LVMH

General Assembly April 20th, 2023

Written Questions/Answers

Questions asked by Forum pour l'Investissement Responsable (FIR)

Environment

1) a- Within the framework of the Paris Agreement, how does each of your actions aimed at reducing direct and indirect GHG emissions contribute to the achievement of your decarbonization target across all scopes (percentage reduction in emissions thanks to the action)? What percentage contribution do negative emissions make to the achievement of your decarbonization targets?
b-Could you provide us with the amount of investment needed for each action aimed at reducing your direct and indirect emissions, arising from your decarbonization strategy?
c-On which baseline scenario is your decarbonization strategy based? Is it aligned with a +1.5°C scenario?

In 2021, LVMH raised its carbon trajectory target. This target was approved in December 2021 by the Science Based Targets initiatives (SBTi).

It was constructed around the 1.5°C baseline scenario for Scope 1, 2 and 3 emissions. LVMH has used climatic scenario analyses to underpin its strategic orientations. LVMH took into consideration two 1.5°C compatible scenarios generated using the global energy economy climate model REMIND as well as the IEA's B2DS scenario.

In July 2022, LVMH pledged to submit its net-zero pathway for approval by the SBTi within the next 24 months and is currently working to set a target in relation to new frameworks: the SBTi's Forest, Land and Agriculture (FLAG) Guidance and the GHG Protocol's Land Sector and Removals Guidance. This will help consolidate the Group's negative-emissions strategy.

LVMH's carbon trajectory is based on the LIFE 360 targets for reducing Scope 1, 2 and 3 GHG emissions:

- Scopes 1 and 2: halving energy-related greenhouse gas emissions at its sites and stores by 2026 (baseline: 2019)
- Scope 3: reducing emissions generated by raw materials, purchases, transport, waste, product use and end of life by 55% per unit of added value by 2030.

  LVMH has put in place means-based objectives, together with action plans to achieve them, including the following:

- The target of achieving 100% renewable or low-carbon energy on-site and in-store by 2026, a goal that draws on action plans to purchase green energy for each of the Group's main geographic areas
- Plans for a program to support green e-commerce
- Changes in the respective proportions of road, sea and air freight, with ad hoc coordination systems made available to the Maisons

- Implementation of the circular economy strategy, leading to a structural reduction in GHG emissions, in particular by sourcing strategic materials and managing end-of-life to promote closed loops.

  In 2022, the steps taken resulted in significant decreases in Scopes 1, 2 and 3 compared to the baseline year (2019):

- Scopes 1 and 2: -11.3% in absolute terms

  The proportion of renewable energies has now reached 47% of the Group's energy mix.

  LVMH has launched an extensive plan to transform its stores with full LED lighting (77% of the sales floor area was covered in 2022, up 20% compared with 2021) and a tolerated maximum energy consumption threshold down 100 kWh/m2 for 2023.

  European production sites, offices and stores were included in an energy conservation plan that took effect in October 2022, with a commitment to reduce energy consumption by over 10% right from the first year.

- Scope 3: -15.1% in intensity

  Thanks to the efforts of the Maisons, the intensity of emissions relating to upstream transportation have decreased by more than 20% since 2019, and significant advances in sourcing strategic materials such as using recycled gold have reduced the intensity of emissions by over 24%.

  Capital expenditure (capex) and operating expenditure (opex) are influenced in climate concerns in line with the Paris Agreement in four ways:

- In 2016, LVMH became the first luxury goods company to introduce an internal carbon fund. The Group applies an internal carbon price to each tonne of CO_2 emitted per year, and the amount identified must then be invested as capital expenditure in reducing greenhouse gas emissions at directly owned sites (Scopes 1 and 2), generating renewable energies and measuring energy consumption, and operating expenditure with financing guarantees of origin for electricity (RECs), biogas, biofuel and sustainable aviation fuels. In 2022, €9 million was invested in 95 projects, avoiding 81,000 tonnes of CO_2eq. Since 2016, this brings investment to €61 million, allowing for 96,000 tonnes of CO_2eq. to be avoided.
- Since 2018, approval of the Maisons' capital expenditure by LVMH's management has incorporated three environmental criteria: expected energy consumption of equipment/buildings, contribution to the Carbon Fund and implementation of LED.
- Since 2021, the Maisons' strategic plans approved by LVMH's management have included contribution to achieving the aims of LIFE 360, coupled with a financing plan.
- The new Scientific Research program announced by the Group in 2021 has been structured according to the goals of LIFE 360.

In 2022, the Group also identified the percentage of its aligned operations (capex) with regard to adaptation and mitigation of climate change: 7.5% of eligible 2022 capex is aligned with the EU Taxonomy.

Finally, in 2022, to better take account of climate impact in managing the Group's various operations (production, capital expenditure), LVMH updated the analysis of the physical and transition risks relating to climate change using the analysis method based on associated financial scenarios. The information is set out in the public response to the "CDP Climate Change 2022" questionnaire, for which LVMH was rated A (https://www.cdp.net/en/responses), as well as for water and forests. LVMH is one of 12 companies worldwide out of the 15,000 that responded to the CDP questionnaire to be awarded a triple A. This analysis is currently supplemented by in-depth double materiality analysis

2) (a) Have you recently carried out work to assess the impacts and dependency (both direct and indirect) of your activities on biodiversity?

(b) If not, why not? If so, has your quantified assessment of the dependency (both direct and indirect) of your activities on biodiversity (expressed as a percentage of revenue, net banking income, etc.) changed since last year?

(c) Based on your assessment, how much do you spend on promoting biodiversity (protection, restoration, etc.)? Please provide an amount.

LVMH rolled out two methods to assess its biodiversity impact: the Global Biodiversity Score and an environmental footprint for its entire value chain calculated using the Impact World+ method, including Scope 1, 2 and 3 emissions, covering issues relating to climate change, biodiversity and water. Some biodiversity impact indicators are geolocalized to allow for analysis at a more granular level and the implementation of specific action plans for some regions. Biodiversity impact indicators are updated each year and shared with the scientific community in order to contribute to the refinement of methods.

LVMH is also testing standards currently under development by SBT for Nature, in particular for land and water. These standards require a detailed analysis of impacts and dependencies. In April 2023, LVMH was selected for the official test phase led by SBT. In addition, LVMH officially joined the TNFD Forum in November and co-directs the working group for the textile sector.

In 2022, LVMH used the reference framework drawn up by SBTN to update its biodiversity commitments, incorporating certain requirements set by the standard: the Group made a commitment of zero deforestation or conversion of natural ecosystems within its operations and supply chains by 2025. The first step toward this target is to precisely measure the impact on the forest ecosystem. Among the raw materials considered at risk in terms of deforestation, LVMH makes use of wood and wood derivatives (paper, cardboard and viscose), palm oil derivatives and leather. These materials were identified using environmental footprint measurements of LVMH's value chain. In 2022, LVMH quantified the potential deforestation intensity of its supply chains for these three materials in relation to countries of origin and production practices: it amounts to 70 hectares per year (including animal feed). By calculating this intensity, LVMH is able to establish priorities for action and measure the progress made.

The interdependency of LVMH's activities and biodiversity is thus measured by category and is becoming finer over time. It is especially significant for the business groups Wines and Spirits, Perfumes and Cosmetics, and Fashion and Leather Goods. This is why the Biodiversity action plan – an offshoot of LVMH's LIFE 360 environmental program – is so ambitious. It aims to limit negative impacts just as much as to maximize positive ones.

It is backed by a program to implement traceability technologies and systems, certify supply chains based on stringent biodiversity criteria, roll out regenerative farming practices and protect ecosystems. Associated expenditure is included in production, operating, management and investment expenditure. In 2022, regenerative agriculture programs were reinforced, particularly within the Group's strategic supply chains: through an action plan in Turkey for the regenerative cultivation of cotton, in Uruguay and Australia for merino wool, in South Africa for mohair, in Indonesia for palm, and in France for vineyards and some iconic perfume ingredients.

Additionally, LVMH contributes to protecting biodiversity beyond its value chains through partnerships, in particular its support of UNESCO's Man and the Biosphere program, or the partnership formed in 2022 with the Circular Bioeconomy Alliance. These actions led by the Group and its Maisons represent a budget of around €35 million.

3) (a) In an environment characterized by inflation, geopolitical crises, global warming and biodiversity loss, how do you assess the financial and economic impacts on your business model of the increasing scarcity of strategic natural resources or of difficulties accessing those resources?
(b) Have you assessed the increase in costs arising from these difficulties (specify the increase in costs as either a percentage or a value)?
(c) What steps have you taken to reduce your resource use accordingly and align your business model with circular economy principles (specify what percentage of the company's business is covered by these solutions)?

Climate and biodiversity are key components of the LIFE 360 program, which aims to reduce our carbon footprint with specific action plans and targets for 2023, 2026 and 2030.

LVMH undertakes to update and improve its measurement of impacts on a yearly basis, and to take part in the improvement of methods.

As mentioned in our response to Question 2, we have deployed two impact measurement methods and we are aligning our commitments and actions with the framework defined by the Science Based Targets for Nature and we are, for example, assessing the extent of potential deforestation related to the sourcing of our materials that may have such an impact (e.g. paper, cardboard, viscose) as part of our commitment to continuous improvement. For more details, please refer to page 85 of our Universal Registration Document: Universal Registration Document 2022 (lvmh-static.com).

In 2022, LVMH began updating information on its water footprint and testing the first steps of the SBT for Nature guidelines on water-related issues and plans to formulate new targets and a corresponding action program that will be made public in summer 2023.

In addition, LVMH shares its impact metrics with the scientific community to further improve these procedures and also works with experts such as Biosphères, Renature and Earthworm to ensure continuous improvement. For more details please refer to page 89 of our Universal Registration Document: Universal Registration Document 2022 (lvmh-static.com).

The ongoing revision of the study on risks and opportunities designed to assess the resilience of the Group's activities regarding the impacts of climate change, based on a dual materiality approach, will enable us to refine the measurement of financial and business impacts.

An additional global risk analysis – focused primarily on risks associated with the Group's supply chain – has also been carried out with the assistance of Verisk Maplecroft, an external service provider specialized in analyzing political, economic, social and environmental risks. The indicators taken into account with respect to the environment cover air quality, waste management, water stress, water quality, deforestation, climate change, drought risk and greenhouse gas emissions.

In more practical terms, the LVMH group is pursuing a policy of diversifying its supply sources to avoid dependence on any one region/part of the world wherever possible. It is also setting up programs to develop new supply chains and is working on new materials. For instance, Moët Hennessy launched studies this year to quantify the impacts of global warming, but it has already implemented regenerative farming practices to limit the effects of harsh weather conditions in winter and summer. In October 2021, it inaugurated the Robert-Jean de Vogüé Research Center, dedicated to expanding knowledge and advancing viticultural practices. This new center will provide Moët et Hennessy's Research and Development ecosystem with yet another tool to understand and anticipate both present and future environmental and industrial challenges.

The LIFE 360 environmental strategy also contains a Circular Design component, which is a key driver in reducing not only our carbon footprint but also the Group's biodiversity footprint, in particular by reducing and optimizing our use of natural resources. It includes the target of having 100% of our products be sustainably designed by 2030, with three categories of criteria: certification of raw materials, traceability and end-of-life management. The Group has also set a target of having recycled raw materials make up 70% of packaging by 2030 (versus 41% in 2021), and of rolling out new circular design services (such as the Nona Source platform launched in 2021, which lets the Group's Maisons sell unused fabric and leather to young brands and designers at very competitive prices, helping ensure that materials are used and reused).

Social

4) (a) Could you explain how the E&S criteria taken into account in the policies you use to determine short- and long-term (if applicable) variable executive compensation reflect the most material E&S issues to which your business is exposed?

Compensation paid to the Chairman and Chief Executive Officer and to the Group Managing Director includes a variable annual component based on the achievement of quantifiable and qualitative targets. Qualitative criteria may relate to the Group's strategy, management, organization or operations and have in particular to do with corporate responsibility and sustainable development. Specific criteria have been set, but their details are not made public for confidentiality reasons. The method for assessing performance, and thus the achievement of these E&S goals, is reviewed by the Governance & Compensation Committee.

For example, qualitative criteria for 2022 for the Chairman and Chief Executive Officer, Mr. Arnault, related to the ongoing elevation of the Dior brand (couture and fragrances), the strengthening of supply chains in line with the Group's growth, the continuation and ramp-up of implementation of each of the four priorities of the LIFE 360 program (Climate, Biodiversity, Circular Design and Traceability). For 2023, quantitative criteria for the E&S goals will relate to the implementation of the LIFE 360 program and the Group's increased awareness of the subjects of ethics and compliance.

(b) How does the Board ensure that E&S goals are achieved, and in particular on the basis of which quantitative criteria? Are the required standards systematically re-evaluated when rates of achievement are high?

LIFE 360 includes specific targets for circular design, traceability, biodiversity, reduction of greenhouse gas emissions and stakeholder mobilization. These targets are to be met by 2030, with formal milestones along the way and annual monitoring (see Non-financial indicators - LVMH on

LVMH's website). An ad hoc committee consisting of the Chairmen of each of the Board of Directors' three committees (the Performance Audit Committee, the Governance & Compensation Committee and the Ethics & Sustainable Development Committee) will meet in January 2024 to assess the Group's specific progress toward meeting the 2023, 2026 and 2030 targets and, consequently, to determine the percentage of shares to be vested on the basis of non-financial criteria. No, the required standards are not systematically re-evaluated when rates of achievement are high, but we will not stop in our process of continuous improvement.

(c) Can you describe how environmental and social (E&S) criteria are taken into account when determining compensation (bonuses, long-term compensation, profit-sharing, other compensation) payable to your employees (excluding executives)? Please specify the number of employees concerned and detail as accurately as possible the E&S criteria used and the percentage of employee compensation to which they apply.

Including the company officers, a total of 1,263 people are eligible to receive long-term compensation. The vesting of bonus shares allotted under the October 2023 plan is subject to (i) the recipient's continued service at that date and (ii) performance conditions. As regards performance, the vesting of 85% of the provisional allocation of shares is subject to financial criteria being met and the vesting of the remaining 15% is subject to non-financial criteria being met. These criteria relate to CSR and, more specifically, the LIFE 360 program adopted by the Group in 2021.

The holding company's incentive agreement entered into on June 30, 2021 also demonstrates the Group's commitment to protecting the environment, with one of the five criteria having to do with managing energy consumption.

Many of the Group's Maisons have entered into incentive agreements that take into account social and environmental criteria, despite there being no legal obligation for them to do so. A growing number of Maisons now include an environmental training target in their incentive agreements. For example, MHCS's two incentive agreements (Reims and Épernay) both include a sustainable development indicator (energy and waste sorting) as well as a workforce-related indicator (work-related accident frequency rate).

Meanwhile, Hennessy's incentive agreement includes three workforce-related and social indicators accounting for 37.5% of the overall distribution rate:

- An accident-related indicator 50/50-weighted between the frequency rate and the severity rate
- Reduction in electricity consumption
- Reduction in food waste

The agreement also provides for a social bonus designed to boost employee commitment by awarding an extra 1 percentage point if all indicators exceed their targets.

At Make Up For Ever, one of the four indicators takes into account environmental and workforce-related criteria (paper consumption) and accounts for 20% of the overall distribution rate.

At Guerlain, incentives are split between (i) an incentive linked to the company's results (net sales and operating profit) ranging from 3% to 10% of total payroll and (ii) a "sustainable development" incentive of €200-300 per person based on ISO 14001 audit findings (the ISO 14001 standard is based on the principle of continuously improving an organization's environmental performance by controlling impacts arising from its activities).

Parfums Christian Dior's incentive agreement includes one environmental indicator (out of a total of five indicators) relating to the recycling of branded waste, i.e. the recyclable portion of production waste.

(d) Are you planning to increase the percentage of long-term variable executive compensation linked to the achievement of E&S criteria? At most other CAC 40 companies, at least 20% of such compensation is linked to the achievement of E&S criteria.

As previously mentioned, we introduced the LIFE 360 program, which will undergo a performance review in January 2024 to assess the Group's progress towards the objectives set for 2023, 2026 and 2030. We will then determine the necessary actions to be taken.

5) (a) Under your value-sharing policy, what proportion of shares bought back under share buyback programs have you allocated to the benefit of your employees over the last five fiscal years (excluding performance shares)? What proportion of employees did this concern, in France and abroad?

The LVMH group has paid particular attention to its value-sharing policy for a number of years, as it recognizes that it owes its success to the committed and highly driven women and men that work for its Maisons.

Moreover, it is important to remember that the Group is a major worldwide job creator, with a community of close to 200,000 employees (end-December 2022); it provides stable jobs (more than 91% of employees are on permanent contracts) and hiring continues on a steady growth path: more than 60,000 employees joined LVMH in 2022 (organic growth up 12% vs 2021), with 17,500 new jobs created.

The total payroll, worldwide, amounted to €12 billion in 2022.

In France, in addition to the profit-sharing mechanisms (profit-sharing agreements) for Maisons with more than 50 employees, the Group and the Maisons implement other profit-sharing schemes:

- Incentive plans signed with trade unions: 93% of Group employees in France are beneficiaries
- Highly incentivizing top-up payments to employee savings plans
- Additional contributions to incentive plans
- Value-sharing bonuses (PPV, previously known as profit-sharing bonuses or PEPA) paid every year for the last three years

The Group's Maisons paid €184 million under the profit-sharing agreement in 2022, an increase of 52% compared with 2021 (€120 million).

In addition, incentive plan payments made by Group Maisons rose by 55% in 2022 versus the previous year, to €164 million (€106 million in 2021).

Overall, a total of €416 million was paid out in profit-sharing, incentives and value-sharing bonuses, representing a 45% increase over 2021.

For information on the share buyback programs, please refer to pages 163-166 of the Universal Registration Document: Universal Registration Document 2022 (lvmh-static.com)

b) Over the same period, what was the breakdown of how you allocated shares bought back under share buyback programs (retirement, employee share ownership campaigns, awards of performance shares, awards to other recipients, other uses)?

Please see pages 163-166 of the Universal Registration Document:

Universal Registration Document 2022 (lvmh-static.com)

(c) More generally, do you have a policy that sets out how shares bought back under share buyback programs are allocated? Is that policy public? If so, can you describe it?

The Shareholders' Meeting was informed about the share buyback transactions carried out by the Company between January 1, 2022 and December 31, 2022, under the share buyback programs that were authorized by Company's General Meetings of Shareholders held respectively on May 28, 2021 (Single resolution: lvmh-resultat-des-votes-ago-du-28-mai-2021.pdf (lvmh-static.com)) and April 21, 2022 (20th resolution: Bulletin des Annonces Légales Obligatoires – Annonce n° 2200652 du 30 mars 2022 (lvmh-static.com)) [Bulletin of Mandatory Legal Announcements – Announcement no. 2200652 of March 30, 2022].

See page 167 of the Universal Registration Document: Universal Registration Document 2022 (lvmh-static.com)

In accordance with its share buyback program, on March 1, 2023, the Company has entrusted an investment services provider with a mandate ending on or before July 20th, 2023, which was announced by a press release. (https://www.lvmh.fr/news-documents/press-releases/share-buyback-program/).

Dans le cadre de son programme de rachat d'actions, la Société a confié le 1er mars à un PSI un mandat courant jusqu'au 20 juillet 2023qui a fait l'objet d'un communiqué publié sur le site de la Société (https://www.lvmh.fr/actualites-documents/communiques/programme-de-rachat-dactions-propres/). les actions ainsi rachetées étant destinées à être annulées

A description of the main features of the share buyback program submitted for the approval of the Combined Shareholders' Meeting of April 20, 2023 is available on page 168 of the Universal Registration Document (Universal Registration Document 2022 (lvmh-static.com)).(Resolution number 19 and 20 : Bulletin des Annonces Légales Obligatoires – Annonce n°2300500 of March 13 2023 (journal-officle.gouv.fr))

6) (a) What specific steps have you taken to ensure that all your employees and your suppliers' employees receive a living wage (e.g. working with specialized initiatives, conducting surveys to determine what constitutes a living wage in each country, incorporating living wage criteria into your suppliers' charters, carrying out supplier due diligence, etc.)?

In 2021, LVMH put in place a team tasked with devising a pay equity policy applicable to all employees and suppliers. Pay equity principles developed in conjunction with the expertise of the Fair Wage Network were adopted by the Human Resources department in 2022. The Group's Maisons were all asked to verify that these principles had been implemented; the network of

Human Resources, Compensation and Employee Benefits, and Social Responsibility Officers is responsible for overseeing their ongoing application.

As far as suppliers are concerned, all our contracts require suppliers to sign our Supplier Code of Conduct which includes a commitment to pay a living wage. Whenever a supplier's site is audited, wages paid to employees are analyzed based on a sample.

(b) Have you set minimum compensation levels for your employees and your suppliers' employees in all countries where you operate, and how do these compare with local minimum wages? If so, do you carry out audits to check that these minimum levels are complied with and revised in line with living costs?

We had the Maisons submit initial reports in 2022 to ascertain the extent to which they were compliant with the 15 Fair Wage Principles, the seventh of which relates to living wages. Taken together, these principles are a way of ensuring that, as well as paying a certain amount of compensation, wages are paid regularly, in a way that is regulated, fair and understandable to employees (with an employment contract, payslips, overtime, etc.).

We work with the Fair Wage Network and have signed up for its platform, which allows us to see precisely what constitutes a living wage in the regions where the Group and its Maisons operate.

Principle 7 says "Wages should be enough to cover the basic needs of the employee and their household and to allow them to live with dignity and set aside savings".

Plans are being made to carry out audits in 2023 with the support of the Fair Wage Network.

(c) Have you taken into account and mapped systemic risks liable to hinder the payment of a living wage to your employees and your suppliers' employees (such as failure to uphold freedom of association)?

The LVMH Code of Conduct and Fair Wage Principles set out the Group's position on this matter.

As regards suppliers, risk analysis is undertaken on the basis of risk levels monitored by consulting firm Maplecroft. This analysis focuses on corruption, human rights and the environment and takes into account the country, category and amount of business done with each supplier.

7) (a) In France, not including investments in shares in your company, what proportion of employee savings plans offered to your employees is certified as being responsible (under SRI, Greenfin, CIES, Finansol or foreign certifications)? Please state the names of certified plans, the proportion – both as a percentage of total plan assets and as a percentage of plans excluding employee share ownership – of certified savings plans, the percentage of group employees who benefit from such plans and any change relative to last year.

Our Maisons offer numerous certified responsible plans (Comité Intersyndical de l'Épargne Salariale [CIES], Finansol, Greenfin, Socially Responsible Investment [SRI]) backed by government departments (Finance, Environment) or trade unions. These plans enable employees to invest their incentive payments ethically and responsibly.

For example, Parfums Christian Dior, MHCS, Moët Hennessy SAS Holding, Hennessy, Sephora and Louis Vuitton offer their employees the opportunity to invest their incentive payments in plans labelled CIES, Finansol or SRI (e.g. BNP Multipar Solidaire Dynamique, BNP Equilibre, Amundi Label

Prudence, Amundi Label Actions Euroland, Amundi Diversifié Solidaire, Amundi Equilibre Solidaire ESR, Multipar Solidaire, Amundi Label Equilibre Solidaire).

The Maisons aim to offer more ways to invest in responsible funds in the future; this ethical, responsible and environmental policy is regularly discussed with representatives of management and labor.

Moreover, incentive agreements entered into with representatives of management and labor also include CSR criteria as detailed below.

(b) If your employee savings plans are not all certified, could you explain why not? If some plans are not certified but do take into account ESG criteria, could you explain how those criteria are indicative of a robust and selective ESG approach?

With the number of social, environmental, ethical and solidarity-based criteria in employee savings products available set to increase in the future, this will be accompanied by constructive discussion with employee representatives. Some of our Maisons are taking a future-focused approach, providing for the possibility of investing in accredited funds and/or an employee savings trigger criterion based on criteria in keeping with their social and environmental policy.

Ethics, social and environmental concerns are central priorities for the Maisons. Many of them have launched incentive agreements that take social and environmental criteria into account, even though there is no legal obligation to do so.

For example (mentioned in question 4.c):

- In its two incentive agreements (Reims and Epernay), MHCS includes a sustainable development indicator (energy and waste recycling), as well as a workforce-related indicator (workplace accident frequency rate).
- Hennessy's incentive agreement includes three workforce-related and social criteria representing 37.5% of the total incentive payment:
  - An accident analysis and prevention indicator, with the accident frequency rate and the severity rate given a 50/50 weighting;
  - Reduction in electricity consumption;
  - Reduction in food waste.

A bonus is also offered to employees to encourage them to take part in civic projects, which can increase the incentive payment by an extra 1 percentage point when all indicators exceed their targets.

At Make Up Forever, one of the four indicators takes account of environmental and workforce-related criteria (paper consumption) and represents 20% of the total incentive payment.

Guerlain's incentive agreement is divided into two parts, with (i) an incentive relating to the company's financial performance (net sales and operating profit), ranging from 3% to 10% of the total wage bill, and (ii) a sustainability-based incentive of €200-300 per person according to the results of ISO 14001 audits (standard based on the principle of ongoing improvement in environmental performance by controlling the effects of the company's operations).

In its new incentive agreement, Parfums Christian Dior has updated one indicator out of give relating to the environment, which relates to the recovery of brand waste, or the proportion of production waste that can be recycled.

(c) In the other countries where you operate: what employee savings plans, excluding employee share ownership, are in place for your employees outside France? Do they take into account robust ESG criteria? If so, which criteria? If not, why not?

We do not have any.

(d) How do you involve your employees in selecting funds and monitoring their responsible investment practices?

Employees play a part in our commitment to solidarity, sustainability and the environment. Employee savings schemes are discussed with employee representatives and are the result of a collective agreement.

Some Maisons, such as VCP and Krug, have set up "incentive committees" made up of members of the Social and Economic Committee, Executive Management and trade union representatives, responsible for overseeing the application of incentive agreements.

The Social and Economic Committees and employees are informed on a regular basis about employee savings schemes and in particular how these sums are invested.

Governance

8) To ensure that the company's tax responsibility is aligned with its social responsibility, the Board of Directors or Supervisory Board must be fully involved in decisions relating to tax compliance (aligned with principles such as those set out in the "B Team" initiative). With this in mind, FIR expects companies to produce a publicly available tax responsibility report, reviewed and signed off by the Board of Directors, that includes a country-by-country breakdown and is aligned with GRI 207. In view of this:

a) Do you publish a document detailing your commitments with regard to tax responsibility? How does it fit within your corporate social responsibility policy, going beyond simple compliance? Is it reviewed and approved by the Board? (Please attach a link or specify where the document can be found along with a detailed explanation.) In the document, do you specify tax practices which you deem to be unacceptable?

The Group does not publish a charter of its commitments in terms of tax responsibility. However, the Group's consolidated tax rate is fairly similar to the effective rate in France, one of the highest in the OECD, attesting to its responsible approach to managing its tax affairs.

On 3 March 2022, the Group entered into a *partenariat fiscal* (tax partnership) with the French tax authorities, demonstrating its long-term commitment with regard to transparency and building a relationship of trust.

b) Do you disclose your tax reporting on a country-by-country basis? If not, how are you preparing for the impending 2024 European Directive, which will require country-by-country reporting for EU member states? Do you plan to disclose country-by-country reporting that exceeds the obligations under the directive?

Within the framework of its tax obligations, the LVMH group respects country-by-country reporting requirements (CbCR). These reports are prepared in accordance with applicable regulations and are subject to sharing of information between tax authorities.
The group does not plan to make this information public before the EU Directive comes into effect.

In addition, as the OECD's proposed international tax reforms have not yet been finalized, major uncertainties remain in terms of taxation, in particular as regards sharing the right to tax between states. The LVMH group believes that it would be premature to make this information public.

9) a) What public policy decisions do your lobbying activities target? Please specify those taken over the past two years, particularly those related to human rights (including fundamental social rights), the climate and governance, and do so for the primary jurisdictions in which you carry out your lobbying efforts (including the EU, the United States, emerging markets and other regions).

In a bid to ensure discussion and cooperation with the authorities and decision-makers, LVMH contributes to the public debate in countries where this is allowed and where this is relevant to its operations. The Group monitors any changes in policies and regulations relating to its operations and its priorities, including in particular trademark protection and the digital economy, the retail industry and competition, business relationships and access to the market, sustainable development and promoting the circular economy and protecting the raw materials used in its products, as well as promoting and protecting high-end cultural and creative industries.

The Group's involvement in the public sphere respects applicable laws and regulations. The LVMH Code of Conduct sets out a formal set of fundamental principles that guide the Group in conducting its activities, particularly in terms of its presence in the public sphere. In addition to the Code of Conduct, the Group has established internal guidelines to be used as a reference with regard to business ethics.

Where it is required to do so, LVMH is registered in registers for interest representatives. For example, it is included in the EU Transparency Register and the French Register of the Authority for Public Transparency (*Répertoire français de la Haute Autorité pour la transparence de la vie publique*).

Within this framework, the information provided relates to disclosing actions and spending that can be regarded as lobbying, according to the criteria set by the competent authorities and used by LVMH to a limited extent.

b) How do you oversee and ensure that your ESG targets are aligned with the positions of professional associations to which you belong, as well as any potential divergence with your own positions? Do you publish a report where you specify the way in which the positions of your business and your professional associations are aligned but also the instances where they may diverge?

The Group regularly takes part in the work of a number of professional associations relevant to its activities. Where necessary, LVMH is also registered in registers of interest representatives, which can also list associations of which the Group is a member. LVMH does not publish more specific reports concerning associations' positions.

c) What resources do you allocate to your lobbying activities (human and financial resources) for all of your markets around the world?

The General Secretariat and its employees and Corporate Affairs teams, which report to the Group's Executive Management, in collaboration with the Maisons and LVMH's regional departments, are responsible for representing the public affairs and interests of the Group directly and/or in connection with representative associations.

Information communicated via relevant registers of interest representatives relates primarily to disclosing actions and spending that may be regarded as lobbying, according to the criteria set by the competent authorities and used by LVMH to a limited extent.

10) a) What measures are you taking to anticipate the short-term and long-term effects that the ecological transition will have on jobs and the changing skills requirements within your company and in your value chain (subcontractors, suppliers, franchisees, etc.)?

Environmental issues are central to the Group's concerns and concrete measures have been taken for more than 20 years under the aegis of the LVMH group's environment department. The LIFE 360 program, launched in 2021, aims to step up the pace of transformation to create products in harmony with nature, making them even more desirable. This is achieved by putting protection of natural resources at the heart of the design process, making eco-design standard from packaging to stores, devising circular services able to give products a second lease of life, as well as protecting biodiversity and helping to combat climate change. In 2021, LVMH upgraded the goals of its carbon pathway to make it compatible with the Paris Agreement.

The Group is fully aware that the involvement of all stakeholders – customers, suppliers and employees – is essential. It therefore publishes a yearly report on its commitments, setting out the initiatives taken in this area and monitoring specific indicators within the framework of an assessed and accredited approach.

b) How are environmental issues addressed with labor and management representatives? At what level(s) (local, national, European, global) and in what contexts? Please also indicate if these discussions take place in the form of information sharing, consultations or negotiations. Please be precise with regard to the different cases that may exist.

The report on commitments is sent to members of the France Group Works Council and members of the SE Works Council, national and European employee representative bodies each comprising 30 members and representing 22 countries in the case of the European Works Council. The approach, measures taken and results in terms of environmental and workforce-related policies are included in the agenda for each meeting.

Meanwhile, the Maisons have adopted this new framework and are working to reduce the carbon impact of their sites and stores, such as transportation, and are also steadfastly implementing the principles of the circular economy.

c) What resources do you allocate to labor and management representatives so that they may be involved in your group's environmental policy (training programs, specific committees, etc.)?

An environmental training program is planned for 2023 for all the Group's business lines.

d) Have the environmental prerogatives explicitly attributed to the CSE by the French Labor Code ("Climate and Resilience" law) led to new environmental practices at your company

A dedicated human resources training program was conducted in France in November 2022 to educate members of the human resources function on the challenges of the August 2021 law (about combating climate change and building resilience to its effects and consequences) in terms of social dialogue, making it possible for Maison CSEs, which are all up for renewal between end-2022 and mid-2023 for a new four-year term, to address this fundamental issue.

Questions asked by DWS

Independence

Qualified, experienced and independent directors are essential for competent and efficient decision making processes at the board level. DWS values independent chairs as an independent representation of shareholder interests.to ensure objective-driven decision making and challenging discussions. Where one person assumes a combined CEO/chairperson role, a qualified and strong lead independent director must ensure the proper work of the board and the communication with investors.

In this regard, we appreciate the work of Mr Croisset. However, due to his tenure of more than 10 years, we do not consider him independent according to our Corporate Governance and Proxy Voting Policy

11) **When can we expect you to appoint a new lead independent director to counterbalance the role of a combined CEO/Chairperson ? If this is not the case, why ?**

    Charles de Croisset's term of office as Director does not expire at the close of the next Shareholders' Meeting, therefore there is no reason to replace him as a Director or Lead Director.

    Additionally, the Board of Directors conducted its yearly review of the independent status of its members, particularly that of Charles de Croisset. The Board of Directors has deemed him to be independent, given that length of tenure is not a sufficient criterion in itself to cause him to be considered to have lost his independent status, which he has indeed never lost when his personality, career history and professional situation are taken into account.

Having a majority of independent members serving on the board as well as on its committees and independent committee chairpersons is important for us to ensure challenging discussions. We appreciate that the Governance and Compensation Committee's independence was enhanced by appointing Ms Valla as the new chair in January 2023. We also appreciate the proposal to appoint Ms Mignon as director because she is an independent director. However, we noticed the board and its committees are still not majority independent (excluding employee representatives).

12) **When are you expecting you to appoint a majority of independent directors ? If this is not anticipated, could you please provide us with your rationales ?**

    Subject to the approval at the Shareholders' Meeting of April 20, 2023, nine of the thirteen Directors comprising the Board of Directors will be considered independent and free from conflicts of interest with regard to the Company; they will represent 64% of the members on the Board of Directors. This percentage will increase to 43% of the members on the Board of Directors with respect to the independence criteria laid down in the AFEP/MEDEF Code.

    Moreover, the Performance Audit Committee uses only the criteria adopted by the Company when determining Administrators' independent status.

Subject to the approval at the Shareholders' Meeting of April 20, 2023, the members of the Governance & Compensation Committee will all be independent with respect to the criteria adopted by the Company, and half of its members, including its Chairman, will be independent with respect to the criteria laid down in the AFEP/MEDEF Code.

Of its four members, the Ethics & Sustainable Development Committee comprises three independent members with respect to the criteria adopted by the Company.

Each of the committees and the Board of Directors itself is thus composed of more than a majority of independent Directors with respect to the criteria adopted by the Company.

Overboarding

Directors should not hold an excessive amount of mandates to ensure that they have sufficient time and capacities to fulfill their board commitments. DWS considers directors overboarded where they hold more than two external non-executive mandates and the candidate assumes any executive role (three overall maximum),or more than five mandates (including the nominated position) where the candidate assumes non- executive roles. Due to their extended responsibilities, DWS attributes an additional mandate to members assuming the executive position of CEO, the chair position of the board or the chair position of the audit committee. In principle, internal board seats are counted as one as long as they are clearly indicated as such.

In this regard, we would like to thank Mr Arnault for his work in the last year and we appreciate the proposal to appoint Ms Mignon as director in order to enhance the company's independence. Nevertheless, we noticed that both directors are currently overboarded, based on the calculation laid down in our Corporate Governance and Proxy Voting Policy.

13) **Are there any plans of the above-mentioned directors to reduce their mandates by the next AGM ?**
The Company complies with French regulations concerning multiple mandates and does not consider it necessary to go further than the requirements of French law and the AFEP/MEDEF Code.

Transparency: CVs

In order to assess directors' qualifications and potential overboarding, DWS expects the CV of each executive and non-executive director to be permanently published on the investee company's website. The CV shall state the year the individual was first appointed, information about the qualification, date of birth and any mandates (including external listed companies, internal mandates and mandates also related to other than commercially oriented organisations).

Several CVs of the board members are currently missing on the company's homepage (www.lvmh.com/group/about-lvmh/governance/board-of-directors). Furthermore, the CVs, which are avaible, do not differentiate between listed and not-listed/private mandates. This lack of information makes it difficult for investors to assess the mandates and potential overboardings of the board members.

14) **When can we expect you to update the CVs of all board members on your website (including highlighting all external as well as group mandates) ?**
All information, including that relating to the internal and external mandates of the members on the Board of Directors are included each year in the URD (pages 178-189 in the 2022 URD) which may be downloaded from the Company's website www.lvmh.com

Furthermore, in the list of each of the Directors' mandates, those held at listed companies is differentiated from the mandates held at unlisted companies by a footnote.

Net Zero

Corporations and investors have a key role to play towards the need for emissions to be reduced in the mutual goal of coping with the impacts of global warming. In this regard, we support the Climate Action 100+ and the Net Zero Asset Managers initiatives with the aim to enhance the governance of climate change risk and opportunities, to curb emissions and to strengthen climate-related financial disclosures.

You have set short-term targets for scope 1 and 2 GHG emissions 50% by 2026 and for scope 3 GHG emissions 55% per million € value added by 2030 from a 2019 base year.

15) **Can we expect that you will set and disclose mid-term by 2035 and long term by 2050 decarbonation targets ? Can we expect that you will validate these targets by the Science Based Targets initiative (SBTi) ?**
LVMH's carbon trajectory target is based on the LIFE 360 targets for reducing scope 1, 2 and 3 GHG emissions by 2026 and 2030. These goals were reviewed in 2021 in order meet the 1.5°C baseline scenario requirements for scopes 1, 2 and 3. These were approved by the SBTi in December 2021. Our 2022 performance is available in our Social and Environmental Report.
In July 2022, LVMH pledged to submit its net-zero pathway for approval by the SBTi within the next 24 months and is currently working to set a target in relation to new frameworks: the SBTi's Forest, Land and Agriculture (FLAG) Guidance and the GHG Protocol's Land Sector and Removals Guidance. These engagements will provide a more detailed look at the Group's climate targets and action plans.

Water

The business of LVMH Moet Hennessy Louis Vuitton SE requires high usage of water for its wines and spirits and the other segments – including the abovementioned segment – may lead to high risk of water usage, pollution and emissions. In order to assess the level of severity and risks, DWS requires adequate disclosures. Furthermore, the water consumption of the company has increased compared to last year and the water sources (from where the water is withdrawn) and the region/area or the sources (such as the sea/ground) are not disclosed.

16) **When can we expect LVMH Moet Hennessy Louis Vuitton SE to report on operations in extremely high and high water stress regions (including the value chain)** ?
Starting in 2019, LVMH has calculated its environmental footprint for its entire value chain, including scope 1, 2 and 3 emissions, covering issues relating to climate change, biodiversity

and its water footprint. This environmental footprint was updated in 2022 to include the following methods for calculating its water footprint: Aqueduct; Baseline Water Stress indicator and Water Risk Filter; Water depletion and Blue Water Scarcity indicators.
LVMH plans to set new targets and draw up a program of related actions, which will be announced in the summer of 2023 and will be aligned with the SBTN's Nature (Land and Water) framework currently under development.
Water consumption related to the Group's scope 3 activities represented more than 94% of the Group's water footprint, primarily from the production of raw materials, in particular grapes, metal, leather, cashmere and cotton.
Four vineyards whose water consumption is significant relative to the Group as a whole are located in areas where water stress is close to 100%, meaning that water requirements in these areas are close to the level of available resources:

- the Domaine Chandon Argentina vineyards (Agrelo and Terrazas), which represent 79% of the Group's agricultural water requirements;
- the Domaine Chandon California and Newton vineyards, which represent 8% of the Group's agricultural water requirements.

For more information on the preservation of water resources, please see pages 90-92 in the Universal Registration Document.

17) Are you looking into reporting the sources and regions of water withdrawals for consumption ? if not, could you please provide us with your rationales ?
In 2022, LVMH updated its water footprint for its entire value chain including scope 1, 2 and 3 emissions. The location of water consumption for scopes 1 and 2 is very precise, taking place at the level of individual watersheds. Specific location data (country or region) was used for more than 80% of raw materials. In accordance with the guidelines of CDP and SBT for Nature, LVMH discloses the location of its water consumption relating to its operations in countries with high water-stress levels (please see response to Question 2).

In 2020, LVMH Moet Hennessy Louis Vuitton SE highlighted having three vineyards located in areas where water stress is close to 100%, using the AWARE method to calculate water footprint (value chain). However, the saving water discussion is no longer to be found in the 2021 reporting.

18) Could you please explain why saving water/water reduction targets are not part of the 2021 reporting, while they were in 2020 ?
An action plan and water conservation objectives will be added to the LIFE 360 program in summer 2023. These objectives will be aligned with the requirements of the SBT for Nature framework that is currently under development.

Chemical oxygen demand (COD) measures different inorganic nutrients in water (pollutants). In this regard, LVMH Moet Hennessy Louis Vuitton SE reports high amounts of COD in the 2021 reporting (1350 metric tons per year only for wines and spirits in 2021 compared to 920 metric tons per year in 2020). This directly impacts the Principal Adverse Impact (PAI) Indicators 8 for hazardous/toxic emissions.

19) Are there any particular reasons for the sharp increasement in the COD this year ?

The 31% increase in the COD from 2021 to 2022 is primarily related to the upturn in business and exceptional cleaning operations at a distillery.

Questions asked by a private shareholder – Mrs Yutong Li

20) **We know that the company relies on two methods of distributing profits to shareholders: dividends and share buybacks. I would like to know why you chose to distribute profits using both these methods rather than dividends exclusively. In addition, what criteria do you use to determine the allocation of share buybacks and dividends?**

I would like to draw a distinction in relation to your question. You are quite right that there are two ways to reward shareholders: share buybacks and dividends. However, I wouldn't put them on an equal footing. Dividends are the primary long-term way to reward shareholders.

We're committed to keeping the percentage of net profit we pay out fairly stable over time, at just over 40%, so as to offer an attractive reward to shareholders while maintaining substantial amounts within the Group to allow us to invest. The Group's investments fall into two categories: purchases of fixed assets (stores, workshops, machinery, etc.), which happen fairly regularly; and acquisitions of companies, which are much more irregular and unpredictable because they depend on opportunities beyond our control.

When there are no opportunities for us to acquire companies, as is to some extent the case at the moment, we consider it good policy to return uninvested cash to shareholders rather than leave it on the balance sheet not generating much benefit. That's the rationale for buying back our own shares at such times. A share buyback is, by definition, a temporary and opportunity-based transaction with absolutely no guarantee of being repeated. If attractive business acquisition opportunities were to arise, we would halt our share buybacks and prioritize investment, as always.