technical system is available in French (64% of the Group's workforce is in France) and in English. It will eventually be deployed out in ten languages. (...) Local whistleblowing systems are also in place in major subsidiaries such as the United States, the United Kingdom and China'. However, it is not clear that it is accessible to all potentially affected external stakeholders at all operations, including in local languages. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Expects AP supplier to have community grievance systems</li> <li>• Not met: AP supplier communities use global system</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system</li> <li>• Not met: Description of how they do this</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: AP suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Response timescales: The company indicates that 'employees are encouraged to report the aforementioned irregularities or breaches, as soon as possible, using the following reporting channels: to their direct or indirect line manager or above, to Human Resources, or to the Ethics Committee; to the whistleblowing service provider appointed by Hermès to collect alerts via an independent technical system, available 7 days a week and round the clock.' However, CHRB is looking for a description of the procedures for managing the complaints or concerns, including timescales for addressing the complaints or concerns and for informing the complainant. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: How complainants will be informed: See above. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Public statement prohibiting retaliation: The company indicates that 'whistleblowers who act in a disinterested way and in good faith are protected, even if it subsequently transpires that the issue raised is unfounded or is not followed up. Accordingly, you cannot be dismissed, sanctioned or discriminated against in any way for having reported an issue in accordance with the Procedure'. However, it is not clear that the company prohibits retaliation against stakeholders (including those that represent them) for raising human rights related complaints or concerns. [Whistleblowing Centre, 20/07/19: <a href="http://report.whistleb.com">report.whistleb.com</a> ] • Not met: Practical measures to prevent retaliation: The company indicates that 'no information concerning a whistle blower's identity may be divulged to third parties not participating in this System, other than the judicial authorities, without the whistle blower's consent'. Moreover, 'the whistleblowing system also allows Group employees to report an incident anonymously'. However, it only applies for employees, not stakeholders in general. [Whistleblowing Centre, 20/07/19: <a href="http://report.whistleb.com">report.whistleb.com</a> & Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> ] Score 2 • Not met: Has not retaliated in practice • Not met: Expects AP suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Won't impede state based mechanisms: No publicly available statement found where the company commits to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations of adverse human rights impacts. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> ] • Not met: Complainants not asked to waive rights Score 2 • Not met: Will work with state based or non judicial mechanisms: No process found by which the company will cooperate with state-based non-judicial grievance mechanism complaints brought against it. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> ] • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

#### D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.a	Living wage (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Living wage target timeframe: The company indicates that 'the Group's policy is to give employees a share in long-term growth through various measures such as incentive and profit-sharing schemes and a share ownership plan (...). Every year, the Group provides its subsidiaries with budgetary guidelines for compensation growth that take into account inflation and local markets. Particular vigilance is required concerning gender equality and market differences (internal and external). Additional budgets may be granted if adjustments are necessary (...). Hermès, the vast majority of whose employees work in OECD countries, strictly applies working time and minimum wage regulations in compliance with UN conventions and seeks to exceed such regulations wherever possible. In France the minimum wage is defined by law'. However, CHRB could not find a target timeframe for paying all workers a living wage or that it has achieved paying the living wage. A living wage being the amount necessary to cover basic needs as well as some discretionary income, taking family and/or dependents into account. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> ] • Not met: Describes how living wage determined Score 2 • Not met: Achieved payment of living wage • Not met: Regularly review definition of living wage with unions

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts: The company requires, in its Supplier handbook 2 (which is not publicly available but which the company seeks the formal undertaking of each of its suppliers) that its suppliers have 'respect for adequate compensation' for its workers. In the monitoring process, compensation is also regularly checked. However, CHRB could not find a target timeframe for paying all workers a living wage or that it has achieved paying the living wage. A living wage being the amount necessary to cover basic needs as well as some discretionary income, taking family and/or dependents into account. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Improving living wage practices of suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.2.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Avoids business model pressure on HRs: The company indicates that 'on the other hand, a direct purchasing network is coordinated by the Group direct purchasing department and meets once every three months. These meetings are an opportunity to review the following issues with the métiers' purchasers: the Group's purchasing policy and procedures, regulations, legislation, and the resources available to monitor suppliers and subcontractors. They provide the means to exercise their duty of care with respect to their suppliers and subcontractors, and more generally with respect to all divisions. As opportunities to discuss the risks identified, they make it possible to share the action plans to be rolled out to prevent or mitigate these risks'. 'The Group policy on supplier guidance and support is based on four fundamentals axes: ensure long-term relationships with suppliers by preserving key skills, securing supplies and services, and establishing balanced and sustainable relationships; (...) Guarantee ethics throughout our supply chains (including labour rights)'. No evidence found of practices it adopts to avoid price or short notice requirements or other business considerations undermining human rights. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Positive incentives to respect human rights: The company also indicates that 'when a subject is identified (a problem), it is discussed with our partner to help it understand why the topic is important to us, examine possible improvement solutions and put in place an action plan. Hermès maintains long-term relationships with its partners (the average-relationship among the top 50 industrial suppliers is 21 years old'. However, no description found of specific positive incentives it puts into place via its purchasing practices to encourage its business relationships to act with respect for human rights. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
D.2.3	Mapping and disclosing the supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifies suppliers back to product source: The company indicates that 'the Hermès artisanal craftsmanship model, in which 70% of objects are manufactured in-house and 80% in France, relies on a network of suppliers based mainly in Europe (...). Hermès's exposure to supplier risk is therefore reduced. An analysis of the top 50 direct suppliers shows that 56% of them are in France and 30% in Europe. Just 14% of purchases are made in more distant countries, mainly raw materials (e.g. exotic leathers), where our control and monitoring is extremely strong'. Also, 'the Hermès Group operates 54 production sites, including 42 in France. The Group also operates production sites in Switzerland, the United States, Australia, Italy and the United Kingdom'. Then the company discloses a list of production sites. However, it is not clear that the Company maps (identifies) its suppliers, including direct and indirect suppliers. No evidence found. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why: Although the company discloses a list of production sites, it is not clear if the company discloses the most significant parts of its supply chain and explains how it has defined what are the most significant parts of its supply chain. Moreover, mapping, for CHRB, means disclosing the names and addresses of suppliers, which was not found. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Does not use child labour: The company indicates that it adheres to 'the fight against (...)child labour'. However, there is no evidence of age verification of job applicants and workers in its own operations and no explicit indication that it does not use child labour was found. [Code of Ethics, 2018: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> <li>Not met: Age verification of job applicants and workers: See above. [Code of Ethics, 2018: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Remediation if children identified: The company indicates that 'In 2016, the Foundation d'entreprise Hermès launched a new programme devised for schools. Entitled Manufacto, the Skills Factory, the programme looks to introduce young students to craft skills and materials'. However, CHRB is looking for a system of remediation in case children are found working, in order to transition from employment to education, enabling children to attend and remain in education and how it addresses working conditions for young workers where relevant. [Manufacto, 21/07/19: <a href="https://fondationentreprisehermes.org">fondationentreprisehermes.org</a>]</li> </ul>
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Child Labour rules in codes or contracts: The company indicates that in its Supplier Handbook 2 (which is not publicly available) suppliers are asked to comply with their responsibilities, which includes prohibition of 'child labour'. However, it is not clear what the child labour guidelines are. It should include not using child labour, verifying the age of job applicants and workers and remediation programmes. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> <li>Not met: How working with suppliers on child labour</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.2.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Pays workers in full and on time: The company indicates that it adheres to 'the fight against forced labour'. However, CHRB is looking for evidence that it pays workers regularly, in full and on time and does not require workers to pay work related fees or costs. No evidence found. [Code of Ethics, 2018: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> <li>Not met: Payslips show any legitimate deductions: Moreover, CHRB is looking for evidence that indicates that all workers receive a payslip with their wages explaining any legitimate deductions. No evidence found. [Code of Ethics, 2018: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul>
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Debt and fees rules in codes or contracts: The company indicates that in its Supplier Handbook 2 (which is not publicly available) suppliers are asked to comply with their responsibilities, which includes prohibition of 'forced labour'. However, CHRB is looking for debt bondage guidelines, including refraining from imposing any financial burdens on workers by withholding wages or expenses including recruitment fees and related recruitment costs. No evidence found. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> <li>Not met: How working with suppliers on debt &amp; fees: The company indicates that 'The topics that are monitored closely include(...), forced labour'. However, it is not clear how it works with suppliers to eliminate imposing any financial burdens on workers. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends in progress made</li> </ul>
D.2.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Does not retain documents or restrict movement: The company indicates that it adheres to 'the fight against forced labour'. However, CHRB is looking for evidence it does not retain the workers' personal documents or restrict workers' freedom of movement outside of work hours or requires workers to stay at and pay for accommodation by the Company. No further evidence found. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: How sure about agencies or brokers
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Free movement rules in codes or contracts: The company indicates that the 'contents of the supplier undertaking handbook 2 (...) deals mainly with the following subjects: (...) forced labour, (...) and illegal work. Regarding the fight against illegal work in particular, Hermès collects the following three legal documents for its French suppliers and subcontractors every six months: a company registration certificate, a certificate of coverage issued by URSSAF (a French social taxes body), and a list of the names of all foreign workers, as required by law'. However, CHRB is looking for guidelines on workers' freedom of movement, including refraining from restricting workers' movement through the retention of passports or other personal identification or travel documents or bank payment or similar arrangements for accessing wages or other measures to physically restrict movement. No further information found. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a> ] • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: The company indicates that 'The topics that are monitored closely include (...), forced labour'. However, it is not clear how it works with suppliers to eliminate detention of worker's documents or other actions to physically restrict movement. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a> ] Score 2 • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The company indicates that it adheres to 'the International Labour Organisation's Charter for Fundamental Rights, which covers freedom of association'. Moreover, 'Social dialogue is a priority for Maison Hermès. This involves both collective bargaining and daily participation by employee representatives in various projects and is essential to the functioning of the Group's various companies. It is organised in each country in accordance with the applicable laws and regulations. In all of these countries, Hermès ensures that each employee can freely decide whether or not to join the union of his or her choice in accordance with local regulations and trade union pluralism, where it exists'. However, no commitment found to not interfere with the right of workers to form or join trade unions (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law) and to bargain collectively and it is not clear measures put in place by the company to prohibit any form of intimidation or retaliation against workers seeking to exercise these rights. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a> & Code of Ethics, 2018: <a href="https://finance.hermes.com">finance.hermes.com</a> ] • Not met: Discloses % covered by collective bargaining: Although the Company discloses in the annual report 2018 information about the development of annual meeting for social dialogue which involve representative trade unions, it does not report on the % of workforce covered by collective bargaining agreements. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a> ] Score 2 • Not met: Both requirement under score 1 met
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: FoA & CB rules in codes or contracts: The company indicates that in its Supplier Handbook 2 (which is not publicly available) suppliers are asked to comply with their responsibilities, which includes 'respect for freedom of association'. However, no mention of respecting the right to collective bargaining found. Moreover, the requirements that CHRB is looking for include the prohibition of intimidation, harassment, retaliation and violence against union members and union representatives. No further evidence found. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a> ] • Not met: How working with suppliers on FoA and CB: The company indicates that 'The topics that are monitored closely include (...) the right to organise and representation'. However, it is not clear how it works with suppliers to improve their practices in relation to freedom of association and collective bargaining. [Annual Report 2018, 10/04/19: <a href="https://finance.hermes.com">finance.hermes.com</a> ] Score 2 • Not met: Both requirements under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Injury Rate disclosures: The company indicates that 'in 2018, the frequency rate of workplace accidents with stoppage for the Group as a whole stood at 8.4 for a severity rate of 0.46. This calculation is based on the total number of actual hours worked. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: Lost days or near miss disclosure: See above. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Fatalities disclosures</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Set targets for H&amp;S performance: The Company indicates that 'The goal is zero accidents. For example, in each production unit, a work accident tracking chart is posted and discussed with workshop managers. Specific training is organised for métier risks, as well as meetings with professionals on the subject (physiotherapists, doctors, firefighters). These meetings also make it possible to be more reactive if there is an accident, so that the proper measures can be adopted very quickly and the most appropriate experts and institutions can be determined rapidly. Contingency plans are in place for each site'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Met targets or explains why not</li> </ul>
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Sets out clear Health and Safety requirements: The company indicates that in its Supplier Handbook 2 (which is not publicly available but that is a bidding document) suppliers are asked to comply with their responsibilities, which includes 'compliance with health and safety rules'. However, no specific details found on health and safety requirements. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.8.a	Women's rights (in own production or manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Process to stop harassment and violence: The company indicates that 'the fight against harassment, whether psychological or sexual, is one of the House's priorities'. Moreover, 'Hermès does not tolerate any form of behaviour – whether verbal, written or physical – that may undermine an individual's personality, dignity or physical or psychological integrity, and thus threaten their personal stability or job, or adversely affect the social climate.' However, it is not clear the process that the company uses to prohibit harassment, intimidation and violence specific against women. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a> &amp; Code of Business Conduct, 2019: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Working conditions take account of gender: The company indicates that 'various working time flexibility schemes have been established. For example, for leather goods, (47% of the workforce in France), craftsmen and women organise themselves at each workshop according to flexible schedules'. However, it is not clear how it takes into account differential impacts on women and men of working conditions, including to reproductive health. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Met: Equality of opportunity at all levels: In its Annual Report 2017, the Company indicates: 'women have an important place within the Group (68% of employees). They play a proven leadership role, with almost 62% of women holding management positions. At Group level, women managers represent 15.6% of staff, compared to 9.6% for men'. In addition the Company states: 'the Group is committed to the principles of recognition and respect, irrespective of one's origin, gender, family situation or profession. This respect for differences is presented to the employees in the ethics charter that serves as the guarantor of the objectivity, equal opportunity and promotion of diversity without discrimination as part of recruiting, career progress and daily management'. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Meets all of the requirements under score 1</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.8.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Women's rights in codes or contracts</li> <li>• Not met: How working with suppliers on women's rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.9.a	Working hours (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Respects max hours, min breaks and rest periods in its own operations: The company indicates that in 'the vast majority of whose employees work in OECD countries, strictly applies working time (...) regulations in compliance with UN conventions and seeks to exceed such regulations wherever possible'. However, no evidence found of a formal statement indicating that it respects maximum working hours and minimum breaks company wide (even for the part of the workforce that does not work in OECD countries). [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How it implements and checks this</li> </ul>
D.2.9.b	Working hours (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Working hours in codes or contracts: The company indicates that in its Supplier Handbook 2 (which is not publicly available but that is a binding document) suppliers are asked to comply with their responsibilities, which includes 'respect for regulated working time'. However, it is not clear that the company includes working hours requirements, including respect for applicable international standards and national laws and regulations concerning maximum hours and minimum breaks and rest periods. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on working hours: The company indicates that 'the topics that are monitored closely include (...) working time'. However, it is not clear how it works with suppliers to improve their practices in relation to working hours. [Annual Report 2018, 10/04/19: <a href="http://finance.hermes.com">finance.hermes.com</a>]</li> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

## E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 10.10 out of 80 points scored in themes A-D & F has been applied to produce a score of 2.53 out of 20 points for theme E.

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.17 out of 4	Out of a total of 48 indicators assessed under sections A-D of the benchmark, Hermes International made data public that met one or more elements of the methodology in 14 cases, leading to a disclosure score of 1.17 out of 4 points.
F.2	Recognised Reporting Initiatives	0 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> <li>• Not met: Company reports on GRI</li> <li>• Not met: Company reports on SASB</li> <li>• Not met: Company reports on UNGPRF</li> </ul>
F.3	Key, High Quality Disclosures	0 out of 4	Hermes International met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> Discussing challenges openly

Indicator Code	Indicator name	Score	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> Demonstrating a forward focus <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>• Not met: Score 1 for D.2.1.a : Living wage (in own production or manufacturing operations)</li> <li>• Not met: Score 2 for D.2.7.a : Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)</li> </ul>

## Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

No representation or warranty is given that the material in the Benchmark is accurate, complete or up-to-date. The material in the Benchmark is based on information that we consider correct and any statements, opinions, conclusions or recommendations contained therein are honestly and reasonably held or made at the time of publication. Any opinions expressed are our current opinions as of the date of the publication of the Benchmark only and may change without notice. Any views expressed in the Benchmark only represent the views of CHRB Ltd, unless otherwise expressly noted.

While the material contained in the Benchmark has been prepared in good faith, neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers or employees accept any responsibility for or make any representation or warranty (either express or implied) as to the truth, accuracy, reliability or completeness of the information contained in this Benchmark or any other information made available in connection with the Benchmark. Neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers and employees undertake any obligation to provide the users of the Benchmark with additional information or to update the information contained therein or to correct any inaccuracies which may become apparent (save as to the extent set out in CHRB Ltd's appeals procedure). To the maximum extent permitted by law any responsibility or liability for the Benchmark or any related material is expressly disclaimed provided that nothing in this disclaimer shall exclude any liability for, or any remedy in respect of, fraud or fraudulent misrepresentation. Any disputes, claims or proceedings this in connection with or arising in relation to this Benchmark will be governed by and construed in accordance with English law and submitted to the exclusive jurisdiction of the courts of England and Wales.

As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.