

LVMH

RULES OF PROCEDURE OF THE SUSTAINABILITY &
GOVERNANCE COMMITTEE

AS OF APRIL 18, 2024

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The Board of Directors has set up a specialized committee responsible for sustainability issues, particularly those relating to ethics, the environment, social responsibility and corporate governance, which acts under the responsibility of the Board and whose rules of procedure have been approved by the Board of Directors.

1. Membership of the Committee

The Committee shall consist of at least three Directors. The majority of its members shall be independent. Its members shall be appointed by the Board of Directors.

The Board of Directors shall appoint a Chairman of the Committee from among its members.

2. Role of the Committee

2.1. Sustainability

The Committee shall ensure compliance with (i) the individual and shared values on which the LVMH group bases its actions and (ii) the rules of conduct that must be observed by all employees.

For this purpose, the Committee has been entrusted with the following duties:

- assist the Board of Directors in defining the Company's and the Group's broad strategic direction with regard to ethical, environmental, climate- and workforce-related matters, and ensure that it is put into practice;
- ensure compliance with the rules and values laid down in the LVMH Code of Conduct as well as other codes and charters resulting from that Code (including but not limited to LVMH's Supplier Code of Conduct and Environmental Charter);
- review the ethical, environmental, climate- and workforce-related information contained, in particular, in the Management Report of the Board of Directors and submit its opinion on this information to the Board;
- review the performance of systems related to the privacy of customers and employees, and in particular personal data protection;
- review the performance of systems related to ethics and compliance;
- monitor the functioning of whistleblowing systems put in place within the Group and ensure the implementation and monitoring of systems related to duty of care and upholding human rights.

2.2. Governance

After undertaking its own review, the Committee is tasked with issuing opinions on applications and reappointments to the positions of Director and Advisory Board member, making certain that the Company's Board of Directors includes prominent independent persons from outside the Company. In particular, it discusses whether Board members may be deemed Independent Directors with regard to applicable criteria.

The selection procedure for Independent Directors followed by the Committee is based on the following principles:

- striking a balance among the membership of the Board of Directors with regard to the skills and diversity of its members;
- identifying, on the basis of defined profiles, the skills and expertise, particularly financial and non-financial, expected of potential Directors and considered key priorities for the Company, with the assistance of a specialized recruitment firm, if the Committee deems it necessary.

The Committee can hold interviews with each candidate for the position of Director and any other member of the Board of Directors it deems necessary. After consulting with its members, it issues a substantiated opinion to the Board of Directors.

The Committee maintains strict confidentiality in its dealings with all potential candidates.

The Committee reports on the practical application of the selection procedure for Directors in the Company's report on corporate governance.

Pursuant to Article L. 225-53 of the French Commercial Code, the Committee ensures that, whenever a Group Managing Director is appointed, there are candidates of both genders present up until the final decision is made in designating said Group Managing Director.

On a periodic basis, and at least once a year, the Committee reviews the structure, size, composition and effectiveness of the Board of Directors, and submits any useful recommendations to the Board. At such meetings, the Committee shall also deliberate on the independence of Directors.

As part of the preparation of the Board of Directors' report on corporate governance, the committee gives its opinion on the diversity policy applicable to members of the Board of Directors, the gender equality policy applicable to the Group's governing bodies, the description of the goals of those policies, the terms of their implementation and the results obtained over the fiscal year covered by the aforementioned report.

The Committee also conducts a formal review of the Board of Directors every three years, with the assistance of an external consultant if it deems it necessary.

It also makes proposals on the appointment or reappointment of the Chairman of the Performance Audit Committee.

The Committee is the consultative body responsible for defining the measures to be taken in the event that a strategic office within the Group falls prematurely vacant. The Committee is responsible for establishing a succession planning for senior executive officers.

On a broader level, the Committee discusses all matters related to corporate governance, and issues an opinion on the general policy for the allocation of options and bonus shares within the Group, and on its policy for employee savings and share ownership.

3. Operating procedures of the Committee

A Director's agreement to serve on the Committee implies that he/she will devote the necessary time and energy to his/her duties on the Committee.

The Committee shall meet whenever necessary, and in any event at least twice a year, at the initiative of either its Chairman, the Chairman of the Board of Directors, the Director serving as Chief Executive Officer, or any two Committee members.

The proceedings of the Committee are confidential and shall not be discussed outside the Board of Directors.

Decisions of the Committee shall be made by simple majority vote and shall be deemed to have been reached as a board.

Meetings or joint working sessions may be organized between the Board's various committees on cross-cutting topics, particularly with regard to ethical, environmental, climate- and workforce-related matters.

In particular, the Sustainability & Governance Committee and the Compensation Committee may be asked to work together to assess the non-financial performance criteria for senior executive officers' variable compensation.

4. Prerogatives of the Committee

The Committee shall report on its work to the Board of Directors. It shall submit its findings, recommendations and suggestions to the Board.

The Committee may request any and all accounting, legal or financial documents it deems necessary to carry out its responsibilities.

The Committee may at any time call upon the Company's employees responsible for the ethics and compliance, human resources, internal audit, sustainable development or legal departments, as well as on the Statutory Auditors and any other persons or departments it deems beneficial to hear from in the performance of its duties. These meetings may also take place in the absence of those responsible for the functions concerned.

After having notified the Chairman of the Board of Directors or the Board of Directors itself, the Committee may commission outside technical studies, the results of which it is responsible for reporting to the Board, on matters falling within its area of expertise if it considers this necessary or beneficial to the performance of its duties.

5. Compensation of Committee members

The members and the Chairman of the Committee may receive specific compensation, determined by the Board of Directors and offset against the maximum overall annual amount allocated at the Shareholders' Meeting to Directors as compensation for their work.