

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 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.

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:

- developing diversity by respecting every individual's dignity and promoting uniqueness;
- 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.

The Group's business again performed at a high level in 2022 despite the lingering impact of the pandemic in certain geographical regions and on tourism traffic. LVMH maintained its ambitious policy of attracting talented people and supporting them on every continent. This policy is underpinned by commitments made by the Group and its Maisons to step up efforts with a focus on diversity and inclusion, talent recognition and rewards, the development of expertise and knowledge-sharing, health, safety, work-life balance and well-being at work initiatives.

The Group continued to unite its employees around its values. Creativity, a passion for innovation, a quest for excellence and entrepreneurial spirit form the bedrock of collective performance.

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.

Since 2007, selected employee-related disclosures for the Group have been verified each year by an independent third party. For fiscal year 2022, workforce-related data was verified by Deloitte, in accordance with Article R. 225-105-2 of the French Commercial Code⁽¹⁾.

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.

In addition, the Corporate Social Responsibility Department reports on qualitative aspects of workforce management and development in order to monitor the implementation of the Group's CSR targets, 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, 2022, 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 958 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 (28,320 as of December 31, 2022). 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, 2022 stood at 196,006 employees, an increase of 12% compared with 2021. Of this total, 177,297 employees were working under permanent contracts and 18,709 under fixed-term contracts. Part-time employees

represented 16% of the total workforce, or 30,818 individuals. Staff outside France represented 81% of the global workforce.

The Group's average total full-time equivalent (FTE) workforce in 2022 comprised 173,492 employees, up 10% compared with 2021.

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)	2022	%	2021	%	2020	%
Wines and Spirits	8,398	4	7,898	4	7,530	5
Fashion and Leather Goods	67,034	34	57,689	33	53,002	35
Perfumes and Cosmetics	29,549	15	27,774	16	28,017	19
Watches and Jewelry	26,369	14	24,348	14	9,078	6
Selective Retailing	55,471	28	48,807	28	43,741	29
Other activities	9,185	5	9,131	5	9,111	6
Total	196,006	100	175,647	100	150,479	100

(a) Total permanent and fixed-term headcount.

Breakdown by geographic region

Total workforce as of December 31 ^(a)	2022	%	2021	%	2020	%
France	36,346	19	33,887	19	32,813	22
Europe (excl. France)	41,846	21	39,343	22	37,693	25
United States	41,936	21	34,930	20	24,749	16
Japan	8,924	5	8,013	5	7,012	5
Asia (excl. Japan)	47,860	24	43,705	25	35,382	23
Other markets	19,095	10	15,769	9	12,830	9
Total	196,006	100	175,647	100	150,479	100

(a) Total permanent and fixed-term headcount.

Breakdown by job category

Total workforce as of December 31 ^(a)	2022	%	2021	%	2020	%
Executives and managers	41,504	21	36,807	21	32,713	22
Technicians and supervisors	17,421	9	16,952	10	14,575	9
Administrative and sales staff	105,100	54	91,611	52	79,059	53
Production workers	31,981	16	30,197	17	24,132	16
Total	196,006	100	175,647	100	150,479	100

(a) Total permanent and fixed-term headcount.

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	10.7	5.3	6.6	18.9	4.3	10.1	17.5
25-29	18.3	16.1	13.9	18.4	11.5	24.0	19.4
30-34	20.3	18.2	17.4	16.8	16.3	27.4	20.8
35-39	16.3	14.5	15.9	12.6	19.0	20.4	16.3
40-44	11.8	12.7	13.7	9.7	19.6	10.1	10.6
45-49	8.7	11.1	12.6	6.9	16.7	4.4	6.5
50-54	6.6	9.9	10.2	6.3	8.7	2.1	3.8
55-59	4.7	8.7	6.7	5.0	3.7	1.0	2.9
60 and up	2.7	3.5	3.0	5.3	0.2	0.5	2.2
	100	100	100	100	100	100	100
Average age	37	40	39	36	39	34	35

1.3.3 Average length of service and breakdown by length of service

The average length of service within the Group is 9 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	60.8	47.6	49.3	71.5	53.1	69.8	68.7
5-9 years	18.6	18.9	22.1	15.1	19.5	18.2	18.4
10-14 years	8.7	10.6	11.8	6.1	8.7	7.9	6.4
15-19 years	5.2	7.2	7.9	3.8	9.8	2.4	3.0
20-24 years	3.5	7.1	5.1	2.0	6.3	1.0	2.0
25-29	1.5	3.3	2.0	0.9	1.8	0.5	0.6
30 years and up	1.7	5.3	1.8	0.6	0.9	0.2	0.9
	100	100	100	100	100	100	100
Average length of service	6	9	8	5	8	5	5

1.4 Pursuing an attractive and fair compensation policy

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, taking into account the specific characteristics of business lines and segments, to ensure that the Maisons are positioned appropriately, both in France and abroad.

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 set up a team to develop a fair wage policy applicable to all its employees and suppliers. In 2022, the Human Resources Department adopted the fair wage principles established with the support of the Fair Wage Network's expertise. The Group's Maisons were all asked to verify that these principles had been implemented, and the network of Human Resources, Compensation & Employee Benefits and CSR Officers is responsible for their coordination.

1.4.1 Average compensation

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

Employees concerned (as %)	2022	2021	2020
Less than 1,500 euros	0.8	2.0	1.4
1,501 to 2,250 euros	12.1	17.7	18.6
2,251 to 3,000 euros	21.2	20.5	21.6
Over 3,000 euros	65.9	59.8	58.4
Total	100.0	100.0	100.0

1.4.2 Personnel costs^(a)

Worldwide personnel costs break down as follows:

(EUR millions)	2022	2021	2020
Gross payroll - Fixed-term and permanent contracts	9,369.2	7,562.4	6,509.8
Employer social security contributions	2,182.0	1,725.2	1,629.8
Temporary staffing costs	409.8	298.7	315.7
Total personnel costs	11,961.0	9,586.4	8,455.3

(a) Indicators are taken from the HR reporting system, which covers 958 legal 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 decreased slightly year over year, accounting for 6.2% of the total worldwide payroll (versus 6.3% in 2021), including employer social security contributions.

1.4.3 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 388.4 million euros in 2022, paid in respect of 2021, an increase compared to the previous year.

(EUR millions)	2022	2021	2020
Profit sharing	183.8	120.8	139.3
Incentive	164.1	106.1	139.4
Employer's contribution to company savings plans	40.5	39.3	32.2
Total	388.4	266.2	310.9

2. AMBITIOUS TALENT DEVELOPMENT

Through their excellence and their diversity, employees have been instrumental in the success of LVMH and its Maisons. In its recruitment drive, the Group focuses on its key strengths as an employer – its values, its commitments and the wealth of career opportunities it can offer. For younger generations, the Group offers the chance to learn new skills, and it runs ambitious

2.1 Implementing an attractive employer policy

LVMH's human resources policy, underpinned by a firm belief that people make all the difference, sets great store by the Group's appeal and its recruitment. It's imperative for LVMH to hire the best external talent so it can strengthen its existing teams and achieve enduring success.

2022 was a very busy year, with more than 60,000 new hires worldwide, and over 17,000 new positions created. With today's business world in the throes of far-reaching social and economic change, becoming an attractive employer is a top priority. To achieve this, the recruitment teams are paying increasing attention to prospective candidates' expectations and search for meaningful roles. Our teams have helped to spotlight the Group's social and environmental commitments and the possibility employees have of building unique, diversified career paths. They are in a prime position to showcase the Group's values and they place special emphasis on those embodying a contemporary and listening management style. Excellence, creativity, entrepreneurial spirit and engagement are what motivate them. Rather confining themselves solely to the universe in which LVMH operates, they also draw on expertise in the most innovative and creative sectors.

Attracting talent

In 2022, LVMH continued to roll out "Craft the Future", its new employer brand promise. It showcases the unique range of opportunities the LVMH group can offer its employees. Its employer promise is built on four pillars: Inspire, Challenge, Connect and Support.

The Group has continued to train thousands of internal ambassadors. The campaign to launch the employer brand continued with three social media episodes in which employees were given a chance to have their say. These episodes brought to a close a series of nine, which had begun in 2021.

In line with its commitment to pass on knowledge, the Group continues to provide practical guidance to young people as they

programs introducing them to jobs in the luxury goods industry and its ecosystem. Mindful of employees' expectations, LVMH and its Maisons are introducing innovative and in many cases digital participation-based programs so they can each take ownership of their own personal growth and career development plans.

build their career plans. As a result of its various initiatives, it was again voted the top employer among business school students in France for the 18th year in a row (Universum 2022 survey), and it moved up the rankings in a large number of key countries: 9th in Italy, 36th in the United States, 6th in Switzerland and the United Kingdom, and 14th in Spain.

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, organizational reviews, 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.

To anticipate and prepare for future challenges and opportunities, the Human Resources teams, working closely with the Group's senior executives and managers, have put the Organization and Management Review (OMR) at the cornerstone of the human resources strategy. For the past 13 years, this review has built on the Maisons' strategic plans. It considers the required organizational changes and talent required in view of the strategic development priorities of the Group's operations. It evolves every year as a function of external business and human resources trends and helps shape the strategic human resources plan.

This strategic plan aimed at fostering LVMH's development shares the Group's vision, goals and commitments for its human resources. The plan's core pillars are the organizational structures, existing and future key positions, competency development initiatives and key talent pathways.

The data analyzed also shed light on the dynamic management of talent across the Group. In 2022, nearly 80% of key positions within the Group were covered by a succession plan and 70% of the most strategic roles were filled internally.

Turnover by geographic region

(as %)	2022	France	Europe (excl. France)	United States	Japan	Asia (excl. Japan)	Other markets	2021	2020
Total turnover ^(a)	24.1	13.2	17.2	40.8	10.8	25.2	28.6	23.3	24.5
of which: Voluntary turnover ^(b)	18.3	6.4	12.4	33.1	9.9	20.8	21.0	17.2	11.7
Involuntary turnover ^(c)	5.2	5.7	4.2	7.1	0.7	4.3	7.3	5.5	12.2

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

(b) Resignations.

(c) Dismissals/end of trial period.

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

(number)	Joiners			Leavers		
	2022	2021	2020	2022	2021	2020
Wines and Spirits	1,154	902	481	823	615	609
Fashion and Leather Goods	19,223	15,431	7,777	12,081	9,992	7,458
Perfumes and Cosmetics	7,418	6,045	3,486	6,109	6,605	5,165
Watches and Jewelry	7,393	5,246	924	5,508	4,102	1,036
Selective Retailing	23,234	15,908	9,190	17,159	14,989	17,503
Other activities	2,350	1,544	1,064	1,518	1,554	3,369
Total	60,772	45,076	22,922	43,198	37,857	35,140

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

In 2022, a total of 43,198 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 Passing on know-how and talents to the next generation

LVMH boasts a unique heritage of excellence – its expertise in design, craftsmanship and customer experience. The Group and its Maisons play a key role in passing on the secrets of these professions. They are keen to make young people aware of the opportunities from secondary education onwards and to open the eyes of students and young professionals to the luxury goods world and its potential career paths. Within the Group, passing on excellence continues through the work of the Académie des Métiers d'Excellence and the Maisons' schools, as well as by the Virtuoso cohort themselves who strive to pass on their passion.

2.2.1 Passing on our expertise to all generations

Within 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. Today, over 100,000 employees around the world are the custodians of this living heritage.

2.2.1.1 Passing on skills: a virtuous circle

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

In 2021, the 75 LVMH Maisons signed up to the WE for ME pact (“Worldwide Engagements for Métiers d'Excellence”), reaffirming the commitment to society of the Group, which assumes full responsibility for keeping the living heritage alive. It aims to foster a virtuous circle of skill-sharing based on three objectives: passing on unique expertise, honing and nurturing apprentices' talents so that they become virtuosos, and leading its teams and their professions – on which the excellence and success of the Maisons depend – to new heights.

Guiding people towards our professions and hiring from a broader pool

To spur interest in its professions and attract top talent, LVMH reaches out to young people from an early age. More than 1,600 middle school students in France, Italy and Spain learned about them under the “Excellent!” program thanks to the efforts of human resources teams and the Maisons' expert professionals. Building on this initiative, the Métiers d'Excellence reached out to future talent by organizing the “You and ME” nationwide tour that traveled to five cities in France (Clichy-sous-Bois, Reims, Valence, Orléans and Paris) between February and April 2022.

Attracting and retaining talent

This career guidance and recruitment to expert professions event provided access to more than 1,200 internship, work-linked training, fixed-term and permanent contract opportunities in partnership with 33 leading schools and universities and 39 Maisons.

Training our future talent

2022 was a record year for the Institut des Métiers d'Excellence, which welcomed a cohort of more than 450 new students in seven countries (France, Switzerland, Italy, Spain, Japan, Germany and the United States). This intake reflects the diverse nature of career paths and profiles. Students were aged between 15 and 51 years old, and one third of them were retraining. Since 2014, through its 42 programs, the IME has trained more than 2,000 apprentices in 30 professions. In 2022, 91% of apprentices obtained an LVMH *Brevet d'Excellence* vocational diploma. Their job placement rate at LVMH's Maisons and their partners was 75%.

Developing the best talents and establishing a reputation for excellence

Employees continuously develop and refine their talents within the Académie des Métiers d'Excellence and the Maisons' 36 training schools. In 2022, more than 30,000 employees in these professions received over 200,000 hours of development training.

The LVMH Community of Virtuosos, which was founded in 2021, expanded during the year with the arrival of a new cohort of 63 Virtuosos. Their arrival was celebrated in Paris and Milan at the second edition of the Show ME event attended by Chantal Gaemperle. These virtuosos, all of whom boast an outstanding track record within the Maisons, encapsulate the Group's expertise. Personal development programs are run for them, and they are invited to share their passion and their expertise, especially with younger generations, to keep the virtuous knowledge-sharing circle alive.

2.2.1.2 Supporting and promoting the Group's expertise

As an engaged corporate citizen, the Group establishes artistic collaboration between an artisan and an artist in a bid to support the artisans whose expertise is under threat. For the second, exclusively Italian season, artist Francesca Pasquali sparked some challenging conversations and highlighted Simona Ianini's lace technique known as tombolo.

For the second year in a row in France, LVMH held the Prix Elle Artisane awards in conjunction with *Elle* magazine. This award recognizes and promote the talents of highly skilled women working in expert professions and professions of excellence in the fashion, design, food and wine, and French heritage protection sectors.

2.2.2 Spreading the word about our professions to students and graduates via Inside LVMH

Inside LVMH builds on and gives extra resonance to the Group's initiatives targeting students and young professionals. The program aims to help young people better understand the luxury industry, LVMH and its 75 Maisons, and to gain a clearer picture

of the professions and careers available so they can more easily see a future for themselves in the business world. It takes an inclusive approach and is open to all young people, irrespective of their chosen path or where they live.

LVMH has continued to strengthen its partnerships with leading international schools and universities (12 Group partnerships). Around the world, its employees take part every year in over 250 campus and online events, including conferences, panel discussions, job fairs, and case studies. A large number of the Group's leaders have spoken at conferences, such as Laurent Boillot (Hennessy), Charles de Lapalme (Christian Dior), Berta de Pablos Barbier (Moët & Chandon), Kim Jones (Christian Dior), and Anish Melwani (LVMH Inc.).

Inside LVMH, an educational digital hub, contains more than 100 hours of content about the luxury industry and LVMH, its professions and careers. It also shares tips from LVMH's leading figures. Young talents, managers, leaders and CEOs have provided more than 100 items of content. The hub, which is online at www.insidelvmh.com, is open to all students and young professionals around the world.

At year-end 2022, it had signed up more than 130,000 users from close to 2,500 schools.

The Inside LVMH certificate is awarded by the hub free-of-charge twice a year. The unique 30 hour-long, self-study course combines academic and business content with practical case studies. Everyone who completes the course is given a certificate. This certificate demonstrates extensive knowledge of the luxury industry and LVMH. It prepares young people for the business world, and enhances their CV's appeal and their preparedness for job interviews.

Since its May 2021 launch, four cohorts have already taken the course, with 40,000 of the over 91,000 who signed up gaining the certificate of completion (an average success rate of 43%). The course will open for its next intake in April 2023.

The Inside LVMH program has won awards from businesses and universities. It picked up three accolades in 2022 – the Coup de Cœur special award (HR innovation of the year for 2022 from Cadremploi, Le Figaro and Sciences Po Exec Education), the AGIRES Synergie Campus Coup de Cœur special award (panel of 200 universities and schools in France) and the Impact Digital HR Award Deloitte prize.

2.2.3 Opening up our jobs to the younger generations and offering them stimulating, innovation-led careers

LVMH is a big advocate of access-to-employment initiatives for young people. This strategy has spawned various initiatives over the course of the years. In 2022, the Group hired nearly 39,000 young people under 30 worldwide, including 9,373 internship or apprenticeship contracts and 2,630 permanent contracts in France.

To take efforts up to the next level, the Group and several Maisons have introduced career acceleration programs. The goal is to attract, hire and develop high-potential job applicants poised to become future leaders in LVMH's ecosystem and to support the

Group's succession planning. Spring, LVMH's first graduate entry program intended as a career springboard and accelerator, was launched in 2022. It provides participants with multidimensional experience spanning the Group's ecosystem of more than 75 Maisons. For the pilot program, 14 graduates were recruited, and they joined the Group in September 2022. They will be given the opportunity to take on three different assignments during the first three years of their career at three different professions and in three different Maisons. Each graduate on the program

will be mentored by a senior Group executive and have access to an individual or collective development and training offering.

The Spring concept has been adapted in China, where the LVMH Retail Management Trainee Program gave around 20 graduates the chance to learn about the retail professions as they undertook three different assignments in two Maisons.

Further programs will be built up at Maison or Division level in 2023, such as Beauty Bloom, the Beauty Division's graduate program.

2.3 Improving agility and employability

2.3.1 Co-constructing the future by learning

The LVMH group, its Maisons and its divisions are investing in high-impact learning initiatives both to meet the aspirations of its employees and to address the challenge of embracing change and staying agile that organizations face today.

Employees are displaying a revitalized and enduring interest in development and learning opportunities, both to maintain their employability and out of curiosity and personal interest. The increasing speed at which the needs of the luxury industry's demanding customers and working methods are changing have made upskilling and reskilling initiatives imperative.

LVMH is developing a growth mindset for its employees and their leaders. In 2022, for example, the Group developed a MyDevelopment module as part of its new Rise performance management system. The module gives every employee the chance to think systematically and consistently about the learning and development opportunities they need to meet their goals.

To encourage and support employees more effectively throughout the learning process and help them make the most of learning situations, LVMH House has devised an Employee Learning Proposition. It caters for employees and also their managers and leaders in their supporting role, helping to guide learning efforts in a manner that will yield maximum impact in terms of their personal development.

The way in which jobs are developing within the LVMH group has made it all the more crucial for new arrivals to learn about their work environment. More than ever before, LVMH is investing in large-scale onboarding initiatives accommodating all levels in the organization. The goal is to make sure the strength of the Maisons' and the LVMH group's culture is understood and valued. In practical terms, they make sure every new arrival is acquainted with their work environment and the LVMH group's values and beliefs so they can rapidly find their feet and realize their potential in their daily tasks.

Various Diversity, Equity & Inclusion (DE&I) training initiatives are currently in the works. These will include even more systematic sessions addressing unconscious bias in more than eight languages. Various Maisons are also developing their own training initiatives in these areas. These go beyond awareness-raising efforts reflecting their own cultures. Fendi, for example, is encouraging its employees to work on their empathy and respect to help entrench its DE&I culture. Moët

Hennessy supports up-and-coming talent from Asian cultures to achieve rapid promotion within the cultural environments of its European Maisons' headquarters.

In addition, learning initiatives, predominantly led by the Maisons, remain vitally important in the retail and omnichannel segments. The Brand Education Community, a new international forum, was established in 2022. It aims to provide a hub for the various learning initiatives related to products, services and brand appeal. It encompasses leaders in the domain across the various Maisons, divisions and regions. The community, which fosters discussions about best practices, draws on the wealth of knowledge, excellence and ability to innovate of all the Maisons and all the sectors, as well from the diverse environments in which they operate.

LVMH House is also rolling out "Think Retail", a development program aimed at managers of the Group's key stores. The goal is to give them a sense of their importance within the Group, to inspire them and to support their personal development. Each session runs for a period of six months. The key store managers are coached and mentored individually and follow a course teaching them about the professions that is led by the Group's and its Maisons' outstanding talent. Originally launched in Europe and China, the program is now being extended to all regions from 2024.

At Group level, the LVMH House teams continued to run initiatives for employees that feature a combination of learning, open innovation and workplace culture transformation. These approaches help to ramp up the impact of the test & learn methodology in a novel manner, while building on the values that have underpinned LVMH's success – innovation & creativity, excellence, entrepreneurship and engagement. They help employees to build a future for themselves while achieving personal growth.

The pandemic necessitated an overhaul of learning formats, and the diverse new offering now consists of virtual workshops, so-called blended learning pathways (with remote and face-to-face components), self-directed modules, peer coaching, mentoring by local executives, learning action groups, discussions between the Maisons and in-person courses. The strength of the LVMH House network is that it can offer seminars on the fundamentals, such as management, leadership and excellence, while also providing an agile response to learning requirements as challenges arise locally.

2.3.2 Giving everyone ownership of their mobility and development plans

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 and uniqueness, the LVMH ecosystem – through its 75 Maisons across six business groups in 81 countries – 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. Careers committees operate at every level of the organization (Maison, division, global, regional, functional) under the aegis of the Heads of Talent Management and Chief Human Resources Officers. Employees also benefit from career development interviews. Vacancies are now systematically advertised internally and digitally on the Voices shared platform. Various mobility initiatives are already in place. LVMH intends to further expand internal mobility in the coming years, particularly between Maisons.

In 2022, nearly 18,000 employees were able to take advantage of an internal transfer opportunity.

LVMH and all of the Group's Maisons have introduced a new approach to performance management and development, developed jointly with Louis Vuitton. This approach aims to bring about a shift in organization culture and management practices and promotes three core leadership values: empowerment, cooperation and agility. It provides employees with vital new ways to plan development and progression pathways for themselves. It also leads to more regular conversations about their performance and their accomplishments.

Rise, the new performance management and development system, champions a culture of leadership based on continuous feedback and collaboration. Thanks to its innovative approach, employees can take the initiative by having a discussion with their manager as and when their needs and professional imperatives arise, without having to wait for the next yearly meeting. This easy-to-use application is also resolutely contemporary.

The new performance management program has now been extended to cover 70,000 employees.

Training investment

In 2022, training expenses incurred by Group companies throughout the world represented a total of 213.7 million euros, or 2.3% of total payroll. On top of this investment and everyday workplace training, LVMH continues 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.

	2022	2021	2020
Training investment (EUR millions)	213.7	129.2	90.7
Proportion of total payroll (as %)	2.3	1.7	1.4
Number of days of training per employee	1.8	1.8	1.2
Average cost of training per employee (EUR)	1,194.0	796.0	631.0
Employees trained during the year (as %)	52.2	46.7	40.8

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.

The average training spend per full-time equivalent was 1,194 euros. In 2022, the total number of training days was 316,265, equivalent to 1,375 people receiving full-time training for the entire year. In 2022, 52.2% 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 78% 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)	46.2	26.8	84.4	5.9	41.7	8.7
Proportion of total payroll (as %)	2.3	1.3	3.3	1.5	2.4	1.5
Employees trained during the year (as %)	57.1	49.9	39.5	57.4	58.4	54.5
Of which: Executives and managers	54.6	61.9	38.2	52.6	62.8	57.4
Technicians and supervisors	72.0	56.2	29.6	65.6	55.4	58.5
Administrative and sales staff	54.4	54.5	41.4	57.1	59.5	52.8
Production workers	54.4	31.4	37.7	14.3	46.0	57.0

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. A WORK ENVIRONMENT THAT ACCOMMODATES EMPLOYEES' EXPECTATIONS

LVMH is committed to offering all its employees a high-quality work environment. Everyone's health and safety are priorities for the Group, along with its employees' well-being at work and work-life balance. LVMH also aims to foster constructive labor relations.

3.1 An approach to ensure health and safety for all staff

LVMH decided to expand its actions to protect all of its employees. In 2020, a dedicated working group was formed, comprised of health and safety experts as well as human resources managers. It assessed the situation and proposed an action plan including the creation of a health and safety charter.

In 2021, the LVMH Health and Safety Charter, signed by the Group's Executive Committee and all the Maisons' CEOs, sparked a comprehensive and ambitious drive to develop a "zero accident" culture across all its operations.

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 and review it regularly;
- report on progress made using the approach by submitting their 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. As part of a focus on continuous improvement, the LVMH group's Executive Committee monitors progress on a regular basis.

Each Maison having signed the charter has appointed a Health and Safety Ambassador who reports to the Group. These Ambassadors form the Health and Safety Community, which meets on a regular basis to discuss and raise awareness of the tools needed to implement a "zero accident" culture. It met five times in 2022.

LVMH and its Ambassador network provide all employees with a health and safety toolbox on the Group's Intranet. It holds all the information for deploying policies and positive action, including the catalog of best practices from the Maisons.

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

		2022 result ^(a)	Target for 2025
Commitment 1	Each Maison structures its own approach to employee health and safety.	81%	
Commitment 2	Each Maison reviews its health and safety approach on a regular basis.	88%	
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.	87%	100%
Commitment 4	All employees are engaged in prevention and trained in first aid measures.	32%	
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).

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Governed by this Charter, 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 and the targets set by the Charter.

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 2022, LVMH invested over 43.3 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 139 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 2022, 78,482 employees received training in these areas.

	Number of accidents	Frequency rate ^{(a)(b)}	Severity rate ^{(b)(c)}
Breakdown by business group			
Wines and Spirits	109	7.72	0.13
Fashion and Leather Goods	445	3.85	0.11
Perfumes and Cosmetics	115	2.19	0.11
Watches and Jewelry	85	1.77	0.05
Selective Retailing	372	4.23	0.20
Other activities	258	12.50	0.24
Breakdown by geographic region			
France	513	9.64	0.35
Europe (excl. France)	353	5.53	0.11
United States	194	3.06	0.19
Japan	15	1.08	0.02
Asia (excl. Japan)	138	1.33	0.04
Other markets	171	4.15	0.07
LVMH group 2022			
2021	1,384	4.08	0.13
2020	1,298	4.23	0.14
	1,158	4.52	0.15

(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 6.2% in 2022.

The Group estimated the effect of the public health crisis on its overall absence rate: 1.1 percentage points were attributable to the extraordinary circumstances linked to the public 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 5.1% in 2022, reflecting employees' strong commitment, motivation and trust in the Group and its Maisons. In 2021, the absence rate was 7.1% including the Covid-19 effect and 5.3% 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	3.0	4.6	5.0	2.0	1.2	1.6	2.2
Work/commuting accidents	0.1	0.3	0.1	0.1	0.0	0.1	0.1
Parental leave	1.4	1.2	2.7	0.7	1.4	1.2	0.7
Paid leave (personal leave and other paid leave)	1.1	0.5	0.8	0.5	0.7	2.6	0.4
Unpaid leave	0.6	0.6	0.6	0.4	0.4	0.7	0.5
Overall absence rate	6.2	7.3	9.1	3.6	3.7	6.2	3.8
Estimated overall absence rate excl. Covid effect	5.1	6.6	8.6	3.3	3.0	3.5	3.2

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

3.2 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 2022, on June 9.

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 19, 2022. The members of the Group Works Council were reappointed in 2022 for another four-year term.

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 2022, Group companies allocated a budget totaling over 41 million euros (2% of total payroll) to social and cultural activities in France via contributions to CSEs.

In 2022, employee representatives attended 873 meetings in France:

Type of meeting	Number
CSE: 50 or more employees	645
CSE: Fewer than 50 employees	228
Total	873

As a result of these meetings, 161 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.

3.3 Work-life balance and workplace well-being

Adjustments to working conditions and flexible working hour arrangements meet the growing expectations of employees in the area of physical and emotional well-being and the management of their personal and family responsibilities. The Group's Maisons developed a set of initiatives to cultivate a high quality of life at work, a vital factor for employee engagement.

Work-life balance is one of the key components of a high quality of life at work. In France, the Maisons were encouraged to take part in the Quality of Life at Work Week. The "desire to do meaningful work" was the theme for the 2022 edition. 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,

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returning from parental leave), end-of-career adjustments or disabilities as well as situations faced by family caregivers. For example, Berluti adopted a Quality of Life at Work Charter in France. It covers all the aspects of the work-life balance. Likewise, Tiffany & Co.'s global policy encourages all the practical flexible working methods, such as remote working, part-time working, staggered hours, job sharing, unpaid leave and flexible working hours. Workplace concierge services and childcare are becoming more and more widespread within the Group, in particular through nationwide programs such as *Ma place en crèche* ("My Daycare Spot") or inter-company daycares. In France, the Group provides more than 250 places for young parents. 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, offer special arrangements to support employees who wish to work on Sundays and in the evenings.

The implementation of remote working was facilitated by collective bargaining agreements and charters relating to remote working and the right to disconnect from work. The Group organized talks on the new modes of working and time management to raise employee awareness about connecting to and disconnecting from work. Fendi established a Smart Working program championing local innovation to increase flexibility and remote working. In Spain, Parfums Christian Dior developed a tool that analyzes employees' views and expectations. The nine measurement criteria include working hours, autonomy, workload, psychological and social support, variety and nature of work, participation, supervision and compensation.

The Group promotes physical activity to its employees. It encourages sports activities by paying a percentage of employees' sports club membership fees (including online classes). Various Maisons provide access to conferences on the importance of looking after your health. The Group's Maisons also promote participation in running events (often for charity) for which employees train and compete in teams. Alongside these initiatives, they are advocates of a healthy and balanced diet and arrange for deliveries of fruit baskets and an appropriate catering offering.

The Group's Maisons are also focusing on another issue relating to well-being at work: protecting mental health. They are supporting their employees on a day-to-day basis by using various tools: emergency assistance units (in particular the LVMH Heart Fund), training platforms, and alert and sentinel systems. In China, Chaumet has developed mental health training for all employees and a wellbeing webinar. Loro Piana launched an assistance program that provides practical information and advice about on a variety of issues via a professional team. In China, Make Up For Ever has also developed an employee assistance program. It is managed by a partner and provides round-the-clock phone support and a monthly newsletter. For its part, LVMH Fragrance Brands rolled out five personnel management workshops covering "managing stress", "managing emotions", "adapting to a changing world", "providing inspiration" and "developing empathy and listening skills". During 2022, DFS introduced Eutelmed, an intuitive, secure, versatile and multilingual digital platform dedicated to mental health that operates 24/7. A workforce-related risk commission was set up to analyze reports made by whistleblowers about stress or employee harassment.

In France, 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, in particular in sensitive geographic regions. In Spain, Perfumes Loewe designed an action protocol that can be used by all its employees to tackle psychological, sexual and gender-based harassment. It has been deployed via The Holistic Concept, a wellbeing platform, and the Gympass program. All employees can also access mental health support delivered by Más Vida Red.

In another example, Loro Piana launched an ethical time bank. This groundbreaking initiative gives employees time out from work to look after the health of the children, spouses, partners, cohabitantes and first-degree relations of people with an officially recognized serious illness.

Worldwide, 16% of employees have variable or adjusted working hours, and 50% 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%	24%	1%	22%	11%	6%
Part-time	16%	7%	17%	34%	6%	5%	19%
Shift work or alternating hours	50%	11%	36%	67%	73%	70%	67%

(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%	55%	47%	4%
Part-time	7%	2%	7%	16%	7%
Shift work or alternating hours	11%	1%	12%	12%	30%
Employees given time off in lieu	6%	1%	10%	8%	12%

(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 165.9 million euros, averaging 1.8% 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	1.8%	1.4%	1.8%	1.7%	3.8%	2.0%	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.

3.4 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. The first is social and psychological support open to all employees (not subject to any eligibility criteria) to help them deal with all sorts of day-to-day issues. The second is 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 circulated in several newsletters to all the Group's employees and in regular updates from the human resources teams in each of the Maisons.

Since its launch, the LVMH Heart Fund has received nearly 4,000 requests (including 2,700 in 2022) for psychological, social or financial support across five continents.

It has an initial endowment of 30 million euros.

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.

4. BUILDING A CULTURE OF INCLUSION

4.1 Promoting diversity and inclusion

LVMH fundamentally believes that all its employees and their diversity hold the secret to its performance and 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. LVMH is diverse by nature and inclusive by choice, and it has made diversity and inclusion its top commitments. It believes everyone needs to play their part to achieve these goals. 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, respected and represented 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.

Spurred on by a desire for all its employees and customers to be represented at every level of the Group, LVMH introduced several representation targets. These include gender parity for key positions, people with a disability to account for 2% of its global workforce by 2025 and 30% of leadership positions in the United States to be held by BIPOC (black, indigenous and people of color) individuals by 2026.

The general approach at the Group level was consolidated by fleshing out the strategy and setting more ambitious targets. Under the Executive Committee's global leadership, it has been communicated to all employees. The Group-wide objectives are underpinned by three major action priorities: employee experience via all the human resources practices, the impact on its ecosystem via relationships with suppliers and value chain participants and, lastly, the experience of all the Group's stakeholders via external communications, corporate image and customer relationships. Since the Maisons and the regions are very active in the field, the role of the Group is primarily to coordinate actions and guide them towards the key common objectives, develop and cultivate synergies and capture the impact achieved.

4.2 Embracing the full spectrum of talent

Starting in 2011, the Group and the Maisons have periodically held mandatory anti-discrimination training for their recruiters. Digital offerings were set up to complement the courses held across the regions and the Maisons. Between 2020 and 2022, 73% of recruitment staff received non-discrimination training. As part of the broader rollout of inclusion and diversity policies in line with changes in society, they attended in-depth sessions reminding them about the commitments under the LVMH Code of Conduct, the employer brand priorities and the risks of acting on preconceptions and stereotyping.

In 2022, LVMH celebrated the LVMH Voices of Inclusion Week, the Group's first worldwide week-long inclusion event. To make sure all voices are heard across the Group on the issue of diversity and inclusion, the week was spent highlighting commitments and initiatives by the Maisons and the regions. More than 100 local, regional and international diversity and inclusion initiatives were organized to spread the word, including awareness-raising conferences and workshops, launches of new employee networks and unconscious bias training.

In a drive to catalog all the diversity and inclusion initiatives being pursued Group-wide, LVMH created the Inclusion Index, which aims to monitor and accelerate diversity and inclusion. This tool, sponsored by Chantal Gaemperle, Group Executive Vice President Human Resources & Synergies, Jean-Jacques Guiony, Group Chief Financial Officer, and Antoine Arnault, Group Chief Image & Environment Officer, brings together and encourages the Maisons and regions to pursue diversity and inclusion initiatives. In 2022, more than 120 initiatives were entered, and for the first year, all Group employees took part in selecting the winning initiatives in the "gender equity" and "LGBTI+ inclusion" categories. The Beyond Women's Career – EllesVMH initiative, a Group-wide mentoring program for high-potential women led by the Maisons in Spain, picked up the prize in the "gender equity" category. Sephora was victorious in the "LGBTI+" category for its support for the Grand Bal des Fiertés, an event organized by MAG Jeune.

LVMH maintained its commitment to advancing and cultivating an inclusive culture right across the Group, the Maisons and the regions. Programs were piloted at Group level, such as non-discrimination training and the new digital training program on unconscious bias. It was launched in 2022 and is now available to all Group employees, production and sales teams, and senior executives. Working closely with the Maisons, LVMH is also rolling out intercultural awareness in-store training programs at several Maisons.

LVMH assesses its recruitment processes on a regular basis to ensure that they are free of discrimination. The Group brought in ISM Corum, an independent organization, to audit its practices. These audits were introduced in 2008 and have covered its worldwide operations since 2014. The audits take three main forms, all of which were implemented in 2022: (i) discrimination testing on job offers published in campaigns used for long periods and at regular intervals; (ii) statistical surveys on discrimination risk in the hiring process; (iii) and a compliance analysis of job offers and evaluations. The audit

findings were presented to human resources departments at the level of the Group and the Maisons, CSR officers, and Diversity and Inclusion managers, and have been followed by appropriate action plans.

4.3 Taking action to promote employment for people with disabilities

For around 15 years, LVMH has been committed to the employment and integration of people with disabilities, resulting in an ambitious program to promote their inclusion through recruitment, retention and accessibility. The Group has made it clear that a disability is perfectly compatible with the luxury industry and also helps to promote excellence. 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 & Synergies, announced LVMH's target of having people with disabilities make up 2% of the workforce worldwide by 2025. In 2022, this objective was complemented by another concerning the accessibility of the Group's and the Maisons' websites.

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 90 CSR and disability officers at the various Maisons, who meet regularly.

In all of the regions in which LVMH operates around the world, the Group is taking action to address specific challenges. The Maisons promote the employment of people with disabilities through their own initiatives (internships, recruitment and training programs, workstation adjustments, etc.). 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. Following 109 hires during the year, employees with a disability account for 10% of the distribution center workforce. In China, the Louis Vuitton Maison hired 35 employees with a disability to handle product personalization. In South Korea, LVMH's Maisons have innovated with a recruitment program aimed at advancing both inclusion and employee well-being. In 2022, LVMH Perfumes & Cosmetics Korea hired 11 employees with disabilities (accounting for nearly 5% of all new hires).

4.4 Ensuring gender equality

Gender equality is an integral part of LVMH's culture, especially since women account for 71% of its employees. The Group has made formal commitments to gender equity and gender balance at the highest level and it has put the professional development of women, and more broadly achievement of their full potential, at the cornerstone of its human resources strategy. LVMH aims to

In 2021, the Group launched a comprehensive update for its Recruitment Code of Conduct, whose final version is expected to be released in 2023.

In France, a work-linked training program was launched to promote the employability of people with disabilities. Since 2014, 102 people with disabilities have thus been offered a work-linked training contract at the Group's Maisons. Since 2020, 43 people with disabilities have been hired on work-linked training contracts under Sephora's program. 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. Certain Maisons, such as Hennessy and Christian Dior Couture, and soon the Les Echos-Le Parisien media group, have signed company-wide agreements for the employment of people with disabilities.

LVMH also supports its employees who report that they have a disability. The Maisons offer solutions on a case-by-case basis 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 90 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. It assessed and adapted workstations, trained individuals and their supervisors so individuals with severe autism were able to join the Chartres production site. Since 2021, three employees with severe autism have been hired on permanent contracts.

In 2022, people with disabilities made up 1.4% of the LVMH group's workforce worldwide, with a total of 2,787 employees.

achieve gender parity in its key positions by 2025. The Group and its Maisons made a public commitment in 2022 to achieve pay equity by 2025 on a worldwide basis after laying the foundations for this target over the past several years. The Group also signed the United Nations Women's Empowerment Principles in 2013, establishing itself as a leader and pioneer in this area.

Attracting and retaining talent

LVMH aims to achieve its target of parity via its EllesVMH program, which celebrated its 15th anniversary in 2022. The Group has been working with its Maisons to implement specific programs to boost women's presence at every level of the organization and to support them at each stage in their career. In 2022, 45% of key positions at LVMH were held by women, compared with 23% in 2007, and 17 of the Group's CEOs were women. LVMH scored 91.8 points out of 100 on the French government's Gender Equality Index in 2022.

Via EllesVMH, the Group aims to implement a number of training programs and tools to underpin and accelerate women's development at every level. These range from EllesVMH Mentoring & Coaching to LVMH House for high-potential women, plus regional programs, such as Futur'Elles in Asia-Pacific and Beyond Women's Career – EllesVMH in Spain. Aside from its dedicated programs, LVMH also established SHERO, a global internal digital platform created by employees. It houses articles, videos and podcasts empowering female employees throughout their career. Since its launch in 2019, it has been used by over 70,000 employees. In 2021, the Group followed this up with the launch of the SHERO Academy. This new platform offers training available online and regular new models supporting employees and enabling them to fulfill their professional ambitions.

Lastly, EllesVMH would not amount to much without the support of its international network of women and men. They

serve as genuine ambassadors for this major commitment by the Group, helping to raise awareness continuously, supporting and mentoring talent and organizing opportunities for knowledge-sharing with internal and external experts. The EllesVMH employee networks, already present in the United States, the United Kingdom and Asia, plus France since 2022, have made a significant contribution to actions aimed at fostering gender equity within the Group and achieving parity in key positions.

As it does every year, the Group marked International Women's Day with an internal campaign. It gave rise to a consultation of all the Group's employees concerning the future of the EllesVMH initiative and action priorities for the coming years. All employees were also asked to help select the best gender equity initiatives rolled out by the Maisons and the regions. To extend this approach and boost its positive impact on society outside the workplace, LVMH forged a partnership in France with make.org, Europe's first citizen-led engagement and collaboration platform. The Group aims to take concrete steps to make a positive difference on society by linking up citizens' ideas with a network of nonprofits and institutions. The make.org campaign brings civil society together around new solutions striving to achieve greater gender equity. Lastly, the Group's senior executives have used the Group's social media accounts to share their experiences, pass on knowledge to the next generations and provide inspiration for them in their capacity as role models.

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

(% women)	Joiners			Group workforce		
	2022	2021	2020	2022	2021	2020
Breakdown by business group						
Wines and Spirits	51	49	49	40	39	38
Fashion and Leather Goods	63	66	66	66	67	67
Perfumes and Cosmetics	83	85	84	82	82	82
Watches and Jewelry	61	67	58	64	65	59
Selective Retailing	85	84	82	84	83	83
Other activities	50	45	37	45	39	38
Breakdown by job category						
Executives and managers	65	67	64	65	65	64
Technicians and supervisors	65	68	67	65	67	66
Administrative and sales staff	79	78	79	78	78	79
Production workers	56	62	56	61	60	57
Breakdown by geographic region						
France	67	65	64	66	64	64
Europe (excl. France)	68	72	72	69	70	71
United States	80	77	80	75	74	75
Japan	68	65	71	72	72	73
Asia (excl. Japan)	69	74	73	75	76	76
Other markets	75	72	70	67	66	67
LVMH group	73	74	73	71	71	71

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

4.5 Fighting discrimination against lesbian, gay, bisexual, transgender and intersex (LGBTI+) 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 LGBTI+ people. The Group and 20 of its Maisons restated their commitment in 2022 by signing up to the LGBT+ Engagement Charter of L'Autre Cercle, the leading French nonprofit promoting inclusive workplaces for LGBT+ professionals.

LVMH has been committed to making progress on LGBTI+-inclusive workplaces for several years now and spoke about this issue on several occasions during 2022. On International Day Against Homophobia, Transphobia and Biphobia, the Group supported a film production concerning commonplace LGBT phobias faced by the community. For the general public, this mini-film backed by *têtu* magazine spotlights examples of everyday micro-aggressions and the real consequences these can

have on people. During the Pride Month celebrations, LVMH produced a series of interviews with the Group's employees, who committed to strive for greater diversity and inclusion on a daily basis. Antoni Porowski, the Group's special correspondent, interviewed members of the community and their allies in their work environments, from stores to offices in New York, Paris and Singapore. LVMH Pride – the employee network for LGBTI+ 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. It expanded to include France in 2022 to mark International Day Against Homophobia, Transphobia and Biphobia. Through their members, these networks run educational, training, mentoring and networking initiatives.

The Group's Maisons break new ground every day on the front line. They are pushing ahead with their own initiatives, including the establishment of employee networks at Celine and Sephora, nonprofit partnerships at Belmond and the educational programs set up by Glenmorangie, Starboard Cruise Services and Loro Piana.

4.6 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 2022, employees aged 50 and up represented 22% of the workforce in France and 14% of the workforce outside France.

LVMH aims to keep older employees in work by continuing to offer them a motivating and fulfilling work environment. The Group has committed to offering professional development opportunities through initiatives aligned with its forward-looking management of jobs and skills. The options it has proposed include longer working lives, adjustments to workstations or working hours and specific health check-ups in the context of

the pandemic. LVMH also provides assistance in preparation for retirement. For instance, in 2021, the Group's holding company launched SWITCH, a program for employees reaching the end of their careers. It provides information about their retirement plans and supports them during this transition. The Hennessy Maison set up a generation contract program that aims to retain employees aged 57 and over in their jobs and to provide adjustments for those nearing the end of their working life. Glenmorangie organized retirement preparation workshops for its employees and offers shorter working hours for its senior employees without any reduction in their salary. Other Maisons held celebrations for employees whose career with the Group had reached the 10-, 20- or 30-year mark.

