

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS: THE GROUP

Attracting and retaining talent

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1. GENERAL POLICY

Through their talent and commitment, the Group's employees create unforgettable experiences for all LVMH customers and drive the success of the Group and its Maisons. They safeguard and build on an invaluable range of expertise, particularly in craftsmanship and design professions.

In a constantly changing competitive environment, LVMH seeks to attract the most talented people on every continent. The Group welcomes new hires and supports all its staff based

1.1 Committed to developing talent

Our people's talent drives strong performance and helps secure the Group's long-term future. Responsible people management is structured around four key priorities identified through stakeholder consultation and a mapping of issues and risks:

- respecting every individual's uniqueness and dignity;
- supporting our employees by taking action for their safety and well-being;
- passing on skills and expertise that are an integral part of our world's cultural heritage;
- working to build a better society.

Within this shared social responsibility program, each of the Maisons implements its own action plan.

1.2 Organization and quality of workforce-related reporting

LVMH works hard to ensure the quality and completeness of workforce-related data. The Group follows a rigorous process to gather and check this data within its Maisons. Data covers the Group's consolidated companies, providing a comprehensive view of talent management.

1.2.1 Collection and validation of workforce-related reporting data

Within each Maison, a reporter collects and reports workforce-related data, a controller checks and validates its accuracy, and the Maison's Human Resources Director provides final sign-off.

Everyone involved in workforce-related reporting is provided with an instructional guide. This guide sets out the aims and requirements both for the approach as a whole and for each indicator: its relevance, how the associated data is defined, how the information is to be gathered, the calculation method if applicable, and checks to be carried out when data is reported. Manual checks on the reliability and consistency of the data input are backed up by automated checks throughout the procedure.

solely on their talent and skills, embracing diversity as a source of cultural enrichment. Offering employees career development opportunities helps ensure the long-term future of this exceptional expertise. Guaranteeing the health, safety and well-being of employees is key to their fulfillment and their engagement, both of which drive the Group's success. Lastly, promoting constructive labor relations helps create a fulfilling work environment where everyone has a voice and a key role within the team.

2021 saw the resumption of business operations and an upswing in activity in the aftermath of an unprecedented health crisis. During this period, protecting employee health and safety remained the top priority for LVMH. At the same time, the Group continued with its ambitious policy to attract talented people and support them on every continent, while uniting all of its employees around its values. The first two of these core values – creativity and a passion for innovation – have helped the Group adapt very quickly during the Covid-19 crisis. The next two – a quest for excellence and an entrepreneurial spirit – remain essential to drive collective performance. In 2021, this set of core values was expanded with the addition of a commitment to having a positive impact with respect to the environment, inclusion and supporting its communities.

Since 2007, selected employee-related disclosures for the Group have been verified each year by an independent third party. For fiscal year 2021, workforce-related data was verified by Ernst & Young, in accordance with Article R. 225-105-2 of the French Commercial Code⁽¹⁾.

In addition, the Corporate Social Responsibility Department reports on qualitative aspects of workforce management and development, listing progress made under the policies adopted and action plans put in place by the Maisons. The reporting template is sent to all Human Resources Departments at the Maisons, which are responsible for the data entered. Each Maison submits its completed reporting template to the Corporate Social Responsibility Department, which verifies and then consolidates all the data submitted at Group level.

1.2.2 Scope of workforce-related reporting

The reconciliation of organizational and legal entities ensures consistency between the workforce and financial reporting systems. Accordingly, the scope of reporting on employee-related issues covers all staff employed by fully consolidated Group companies, but does not include equity-accounted associates.

(1) This article resulted from the transposition into French law of European Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups.

Workforce information set out below includes all consolidated companies as of December 31, 2021, including LVMH's share in joint ventures, with the exception of certain companies that have been part of the Group for less than a year. Other employee-related indicators were calculated for a scope of 948 organizational entities covering over 99% of the global workforce and encompass staff employed during the fiscal year, including those employed by joint ventures.

LVMH's employees in China and its regions are included in the number of staff working under permanent contracts (27,900 as of December 31, 2021). Although Chinese labor law limits the duration of employment contracts, which can only become permanent after several years, the Group considers employees working under such contracts as permanent.

1.3 Key workforce data

Total headcount as of December 31, 2021 stood at 175,647 employees, an increase of 17% compared with 2020. Of this total, 159,564 employees were working under permanent contracts and 16,083 under fixed-term contracts. Part-time employees represented 15% of the total workforce, or 26,786 individuals. Staff outside France represented 81% of the global workforce.

The Group's average total full-time equivalent (FTE) workforce in 2021 comprised 157,953 employees, up 6.48% compared with 2020.

1.3.1 Breakdown of the workforce by business group, geographic region and job category

Breakdown by business group

Total workforce as of December 31 ^(a)	2021	%	2020	%	2019	%
Wines and Spirits	7,898	4	7,530	5	7,671	5
Fashion and Leather Goods	57,689	33	53,002	35	53,456	33
Perfumes and Cosmetics	27,774	16	28,017	19	30,427	19
Watches and Jewelry	24,348	14	9,078	6	9,426	6
Selective Retailing	48,807	28	43,741	29	57,383	35
Other activities	9,131	5	9,111	6	4,946	3
Total	175,647	100	150,479	100	163,309	100

(a) Total permanent and fixed-term headcount.

Breakdown by geographic region

Total workforce as of December 31 ^(a)	2021	%	2020	%	2019	%
France	33,887	19	32,813	22	33,701	21
Europe (excl. France)	39,343	22	37,693	25	40,453	25
United States	34,930	20	24,749	16	31,483	19
Japan	8,013	5	7,012	5	7,391	5
Asia (excl. Japan)	43,705	25	35,382	23	38,109	23
Other markets	15,769	9	12,830	9	12,172	7
Total	175,647	100	150,479	100	163,309	100

(a) Total permanent and fixed-term headcount.

Breakdown by job category

Total workforce as of December 31 ^(a)	2021	%	2020	%	2019	%
Executives and managers	36,807	21	32,713	22	32,004	20
Technicians and supervisors	16,952	10	14,575	9	15,333	9
Administrative and sales staff	91,691	52	79,059	53	93,575	57
Production workers	30,197	17	24,132	16	22,398	14
Total	175,647	100	150,479	100	163,309	100

(a) Total permanent and fixed-term headcount.

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1.3.2 Average age and breakdown by age

The average age of the global workforce employed under permanent contracts is 37. The youngest age ranges are found among sales staff, mainly in Asia, the United States and "Other markets".

(as %)	Global workforce	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets
Age: Under 25	9.1	4.1	5.6	15.2	3.3	10.5	14.5
25-29	18.2	15.3	13.5	18.3	10.9	24.9	20.0
30-34	20.7	17.6	17.7	17.4	15.9	28.5	21.7
35-39	16.4	14.4	16.3	13.4	19.9	19.3	16.9
40-44	12.0	12.8	14.6	10.2	20.6	9.2	10.9
45-49	9.1	11.9	13.0	7.5	17.5	4.2	6.4
50-54	6.8	10.3	10.0	6.8	8.3	2.0	4.4
55-59	5.0	9.4	6.4	5.6	3.5	1.0	3.4
60 and up	2.8	4.2	2.8	5.6	0.1	0.5	1.9
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average age	37	40	40	37	39	33	35

1.3.3 Average length of service and breakdown by length of service

The average length of service within the Group is 10 years in France and ranges from 5 to 8 years in other geographic regions. This difference is mainly due to the predominance in these other regions of retail activities characterized by a higher rate of turnover.

(as %)	Global workforce	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets
Length of service: Less than 5 years	58.1	44.5	48.4	66.5	47.3	70.0	65.7
5-9 years	19.5	19.5	21.5	17.7	21.2	18.4	20.6
10-14 years	10.0	12.1	13.9	7.5	11.2	7.7	7.3
15-19 years	5.3	7.7	7.5	4.2	11.5	2.1	2.8
20-24 years	3.8	7.5	5.0	2.6	6.2	1.0	2.1
25-29 years	1.5	3.2	1.9	1.0	1.8	0.5	0.9
30 years and up	1.8	5.6	1.8	0.7	0.9	0.2	0.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average length of service	7	10	8	6	8	5	5

2. TAKING AN AMBITIOUS, INCLUSIVE APPROACH TO DEVELOPING TALENT

Attracting the best talent and growing with its employees are the cornerstones of LVMH's dynamic talent development policy. The Group is seen as a highly attractive employer among promising job candidates, and works to maintain this attractiveness through

its range of training and job opportunities. It strives to offer motivating development opportunities and help all employees advance in their careers based solely on their talent and skills.

2.1 Implementing an attractive employer policy

The Maisons owe their success to the firm belief that their people are what set them apart. Whether they be young graduates, managers or senior executives, talented people are the Group's most valuable assets. For this reason, recruitment is a central pillar of LVMH's human resources policy and contributes to its excellent results. It involves identifying future talent and building strong connections with candidates so as to offer them varied and unique career opportunities.

Recruitment trends in 2021 were largely similar to those in 2019, following the disruption seen in 2020. LVMH's teams anticipated and adapted to these changes, redoubling their efforts to maintain close ties with talented candidates. For this work, they drew on the strengths of the LVMH ecosystem by building on synergies between the Maisons.

With a strong employer brand playing an increasingly pivotal role in attracting talent, LVMH pays very close attention to changing expectations in the market so as to offer solutions tailored to individual career aspirations. The Group looks for candidates who share its values of excellence, creativity and entrepreneurial spirit, and who are motivated by modern, inspiring leadership that places a priority on engagement, dialogue and social responsibility. Firmly committed to diversity, LVMH forms teams as varied as its customers and also actively seeks out candidates from fields other than its own, particularly those able to bring in new expertise from the most innovative sectors.

Attracting talent

In 2021, LVMH continued the rollout of its new employer brand promise, "Craft the Future", aimed at showcasing the unique range of opportunities the LVMH group can offer its talent. This new promise is structured around four pillars: Inspire, Challenge, Connect and Support.

The Group has trained thousands of in-house ambassadors and launched a new social media campaign. Featuring employees sharing their unique stories, it offers very personal perspectives

on the ways in which they are helping to shape the future of the Group, the luxury industry, and even society itself. New episodes in the series will be unveiled in 2022.

For the 16th consecutive year, LVMH topped the Universum ranking of preferred employers among business school students in France. Outside France as well, LVMH remains an employer of choice and continues to rise in rankings of the world's most attractive employers.

Engagement and opportunities

In a constantly evolving world, professions are being reinvented and created at an unprecedented pace. Seeking out, developing and retaining talent is essential to LVMH's continued success, now and over the long term.

Individual support provided to employees, a range of human resources initiatives, and the transformation of managerial culture are all necessary elements contributing to the Group's growth and that of its staff.

Each year, to anticipate and prepare for future challenges and opportunities, human resources staff, working closely with the Group's senior executives and managers, conduct an annual organizational and talent review, a forward-looking analysis covering all the Group's Maisons. Taking a systematic, structured and cohesive approach, this review highlights the strategic goals, business models and talent structures of each Maison. Worldwide in focus, it offers a comprehensive overview of the Group's leaders and managers. It helps to identify talent pools for future senior executives and high-potential employees, firm up succession plans, and anticipate skill and resource requirements. The subsequent action plans support LVMH's development. The data analyzed also shed light on the dynamic management of talent across the Group. In 2021, nearly 80% of key positions within the Group were covered by a succession plan and 75% of the most strategic roles were filled internally.

Turnover by geographic region

(as %)	2021	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets	2020	2019
Total turnover ^(a)	23.3	11.3	17.8	39.5	10.4	25.8	29.3	24.5	23.1
Of which: Voluntary turnover ^(b)	17.2	5.0	11.4	33.6	8.9	20.3	20.3	11.7	17.2
Involuntary turnover ^(c)	5.5	5.1	5.7	5.4	1.3	5.4	8.7	12.2	5.4

(a) All reasons. Excluding internal mobility and non-Group transfers.

(b) Resignations.

(c) Dismissals/end of trial period.

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Breakdown of movements^(a) of employees working under permanent contracts by business group

(number)	Joiners			Leavers		
	2021	2020	2019	2021	2020	2019
Wines and Spirits	902	481	844	615	609	717
Fashion and Leather Goods	15,431	7,777	13,563	9,992	7,458	8,609
Perfumes and Cosmetics	6,045	3,486	7,468	6,605	5,165	6,340
Watches and Jewelry	5,246	924	1,799	4,102	1,036	1,253
Selective Retailing	15,908	9,190	16,719	14,989	17,503	16,508
Other activities	1,544	1,064	894	1,554	3,369	892
Total	45,076	22,922	41,287	37,857	35,140	34,319

(a) Under permanent contracts, including conversions of fixed-term contracts to permanent contracts and excluding internal mobility within the Group.

In 2021, a total of 37,857 employees working under permanent contracts left the Group (all reasons combined); of these, nearly 40% were employed within the Selective Retailing business group, which traditionally experiences a high turnover rate.

2.2 Recognizing talent through compensation

LVMH is keen to recognize, attract and motivate its talent by offering compensation that is generous relative to employee and market expectations. Salaries are benchmarked annually both in France and abroad to ensure that the Maisons are positioned appropriately, taking into account the specific characteristics of business lines and segments.

The Group takes care to ensure that performance is rewarded. Variable compensation is linked to the financial results of each employee's company and the achievement of individual targets.

In 2021, LVMH appointed a team to draw up a fair wage policy to be applied both internally and externally, whose principles will be announced in the first quarter of 2022.

Average compensation

The table below shows the average gross monthly compensation paid to Group employees in France under full-time permanent contracts who were employed throughout the entire year:

Employees concerned (as %)	2021	2020	2019
Less than 1,500 euros	2.0	1.4	1.9
1,501 to 2,250 euros	17.7	18.6	15.3
2,251 to 3,000 euros	20.5	21.6	22.6
Over 3,000 euros	59.8	58.4	60.2
Total	100.0	100.0	100.0

Personnel costs^(a)

Worldwide personnel costs break down as follows:

(EUR millions)	2021	2020	2019
Gross payroll - Fixed-term and permanent contracts	7,562.4	6,509.8	6,544.7
Employer social security contributions	1,725.2	1,629.8	1,619.3
Temporary staffing costs	298.7	315.7	324.0
Total personnel costs	9,586.4	8,455.3	8,488.0

(a) Indicators are taken from the HR reporting system, which covers 948 organizational entities. Unlike for financial reporting, workforce-related reporting excludes certain items when calculating total payroll: incentives and profit-sharing, bonus share awards and similar awards, and provisions related to bonuses.

Outsourcing and temporary staffing costs remained stable year over year, accounting for 6.3% of the total worldwide payroll (versus 6.3% in 2020), including employer social security contributions.

Profit-sharing, incentive and company savings plans

All companies in France with at least 50 employees have a profit-sharing, incentive or company savings plan. These plans accounted for a total expense of 266.2 million euros in 2021, paid in respect of 2020, a decrease compared to the previous year.

(EUR millions)	2021	2020	2019
Profit sharing	120.8	139.3	138.3
Incentive	106.1	139.4	148.8
Employer's contribution to company savings plans	39.3	32.2	32.9
Total	266.2	310.9	320.0

2.3 Nurturing future talent

LVMH is committed to bringing talent to light as well as developing its existing talent. The Group hires and trains the best candidates for its positions, those deemed likely to take up the quest for excellence. A number of initiatives are pursued to attract students and young graduates.

2.3.1 Institut des Métiers d'Excellence - Training in the luxury trades

Safeguarding the future for exceptional professions that are essential to the luxury value chain

Across its six business groups, LVMH brings together a wide range of unique skills and expertise. Vital to the success of its Maisons, these skills and expertise make LVMH a key player in protecting this heritage and passing it on. The Group boasts more than 280 *métiers d'excellence* (professions of excellence) in the fields of design, craftsmanship and the customer experience. Over 80,000 employees around the world are the custodians of this living heritage.

LVMH has forged a new set of goals structured around three strategic objectives: passing on knowledge and expertise, showcasing its employees' skills and promoting this singular heritage. To preserve and promote the Group's exceptional professions, in 2021 all of the Group's Maisons signed the WE for ME (Worldwide Engagements for Métiers d'Excellence) agreement. Commemorated in a powerful photograph portraying Bernard Arnault alongside the virtuosos and CEOs of around 40 Maisons, set against the backdrop of the Fondation Louis Vuitton, the agreement lays down ten commitments shared by all of the Group's Maisons.

Promoting and passing on skills and expertise

To spur interest in its professions and attract top talent, LVMH reaches out to young people from an early age. Under the "Excellent!" program, four practical workshops have been organized for 120 middle school students in France to help them discover these professions. In the same vein, LVMH has introduced the Village des Métiers d'Excellence, a vocational training fair to showcase these professions. In partnership with 21 schools and universities recognized in their disciplines and 39 Maisons, it has offered more than 400 work-linked training contracts.

In 2021, the Institut des Métiers d'Excellence (IME) program continued its exceptional growth momentum. The program welcomed its largest class since its creation: 339 new apprentices in six countries (France, Switzerland, Italy, Spain, Japan and Germany). Since 2014, through its 34 programs, the IME has trained more than 1,400 apprentices in 27 professions. In 2021, 99% of apprentices obtained their diplomas. Their job placement rate at LVMH's Maisons and their partners was 61%.

Showcasing talent

To introduce young people and those interested in retraining for career opportunities provided by these professions, LVMH aims to raise the profile of the related skills and expertise by showcasing the talents of its employees.

"SHOW ME" – the Institut des Métiers d'Excellence's new format for its traditional annual induction ceremony – celebrates its community of professions in design, craftsmanship and the customer experience.

Each year, the LVMH Virtuosos program now asks the Maisons to select one of their most eminent practitioners in an exceptional profession, who are offered a specific career guidance plan. In 2021, the first selection of 67 Virtuosos, guardians of exceptional skills and expertise, was honored at the "SHOW ME" event attended by Bernard Arnault and Chantal Gaemperle.

Supporting and promoting skills and expertise outside the Group

As part of its active engagement in society, the Group has set up partnerships to promote exceptional professions beyond the scope of its operations. An initial artistic collaboration was launched between five craftswomen affiliated with nonprofit La Fabrique Nomade and Jérémy Gobé, an artist committed to the protection of coral reefs. The resulting work was exhibited at the FIAC International Contemporary Art Fair in Paris in 2021.

The LVMH group has also joined forces with the magazine *Elle*, the Institut National des Métiers d'Art and the Chambre des Métiers de l'Artisanat to create the Prix des Artisanes. The talented women recognized with these prizes all work in exceptional professions in the fields of fashion, design, food and wine, and the preservation of French heritage. Specific career guidance plans are being offered to them.

2.3.2 INSIDE LVMH - supporting the next generation

With current economic conditions proving especially challenging for young people, LVMH has stepped up its dedicated programs, particularly in the areas of training and access to employment. In 2021, the Group announced a new target to be met by the end of 2022: hiring 25,000 young people under 30 worldwide, including 5,000 internship and apprenticeship contracts, and 2,500 permanent contracts in France.

In line with its commitment to pass on knowledge and expertise, the Group continues to provide practical guidance to young people as they build their career plans. The Group is moving forward with its “Craft the Future 2022” action plan, which involves many initiatives, in partnership with schools and universities in France and around the world.

The INSIDE LVMH platform (www.insidelvmh.com) helps students and young people around the world improve their knowledge of the luxury sector, while also offering the chance

to complete additional training and receive career development assistance. With 50 hours of exclusive content provided by experts in the luxury industry (employees, HR staff and senior executives of the Group and its Maisons, as well as teachers from around the world), LVMH is opening the doors to its six business groups. Launched following the success of the in-person INSIDE LVMH events first held in 2016, the digital platform, which went live in March 2021, had already welcomed more than 43,000 registered users by the end of the November.

Apart from on-demand access to its content, learners may also earn a certificate for having completed training in specific areas. By successfully completing 30 hours of exclusive content in the form of training modules and case studies, learners receive the INSIDE LVMH certificate. In 2021, more than 21,000 young people signed up for one of the two certifying sessions, and nearly 10,000 of them received their certificate. The highest ranking trainees were offered the opportunity to be mentored by a Group employee.

2.4 Building a culture of inclusion

Ensuring discrimination-free recruitment and development

LVMH is convinced that people, in their diversity, make all the difference and drive the Group's success. Recognizing that each person's unique contribution is a valuable asset, LVMH is keen to ensure that its workforce is drawn from all backgrounds, reflecting the diversity of its customer base. The recruitment and talent development policy ensures that the Group remains intently focused on diversity. LVMH makes sure each and every new recruit feels welcome and benefits from equal opportunities throughout their career. The Group implements practices to prohibit any discrimination on the basis of skin color, sex, religion, political convictions, national or social origin, age, disability, trade union membership, sexual orientation, gender identity, etc. These principles are set out in the Code of Conduct.

After having created the position of Vice President of Diversity and Inclusion for North America in 2020, LVMH named its Group Chief Diversity and Inclusion Officer in 2021. This new appointee coordinates the activities of all Diversity and Inclusion staff throughout the Group to ensure that its commitments in this area are being met at the Maisons and across all business lines.

Promoting diversity and inclusion training

LVMH has created its Inclusion Index to monitor and strengthen diversity and inclusion across the Group. It is sponsored by two members of the LVMH group's Executive Committee: Chantal Gaemperle, Group Executive Vice President, Human Resources and Synergies, and Jean-Jacques Guiony, Group Chief Financial Officer. This tool encourages initiatives and helps bring forth joint projects within the Maisons. The particularly hard-hitting initiatives of 2020 were celebrated on International Women's Day on March 8 and at the “Voices of Inclusion” online event held on June 28 marking Pride Month.

LVMH has designed training in unconscious bias in decision-making and its effects. Delivered to senior executives since 2019, its rollout continues throughout the Group and its Maisons.

In 2021, a training course on the risk of attitudes and behaviors motivated by racial bias was delivered to more than 1,500 employees of sales teams in North America. This seminar reminds employees of the Group's rules of conduct and its principle of zero tolerance for discrimination and harassment; it also includes interactive role-playing exercises to provide practical tools for fighting bias. It thus helps store managers create an inclusive and fair environment for both employees and customers.

In the United States, Sephora was the first retailer to join the Fifteen Percent Pledge, an initiative that asks businesses to dedicate 15% of their shelf space to Black-owned brands. This target was reached by the chain in 2021.

Embracing the full spectrum of talent

LVMH is constantly working to prevent any form of discrimination in its recruitment practices. This ambition is reaffirmed in the Code of Conduct and the Recruitment Code of Conduct.

Starting in 2011, the Group and the Maisons have periodically held mandatory anti-discrimination training for their recruiters. Digital training courses are now supplementing those offered in various regions and by Maisons. In 2020 and 2021, 70 international recruiters were trained using this format. Recruiters completed in-depth sessions on the employer brand and implicit bias as part of a wider rollout of inclusion and diversity policies in line with changes in society.

LVMH assesses its recruitment processes on a regular basis to ensure that they are free of discrimination. Since 2008, the Group has used an audit procedure to review its practices, which it expanded to cover a global scope starting in 2014. This audit procedure, entrusted to an independent firm, takes a variety of forms. It includes discrimination testing of the

Group's posted job offers, with testing campaigns run regularly and over long periods. It also gives rise to statistical surveys on discrimination risk in recruitment, with a campaign run in 2019/2020. It may also take the form of compliance testing for job offers. In 2021, a sample of job offers from a representative set of countries was audited to make sure that they did not include any discriminatory content. The findings were presented to Human Resources Directors at the level of the Group and the Maisons, CSR officers, as well as Diversity and Inclusion managers, and have been followed by appropriate action plans.

In 2021, the Group launched a comprehensive update for its Recruitment Code of Conduct. A new version is expected to be released in 2022.

Taking action to promote employment for people with disabilities

Given its longstanding commitment to the employment and integration of people with disabilities, LVMH maintains an ambitious program to promote their inclusion, whether through recruitment or accessibility. The Group is a member of the Global Business and Disability Network of the International Labour Organization (ILO) and has signed its Charter. At the event celebrating the Group's involvement in good causes in December 2021, Chantal Gaemperle, Group Executive Vice President, Human Resources and Synergies, announced LVMH's target of having people with disabilities make up 2% of the workforce worldwide by 2025.

Since 2007, Mission Handicap has coordinated the Group's international approach in this area, and has helped it to formulate its ambitions. In this work it is supported by a network of 82 CSR and disability officers at the various Maisons, who meet regularly.

In all of LVMH's operating regions around the world, the Group and its Maisons organize many initiatives. In the United States, Sephora has pursued a program in place since 2017 whose goal is to have people with disabilities make up 30% of the company's workforce across its five distribution centers. To date, 246 employees with disabilities have been hired, bringing the number of people with disabilities to 9% of its distribution center workforce. In South Korea, LVMH's Maisons have innovated with a recruitment program aimed at advancing both inclusion and employee well-being. In its first year, LVMH Perfumes & Cosmetics Korea hired 15 employees with disabilities whose responsibilities include assessing the well-being of all office and store staff on a day-to-day basis.

In France, a work-linked training program was launched to promote the employability of people with disabilities. Since 2014, 54 people with disabilities have thus been offered a work-linked training contract at the Group's Maisons. During recruitment campaigns, work-based role play exercises are used to select candidates, thus providing for an objective evaluation of each individual's aptitudes, skills and potential, whatever their background. In addition, the Maisons promote the employment

of people with disabilities through their own initiatives (internships, recruitment and training programs, workstation adjustments, etc.). Certain Maisons, such as Hennessy and Christian Dior Couture, have signed company-wide agreements for the employment of people with disabilities.

LVMH also supports employees who report that they have a disability. The Maisons offer solutions adapted to each case to help people keep their jobs, where necessary by making adjustments to their workspaces or helping them transition to a different role. To help certain employees with disabilities remain in their jobs, Moët & Chandon created MHEA, a disability-friendly company, in 2011. Eligible employees can therefore continue working under conditions specifically designed to meet their needs. Since it was founded, MHEA has hired more than 80 people. Guerlain has rolled out an innovative approach to workplace accessibility in partnership with two nonprofit organizations active in this area, Vivre et Travailler Autrement and PEP 28. Following workstation assessments and the resulting adjustments, along with training sessions for prospective hires and their managers, employees with severe autism began working at the Chartres production site. One of them was hired under a permanent contract in 2021 and another new hire is due to join the site's permanent staff in early 2022. A total of eight new hires are planned.

In 2021, people with disabilities made up 1.2% of the LVMH group's workforce worldwide. As of end-December 2021, the Group had 2,104 employees with disabilities.

Ensuring gender equality

Gender equality is an integral part of LVMH's culture. As a signatory since 2013 of the Women's Empowerment Principles (WEPs) defined by the UN Global Compact and UN Women, the Group and its Maisons are formally committed to gender equality, with the following main aims: gender equality at the most senior levels, fair treatment, women's career development, the promotion of equality, and transparency on results.

In 2021, 44% of key positions at LVMH were held by women, compared with 23% in 2007. The Group aims to achieve gender equality in these positions by 2025. Seventeen of the Group's Maisons were led by women in 2021, two more than in 2020. Through its EllesVMH initiative, the Group is working closely with its Maisons to achieve this target and implementing coaching and mentoring programs. In 2021, the LVMH group introduced SHERO Academy, the Group's first online coaching program open to all female employees. It offers two modules to get to know oneself better and cultivate an entrepreneurial spirit, along with over 40 hours of coaching provided by outside and in-house experts. The EllesVMH Coaching program has been offered to around 30 women a year for over 10 years. Redesigned in 2021, it gave 45 women leaders the opportunity to take part in six months of training, which included both individual coaching and mentoring by a Group senior executive. Specific programs have also been rolled out locally, such as Futur'Elles in the Asia-Pacific region and Allyship in North America.

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In addition, LVMH scored 92.1 points out of 100 on the French government's Gender Equality Index.

The Group also aims to achieve pay equity. The Maisons are putting in place initiatives and tools to reduce any pay gaps between men and women within a given job category.

Lastly, LVMH is demonstrating and promoting its commitment. The Group celebrates International Women's Day every year. Held as online events for the most part in 2021 due to the

Covid-19 pandemic, the celebrations were still plentiful and well attended. Talks and discussion panels were organized around the world. One such event bringing together the heads of Celine and Givenchy drew more than 700 attendees.

The Inclusion Index, designed to strengthen diversity and inclusion across the Group, is another important initiative in support of gender equality.

Proportion of women among joiners and in the Group's workforce^(a)

(% women)	Joiners			Group workforce		
	2021	2020	2019	2021	2020	2019
Breakdown by business group						
Wines and Spirits	49	49	45	39	38	38
Fashion and Leather Goods	66	66	65	67	67	67
Perfumes and Cosmetics	85	84	85	82	82	83
Watches and Jewelry	67	58	60	65	59	59
Selective Retailing	84	82	83	83	83	83
Other activities	45	37	42	39	38	37
Breakdown by job category						
Executives and managers	67	64	65	65	64	65
Technicians and supervisors	68	67	68	67	66	68
Administrative and sales staff	78	79	79	78	79	80
Production workers	62	56	61	60	57	59
Breakdown by geographic region						
France	65	64	66	64	64	64
Europe (excl. France)	72	72	74	70	71	72
United States	77	80	79	74	75	78
Japan	65	71	73	72	73	73
Asia (excl. Japan)	74	73	75	76	76	77
Other markets	72	70	79	66	67	73
LVMH group	74	73	75	71	71	73

(a) Under permanent contracts, including internal mobility and conversions of fixed-term contracts to permanent contracts.

Fighting discrimination against lesbian, gay, bisexual, transgender and intersex (LGBT+) people

LVMH works to promote and ensure a work environment where people are treated with dignity and respect, where everyone can contribute and develop their skills and talents to their full potential, regardless of their sexual orientation or gender identity. Since 2019, the Group has been a signatory of the United Nations' Standards of Conduct to support the business community in tackling discrimination against LGBT+ people. LVMH Pride – the affinity group for LGBT+ employees and their allies created in the United States in 2019 – expanded into the Asia-Pacific region in 2020 and the United Kingdom in 2021. This worldwide community celebrates LGBT+ diversity, inclusion and authenticity across the Group and its Maisons. In 2021, Marc Chaya – co-founder, President and CEO of Maison Francis Kurkdjian – was selected as a winner in the "LGBT+ Executive" category at the third edition of the LGBT+ Role Models and Allies awards organized by L'Autre Cercle, the leading French nonprofit promoting inclusive workplaces for LGBT+ professionals.

In 2021, several of the Group's Maisons lent support to the nonprofit MAG Jeunes LGBT+. For example, in honor of Pride Month, Givenchy collaborated with Amar Singh, the founder and owner of London's Amar Gallery, and the artists of the Rewind Collective to create an NFT, or non-fungible token. Proceeds from the sale of 1,952 copies of this blockchain-based digital work of art amounted to more than 108,000 euros and were donated to the nonprofit. In addition, Sephora was a partner of the Global Conference on the Rights and Inclusion of LGBTI+ Youth, which was co-organized by the nonprofit. This event helped to launch an international movement to promote inclusion for those who are among the most marginalized members of society. Christian Dior Couture later became a sponsor of the Conference and presented a short video of its key moments during Pride Month.

The Inclusion Index celebrates and recognizes best practices in addressing discrimination experienced by LGBT+ employees. In the United States, Sephora has launched several initiatives: an LGBT+ career discussion panel about preparing virtual interviews, a series of talks during Pride Month, and events to celebrate LGBT History Month. LVMH Japan and ten of the

Group's Maisons took part in the JobRainbow job fair in Japan. This job fair organized for LGBT+ students and young professionals aims to help them find an inclusive workplace where they can truly be themselves. In France, Celine invited its employees to attend an exclusive and authentic presentation by the Chair of Fédération LGBTI+, a French nonprofit grouping together LGBT+ organizations and centers throughout the country. In the Asia-Pacific region, the new chapter of All LVMH Pride was recognized for its work to promote inclusion. Lastly, at the Voices of Inclusion event, a number of LVMH employees shared their personal stories about belonging to the LGBT+ community.

Supporting older employees

The most experienced employees play an especially important role in passing on knowledge and expertise, but also the Group's values. Issues relating to older employees are addressed using specific approaches for each geographic region. In 2021, employees aged 50 and up represented 23% of the workforce in France and 15% of the workforce outside France. In France, specific company-wide agreements cover issues relating to older employees: reduction in working hours, quality of life, remote working, and the forward-looking management of jobs and skills.

LVMH aims to keep its older employees in work by continuing to offer them a motivating and fulfilling work environment. The Group implements an employee-centered approach to career development that takes into account, as necessary, the lengthening of working lives and adjustments to workstations or

working hours, while offering specific health checks, particularly in the context of the pandemic. By way of example, Ruinart has set up a secondment program for vineyard workers during the grapevine pruning season to avoid physical strain for older employees. Some of the Maisons, such as TAG Heuer, Zenith, DFS, Givenchy and Bodega Numanthia, have both employees and their managers take part in unconscious bias training to tackle discrimination experienced by older staff. Lastly, many of the Maisons, such as Berluti and Tanneries Roux, enlist older employees to serve as mentors or tutors for younger workers.

Some of the Maisons offer end-of-career interviews and dedicated training to older employees.

LVMH also provides assistance in preparation for retirement. In 2021, the Group's holding company launched SWITCH, a program for employees reaching the end of their careers, with the dual aim of providing information about their retirement plans and remaining at their side during this transition. Celine includes a focus on assistance provided for retirement at all its workshops for human resources personnel. Other Maisons like Loewe, Bvlgari, Domaine Chandon Argentina and LVMH Fragrance Brands offer both partial retirement arrangements, with the employer assuming a portion of the resulting salary loss, and extensions of employment contracts beyond the legal retirement age. In 2021, Royal Van Lent continued with its Generatiepact pilot project to grant additional leave and promote part-time employment.

3. A FULFILLING WORK ENVIRONMENT

LVMH recognizes its employees' enthusiasm for learning and undertakes to help them develop their full potential. To this end, the Group creates the tools and conditions necessary to strengthen their skills and encourage them to take charge of

their own development. The Group also aims to set the standard in terms of health and safety, in supporting the well-being and fulfillment of its employees, and in maintaining constructive labor relations.

3.1 Encouraging learning to improve agility and employability

Employee skills are what give shape to collective performance for LVMH and allow it to meet the challenges of a constantly changing world. The inseparable objectives of individual employability and collective agility guide the Group as it diversifies the formats offered for learning experiences, giving employees the keys to pursue learning on their own, explore mobility options and develop their careers.

3.1.1 Expanding learning approaches to build a culture of learners

Drawing on the experience gained during the health crisis in 2020, LVMH has introduced new learning approaches to offer its employees numerous career development opportunities.

LVMH and its Maisons have developed new learning experiences using digital formats. The Group has launched Living LVMH, an immersive introduction to the LVMH ecosystem intended for all new hires, at all its operations worldwide. Offered in

seven languages, this digital tool makes use of micro-learning and gamification to build both understanding of the Group and pride in belonging to it. As is the case at Bvlgari, several Maisons have structured and digitized all or part of their onboarding content so as to reach the largest possible number of new employees. Like Louis Vuitton, LVMH Fragrance Brands, Fred, Le Bon Marché and TAG Heuer, many Maisons have set up digital learning applications to facilitate access to educational content and embed a focus on learning into day-to-day activities. The wide range of content offered, often developed by the Maisons themselves, covers topics from management and leadership, business-specific expertise and product knowledge to sales techniques and the customer experience.

Shorter learning formats, lasting only a few hours, make the modules easy to fit into employees' work schedules. This is why LVMH House France launched several short remote training modules in 2021. Led by an expert trainer, they relate to key skills such as emotional intelligence, collective intelligence and decision-making in an uncertain environment. They raise

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employee awareness about essential professional attitudes and encourage practical application thanks to a set of tools that may be activated immediately.

Initiatives aimed at spurring curiosity and the desire to learn were also rolled out in 2021 at some of the Group's Maisons. Kendo thus introduced *Kuriosity Day*, a quarterly event bringing together employees to build their knowledge relating to a specific topic. At this event, educational content is presented using varied learning approaches made available to everyone. The participants also gain experience in the use of key practices like feedback.

By establishing and supporting many learning communities, the Group promotes social learning. As forums for sharing best practices, experiences and expertise, these communities bring together employees from various Maisons. Community members learn from their peers and are better able to identify areas in which they need to improve. Within this special setting, they are encouraged to collaborate, working together to solve shared challenges. Some of these communities also offer their members skills acquisition programs that may subsequently be rolled out by the Maisons themselves. This has been the case for the *Brand Education Community*, an international community bringing together directors and managers outside France in charge of learning programs for store teams.

The agility required by cross-business projects also favors learning, the sharing of knowledge and the development of new skills. The *Open Innovation Department*, and in particular *DARE*, its development program based on open innovation, offers all Group employees the opportunity to be a part of intrapreneurial projects. Within the Maisons, employees bring forward their ideas or join an existing project to which they bring all their skills. With more than 2,000 ideas generated and shared organically via its dedicated platform, *DARE* leverages collective intelligence and accelerates skills development for everyone.

Lastly, LVMH House teams around the world have continued to offer training programs to Group employees that help them build deeper knowledge and skills. Led by experts, they are grouped into three thematic areas:

- understanding and promoting the LVMH group's culture;
- management and leadership through a range of programs aimed at young managers, experienced and high-potential managers, and senior executives;
- excellence in strategic areas such as retail, supply chain, operations and the appeal of the Group's brands.

3.1.2 Responding to employee job satisfaction surveys

LVMH has taken action based on the results of its *Global Pulse Survey* conducted in 2020. More than 78,000 employees

responded to this survey and over 90% of them expressed their pride in working for their Maison and in belonging to the LVMH group.

Remaining true to the core values of LVMH and in line with their differing contexts, the Maisons have designed action plans that are now an integral part of their road maps for human resources management. The main topics covered are flexible work arrangements, communication with staff, talent development and learning experiences, and diversity and inclusion.

3.1.3 Employees taking charge of mobility and career development

LVMH aims to develop agility and employability across its workforce by empowering employees to build their knowledge and skills every day and to continue learning in the workplace, to help them take ownership of their careers and their development.

Due to its diversity, the LVMH ecosystem offers multiple career combinations and many ways to link geographies, professions and business areas: Wines and Spirits, Perfumes and Cosmetics, Fashion and Leather Goods, Watches and Jewelry, and Selective Retailing. LVMH encourages its employees to shape their own career paths within this ecosystem. This commitment is reflected in a well-established mobility policy and related processes in place across the Group, including career committees and career interviews. In 2021, more than 20,000 employees were able to take advantage of an internal transfer opportunity. This total included 448 employees accepting a position abroad, in spite of restrictions due to the Covid-19 pandemic.

LVMH intends to further expand internal mobility in the coming years, particularly between Maisons. In the short term, the redesign of the Group's *Voices Intranet* will improve visibility and access to internal transfer opportunities. In the medium term, the Group plans to incorporate more flexibility into its mobility culture and practices, so that it can continue to effectively meet the requirements of its businesses and the aspirations of its employees.

To help everyone reach their full potential, the Group also has a robust performance management system in place. The performance and career review (PCR) carried out via an application covers 50,000 employees across the Group. It takes the form of an annual interview between the employee and his or her line manager, supplemented in some cases by a mid-year meeting. The aim of this exchange is to take stock of the past year, identify motivating goals and areas for improvement and learning, and help shape the employee's professional development and career path.

In order to adapt the Group's organizational culture and managerial practices to changing requirements, LVMH and all of the Maisons have introduced a new approach to performance management, developed jointly with Louis Vuitton. This approach promotes three essential leadership values: empowerment, cooperation and agility. It includes giving employees the opportunity to propose their own self-directed learning or peer-to-peer learning plans to meet their improvement goals, by way of training projects or initiatives. It encourages more feedback, more collaboration, more agility and aims to make employees more responsible for their own growth and development throughout their career within the Group. In 2022, 60,000 employees will experience this new approach.

Training investment

In 2021, training expenses incurred by Group companies throughout the world represented a total of 129.2 million euros, or 1.7% of total payroll. On top of this investment and in addition to everyday workplace training, LVMH has continued to develop new forms of learning. With approaches like digital learning, webinars, peer-to-peer learning and learning community workshops all being pursued within the Group, these new, faster and more collaborative forms of learning are so diverse that it is not possible to list them all here. However, LVMH is convinced of their impact and relevance.

	2021	2020	2019
Training investment (EUR millions)	129.2	90.7	138.0
Proportion of total payroll (as %)	1.7	1.4	2.1
Number of days of training per employee	1.8	1.2	1.9
Average cost of training per employee (EUR)	796.0	631.0	930.0
Employees trained during the year (as %)	46.7	40.8	57.5

Note: Indicators are calculated on the basis of the total number of employees under permanent contracts present at the workplace as of December 31 of that fiscal year.

The average training investment per full-time equivalent employee was approximately 796 euros. In 2021, the total number of training days was 293,724, equivalent to around 1,277 people receiving full-time training for the entire year. In 2021, 46.7% of employees received training and the average number of days

of training was 1.8 days per employee. LVMH has opted here to count only training events lasting over three hours. As an illustration, if online remote training lasting under three hours is included, LVMH estimates that 81.6% of its workforce received training.

The training investment is spread across all job categories and geographic regions as presented in the table below:

	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets
Training investment (EUR millions)	42.9	17.3	28.7	3.6	31.6	5.1
Proportion of total payroll (as %)	2.4	1.1	1.5	1.0	2.1	1.1
Employees trained during the year (as %)	47.5	43.5	28.2	47.4	63.0	43.4
Of which: Executives and managers	52.2	56.1	33.8	47.8	56.8	53.4
Technicians and supervisors	61.3	48.5	17.0	61.5	50.3	61.7
Administrative and sales staff	36.3	40.1	29.3	44.5	65.4	40.1
Production workers	41.7	38.3	18.0	28.0	69.3	33.8

Note: Indicators are calculated on the basis of the total number of employees under permanent contracts present at the workplace as of December 31 of that fiscal year.

3.2 Promoting workplace health and safety and fostering constructive labor relations

LVMH is committed to offering all its employees a high-quality work environment. Its priority is to ensure everyone's health and safety along with a high quality of life at work while helping employees maintain a good work-life balance. LVMH also aims to foster constructive labor relations.

3.2.1 Ensuring health and safety for all staff

Given the recent experience with Covid-19, LVMH decided to expand its actions to protect all of its employees. A dedicated working group was formed, comprised of health and safety experts as well as human resources managers, which drew up an assessment and proposed an action plan with commitments affirmed via a new Health and Safety Charter.

On the occasion of the World Day for Safety and Health at Work 2021, the Executive Committees signed the Group's new Health and Safety Charter. It serves as the basis for a comprehensive approach across all the LVMH group's operations with the aim of developing a "zero accident" culture.

The Presidents of all Maisons were also invited to sign the charter. Each Maison having signed the charter has appointed a health and safety representative who reports to the Group. These representatives together form the Group's Health and Safety Community whose members meet regularly and are responsible for the development of practical tools to implement charter commitments. An initial coordination meeting was held on December 17.

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The Maisons undertake to protect employee health and safety through five pillars of action:

- identify their priorities in order to structure their approach;
- draw up an action plan to be reviewed regularly;
- report on progress made using the approach, in particular by submitting frequency rate results to each Maison's Management Committee;

- engage every employee in the approach, notably by raising awareness about first aid measures;
- maintain a virtuous culture by ensuring strong collaboration between the Group and the Maisons.

Each commitment is associated with a performance indicator and target to be met by 2025. The LVMH group's Executive Committee will monitor progress on a regular basis, as part of a focus on continuous improvement.

Performance indicators and targets associated with the five commitments of the new LVMH Health and Safety Charter

		Result in 2021 ^(a)	Target for 2025
Commitment 1	Each Maison structures its own approach to employee health and safety.	71.7%	
Commitment 2	Each Maison reviews its health and safety approach on a regular basis.	93.9%	
Commitment 3	Each Maison's Management Committee reviews the past year's results for health and safety performance indicators, in particular the change in the accident frequency rate.	83.7%	100%
Commitment 4	All employees are engaged in prevention and trained in first aid measures.	20.9%	
Commitment 5	The Group dedicates a day each year to the promotion of health, safety and quality of life at work.	100%	

(a) Employee coverage rate (number of employees covered by the commitment/total number of LVMH employees).

Given the wide range of situations encountered within the various business groups, the Maisons implement their own approaches to ensure workplace health and safety and prevent accidents. They therefore put in place specific actions as part of the Group's overall investment, certification and training program. Health, safety and ergonomics assessments are regularly conducted at workshops, vineyards, stores and headquarters, following which action plans are drawn up to address any needs identified.

Workshops and production facilities took action to improve ergonomics and reduce physical strain for those positions most exposed to physical or mental stress. The Group is also particularly attentive to working conditions for staff members over 50 and those with disabilities, aiming to enable them to continue working under optimal conditions.

In 2021, LVMH invested over 59.2 million euros in health and safety. These investments were allocated to occupational health, protective equipment, and continuous improvement programs covering compliance for new equipment, signage, replacement

of protective equipment, fire prevention training and noise reduction. More generally, the total amount spent on and invested in improving working conditions came to more than 112.3 million euros, or 1.5% of the Group's gross payroll worldwide.

LVMH also maintained its initiatives for awareness-raising and training in workplace safety and risk prevention. In 2021, 77,432 employees received training in these areas.

For the full resumption of business operations in 2021, remote working was the option preferred by LVMH, where compatible with the employee's role. This was facilitated by the existence of agreements and charters already in place within the Maisons. The conditions put in place to favor remote working included office equipment, technical infrastructure, encouragement provided by close management, including advice on protective measures and postures and time management. Lastly, to ensure that employees could continue working under the best possible conditions, LVMH provided all staff with hand sanitizer, face masks and protective equipment such as Plexiglas shields.

	Number of accidents	Frequency rate ^{(a) (b)}	Severity rate ^{(b) (c)}
Breakdown by business group			
Wines and Spirits	94	7.07	0.21
Fashion and Leather Goods	406	3.99	0.11
Perfumes and Cosmetics	153	3.09	0.08
Watches and Jewelry	94	2.12	0.06
Selective Retailing	391	4.83	0.19
Other activities	160	9.33	0.36
Breakdown by geographic region			
France	622	12.66	0.42
Europe (excl. France)	261	4.10	0.07
United States	185	3.40	0.21
Japan	11	0.84	0.00
Asia (excl. Japan)	120	1.30	0.04
Other markets	99	2.88	0.05
LVMH group 2021	1,298	4.23	0.14
2020	1,158	4.52	0.15
2019	1,532	5.60	0.16

(a) The frequency rate is equal to the number of accidents resulting in leave of absence, multiplied by 1,000,000 and divided by the total number of hours worked.

(b) The calculation of hours worked is based on actual data for France; for other countries, it is based on the number of full-time equivalent (FTE) employees present within the Group as of December 31 of the fiscal year and a ratio of hours worked per FTE employee per country taken from OECD knowledge bases. Theoretical 2020 data from the OECD does not include hours not worked as a result of the public health crisis, with the result that frequency and severity rates are understated.

(c) The severity rate is equal to the number of workdays lost, multiplied by 1,000 and divided by the total number of hours worked.

In calculating its overall absence rate, LVMH has opted to include all absences related to the Covid-19 crisis, including sick leave and paid or unpaid leave. The public health crisis had an impact, bringing the overall absence rate to 7.1% in 2021.

The Group has estimated the effect of the public health crisis on its overall absence rate: 1.8 percentage points were attributable

to the extraordinary circumstances linked to the health crisis and its impacts, including lockdowns, family obligations, illness and quarantine. Excluding factors linked to the Covid-19 crisis, the estimated overall absence rate was therefore 5.3% in 2021, reflecting employees' strong commitment, motivation and trust in the Group and its Maisons. In 2020, the absence rate was 15.3% including the Covid-19 effect and 5.1% excluding that effect.

Absence rate^(a) by region and by reason

(as %)	Global workforce	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets
Illness	2.8%	4.5%	4.5%	1.7%	0.6%	1.3%	2.9%
Work/commuting accidents	0.1%	0.3%	0.1%	0.1%	0.0%	0.1%	0.1%
Parental leave	1.6%	1.4%	2.9%	0.8%	2.0%	1.3%	0.9%
Paid leave (personal leave and other paid leave)	1.5%	2.2%	2.2%	1.0%	0.5%	1.3%	0.9%
Unpaid leave	1.1%	0.8%	2.1%	0.8%	1.9%	0.8%	0.5%
Overall absence rate	7.1%	9.1%	11.7%	4.3%	5.0%	4.7%	5.3%
Estimated overall absence rate excl. Covid effect	5.3%	6.9%	8.6%	3.5%	3.8%	3.2%	3.8%

(a) Number of days' absence divided by theoretical number of days worked.

3.2.2 Fostering constructive labor relations

At the European level, the SE Works Council is an employee representative body consisting of 28 members from the 22 European countries in which the Group's Maisons operate. The rules governing this body are laid down in an agreement that was unanimously approved by employee representatives from those 22 countries and by Group management on July 7, 2014. The SE Works Council handles transnational issues at the European level. It held one plenary meeting in 2021, on November 24.

The Group Works Council covers France. This body, which currently has 29 members, holds one plenary meeting each year. Through this representative body, delegates meet with the heads of all of the Group's business areas. They exchange information on strategic direction, business and financial issues, employment trends within the Group and prospects for the current year. The Group Works Council met on October 6, 2021.

In keeping with the Group's decentralized approach, representatives at each Maison deal with workforce-related issues specific to their entity.

In France, the Maisons have employee representative bodies known as CSEs (Comités Sociaux et Economiques). Each CSE's remit depends on the size of the Company's workforce. In companies with fewer than 50 employees, they present the employer with employees' individual or collective claims in relation to pay, compliance with the French Labor Code, and so on. In entities with 50 or more employees, CSEs ensure that employees' collective interests are taken into account in decisions relating to the Company's management, business development and financial performance, as well as professional training and production techniques.

In 2021, Group companies allocated a budget totaling over 31.6 million euros (1.8% of total payroll) to social and cultural activities in France via contributions to CSEs.

In the unusual circumstances of the Covid-19 crisis, meetings of employee representative bodies at Group and Maison level were held remotely and in person, enabling labor relations to continue without interruption.

In 2021, employee representatives attended 1,078 meetings in France:

Type of meeting	Number
CSE: 50 or more employees	827
CSE: Fewer than 50 employees	251
Total	1,078

As a result of these meetings, 153 company-wide agreements were signed in France.

Worldwide, 40.6% of the Group's workforce is covered by an employee representative body or trade union.

3.2.3 Work-life balance and workplace well-being

The Group's Maisons remain focused on ensuring a high quality of life at work. Adjustments to working conditions and flexible working hour arrangements contribute to employee engagement by meeting their growing expectations in the area of physical and emotional well-being and the management of their personal and family responsibilities.

Work-life balance remains an essential aspect of quality of life at work. Most of the Maisons took part in Quality of Life at Work Week in France, taking as its theme "Working together". An individualized approach to working hours will always be a key component of the policies put in place at the Maisons. It serves to address issues relating to parenting (pregnancy, young children, returning from parental leave), end-of-career adjustments or disabilities as well as situations faced by family caregivers. Workplace concierge services and childcare are becoming more and more widespread within the Group. In France for example, LVMH and its Maisons reserve 203 daycare slots for use by its employees. Lastly, some of the Maisons, including Louis Vuitton, Parfums Christian Dior and the Les Echos-Le Parisien media group, or those in the Selective Retailing business group, support employees who wish to work on Sundays and in the evenings.

During the Covid-19 pandemic in particular, but even outside the lockdown periods, LVMH encouraged remote working. Its implementation was facilitated by collective bargaining agreements and charters relating to remote working and the right to disconnect from work. The Group gave talks on the new modes of working and time management to raise employee awareness about connecting to and disconnecting from work. During school closures, LVMH supported its employees with children by releasing a special talk entitled "Working as a team and managing lockdowns as a family" and by offering individual coaching sessions. Some Maisons like Acqua di Parma made it easier for employees to work part time. Fendi expanded its Smart Working program around the world in line with the rise in flexible work arrangements and more innovative modes of working. Loewe launched a project to update its policy relating to flexible work arrangements, which is due to be implemented in 2022. In a broader sense, most of the Maisons have set up working groups to better assess the impact of remote working with regard to employee aspirations and organizational priorities. Following the lockdown periods, some of the Maisons, like Loro Piana, launched initiatives to support the combination of in-person and remote working and improve collaborative working methods.

The Group's Maisons are also focusing renewed efforts on another issue relating to quality of life at work, the prevention of psychosocial risks. They are supporting their employees on a day-to-day basis by using various tools: emergency assistance units, training platforms, and alert and sentinel systems. Most of the Maisons have appointed a harassment officer to inform, guide and support employees in the fight against sexual harassment and sexist attitudes, while others have developed specific listening tools in conjunction with the Group's whistleblowing system.

By way of example, in Japan and Italy, Givenchy sends all of its employees an annual assessment of their level of stress. Berluti has opted to analyze workplace stress by means of an in-house survey. In Japan, among other measures, it has put in place a training course for store managers on harassment and labor law, a health and safety committee for store managers to focus on mental health, and an annual stress assessment. Similarly, Tiffany & Co. led an international campaign to raise awareness about mental health issues over the course of 2021, culminating in the launch of its Stress-Less Holiday offering devoted to mental, personal and social well-being.

In Spain, as part of its “Your Well-Being Matters” project focused on emotional well-being, Parfums Christian Dior carried out a psychosocial study based on the FPSICO questionnaire developed by INSST, the Spanish national institute for health and safety at work. The results of this questionnaire will be available in January 2022.

In 2021, Bvlgari expanded the reach of its training courses on sources, causes and triggers of violence to a wider and highly varied selection of employees. For 2022, the Maison is designing a complementary learning module on the prevention of harassment and the contribution of CSR.

Worldwide, 15% of employees have variable or adjusted working hours, and 47% have shift work or alternating working hours.

Global workforce affected by various forms of working time adjustments: Breakdown by geographic region

Employees concerned ^(a) (as %)	Global workforce	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets
Variable or adjusted working hours	15%	27%	23%	1%	20%	10%	6%
Part-time	15%	11%	17%	32%	4%	5%	16%
Shift work or alternating hours	47%	8%	33%	63%	77%	69%	64%

(a) Percentages for France are calculated on the basis of the total headcount (employees under both permanent and fixed-term contracts). For the other regions, they are calculated in relation to the number of employees under permanent contracts, except for part-time workers, in which case the percentages are calculated with respect to the total headcount.

Workforce in France affected by various forms of working time adjustments: Breakdown by job category

Employees concerned ^(a) (as %)	Workforce in France	Executives and managers	Technicians and supervisors	Administrative and sales staff	Production workers
Variable or adjusted working hours	27%	17%	57%	49%	3%
Part-time	11%	2%	7%	17%	21%
Shift work or alternating hours	8%	0%	11%	3%	24%
Employees given time off in lieu	15%	1%	22%	38%	8%

(a) Percentages are calculated on the basis of the total headcount (employees under both permanent and fixed-term contracts).

The total cost of overtime was 117.3 million euros, averaging 1.6% of the worldwide payroll.

Overtime by region

(as % of total payroll)	Global workforce	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets
Overtime	1.6%	1.2%	1.3%	1.7%	3.0%	1.8%	1.1%

In spite of a sometimes challenging public health and economic situation, the Group's priority is to protect its employees' health by working closely with occupational health, social services and innovative initiatives such as medical concierge services.

3.2.4 The LVMH Heart Fund

In consideration of the difficult or unexpected circumstances that may be faced by Group employees, LVMH set up the LVMH Heart Fund. Launched on June 8, 2021, it illustrates LVMH's commitment to reaching out and offering support to all its employees and communities.

This Group program includes two types of free, anonymous and confidential services: social and psychological support on the model of an employee assistance program (EAP), open to all employees and not subject to any eligibility criteria, to help them deal with all sorts of day-to-day issues; and/or rapid, exceptional financial support, subject to eligibility criteria, to aid employees faced with an exceptional, unforeseeable, urgent and serious personal situation.

Any employee worldwide can reach out to the LVMH Heart Fund by calling the hotline for their country, available in the local language. This free, anonymous and confidential hotline is available to all, 24/7. Both services may also be accessed by visiting the website managed by the Group's external partner WPO or by downloading the free mobile app iConnectYou.

Information about the LVMH Heart Fund was distributed in the form of several newsletters to all Group employees and is frequently communicated by human resources teams in the Maisons.

In 2021, the LVMH Heart Fund received more than 1,300 requests for psychological, social or financial support across five continents.

It has an initial endowment of 30 million euros.