

# MANAGEMENT REPORT OF THE BOARD OF DIRECTORS: THE GROUP

## Ethics and responsibility

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## 1. BACKGROUND

The LVMH group is deeply committed to adopting and promoting ethical behavior and acting with integrity in all its relationships with its partners. This principle has led the Group to establish rules of conduct and principles for action relating to ethics, corporate social responsibility and respect for the environment that guide our relations with employees, business partners, suppliers and other stakeholders.

LVMH has always:

- ensured that its practices reflect the highest standards of integrity, responsibility and respect for its partners;
- offered a working environment that allows its employees to fully express their talents and implement their skills and expertise;
- ensured that its Maisons define and adapt their production processes, habits and behaviors in order to continuously improve their response to the environmental challenges they face;
- participated in the regional development of the areas in which the Group operates through its activities;
- mobilized resources and skills to serve philanthropic initiatives and projects of general interest, and promoted access to art and culture for as many people as possible.

## 2. STANDARDS

The LVMH group stays true to its uniqueness through a meticulous dedication to excellence. This dedication requires an unwavering commitment to the highest standards in terms of ethics, corporate social responsibility and respect for the environment.

### 2.1 International instruments

For many years now, the LVMH group has demonstrated its desire to act as a responsible corporate citizen and align its operations and strategy to support various internationally recognized benchmarks, including the following:

- the Universal Declaration of Human Rights;
- the International Covenant on Economic, Social and Cultural Rights;
- the United Nations Global Compact, to which the Group signed up in 2003, as well as the Caring for Climate initiative;
- the 17 Sustainable Development Goals drawn up and developed by the United Nations;

As a responsible and committed stakeholder, the Group seeks to anticipate and meet the expectations of civil society in relation to corporate social and environmental responsibility, which include the following:

- taking into account changing career expectations and helping employees navigate new work challenges, technological changes and new demographics while respecting their individuality;
- responding to environmental challenges in light, in particular, of urgent changes called for by climate change;
- greater transparency in supply management to ensure that every stakeholder in the value chain offers satisfactory living and working conditions and uses environmentally friendly production methods;
- demanding integrity in business, underpinned by the implementation of procedures to prevent corruption, money laundering and breaches of international sanctions and human rights;
- sensitivity to the use of personal data, a key issue in safeguarding the fundamental right to privacy.

Information about the Group's vigilance plan and statement of non-financial performance can be found in the cross-reference tables at the end of this section.

In recent years, the Group has supported or signed up for a number of international standards, implementation of which it promotes within its sphere of influence, as well as putting in place its own internal standards.

- OECD Guidelines;
- the International Labour Organization (ILO)'s Fundamental Conventions;
- the French Diversity Charter, signed by the Group in 2007;
- the United Nations Women's Empowerment Principles, signed by the Group in 2013;
- France's national biodiversity protection strategy;
- the Kimberley Process, an international system for certifying rough diamonds;

- the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- UNESCO's intergovernmental scientific program, "Man and the Biosphere" (MAB), aimed at protecting global biodiversity;
- the United Nations' standards of conduct for business tackling discrimination against lesbian, gay, bi, trans and intersex (LGBTI) people;
- the International Labour Organization (ILO) Global Business and Disability Network Charter.

## 2.2 Internal standards

The Group has developed its own framework of internal standards to guide the conduct of its employees and partners. Certain of the Group's codes and charters described below are supplemented by existing codes, policies and procedures within the Maisons.

### LVMH Code of Conduct

LVMH's Code of Conduct is designed to provide a common ethical foundation for the Group and its Maisons, outlining the rules to be followed by all employees as they go about their work.

The Group revised its Code of Conduct in 2023 to reflect its heightened commitments to ethics and to social and environmental responsibility, in addition to related initiatives taken. An updated version will be published in the first quarter of 2024. The Code, which was completely overhauled with respect to the previous version, published in 2017 (which remained in force in 2023), is organized into three main sections:

- a committed Group;
- a responsible employer;
- a Group with high standards of integrity.

The Code is specifically aimed at employees to foster accountability for the rules each individual is required to adhere to in performing their duties. It is signed by the members of the LVMH Executive Committee and endorsed by the Presidents of the Group's Maisons. It includes references to Group internal charters and policies on ethics, environment and corporate social responsibility, which together form the framework that governs all actions taken by LVMH and its employees.

The Code of Conduct is available in 10 languages and is widely disseminated across the Group, in particular as part of the onboarding training for new hires.

### Supplier Code of Conduct

The Supplier Code of Conduct sets out the Group's expectations of its partners (suppliers, service providers, distributors, specialist trades, lessors and any third parties in a business relationship with a Group entity) and their subcontractors in various areas, including corporate social responsibility and upholding human rights (banning forced labor and child labor, banning illegal or

undeclared work, harassment, discrimination, measures relating to wages, working hours, freedom of association, health and safety, protecting local communities), respecting the environment and integrity in business conduct (combating corruption and influence-peddling, combating money laundering, fair competition, preventing insider trading, customs legislation, protecting assets and personal information).

The Group's partners are required to respect the principles of this Code and must also ensure that their own subcontractors and suppliers do the same when performing their activities for the Group. The Code, which has been translated into 18 languages, has been rolled out to all the Group's Maisons.

The Code of Conduct also gives each Group entity the ability to check that its partners and subcontractors comply with these principles.

If a partner or one of its subcontractors should violate the Code, each Group entity in a business relationship with that partner reserves the right to demand that the compliance failures be remedied or that the business relationship be suspended or terminated, commensurate with the severity of the violations identified.

A new version of the Code, renamed the Business Partner & Supplier Code of Conduct, will be published in the first half of 2024, aimed at fostering a responsible approach across our network of partners.

### Anti-Corruption Charter

In 2023, the Group developed its Anti-Corruption Charter, which will be published in the first quarter of 2024. This Charter reinforces LVMH's zero-tolerance policy concerning corruption and influence-peddling and establishes a set of common rules for all Group employees aimed at preventing corruption.

LVMH and its Maisons rely on the commitment and vigilance of each of their employees worldwide in performing their duties. The Anti-Corruption Charter identifies employees as active participants in preventing corruption and influence-peddling. It defines and provides concrete examples prohibited behaviors, guiding employees on the appropriate behaviors to be adopted in different situations.

### Privacy Charter

The LVMH Privacy Charter, which will be published in the first half of 2024, outlines the six key principles set out in the Code of Conduct regarding privacy and personal data protection: the principle of lawfulness, the principle of necessity, the principle of proportionality, the principle of security, the principle of transparency, and the principle of respecting the rights of the persons concerned. The Charter specifies that all employees, whatever their position, must ensure that any intrusion into their privacy must comply with these six key principles.

### Responsible Lobbying Charter

LVMH is committed to and actively participates in public policy discussions, fostering constructive dialogue and cooperation with all relevant stakeholders. The Group's contributions in the public space always abide by the laws and regulations applicable to the institutions and organizations in question, and LVMH is registered as an interest representative where its activities so require. The key principles of the Group's commitment in the public space are integrity, transparency, and accuracy. These principles are detailed in the LVMH Responsible Lobbying Charter, which will be published in the first quarter of 2024.

### Environmental Charter

Adopted in 2001, the Environmental Charter is the founding document for LVMH's five main aims with regard to the environment:

- striving for high environmental performance;
- encouraging collective commitment;
- managing environmental risks;
- designing products that factor in innovation and environmental creativity;
- making a commitment that goes beyond the Company.

It encourages the President of each Maison to demonstrate commitment to this approach through concrete actions.

The Charter was given a significant boost by the strategic LIFE (LVMH Initiatives For the Environment) program, launched in 2011, described in the "Environment and sustainability" section.

### Recruitment Code of Conduct

The LVMH Recruitment Code of Conduct, implemented in 2009, has been widely disseminated to all employees involved in recruitment processes across the Group. It sets forth the ethical hiring principles to be observed at LVMH in the form of fourteen commitments. Special emphasis is placed on preventing any form of discrimination and on promoting diversity. Work on updating this Recruitment Code of Conduct has begun with the aim of better reflecting the changing recruitment environment and priorities: publication of this new version was pushed back

to 2024 to bring it into line with the planned overhaul of the LVMH Code of Conduct, due to be published in the first quarter of 2024.

### Charter on Working Relations with Fashion Models

In 2017, the Group drew up a Charter on Working Relations with Fashion Models in consultation with the Kering group and sector professionals motivated by a shared desire to promote dignity, health and well-being among fashion models.

The Charter, which applies to all Maisons worldwide, aims to bring about genuine change in the fashion world by rooting out certain behaviors and practices not in keeping with the Group's values and raising awareness among fashion models that they are full-fledged stakeholders in these changes.

To help spread the principles laid down in the Charter, the LVMH and Kering groups have set up a dedicated website, [wecareformodels.com](http://wecareformodels.com). The site provides fashion models with best practice and advice from independent nutritionists and coaches.

### Health and Safety Charter

Signed by the Group's Executive Committee in April 2021, the Health and Safety Charter serves as the basis for a comprehensive approach across all the LVMH group's operations with the aim of developing a "zero accident" culture.

The Group and its Maisons are committed to five key pillars: identifying priorities through a structured approach; drawing up and periodically reviewing an action plan; abiding by the approach, notably by submitting frequency rates to each Maison's Management Committee; involving every employee in the approach, notably by raising awareness about first aid measures; and maintaining a virtuous culture through collaboration between the Group and the Maisons. Each commitment is associated with a target to be met by 2025. The charter will be covered by an annual reporting process, with results published in this document.

### Animal-Based Raw Materials Sourcing Charter

In 2019, the Group launched its Animal-Based Raw Materials Sourcing Charter. This charter is the result of a long process of scientific research and collaboration between LVMH's environmental experts, its Maisons and their suppliers. The exhaustive charter covers the full range of issues concerning the sourcing of fur, leather, exotic leather, wool and feathers. It allows the Group to make long-term commitments to achieving progress in three areas: full traceability in supply chains; animal farming and trapping conditions; and respect for local populations, the environment and biodiversity. Under the charter, a scientific committee has been formed, and each year it will support and supervise a number of research projects aimed at driving progress in this area.

### Internal Competition Law Compliance Charter

In 2012, the Group formalized its commitment to uphold free and fair competition by adopting an Internal Competition Law Compliance Charter. The Charter aims to help develop a true culture of compliance with competition rules within the Group. This charter sets out the main rules with which all employees should be familiar as they conduct commercial relationships on

a day-to-day basis and pragmatically defines the standards of conduct expected of them. In particular, LVMH prohibits any abuse of dominance, concerted practice or unlawful agreement, whether by way of understandings, projects, arrangements or behaviors coordinated among competitors concerning prices, territories, market shares or customers. The Charter is available on the Ethics & Compliance Intranet.

## 3. GOVERNANCE

Dedicated governance arrangements are in place to ensure the Group's values and ethical standards are put into practice.

The Board of Directors' Ethics & Sustainable Development Committee – the majority of whose members are Independent Directors – ensures compliance with the individual and shared values on which the Group bases its actions. Its principal duties are to:

- help the Board of Directors define the Group's broad strategic direction in terms of ethics and social and environmental responsibility, and help define rules of conduct to guide the behavior of senior executives and employees;
- to ensure compliance with these rules; and
- monitor the systems put in place.

The Chairman and Chief Executive Officer and the Executive Committee of LVMH uphold the Group's strong commitment to ethics and social and environmental responsibility.

In addition, LVMH's ESG Committee, which brings together the Group's operational departments, supports and coordinates efforts to achieve strategic targets regarding ethics, environmental and social responsibility, and oversees international reporting and consolidated communication regarding performance. It relies on networks of expert correspondents who help deploy Group initiatives and submit useful information for consolidated reporting. In 2023, the ESG Committee met seven times.

The Privacy, Ethics & Compliance Department steers and coordinates LVMH's procedures with regard to anti-corruption, personal data protection, respecting international sanctions and human rights and anti-money laundering. It is part of the Group's General Administration & Legal Affairs Department, which reports directly to the Chairman and Chief Executive Officer and is represented on the Executive Committee.

Each year, the Privacy, Ethics & Compliance Department reports to the Ethics & Sustainable Development Committee about the Group's progress on these issues. In 2023, the Group's Privacy, Ethics & Compliance Director appeared twice before this committee to present the Group's progress on anti-corruption, personal data protection, anti-money laundering, human rights and international sanctions.

The Maisons' Presidents are responsible for disseminating the internal standards and principles within their respective organizations and ensuring they are effectively applied by employees. The Ethics & Compliance Committee of each Maison, under the leadership of its President, oversees the effective implementation of the compliance program within the Maison.

The role of Ethics & Compliance Officers at each Maison is to implement the Group's ethics policy within their organization. Appointed by the President of each Maison, they regularly report on their activities at Ethics & Compliance Committee meetings. The Ethics & Compliance community consists of 140 correspondents and compliance officers within the Maisons, as well as 50 regional correspondents (figures as of December 31, 2023). LVMH's Privacy, Ethics & Compliance Department coordinates this network both globally and through local initiatives thanks to its dedicated teams in the Americas and Asia-Pacific.

In addition, various communities have been set up to foster coordination between the Maisons and drive shared initiatives in the areas of ethics and environmental, social and societal responsibility, in particular:

- the network of CSR Officers in place within the Maisons, whose role is to structure their Maison's CSR approach around the LVMH 2025 CSR roadmap, share best practice, and implement and adjust actions in keeping with their Maison's specific priorities. The international network of CSR Officers meets once a month, on "CSR Wednesdays". This network includes CSR Officers in all major geographic areas;
- the Environment Committee, which brings together a network of Environment Officers from the Maisons. This body provides a forum for reflection and discussion about major objectives (LIFE 360 program), environmental challenges and opportunities;
- the network of Internal Control Officers led by the Audit & Internal Control Department, which coordinates the implementation of internal control and risk management systems. These officers are responsible, within the Maisons, for ensuring compliance with the Group's internal control procedures and preparing controls tailored to their business.

## 4. RISK IDENTIFICATION

The Group's activities involve exposure to various risks that are the object of regular risk management and identification, notably within the context of regulatory reforms.

A risk analysis focused primarily on risks associated with the Group's supply chain was carried out with the assistance of Verisk Maplecroft, an external service provider specialized in analyzing political, economic, social and environmental risks. A new general risk analysis exercise was conducted in 2022 on the basis of figures for 2021.

The approach is based on an assessment comparing external assessments of risk levels by this external service provider with the quantitative information provided internally by a number of the Group's Maisons, especially the amount of purchases by category and supplier. This work has allowed the Group to categorize its suppliers by criticality (a critical supplier is one playing a major role in a company process, i.e. any supplier that if affected by a failure, disruptions or other issues would lead to a complete or partial suspension of the company's operations).

The exercise analyzes a wide variety of factors by geography and sector:

- human rights: Decent pay and working hours, workplace discrimination, freedom of association and trade union membership, health and safety, forced labor, etc.
- environment: Air quality, waste management, water stress, water quality, deforestation, climate change, risk of drought, CO<sub>2</sub> emissions indicator, etc.

The analysis of all these risk factors highlights the severity of potential risks arising from the Group's activities and those of its supply chain.

## 5. RISK MANAGEMENT

In keeping with its aim of continuous improvement, the Group has set up a system for regularly monitoring risks relating to ethical, social and environmental responsibility.

The general risk analysis exercise (described in the previous section) helps the Maisons identify which countries and types of purchases are particularly at risk with respect to human rights violations and environmental impact. This exercise is now one of the key components of the Group's Convergence program.

Beyond this exercise focused on the Group's supply chain, the Maisons' Ethics & Compliance functions identify and prioritize corruption risk scenarios specific to their own business through dedicated risk mapping exercises based on interviews with representatives of the various functions and regions. These risk maps show their "gross" and "net" exposure to corruption risk (to take into account risk management measures in place) and allow for the development of action plans to manage the risks identified. The risk maps and resulting action plans are presented to the governing bodies of the Maisons. This exercise is repeated periodically. These risk maps were consolidated by business sector in 2022.

In addition, the list of risks classified by representatives of the Group's central functions and Executive Management as "key risks" in the statement of non-financial performance in light of the Group's activities has remained unchanged this year:

- impact on ecosystems, the climate and natural resources;
- setting up and maintaining responsible supply chains;
- safeguarding health and safety at work;
- transfer of key skills and expertise;
- implementation of a policy to promote employee inclusion and fulfillment;
- breaches in the implementation of personal data protection rules;
- breaches in the implementation of business practice compliance arrangements.

The aim of this program is to ensure the best possible alignment between the gross risks identified by the risk-mapping exercise and supplier audit programs as well as risk mitigation actions.

The policies put in place to manage the key risks identified above, together with their results, where relevant, are set out in this section. Readers are referred to the "Attracting and retaining talent" and "Environment and sustainability" sections where applicable.

## 5.1 Comprehensive program to protect ecosystems and natural resources

Because its businesses celebrate nature at its purest and most beautiful, LVMH sees preserving the environment as a strategic imperative. The fact that this imperative is built into all the Group's activities constitutes an essential driver of its growth strategy, enabling it to respond to stakeholders' expectations and constantly stimulate innovation.

Built around four key aspects of the Group's environmental performance, the global LIFE (LVMH Initiatives For the Environment) program provides a structure for this approach, from design through to product sale. It is presented in detail in the "Environment and sustainability" section.

## 5.2 Constant focus on employee inclusion and fulfillment

LVMH is constantly seeking to create conditions that enable its employees to realize their full potential and succeed within the business. At a time of shifting career expectations, it is vitally important to foster employees' aspirations and their fulfillment and to promote diversity.

This is why ensuring safety and well-being at work, offering career guidance, respecting uniqueness, reducing gender inequality, promoting employment for people with disabilities and retaining older employees are all priorities within the Group's human resources policy, detailed in the "Attracting and retaining talent" section.

## 5.3 Unrelenting focus on quality and safety

LVMH is continuously looking to offer products of the highest quality, through research and innovation and high standards in the selection of materials and the implementation of expertise in its activities. The Group is motivated by a constant desire to protect the health and safety of its stakeholders.

The Group's Maisons have customer relations departments that analyze customer complaints, including those relating to adverse effects.

As regards its own employees, LVMH pursues a health, safety and well-being at work policy that is set out in the "Attracting and retaining talent" section.

The Perfumes and Cosmetics business group has a dedicated team of specialists who provide the Maisons with access to a European network of healthcare professionals able to quickly respond to help consumers experiencing side effects. Such post-market surveillance makes it possible to explore new avenues of research and constantly improve the quality and tolerance with respect to the Group's products. The Maisons in this business group comply with the most stringent international safety laws, including the EU regulation on cosmetic products. Their products must meet very strict internal requirements covering development, quality, traceability and safety.

As regards its suppliers' employees, the assessment criteria used in workforce audits of suppliers at Tier 1 and above include aspects related to health and safety (see §5.5).

As regards its customers, the Group is particularly attentive to two key issues: prudent use of chemical compounds in production processes and promoting responsible consumption of wines and spirits.

### Prudent use of chemical compounds in production processes

LVMH is committed to safeguarding against risks inherent in the use of chemical compounds, and complies with regulations, industry group recommendations and opinions issued by scientific committees in this field. The Group is constantly seeking to anticipate changes in this area, drawing on its employees' expertise to produce only the safest products.

Maisons in the Fashion and Leather Goods, and Watches and Jewelry business groups abide by the LVMH Restricted Substances List, an in-house standard that prohibits or restricts the use of certain substances in products placed on the market, as well as their use by suppliers. This standard, which applies to all raw materials used by the Maisons, goes beyond global regulatory requirements and is regularly updated in response to ongoing monitoring of scientific developments. In 2019, LVMH joined the ZDHC (Zero Discharge of Hazardous Chemicals) trade association, which aims to promote best practices concerning the use of dangerous substances and the quality of discharged wastewater at textile and leather manufacturing sites. The actions implemented in 2023 by the Group and the Fashion and Leather Goods Maisons are presented in §3.3 "Pollution" in the "Environment and sustainability" section.

The Group's experts regularly take part in working groups set up by domestic and European authorities and play a very active role within industry groups. Their ongoing monitoring of changes in scientific knowledge and regulations has regularly led LVMH to prohibit the use of certain substances and make efforts to reformulate some of its products.

To help suppliers eliminate the substances on this list, the Group's Environment Department has produced specific technical guides suggesting alternatives. Training is regularly offered on this subject.

Another in-house tool, the LVMH Testing Program, reinforces the control system of Maisons in the Fashion and Leather Goods business group, allowing them to test the highest-risk substances for different materials at nine partner laboratories.

#### **Moët Hennessy: An ambassador for responsible consumption of wines and spirits**

The Group's Wines and Spirits Maisons promote the art of enjoyment of their drinks and invite their consumers to learn about their heritage and expertise. These Maisons are also fully aware that their primary responsibility to society is to safeguard against risks relating to the harmful use of alcohol.

Moët Hennessy has made a commitment to promote moderate consumption and responsible choices with regard to alcohol among its employees and consumers.

The Maisons need to help consumers who are old enough to consume the Group's products to make responsible choices when drinking, such as deciding whether or not to drink and choosing when and how much to drink.

Raising awareness and educating its consumers, customers and employees about risky behaviors such as excessive alcohol consumption is a priority for the Group.

Some people should not consume alcohol at all. Moët Hennessy has adopted a firm stance against alcohol consumption amongst minors and also believes that pregnant women should be better informed about the risks of alcohol consumption for their child.

Moët Hennessy fully supports the World Health Organization's goal of reducing harmful use of alcohol by 20% worldwide by 2030.

In October 2021, Moët Hennessy joined the IARD (International Alliance for Responsible Drinking), a group bringing together leading names from the beers, wines and spirits industry,

## **5.4 Integrity in business**

Integrity and responsibility have always been central to the LVMH group, which is committed to ensuring ethical behavior in all its activities and business relationships, and requires exemplary performance from its employees and partners in this regard.

dedicated to promoting responsible consumption. Moët Hennessy is committed to abiding by the standards set by the IARD in relation to its digital marketing practices, the information it shares with consumers (particularly in its product labeling), online sales and home deliveries. The Group is also committed to working with the industry as a whole to take the concept of responsible consumption even further.

Action plans are rolled out based on prior commitments.

For example, Moët Hennessy developed a Responsible Marketing & Communications Code more than 15 years ago. This code has been regularly updated and recently incorporated the IARD's digital principles and principles for influencers. Marketing teams are trained on the basis of this code, which is also systematically shared with external agencies. In addition, Moët Hennessy is a member of the World Federation of Advertisers' Responsible Marketing Pact, an industry standard aimed at preventing minors from being exposed to alcohol marketing.

Moët Hennessy's company culture is based on moderation and responsible enjoyment of its products. Its employees are responsible and exemplary ambassadors of this.

Moët Hennessy is aware of the need to raise awareness within the company about responsible consumption and has developed specific training programs for employees, as well as individual instructions for events held within the Maisons and on the markets.

Moët Hennessy participates in industry-level initiatives and is involved in the "Wine in Moderation – Art de Vivre" program, which brings together wine industry professionals from all over the world around a social responsibility agenda, offering information and tools to help industry professionals serve wine responsibly and encouraging consumers to have a responsible relationship with wine and wine culture, in a spirit of sharing.

On a local level, Moët Hennessy also supports national industry initiatives to promote responsible consumption such as Responsibility.org in the United States, Prevention & Moderation in France, and other initiatives around the world.

The LVMH group is steadfast in its determination to adhere to its ethical principles at all times and act in accordance with applicable laws and regulations concerning preventing corruption and money laundering, respecting international sanctions and human rights and personal data protection. It implements compliance programs devised and rolled out by the Group's Privacy, Ethics & Compliance Department and its network of officers within the Maisons.



Since 2022, rolling out and strengthening the Ethics & Compliance function has been one of the criteria used to determine the Group Managing Director's compensation. The Governance & Compensation Committee of the Board of Directors recommended including these targets in the 2023 qualitative criteria for the Group Managing Director's variable compensation. In addition, since 2023, targets related to ethics, environmental and social responsibility have been included in the criteria for payment of the Chairman and CEO's variable compensation.

Accordingly, the Group's Privacy, Ethics & Compliance Department develops and coordinates the rollout of cross-departmental initiatives to strengthen compliance programs already in place within the Group and ensure their consistency. It implements shared tools and rules to help to prevent, detect and address prohibited conduct, in terms of combating corruption as well as preventing money laundering, respecting international sanctions and human rights and personal data protection. Given the diversity of the LVMH ecosystem and its decentralized organizational model, Maisons have developed their own policies, procedures and tools adapted to their specific business contexts in compliance with the framework established by the Group.

The Group also undertakes communications, awareness and training activities aimed at instilling a culture of integrity and boosting employee vigilance.

### Risk identification and management

As noted in Section 4, "Risk identification", the Group's activities are subject to regular risk analysis to ensure that appropriate prevention and detection measures are in place, particularly as regards combating corruption and respecting human rights (as part of the Group's vigilance plan – see Section 7.2). These risk maps enable the Maisons to efficiently manage the rollout of the Group's ethics and compliance systems based on the appropriate knowledge.

### Internal rules and procedures

LVMH has in place procedures to prevent and detect breaches of probity in financial life and follows a zero-tolerance policy on corruption and influence-peddling. The Group's Code of Conduct reflects LVMH's commitment to combating corruption and sets out the principles of conduct that must be respected by Group employees.

Alongside the LVMH Code of Conduct, the internal guidelines serve as a reference guide to help employees adopt appropriate behaviors in various areas to do with business ethics:

- preventing corruption and influence-peddling by defining these concepts and providing examples of prohibited behaviors against which staff should be on their guard;
- mandatory rules on gifts and entertainment;

- rules for preventing, reporting and resolving conflicts of interest; in this regard, annual conflict of interest reporting campaigns are undertaken within the Group and the Maisons;
- preventing money laundering, financial fraud and violations of economic and trade sanctions;
- use of assets belonging to the Group and the Maisons, including the fact that such assets are made available only for a temporary period and the requirement that they be used in a professional and conscientious manner;
- loans of clothes and accessories by Maisons to employees or individuals outside the Group.

From the first quarter of 2024, the LVMH Anti-Corruption Charter will replace the guiding principles on anti-corruption, gifts and entertainment, as well as the management of conflicts of interest. The new charter will define and provide examples of behaviors to be avoided as they may constitute acts of corruption or influence-peddling.

This Charter helps employees recognize risky situations and act responsibly and appropriately, by drawing their attention to a number of key points to watch out for. It provides practical examples of prohibited behaviors and guides Group employees on the appropriate conduct to take in various situations they may face. The Anti-Corruption Charter also sets out LVMH's anti-corruption compliance program.

Policies and guidelines drawn up by the Group in various areas of compliance provide a useful complement to the Code of Conduct, notably as regards the prevention of money laundering and compliance with international sanctions.

To take things further and adapt these rules to their specific contexts, the Maisons have implemented their own rules and procedures, particularly with regard to gifts and entertainment, and conflicts of interest.

Failure by employees to abide by rules laid down in the Code of Conduct, the Anti-Corruption Charter or the applicable policies of their employing Maison, will lead to the appropriate steps being taken to put an end to the infringement in question, including disciplinary sanctions proportionate to the severity of the infringement, in accordance with the provisions of the Rules of Procedure (or equivalent document) and all applicable laws and regulations.

### Communications, awareness and training

The above-mentioned rules and policies are made available to all employees.

In particular, the Code of Conduct is published on the Group's website and is communicated to employees, notably when they first join the Group. A module designed to raise awareness of the principles underpinning the Code of Conduct is set to be rolled out to the Maisons starting in the first half of 2024.

## Ethics and responsibility

In addition to the training and awareness initiatives implemented by the Maisons, the Group has also developed a specific online training module on combating corruption, which is available to all Maisons and is meant for all employees. Between its launch in late 2018 and the end of 2023, the module, updated in 2021 and available in 13 languages, was completed by over 40,000 employees all over the Group (figure estimated in 2023). A new version of this module is to be rolled out to the Maisons starting in the first half of 2024. Drawing on various case studies, this module provides employees with guidance on how to deal with the main corruption scenarios they may encounter. It also:

- reiterates LVMH's zero-tolerance policy on corruption;
- defines and illustrates the notions of corruption and influence-peddling;
- spells out the penalties that apply.

The Group and its Maisons have also developed specific training programs for certain roles that are most exposed to the risk of corruption and influence-peddling. Employees in those roles most exposed to these risks receive training from their Maisons based on risks specific to each Maison. For example, in 2023 the Maisons rolled out dedicated training for buyers.

The Group's internal control staff are also informed each year about the Group's compliance and anti-corruption procedures.

Lastly, the Group's Ethics & Compliance Officers receive ongoing in-depth training through dedicated work sessions as well as regional and global events. Since 2022, the Ethics & Compliance Academies have been bringing together officers from the Maisons for regional training days focused on the Group's anti-corruption procedures. In 2023, these Academy gatherings took place in April for the Europe and Asia-Pacific regions and in May for the Americas region.

Annual Compliance Days also provide an opportunity for the Privacy, Ethics & Compliance Director to bring together the Ethics & Compliance team, review the previous year and set out future priorities and objectives. At these events, the Privacy, Ethics & Compliance Director invites the Maisons to share best practice and asks experts from the compliance world to talk about their experience and share their views on future challenges and opportunities. In 2023, this event was held in Paris on November 9 and 10 and brought together around 130 people (Ethics & Compliance Officers and, more broadly, representatives of functions involved in rolling out the Group's ethics program). Also in attendance were a number of members of LVMH's Executive Committee and two members of the Board of Directors.

In addition, the Group's Privacy, Ethics & Compliance department regularly communicates with its network of officers, notably through work sessions organized, for example, when new

guidelines or regulations affecting the Group's activities are published.

Lastly, the Group's Privacy, Ethics & Compliance department shares a range of resources (summary documents, guides, best practice, communication materials, awareness videos, etc.) via an Ethics & Compliance Intranet and a dedicated communication channel.

Alongside this, various training and awareness initiatives are undertaken by the Maisons.

### Group whistleblowing system

LVMH encourages a culture of dialogue and communication within the Group. Any employees and external stakeholders who have questions about how to interpret internal regulations or have any ethical concerns are invited to make this known or ask for advice.

In addition to the existing warning channels within the Group's Maisons, LVMH has set up the "LVMH Alert Line", a secure centralized whistleblowing system that guarantees confidentiality, available in 14 languages. This online platform, which can be accessed from the Group's website (<https://www.lvmh.fr/lvmh-alert-line/>), serves to collect and process reports submitted by employees or external stakeholders concerning situations liable to constitute infringements of laws, regulations, the LVMH Code of Conduct or charters and policies put in place by the Group or its Maisons.

The system includes coverage of the following behaviors:

- corruption and influence-peddling;
- conflicts of interest;
- money laundering;
- fraud and falsification of accounting records, embezzlement;
- anti-competitive practices;
- data protection breaches;
- discrimination;
- harassment;
- infringements of workers' rights and labor law;
- violation of health and safety standards;
- violation of environmental protection laws;
- human rights violations;
- reprisals connected with a previous whistleblowing report;
- other violations of the LVMH Code of Conduct.

The Group's Maisons issue regular communications about this whistleblowing system, notably when welcoming new employees. Employees are informed in particular about how they can access the system and the fact that the Group strictly prohibits any retaliation against whistleblowers (and anyone who helps them or is connected to them) using the system in good faith.

In 2023, 561 reports were received through the Group's whistleblowing system (LVMH Alert Line), of which 63% had to do with human resources matters. These reports are handled in accordance with the applicable law and result in an inquiry if applicable.

In March 2023, LVMH published its Group Whistleblowing Policy setting out rules on gathering and processing reports received by the Maisons and other Group entities. This policy has been published on the Group's website and communicated to each Maison's employees.

Once alerts have been handled, they can be used to help improve risk identification and prevention procedures, as part of a continuous improvement approach.

### Compliance control procedure

Since 2019, each Maison has reported annually to the Group's Privacy, Ethics & Compliance Department on progress made on its compliance program via a detailed reporting questionnaire.

In addition, LVMH's internal control framework includes a set of second-level verifications for ethics, which are checked through assessments concerning design and efficiency by the Group's various entities (as described in the "Financial and operational risk management and internal control" section).

The following aspects of the anti-corruption system are verified annually under the "ERICA" approach (an overview of which can be found in the "Financial and operational risk management and internal control" section):

- observance of the Code of Conduct and its communication to employees of the Maisons;
- appointment of an Ethics & Compliance officer and an Ethics & Compliance Committee within each Maison;
- the existence of a corruption risk map validated by the Maisons' governing bodies;
- providing information about the existence of the internal whistleblowing system and how it works;
- the existence of a procedure for declaring conflicts of interest and gifts and entertainment;
- completion of an anti-corruption module by employees identified as particularly exposed to corruption risk;
- the existence of a third-party evaluation procedure to assess the risk of corruption;
- the existence of anti-corruption accounting control procedures.

There are also specific mandatory control points covering measures put in place to safeguard against the risks of money laundering and violation of economic sanctions.

Lastly, the Internal Audit department, responsible for third-level controls, carries out compliance audits on certain aspects of the ethics and compliance program. Specific audits were conducted in 2023 to ensure that the program had been properly rolled out within Maisons and their subsidiaries.

## 5.5 Supplier assessment and support

The LVMH group considers it very important that the Maisons and the Group's partners abide by a shared body of rules, practices and principles in relation to ethics, corporate social responsibility and environmental protection. The complexity of global supply chains means there is a risk of exposure to practices that run counter to these rules and values.

The Group's responsible supply chain management approach therefore aims to motivate suppliers and every link in the supply chains involved to meet ethical, social and environmental requirements.

Supporting suppliers has long been a strategic focus for LVMH, with a view to maintaining sustainable relationships based on a shared desire for excellence. The Group pursues an overarching approach aimed at ensuring that its partners adopt practices that are environmentally friendly and respect human rights.

This approach is based on a combination of the following:

- identifying priority areas, informed in particular by the multiple non-financial risk-mapping exercises covering the activities of the Group and its direct suppliers by type of activity;
- site audits of our suppliers (Tier 1 and higher) to check that the Group's requirements are met on the ground, and implementation of corrective action programs in the event of compliance failures;
- supplier support and training;
- actively participating in cross-sector initiatives covering high-risk areas.

To a large extent, actions implemented address issues connected with the environment, human rights and risk of corruption.

### Identifying priority areas

The non-financial general risk analysis exercise described under §4 helps determine which suppliers should be audited as a priority. It takes into account risks related to the country, purchasing category and amount of purchases in question.

As part of its Convergence project, the Group continued to expand its use of the EcoVadis platform in 2023. Following the completion of the risk-mapping exercise each year, the main suppliers identified as at risk may be assessed using the EcoVadis methodology. This allows for the assessment of their ethical, social and environmental performance through the collection of documentary data, external intelligence and online research.

More than 2,000 suppliers were invited to join the platform in 2023: 77% of suppliers were reassessed and 69% of these improved their score. The average improvement since the first assessment is now 57 points (compared with the overall EcoVadis average of 46 points). Joining the platform's existing participants – Group Purchasing, Louis Vuitton, the Beauty business group, Sephora, the Wines and Spirits business group, Bulgari, Fendi, Loewe, Celine, Christian Dior Couture and Chaumet – new participant Loro Piana came on board in 2023.

### Assessment and corrective action plans

LVMH is unique in that it undertakes much of its own manufacturing in-house, with subcontracting accounting for only a small proportion of the cost of sales. The Group is therefore able to directly ensure that working conditions are safe and human rights respected across a significant part of its production.

The figures shown below are for 2021:

	Europe	North America	Asia	Other
Breakdown of suppliers by volume of purchases (as %)	64	18	17	1
Breakdown of suppliers by number (as %)	78	10	10	2
Breakdown of audits (as %)	66	3	30	2

The last mapping of Tier 1 suppliers was undertaken in 2022 based on 2021 data; a new mapping exercise will be undertaken in 2024 using 2023 data.

Some Maisons have supplemented their audits using measures to directly ask their suppliers' employees about their working conditions. These surveys help gain a clearer vision of working conditions at the sites concerned and check for problems such as forced labor or harassment, which may not be detected during audits. These fully anonymous, confidential surveys are offered through a mobile instant messaging application.

The Maisons apply reasonable due diligence measures and audit their suppliers – and, above Tier 1, their subcontractors – to ensure they meet the requirements laid down in the LVMH Supplier Code of Conduct.

Contracts entered into with suppliers of raw materials and product components with whom the Group maintains a direct relationship include a clause requiring them to be transparent about their supply chain by disclosing their subcontractors.

Some Maisons, such as Loewe, use preselection questionnaires.

Maisons maintain collaborative, active working relationships with direct suppliers by helping them conduct audits and draw up any corrective action plans that might be required.

The Group uses specialist independent firms to conduct these audits. In 2023, 2,021 audits (not including EcoVadis assessments) were undertaken at 1,725 suppliers and subcontractors. Thanks to an improvement in the health situation in the countries where production facilities are located, this figure was higher than in 2022, when 1,625 audits were carried out.

Of all the audits undertaken, 76% covered both workforce-related aspects (health and safety, forced labor, child labor, decent pay, working hours, discrimination, freedom of association and collective bargaining, the right to strike, anti-corruption, etc.) and environmental aspects (environmental management system, water usage and pollution, gas emissions and air pollution, management of chemicals, waste management, types of raw materials used, etc.). A total of 10% of audits covered only workforce-related aspects, and 14% only environmental aspects. There was a significant increase in the number of audits covering all environmental aspects thanks to the introduction of new LVMH guidelines in January 2022.

In 2023, 6% of suppliers audited failed to meet the Group's requirements based on a four-tier performance scale that takes into account the number and severity of critical compliance failures. The majority of compliance failures identified had to do with health and safety. In such cases, the Group always works with the supplier to draw up a corrective action plan, implementation of which is monitored by the buyer responsible for the relationship within the relevant Maison. Some Maisons, such as Berluti, Fendi, Tiffany & Co. and Parfums Christian Dior, also offered personalized coaching to help suppliers correct compliance failures identified during audits.

In 2023, relations with 17 suppliers were terminated following adverse audit findings. In addition, five potential suppliers failed to secure approval following unsatisfactory pre-approval audits.

Following work carried out in 2020 with the aim of establishing a shared set of workforce-related audit guidelines for all the Group's Maisons, these guidelines – which also include a section concerned with the assessment of environmental and anti-corruption risks – were applied starting in January 2021. Environmental audit guidelines were updated in January 2022 in order to collect essential data for the purposes of the LIFE 360 initiative.

### Supplier and buyer training

In keeping with its aim of providing support and fostering continuous improvement, the Group regularly offers its suppliers training opportunities.

In addition to training on responsible purchasing practices held at certain Maisons in previous years, the decision was made in 2021 to create an LVMH-wide training program on this subject. Delivery of this training program, developed with the support of consulting firm Des Enjeux et Des Hommes, began in 2022, and was further reinforced in 2023, with sessions having taken place in France, Italy, North America and Asia.

Furthermore, buyers at the Maisons are trained in corruption prevention through dedicated training modules focused on the risks associated with their roles.

Lastly, with the announcement of the LIFE 360 Business Partners program at the LIFE 360 Summit in December 2023, the Group is now in a position to help its suppliers reduce their carbon, water and biodiversity footprints. From 2024 onwards, LVMH will be running Sustainability Business Partners Days to listen to partners' needs and expectations so as to support the environmental goals of the Group's various supply chains. The Group will also share its environmental knowledge and training programs as well as regulatory intelligence, and will encourage the sharing of solutions and expertise through a dedicated platform.

### Participation in multi-party initiatives in high-risk areas

In addition to its actions aimed at direct suppliers, LVMH takes part in initiatives intended to improve visibility along supply chains and throughout subcontractor networks, to ensure that it can best assess and support all stakeholders.

Working groups have been put in place and targeted programs rolled out to address issues specific to the Group's individual business groups. To maximize efficiency and optimize influence over subcontractors' practices, preference is generally given to sector-specific initiatives covering multiple purchasing entities.

For Maisons in the Watches and Jewelry business group, the mining sector, which is highly fragmented and relies substantially on the informal economy, carries significant risks to human rights. As such, the Maisons have formally committed under the LIFE 360 program to ensuring that all gold supplies are certified by the Responsible Jewellery Council (RJC).

The Group and its Maisons are also involved in the Coloured Gemstones Working Group (CGWG) with other sector stakeholders. The CGWG aims to roll out environmental and social best practice across the colored gemstone sector by making all tools developed by the initiative available to the industry on an open-source basis and allowing industry players to assess the maturity of their practices.

Maisons in the Perfumes and Cosmetics business group have signed up for the Responsible Beauty Initiative run by EcoVadis, working with major sector players to develop action plans in response to business-specific issues. Since 2022, the business group has also been involved in the Responsible Mica Initiative, which aims to pool sector stakeholders' resources to ensure acceptable working conditions in the sector. Work to map Indian mica supply chains began in 2015, followed by a program of audits down to the individual mine level. Over 80% of the supply chain has been covered to date.

The business group also joined Action for Sustainable Derivatives (ASD), a collaborative initiative jointly managed and overseen by BSR and Transitions. ASD brings together large companies in the cosmetics sector and the oleochemical industry to achieve their shared goal of improving traceability, working conditions and practices throughout the entire palm derivatives supply chain.

For Maisons in the Fashion and Leather Goods business group, specific traceability requirements applicable to the leather and cotton sectors have been incorporated into the LIFE 360 program. Leather traceability is taken into account via the score resulting from audits of the Leather Working Group standard. An LVMH leather coordination group drawn from all the Fashion and Leather Goods Maisons meets twice a year. Targets for the certification of raw materials like cotton and leather were set as part of the LIFE 360 program; the results are presented in the "Environment and sustainability" section under §3.1.2, "Key achievements in 2023: Biodiversity".

For all Maisons, particular attention is paid to purchases of packaging materials due to fragmentation of production processes in this sector. Specific tools are used to assess and improve the environmental performance of packaging.

In 2021, LVMH set up a team to establish a pay equity policy applicable to all its employees and suppliers. These principles were adopted by the Human Resources Department in 2022.

Since 2018, LVMH has taken part in Utthan, an embroidery industry initiative bringing together major luxury brands. This initiative aims to empower artisans in Mumbai's hand embroidery cluster, where many of the embroiderers partnering with the Maisons are based, and help them gain recognition for their skills. The initiative also includes an on-site training program

## 5.6 Responsible management of personal data

The Group places great importance on respecting its customers' and employees' privacy and, in particular, protecting their personal data.

That being the case, the Group is to roll out six broad principles, laid down in the Code of Conduct and elaborated in the LVMH Privacy Charter, both due to be published in the first quarter of 2024. These principles are key to ensuring that individuals' fundamental rights are protected whenever their data is collected, processed or transferred, regardless of geographical location. Each of the Group's Maisons, regardless of location, is thus careful to abide by these six broad principles in addition to complying with applicable laws and regulations.

To ensure compliance with these principles and with applicable laws, each of the Group's Maisons has appointed a Privacy Leader who oversees compliance in this area within his or her Maison. These Privacy Leaders belong to a community that meets at least monthly to discuss and share experience relating to shared issues to do with the protection of personal data.

for embroiderers. Audit guidelines and levels of compliance were reviewed and simplified in 2021, and updated to be brought in line with new regulations in India. In 2023, the initiative put in place a protocol to ensure that each and every embroiderer receives a living wage and health insurance.

To support LVMH and its Maisons, the Group provides Privacy Leaders with various tools to help them oversee and document compliance in this area. These tools help Data Protection Officers within the Maisons ensure compliance with the European Union's General Data Protection Regulation.

To monitor the level of compliance of the Group and its Maisons, the ERICA system includes optional control points relating to the protection of personal data. There are plans to increase the number of these controls to make them more effective. An initial GDPR compliance self-assessment campaign was also run in 2023, the findings of which were shared with the Group's top management. This self-assessment process will be repeated each year covering GDPR and any other regulations applicable to the Group and its Maisons.

## 6. REPORT BY THE STATUTORY AUDITOR DESIGNATED AS AN INDEPENDENT THIRD PARTY ON THE VERIFICATION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of your company LVMH Moët Hennessy Louis Vuitton (hereinafter "the Company"), designated as an Independent Verifier ("third party") accredited by COFRAC (COFRAC Inspection Accreditation No. 3-1886; scope available at [www.cofrac.fr](http://www.cofrac.fr)), we undertook work with the aim of expressing a reasoned opinion reflecting a limited assurance conclusion on the historical information (whether recorded or extrapolated) included in the consolidated statement of non-financial performance, prepared in accordance with the Company's procedures (hereinafter "the Guidelines"), for the fiscal year ended December 31, 2023 (hereinafter "the Information" and "the Statement", respectively), as set out in the Group's Management Report pursuant to the provisions laid down in Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

It is also our responsibility to express, at the Company's request and outside the scope of our accreditation, a conclusion of reasonable assurance that certain information selected by the Company and set out in the Statement is, in all material respects, fairly presented in accordance with the Guidelines.

### 1. Limited assurance conclusion on the consolidated statement of non-financial performance in accordance with Article L. 225-102-1 of the French Commercial Code

On the basis of the procedures we performed, as described in the "Nature and scope of work" section, and the information we obtained, we found no material misstatements that might have led us to believe that the statement of non-financial performance is not compliant with applicable regulatory requirements or that the Information, taken as a whole, is not fairly presented, in accordance with the Guidelines.

### 2. Reasonable assurance conclusion on a selection of information included in the Statement

In our opinion, the following information selected by the Company and identified by the ✓ sign in Appendix 1 is, in all material respects, fairly presented in accordance with the Guidelines.

#### Preparation of the Statement

The lack of a generally accepted and commonly used framework or established practice on which to base the assessment and measurement of Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

The Information should therefore be read and understood in relation to the Guidelines, the key elements of which are set out in the Statement and available upon request at the Company's head office.

#### Limitations inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used in its preparation and set out in the Statement.

## Responsibility of the Company

It is the responsibility of management to:

- select and define appropriate criteria for the preparation of Information;
- prepare a Statement compliant with legal and regulatory requirements, including an overview of the business model, a description of key non-financial risks and an overview of the policies adopted in light of those risks, together with the results of those policies, including key performance indicators and furthermore the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and for such internal control as management determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the Company's Guidelines as mentioned above.

## Responsibility of the Statutory Auditor designated as an Independent Verifier

It is our responsibility, on the basis of our work, to express a reasoned opinion reflecting a limited assurance conclusion that:

- the Statement complies with the requirements laid down in Article R. 225-105 of the French Commercial Code;
- the information provided is fairly presented in accordance with Point 3 of Sections I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions in relation to key risks (hereinafter "the Information").

As it is our responsibility to reach an independent conclusion regarding the Information as prepared by management, we are not allowed to be involved in the preparation of this Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- whether the Company complies with other applicable legal and regulatory provisions, notably concerning the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the prevention of corruption and tax evasion;
- the fair presentation of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- whether products and services comply with applicable regulations.

## Regulatory provisions and applicable professional guidelines

The work described below was carried out in accordance with our audit program and the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), and ISAE 3000 (revised – Assurance Engagements Other than Audits or Reviews of Historical Financial Information).

## Independence and quality control

Our independence is defined by the provisions of Article L. 821-31 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). In addition, we have implemented a quality control system, including documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical standards and professional guidelines of the French National Institute of Statutory Auditors applicable to this engagement.

## Means and resources

Our work was undertaken by a team of eleven people between July 2023 and January 2024, for a period of about twenty weeks.

We conducted around fifteen interviews with those responsible for preparing the Statement, notably representing Executive Management and the Administration & Finance, Risk Management, Privacy, Ethics & Compliance, Human Resources, Environmental Development and Purchasing Departments.

In the course of our work, we made use of information and communication technologies to conduct work and interviews remotely, with no adverse effect on the performance of the work.



### Nature and scope of work

We planned and performed our work with due regard to the risks of material misstatement of the Information.

We consider that the procedures we performed using our professional judgment allow us to formulate a limited assurance conclusion:

- we familiarized ourselves with the business of all entities falling within the scope of consolidation and the key risks;
- we assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, objectivity and comprehensible nature, taking the sector's best practices into consideration, where applicable;
- we checked that the Statement covers each category of information laid down in Section III of Article L. 225-102-1 with regard to social and environmental impact, as well as compliance with human rights and the prevention of corruption and tax evasion;
- we checked that the Statement provides the information required by Section II of Article R. 225-105 wherever relevant with respect to the key risks and, where applicable, includes an explanation of the reasons for the absence of information required by Section III, Paragraph 2 of Article L. 225-102-1;
- we checked that the Statement provides an overview of the business model and a description of the key risks associated with the business of all entities falling within the scope of consolidation, including, where relevant and proportionate, risks arising from business relationships, products and services as well as policies, actions and results, including key performance indicators related to key risks;
- we consulted source documents and conducted interviews to:
  - assess the process used to select and validate key risks, as well as the consistency of results, including key performance indicators related to the key risks and policies presented,
  - corroborate what we considered the most important qualitative information (actions and results) set out in Appendix I. For all risks, our work was carried out at the level of the consolidating entity and on a selection of the entities listed below:
    - for environmental risks: Wines and Spirits: MHCS Maison and sites (Épernay, France); Hennessy Maison and sites (Cognac, France); Glenmorangie: Maison and site (Ardbeg, Scotland); Chandon Argentina: Maison and site (Chandon Argentina estate, Argentina). Perfumes and Cosmetics: Parfums Christian Dior: Maison and site (Saint-Jean-de-Braye, France); Guerlain: Maison and site (Chartres, France). Fashion and Leather Goods: Louis Vuitton Malletier: Maison and site (France); Christian Dior Couture: Maison and site (France); Marc Jacobs: Maison (United States); Fendi: Maison (Italy); LVMH Métiers d'Art: site (Heng Long tannery, Singapore). Watches and Jewelry: Tiffany & Co.: Maison and sites (United States); Bulgari: Maison (Italy); Chaumet: Maison (France). Selective Retailing: DFS stores (Hong Kong); Sephora Europe & Middle East stores (Europe and Middle East); Sephora North America stores (United States). Other activities: Belmond hotels (La Samanna, France; Copacabana Palace, Brazil; Hotel das Cataratas, Brazil); Royal Van Lent: site (Amsterdam),
    - for social risks: Responsible supply chains: Fashion and Leather Goods: Fendi (Italy). Watches and Jewelry: Bulgari (Italy),
    - for workforce-related risks: Wines and Spirits: Moët Hennessy (United States). Perfumes and Cosmetics: Benefit Cosmetics (United States). Fashion and Leather Goods: Christian Dior Inc. (United States); Christian Dior Commercial Shanghai Co. Ltd (China); Louis Vuitton (United States and Japan); Loro Piana SpA (Italy). Watches and Jewelry: Tiffany & Co. (United States). Selective Retailing: Sephora (Canada); Other activities: Le Parisien (France),
    - for risks relating to privacy, ethics and compliance: Fashion and Leather Goods: Louis Vuitton (Maison and Louis Vuitton US). Watches and Jewelry: Tiffany & Co. (Maison and Tiffany US);
- we checked that the Statement covers the scope of the consolidated Group, i.e. all entities falling within the scope of consolidation in accordance with Article L. 233-16, within the limits set out in the Statement;
- we reviewed the internal control and risk management procedures put in place by the Company and assessed the collection process aimed at ensuring that the Information is complete and fairly presented.

## Ethics and responsibility

- for key performance indicators and those other quantitative results we considered the most significant, set out in Appendix 1, we carried out the following:
  - analytical procedures that consisted in checking that all data collected had been properly consolidated, and that trends in that data were consistent,
  - detailed, sample-based tests or other means of selection that consisted in checking that definitions and procedures had been properly applied and reconciling data with supporting documents. This work was carried out on a selection of contributing entities and covers between 10% and 59% of the consolidated data selected for these tests (10% of the workforce, 25% of energy consumption, 59% of certified supplies and 21% of warnings received through the LVMH Alert Line);
- we assessed the Statement's overall consistency with our knowledge of all the entities falling within the scope of consolidation.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidelines of the French National Institute of Statutory Auditors; a higher level of assurance would have required more extensive audit procedures.

At the Company's request, we carried out additional work to enable us to express a reasonable assurance conclusion on the information identified by the ✓ sign in Appendix 1.

This work was of the same type as that described above in the section on the limited assurance conclusion but more in-depth, in particular with regard to:

- analytical procedures that consisted in checking that all data collected had been properly consolidated, and that trends in that data were consistent;
- detailed, sample-based tests that consisted in checking that definitions and procedures had been properly applied and reconciling data with supporting documents.

The selected sample thus represents between 25% and 79% of the information identified by the ✓ sign

Paris-La Défense, February 8, 2024

One of the Statutory Auditors

French original signed by

Deloitte & Associés

Olivier Jan  
Sustainable Development Partner

Guillaume Troussicot  
Audit Partner

This is a free translation into English of the Independent Verifier's report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

## Appendix 1: Information considered the most important

### Workforce-related information

#### Quantitative information (including key performance indicators)

- Breakdown of the workforce as of December 31, 2023 by gender and job category
- Recruitment on permanent contracts from January 1 to December 31, 2023
- Departures of employees on permanent contracts from January 1 to December 31, 2023
- Turnover among employees on permanent contracts from January 1 to December 31, 2023 (total, voluntary and involuntary)
- Proportion of employees on permanent contracts who received training between January 1 and December 31, 2023 by job category
- Average number of days' training for employees on permanent contracts
- Absence rate by reason
- Work-related accident frequency rate
- Work-related accident severity rate

#### Qualitative information (actions and results)

- Initiatives in support of employment for people with disabilities run by Maisons (Sephora USA, MHEA, Louis Vuitton China) and the Group (network of CSR officers; VETA partnership)
- Rollout of the Inside LVMH program (online platform) to give students and recent graduates an insight into the Group's businesses
- Rollout across the LVMH group and its Maisons of Spring career booster programs for newly recruited young professionals
- Development of an HR data culture (via a centralized platform for gathering and analyzing HR data, and online training with ESCP)

### Environmental information

#### Quantitative information (including key performance indicators)

- Total energy consumption (MWh) ✓
- Energy-related greenhouse gas emissions – Scopes 1 and 2 (metric tons of CO<sub>2</sub> equivalent) ✓
- Greenhouse gas emissions generated by outbound transport – Scope 3 (metric tons of CO<sub>2</sub> equivalent) ✓
- Total water consumption for process requirements (m<sup>3</sup>)
- Total water consumption for agricultural requirements (m<sup>3</sup>)
- Total waste produced (metric tons)
- Total hazardous waste produced (metric tons)
- Waste recovery rate (%)
- Total packaging that reaches customers (metric tons) ✓
- Quantity of COD after treatment (metric tons)

#### Qualitative information (actions and results)

- Monitoring rollout of the system for measuring the environmental impact of packaging through the EPI (Environmental Performance Index) score
- Taking into account the climate risk analysis undertaken in 2023
- Review of the rollout of the 2026 LED target: Proportion of stores equipped with LED lighting
- Climate achievements in 2023: Review of the Carbon Fund

### Social information

#### Quantitative information (including key performance indicators)

- Proportion of supplies of grapes, *eaux-de-vie* and still wines (in kg), from vineyards owned by the Group or from purchases, with sustainable winegrowing certification (%) ✓
- Proportion of supplies of palm oil, palm kernel oil and their derivatives (in kg) certified RSPO Mass Balance or Segregated (%) ✓
- Proportion of sheep and cow leather supplies (in m<sup>2</sup>) sourced from LWG-certified tanneries (%) ✓
- Proportion of exotic leather (crocodilian) supplies (number of skins) sourced from LWG-certified tanneries (%)
- Proportion of gold supplies (in kg) certified RJC CoC ✓
- Proportion of gold supplies (in kg) sourced from RJC CoP-certified suppliers ✓
- Proportion of diamond supplies (in carats) sourced from RJC CoP-certified suppliers ✓
- Proportion of cotton supplies (in metric tons) certified (%) ✓
- Proportion of fur supplies (mink and fox) (in kg) certified (%)
- Proportion of sheep's wool (merino and other species) and cashmere (in kg) certified (%)
- Number of social and/or environmental audits carried out on suppliers and subcontractors

#### Qualitative information (actions and results)

- Supplier assessment and support
- Monitoring of the LIFE 360 "Traceability & Transparency" target and action plans
- LIFE 360 "Biodiversity" target: Monitoring rollout of the target of restoring, protecting or regenerating 5 million hectares by 2030
- Welfare of farm-reared crocodilians: Monitoring the target of having all farms supplying the Heng Long tannery certified under the LVMH crocodilian standard (SRCP)

**Privacy, ethics and compliance information****Quantitative information  
(including key performance indicators)**

- Number of reports received through the LVMH Alert Line
- Number of employees trained through the anti-corruption module

**Qualitative information  
(actions and results)**

- Distribution of the LVMH Code of Conduct (version in force in 2023) to employees, in particular when they first join the Group
- Policy of having Maisons' suppliers sign up to the Supplier Code of Conduct (version in force in 2023)
- Existence of a whistleblowing system at the Maisons
- Extensive communication about the whistleblowing system within the Maisons
- Existence within the ERICA system of optional control points relating to the protection of personal data
- Training and awareness sessions on issues related to personal data protection

## 7. CROSS-REFERENCE TABLES

### 7.1 Statement of non-financial performance

Like any other economic actor, the LVMH group is exposed to a number of non-financial risks that may affect its performance, cause harm to its reputation, and impact its stakeholders and/or the environment. The following risks have been classified by representatives of the Group's central functions and Executive Management as "key risks" in light of the Group's activities (see §4 of the "Ethics and responsibility" section):

- impact on ecosystems, the climate and natural resources;
- setting up and maintaining responsible supply chains;
- safeguarding health and safety at work;
- transfer of key skills and expertise;
- implementation of a policy to promote employee inclusion and fulfillment;
- breaches in the implementation of personal data protection rules;
- breaches in the implementation of business practice compliance arrangements.

LVMH is committed to addressing each of these risks by putting the appropriate policies in place. The cross-reference tables below provide a summary presentation of the information constituting the Group's statement of non-financial performance, as required by Article L. 225-102-1 of the French Commercial Code, indicating for each item the section of this Management Report where further details may be found. They include cross-references to the specific disclosures required by this article with regard to respect for human rights and measures to combat corruption, climate change, and discrimination.

The remaining disclosures required by this article may be found in the following sections:

- with regard to the Group's business model, in the sections entitled "The LVMH business model" and "Business overview, highlights and outlook" in the introduction to this report;
- with regard to the presentation of the workforce for each business group and geographic region, in §1.3 of the "Attracting and retaining talent" section;
- with regard to collective bargaining agreements signed at the level of companies across the Group, in §3.2 of the "Attracting and retaining talent" section;
- with regard to actions aimed at promoting relations between the nation and its armed forces and supporting involvement in the armed forces reserves, in §3.3 of the "Attracting and retaining talent" section;
- with regard to actions aimed at promoting physical and sports activities and measures in support of people with disabilities, in §3.3 of the "Attracting and retaining talent" section;
- with regard to efforts to promote the circular economy, in §2 of the "Environment and sustainability" section;
- with regard to combating food waste, in §2.2.4 of the "Environment and sustainability" section;
- with regard to social commitments to promote sustainable development, apart from the topics covered by the cross-reference tables below in terms of social consequences, respect for human rights and the environment, in §1 and §2 of the "Outreach and giving back" section;
- with regard to protecting animal welfare, in §3 of the "Environment and sustainability" section.

Lastly, given the nature of the Group's business activities, topics relating to the fight against food insecurity or efforts to promote responsible and sustainable food production as well as fair food systems are not discussed in this Management Report.

### 7.1.1 Social consequences

Risk	Policies	Results
<b>Transfer of key skills and expertise</b>	<ul style="list-style-type: none"> <li>– Academic partnerships (§2.1 of the “Attracting and retaining talent” section)</li> <li>– Institut des Métiers d’Excellence (§2.2 of the “Attracting and retaining talent” section)</li> <li>– Employee training and support (§2.3 of the “Attracting and retaining talent” section)</li> <li>– Specific initiatives to promote training and employment for people with disabilities (§4.3 of the “Attracting and retaining talent” section)</li> <li>– Support for high-potential female employees to help them move into key positions (§4.4 of the “Attracting and retaining talent” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Joiners by business group and geographic region (§2.1 of the “Attracting and retaining talent” section)</li> <li>– Investment in training (§2.3 of the “Attracting and retaining talent” section)</li> <li>– Internal mobility data (§2.3 of the “Attracting and retaining talent” section)</li> <li>– Awards, recognition and rankings obtained as an employer (§2.1 of the “Attracting and retaining talent” section)</li> </ul>
<b>Health and safety issues faced in the Group’s business activities</b>	<ul style="list-style-type: none"> <li>– LVMH Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– LVMH Alert Line whistleblowing system (§5.4 of the “Ethics and responsibility” section)</li> <li>– Charter on Working Relations with Fashion Models (§2.2 of the “Ethics and responsibility” section)</li> <li>– Investments in health, safety and security (§3.1 of the “Attracting and retaining talent” section)</li> <li>– Employee training in health, safety and security (§3.1 of the “Attracting and retaining talent” section)</li> <li>– Social audits of suppliers and subcontractors including a health and safety dimension (§5.5 of the “Ethics and responsibility” section)</li> <li>– Measures relating to the use of chemicals and cosmetovigilance (§5.3 of the “Ethics and responsibility” section)</li> <li>– Promoting responsible consumption of Wines and Spirits (§5.3 of the “Ethics and responsibility” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Breakdown, frequency and severity of work-related accidents (§3.1 of the “Attracting and retaining talent” section)</li> <li>– Data relating to social audits that include a health and safety dimension (§5.5 of the “Ethics and responsibility” section)</li> <li>– Training for employees and suppliers focusing on the LVMH Restricted Substances List (§5.3 of the “Ethics and responsibility” section)</li> </ul>
<b>Implementation of a policy of employee inclusion and fulfillment (aspects related to fulfillment at work)</b>	<ul style="list-style-type: none"> <li>– LVMH Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– LVMH Alert Line whistleblowing system (§5.4 of the “Ethics and responsibility” section)</li> <li>– LVMH Heart Fund (§3.4 of the “Attracting and retaining talent” section)</li> <li>– Specific training for managers (§2.3 of the “Attracting and retaining talent” section)</li> <li>– Group Works Council and SE Works Council (§3.2 of the “Attracting and retaining talent” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Number of meetings held by employee representative bodies in 2023 (§3.2 of the “Attracting and retaining talent” section)</li> <li>– Endowment and number of support requests received in connection with the LVMH Heart Fund (§3.4 of the “Attracting and retaining talent” section)</li> </ul>

## 7.1.2 Respect for human rights

Risk	Policies	Results
<b>Setting up and maintaining responsible supply chains (aspects relating to respect for human rights)</b>	<ul style="list-style-type: none"> <li>– LVMH Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Supplier Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Charter on Working Relations with Fashion Models (§2.2 of the “Ethics and responsibility” section)</li> <li>– LVMH Alert Line whistleblowing system (§5.4 of the “Ethics and responsibility” section)</li> <li>– Risk mapping by the Group (§4 of the “Ethics and responsibility” section)</li> <li>– Social audits of suppliers and subcontractors (§5.2 of the “Ethics and responsibility” section)</li> <li>– Collection of information on suppliers’ social and ethical performance via the EcoVadis platform (§5.2 of the “Ethics and responsibility” section)</li> <li>– Participation in multi-party initiatives covering high-risk areas (§5.5 of the “Ethics and responsibility” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Breakdown of suppliers and audits (§5.5 of the “Ethics and responsibility” section)</li> <li>– Data on combined audits and audits examining only social aspects carried out at suppliers (§5.5 of the “Ethics and responsibility” section)</li> <li>– Proportion of follow-up audits (§5.5 of the “Ethics and responsibility” section)</li> <li>– Proportion of suppliers not meeting the Group’s standards (§5.5 of the “Ethics and responsibility” section)</li> <li>– Number of contracts terminated following audits (§5.5 of the “Ethics and responsibility” section)</li> <li>– Number of business relationships not initiated following audits (§5.5 of the “Ethics and responsibility” section)</li> </ul>
<b>Implementation of a policy of employee inclusion and fulfillment (aspects relating to the fight against discrimination and the promotion of diversity)</b>	<ul style="list-style-type: none"> <li>– LVMH Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– LVMH Alert Line whistleblowing system (§5.4 of the “Ethics and responsibility” section)</li> <li>– Recruitment Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Specific training for recruiters (§4.2 of the “Attracting and retaining talent” section)</li> <li>– Independent review of hiring practices (§4.2 of the “Attracting and retaining talent” section)</li> <li>– Specific initiatives to promote training and employment for people with disabilities (§4.3 of the “Attracting and retaining talent” section)</li> <li>– Support for high-potential female employees to help them move into key positions (§4.4 of the “Attracting and retaining talent” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Proportion of employees with disabilities (§4.3 of the “Attracting and retaining talent” section)</li> <li>– Proportion of women among joiners and in the Group’s workforce (§4.4 of the “Attracting and retaining talent” section)</li> </ul>
<b>Breaches in the implementation of personal data protection rules</b>	<ul style="list-style-type: none"> <li>– LVMH Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Data protection policy (§5.6 of the “Ethics and responsibility” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Creation of a network of Data Protection Officers (§5.6 of the “Ethics and responsibility” section)</li> </ul>

### 7.1.3 Environmental consequences

Risk	Policies	Results
<b>Business impacts on ecosystems, the climate and natural resources (including aspects relating to the fight against climate change)</b>	<ul style="list-style-type: none"> <li>– LVMH Environmental Charter (§1.1 and §1.2 of the “Environment and sustainability” section)</li> <li>– LIFE program and LIFE 360 targets (§1.1 and §1.2 of the “Environment and sustainability” section)</li> <li>– Combating climate change and the LVMH Carbon Fund (§5 of the “Environment and sustainability” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Improvement in the Environmental Performance Index scores of product packaging for Perfumes and Cosmetics and Wines and Spirits companies (§2.2 of the “Environment and sustainability” section)</li> <li>– Accelerated and expanded rollout of sustainable and organic winegrowing (§3.1 of the “Environment and sustainability” section)</li> <li>– Certification of materials used in products (§3.1 of the “Environment and sustainability” section)</li> <li>– Amounts raised via the Carbon Fund and metric tons of carbon-equivalents avoided via the innovative projects supported (§5.2 of the “Environment and sustainability” section)</li> <li>– Increase in the proportion of renewable energy in the Group’s energy mix (§5.2 of the “Environment and sustainability” section)</li> <li>– Implementation of an environmental management system at manufacturing sites (§2.1.4 and §2.2.5 of the “Environment and sustainability” section)</li> </ul>
<b>Setting up and maintaining responsible supply chains (environmental aspects)</b>	<ul style="list-style-type: none"> <li>– LVMH Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Supplier Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– LVMH Environmental Charter (§1.1 and §1.2 of the “Environment and sustainability” section)</li> <li>– LIFE program and LIFE 360 targets (§1.1 and §1.2 of the “Environment and sustainability” section)</li> <li>– LVMH Alert Line whistleblowing system (§5.4 of the “Ethics and responsibility” section)</li> <li>– Collection of information on suppliers’ environmental performance via the EcoVadis platform (§5.5 of the “Ethics and responsibility” section)</li> <li>– Participation in multi-party initiatives covering high-risk areas (§5.5 of the “Ethics and responsibility” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Data on environmental audits carried out at suppliers, both combined audits and audits examining only environmental aspects (§5.5 of the “Ethics and responsibility” section)</li> <li>– LIFE 360 program – “Biodiversity” target, particularly relating to supply chains for grapes, leather, skins and pelts, gemstones and precious metals, palm oil derivatives and regulated chemicals (§3.1 of the “Environment and sustainability” section)</li> </ul>

## 7.1.4 Fight against corruption

Risk	Policies	Results
<b>Breaches in the implementation of business practice compliance arrangements</b>	<ul style="list-style-type: none"> <li>– LVMH Code of Conduct (§2.2 and §5.4 of the “Ethics and responsibility” section)</li> <li>– Supplier Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– LVMH Anti-corruption Charter (§2.2 and §5.4 of the “Ethics and responsibility” section)</li> <li>– LVMH Alert Line whistleblowing system (§5.4 of the “Ethics and responsibility” section)</li> <li>– Group Ethics &amp; Compliance Intranet site (§5.4 of the “Ethics and responsibility” section)</li> <li>– Corruption risk mapping (§4 and §5.4 of the “Ethics and responsibility” section)</li> <li>– Anti-corruption assessment of third parties (§5.4 of the “Ethics and responsibility” section)</li> <li>– Role of the Ethics &amp; Compliance Department, officers and committees (§3 and §5.4 of the “Ethics and responsibility” section)</li> <li>– Internal guidelines (§5.4 of the “Ethics and responsibility” section)</li> <li>– Anti-corruption training (§5.4 of the “Ethics and responsibility” section)</li> <li>– Compliance rules included in the internal audit and control framework (§5.4 of the “Ethics and responsibility” section)</li> <li>– Report to the Ethics &amp; Sustainable Development Committee of the Board of Directors (§3 of the “Ethics and responsibility” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Number of reports made to the LVMH Alert Line (§5.4 of the “Ethics and responsibility” section)</li> <li>– Number of times the anti-corruption training module has been passed (§5.4 of the “Ethics and responsibility” section)</li> <li>– Number of Ethics &amp; Compliance Officers (§3 of the “Ethics and responsibility” section)</li> </ul>

## 7.2 Vigilance plan

The LVMH group is unique in terms of the variety of business areas in which it operates around the world. Risk management needs to be appropriate to the diverse range of situations encountered. The Group coordinates the actions of its Maisons in order to prevent any human rights violations that may occur within the framework of their operations or those of their suppliers and subcontractors.

The Group’s duty of care policy aims to set out the frameworks for action and shared commitments, ensure that these are implemented and help the Maisons to identify and manage their risks. This is coordinated across the Group, with each Maison implementing its own specific measures.

This chapter aims to provide a summary presentation of the information constituting the Group’s vigilance plan, as required by Article L. 225-102-4 of the French Commercial Code.

### 7.2.1 Organization and governance

The Group’s duty of care policy relies on a coordinated approach among the CSR, Environment, Purchasing and Privacy, Ethics & Compliance departments to identify and manage risks associated with the duty of care.

### 7.2.2 Risk identification

Analysis of gross risks is regularly undertaken. This analysis is based on comparing external risk indicators (supplied by Verisk Maplecroft) with quantitative information provided by the Group’s Maisons (location, number of employees, volume of purchases, types of suppliers, etc.).

This data enables each Maison to map its gross risks in terms of human rights and the environment in order to prioritize its risk control measures. The exercise was undertaken for the first time in 2018 and the data was updated in 2020, with purchasing data



again updated in 2022. Another exercise will be carried out in 2024 based on 2023 purchasing data.

In addition and in order to refine this analysis, the Privacy, Ethics & Compliance Department appointed a law firm in 2021 to review existing practices within the Group and their compliance with duty of care requirements in terms of human rights. Following on from this review, since 2022, specific analysis has been conducted with a selection of Maisons representing the business sectors in which the Group operates in order to define an operating roadmap for the Group.

Comprehensive analysis of the environmental risks associated with the Group’s various operations was also carried out in 2023, particularly with regard to climate-related risks (see §1.1.2, “Risk identification” of the “Environment and sustainability” section).

**Risk mitigation and prevention measures**

	<b>Group activities</b>	<b>Supplier and subcontractor activities</b>
<b>Human rights and fundamental freedoms</b>	<ul style="list-style-type: none"> <li>– Specific training for recruiters to prevent discrimination (§4.2 of the “Attracting and retaining talent” section)</li> <li>– Independent review of hiring practices (§4.2 of the “Attracting and retaining talent” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Supplier Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Training for suppliers and buyers (§5.4 and §5.5 of the “Ethics and responsibility” section)</li> <li>– Participation in multi-party initiatives covering high-risk areas (§5.5 of the “Ethics and responsibility” section)</li> <li>– Supply chain certification targets (§5.5 of the “Ethics and responsibility” section)</li> </ul>
<b>Individuals’ health and safety</b>	<ul style="list-style-type: none"> <li>– LVMH Restricted Substances List (§5.3 of the “Ethics and responsibility” section)</li> <li>– LVMH Testing Program (§5.3 of the “Ethics and responsibility” section)</li> <li>– Promoting responsible consumption of wines and spirits (§5.3 of the “Ethics and responsibility” section)</li> <li>– Third-party liability insurance (§2.3 of the “Financial and operational risk management and internal control” section)</li> <li>– Specific insurance policies in countries where work-related accidents are not covered by social security systems (§2.3 of the “Financial and operational risk management and internal control” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Supplier Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Training for suppliers and buyers (§5.5 of the “Ethics and responsibility” section)</li> <li>– Participation in multi-party initiatives covering high-risk areas (§5.5 of the “Ethics and responsibility” section)</li> <li>– Supply chain certification targets (§5.5 of the “Ethics and responsibility” section)</li> <li>– Assistance guides provided to suppliers for the elimination/substitution of chemicals whose use is restricted or prohibited by LVMH (§5.3 of the “Ethics and responsibility” section)</li> <li>– Charter on Working Relations with Fashion Models (§2.2 of the “Ethics and responsibility” section)</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>– LIFE 360 objectives (§2 to §5 of the “Environment and sustainability” section)</li> <li>– Insurance for environmental damage (§2.3 and §2.4 of the “Financial and operational risk management and internal control” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Supplier Code of Conduct (§2.2 of the “Ethics and responsibility” section)</li> <li>– Training for suppliers and buyers (§5.5 of the “Ethics and responsibility” section)</li> <li>– Participation in multi-party initiatives covering high-risk areas (§5.5 of the “Ethics and responsibility” section)</li> <li>– Supply chain certification targets (§5.5 of the “Ethics and responsibility” section)</li> </ul>

**7.2.3 Risk control and assessment procedures**

Risks associated with the Group’s duty of care are managed within the framework of its own commitments as well as internal and external standards regarding ethics, human rights and the environment (see §2, “Standards” of the “Ethics and responsibility” section).

The Group ensures that these are correctly applied by means of ethics compliance procedures and its responsible supply chain management policy helps to prevent and address any risks. In addition to these general measures, specific measures have been developed for certain business areas that are particularly exposed to risk.

The table below summarizes all of these risk control measures (for more details, refer to the corresponding sections).

**Follow-up and assessment measures**

	<b>Group activities</b>	<b>Supplier and subcontractor activities</b>
<b>Common to all issues</b>	<ul style="list-style-type: none"> <li>– Internal control and audit framework (§3.5 of the “Financial and operational risk management and internal control” section)</li> <li>– Regular updates to the risk analysis</li> <li>– Accident analysis and prevention (§3.1 of the “Attracting and retaining talent” section)</li> <li>– Environmental management system (§2.1.4 and §2.2.4 of the “Environment and sustainability” section)</li> <li>– Tracking achievement of LIFE 360 targets (§2 to §5 of the “Environment and sustainability” section)</li> </ul>	<ul style="list-style-type: none"> <li>– Audits and follow-up audits (§5.5 of the “Ethics and responsibility” section)</li> <li>– Corrective action plans following audits (§5.5 of the “Ethics and responsibility” section)</li> </ul>
<b>Individuals’ health and safety</b>	<ul style="list-style-type: none"> <li>– Accident analysis and prevention (§3.1 of the “Attracting and retaining talent” section)</li> </ul>	
<b>Specific to the environment</b>	<ul style="list-style-type: none"> <li>– Environmental management system (§2.1.4 and §2.2.5 of the “Environment and sustainability” section)</li> <li>– Tracking achievement of LIFE 360 targets (§2 to §5 of the “Environment and sustainability” section)</li> </ul>	

**7.2.4 Management of whistleblowing**

The LVMH group has set up the “LVMH Alert Line”, a secure centralized whistleblowing system that guarantees confidentiality. Available in 14 languages and accessible on the Group’s website (<https://alertline.lvmh.com>), it is open to both employees and external stakeholders. In 2023, 561 reports were received through the Group’s whistleblowing system (LVMH Alert Line), of which 63% had to do with human resources matters.

In general and in addition to this system, the Group’s Privacy, Ethics & Compliance Department helps the Maisons to deal with any reports concerning human rights and ensures that appropriate corrective measures are taken.