

# Anti-Corruption *Charter*

LVMH

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# Preface

Preventing corruption is part of the LVMH Group's approach to ethics as described in its Code of Conduct, which contains the rules and principles that all employees must follow when performing their duties.

Supplementing that Code of conduct, this Anti-Corruption Charter contains a set of rules of conduct common to all Group employees and thus constitutes the framework of rules for preventing corruption.

The Charter is designed to be practical. Based on the Maisons' corruption and influence peddling risk maps, it gives concrete examples to describe and illustrate the various types of conduct to avoid and provides guidance on the reflexes employees should develop.

It also explains the Group's system of governance, which is designed to transmit a strong ethics culture and enforce a robust anti-corruption compliance program.

It is the business of every Group employee to prevent corruption, regardless of which Maison or entity they work for, what their position or scope of responsibility is, or the country in which they work.

Because our behavior reflects our commitment to integrity, it must be exemplary.

I am counting on the commitment of each and every one of you.

**Jérôme Sibille**  
General Administration & Legal Affairs Director  
LVMH Executive Committee Member

# 1. Application of the Anti-Corruption Charter

The Anti-Corruption Charter (hereinafter the “Charter” or “Anti-Corruption Charter”) adopted by the LVMH group (hereinafter “LVMH” or the “Group”) sets forth a common set of rules on preventing corruption (in the sense of bribery) and influence peddling that apply to all Group employees.

## 1.1. To whom does this Charter apply?

This Charter applies to all Group employees, everywhere in the world.<sup>1</sup>

They are all active participants in preventing corruption. LVMH and its Maisons count on every employee to watch out for situations that might arise in their daily activities that could expose them, their Maison, or the Group to a risk of corruption and to manage those situations as well as possible.

Managers play a key role in implementing this Charter. Their behavior must be exemplary and they must communicate its values and the stakes in play to their teams.

The Charter must be distributed in all the Maisons and Group entities. It (or a Maison-specific anti-corruption charter or code) must be given to all new employees during onboarding.

It is available on the LVMH website and the Group’s intranet, and can be downloaded in several languages.

Any employees who have questions about the application of the Charter’s rules should contact their Maison’s Ethics & Compliance Correspondent or the Group’s Ethics & Compliance Director (including at [ethics@lvmh.com](mailto:ethics@lvmh.com)).

<sup>1</sup> Some Maisons have developed their own anti-corruption charter or code which may, in some circumstances, prevail over the Group’s Anti-Corruption Charter.

## 1.2. What should I do in a questionable situation?

LVMH encourages a culture of dialogue and communication within the Group.

The Group has adopted a Group Alert Policy that describes the system for receiving and following up on reports.

Any employee who is facing a situation likely to constitute a violation of applicable laws or regulations, or of the principles set forth in this Anti-Corruption Charter or in the policies of the Group or its Maisons, is encouraged to report the situation without delay to Human Resources or to their Ethics & Compliance Correspondent.

In addition to these channels, LVMH has set up a centralized, secure alert system that guarantees confidentiality: the “**LVMH Alert Line.**” This online platform can be accessed on the Group’s website or at <https://alertline.lvmh.com>. It is open to all employees and external stakeholders.

The Group maintains the integrity and **confidentiality** of reports at all times.

**Retaliation is prohibited** against anyone who uses this system in good faith or anyone who assists a whistleblower or is connected with them, even if the reported allegations turn out to be inaccurate.

*For more information, please see the [Group Alert Policy](#).*

## 1.3. What are the consequences for not complying with this Charter?

LVMH has a “**zero tolerance**” policy with respect to corruption and influence peddling: any Group employee or top management who does not comply with the rules and principles set out in this Charter may be subject to **disciplinary measures** proportionate to the seriousness of their actions. Such measures may include dismissal, without prejudice to possible legal action.

## 2. Ethics and Compliance Governance

To ensure that its anti-corruption compliance program is an integral part of operations and that the rules and principles set forth in its Anti-Corruption Charter are disseminated throughout the Group, LVMH has adopted a governance structure that fits the risk profile, operations, and constraints of the Group and of each Maison.

### 2.1. At Group level

#### 2.1.1. The Ethics and Sustainable Development Committee of LVMH's Board of Directors

The Ethics and Sustainable Development Committee of the Board of Directors monitors respect for the individual and collective values on which the Group bases its activities. Its main duties include:

- helping the Board of Directors determine the Group's main strategy in ethics, social, environmental, and climate matters and helping develop rules of conduct to guide the behavior of top management and employees;
- monitoring compliance with those rules; and
- monitoring the compliance systems, including the anti-corruption system.

The Group's Ethics and Compliance Director regularly reports to this Committee, and in particular on the progress of the anti-corruption compliance program.

#### 2.1.2. LVMH's Chairman & CEO and Executive Committee

LVMH's Chairman & CEO and Executive Committee promote the Group's commitments with respect to integrity, and combating corruption in particular.

The General Administration & Legal Affairs Director, who is a member of the Executive Committee, supports and promotes Group-wide implementation of the compliance program, making sure the Group has the necessary human and financial resources for this purpose.

#### 2.1.3. Group Ethics and Compliance Director

The Group's Ethics and Compliance Director is responsible for determining the content of and developing the Group's anti-corruption program. In particular, they are responsible for promoting, instituting, and updating the program's procedures, policies, and tools. They also manage and monitor implementation of the program throughout the Group with the help of a dedicated team.

The Group's Ethics and Compliance Director regularly reports to the Group's management bodies, and in particular on the progress of the compliance program.

#### **2.1.4. Ethics and Compliance Correspondents**

The Group's Ethics and Compliance Director relies on a network of Ethics and Compliance Correspondents, whom they coordinate with and meet with regularly.

Each Maison's Ethics and Compliance Correspondent is responsible for implementing the Group's anti-corruption compliance program, adjusting it to fit the business and operations of their Maison. They regularly report to the Ethics and Compliance Director on the implementation of the program within their Maison.

## **2.2. At Maison level**

#### **2.2.1. The President and management committee of each Maison**

The President and management committee of each Maison ensure that the anti-corruption program is implemented in their respective areas of responsibility and is properly applied by their Maison's employees.

#### **2.2.2. The Ethics and Compliance Committee of each Maison**

The Ethics and Compliance Committee of each Maison, headed by that Maison's President, makes sure the compliance program is properly implemented in their Maison.

#### **2.2.3. The Ethics and Compliance officer of each Maison**

As indicated above (section 2.1.4), the Ethics and Compliance officer is responsible for implementing the Group's anti-corruption compliance program within their Maison. They are thus the "Ethics and Compliance Correspondent" of the Group's Ethics and Compliance Director.

They regularly report to their Maison's management bodies, in particular during meetings of their Maison's Ethics and Compliance Committee, on the implementation of the program within their Maison and the effectiveness of the related measures.



### 3. Preventing corruption in the Group

#### 3.1. Corruption and influence peddling: what are they?

Corruption (in the sense of bribery) and influence peddling are criminal offenses punishable under several laws that apply to LVMH, some of which apply extraterritorially and all of which are becoming increasingly harsh: French Penal Code provisions, the United States Foreign Corrupt Practices Act, the UK Bribery Act, Chinese criminal law provisions, and Italian legislative decree 231.

To prevent, identify, and control the risk of corruption and influence peddling, LVMH has instituted an anti-corruption compliance program (see the appendix to this Charter) as required by the French law of December 9, 2016, called "Sapin 2."

***What is corruption?***

**Active corruption** is committed when a **bribe giver** gives or agrees to give (directly or indirectly) **an advantage** to another person (the **bribe taker**) so that this person will carry out or refrain from carrying out their duties for the bribe giver's benefit.

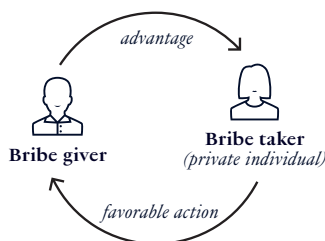
**Passive corruption** is committed when a **bribe taker** solicits or accepts an advantage given (directly or indirectly) by a **bribe giver**. In exchange, the bribe taker carries out or refrains from carrying out their duties in order to further the bribe giver's interests.

***Public and private corruption***

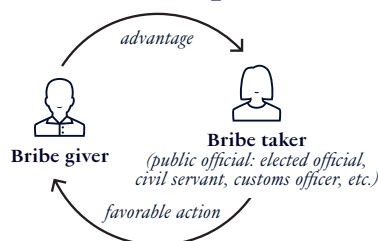
Corruption is "public" when the bribe taker is a **public official**,<sup>2</sup> and "private" when the bribe taker is a **private individual**.

Both public and private corruption are strictly prohibited.

**Private corruption**



**Public corruption**



<sup>2</sup>A public official is (i) anyone, whether appointed or elected, who carries out public service duties or holds political, judicial, or administrative office; (ii) anyone employed by a public administration, agency, or authority (including a public international organization or a local government), a political party, or a state-owned or state-controlled entity or business, or (iii) any candidate for a public position or public office. This includes civil servants, prefects, parliamentarians, local elected officials, judges/magistrates, prosecutors, political party representatives, ministerial advisers, etc. They may be national, foreign, European, or international public officials.

### *The different forms of corruption*

Corruption comes in several forms.

#### **It may involve money:**

- payment of bribes or kickbacks,
- facilitation payments,
- price reduction,
- charitable contributions or sponsorship,
- payment of someone else's debt,
- etc.

#### **... or take other forms:**

- gifts, travel, or invitations in violation of the Group's policies,
- a job or promise to hire someone,
- performance of work for free,
- preferential treatment in a call for tenders,
- disclosure of confidential information,
- etc.

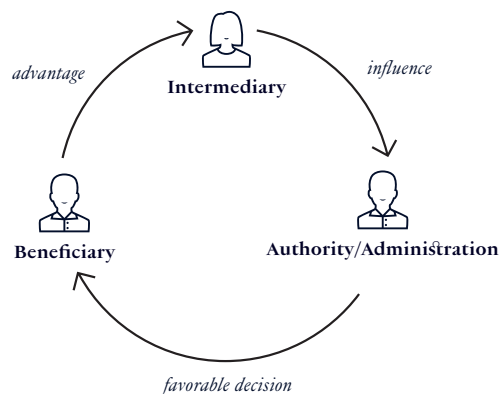
### *What is influence peddling?*

Influence peddling requires the involvement of an **intermediary** (a private individual or a public official) who uses (or claims to use) their influence to help someone obtain a favorable decision from a public authority or administration.

**Active influence peddling** is when someone (the beneficiary) gives (directly or indirectly) an advantage to an **intermediary** so the intermediary will use their **influence** (real or alleged) with an **authority or administration** to obtain a decision in favor of the beneficiary (permit, authorization, employment, etc.).

**Passive influence peddling** is the solicitation or acceptance by an intermediary of an advantage given (directly or indirectly) by someone (the beneficiary) so that the intermediary will use their influence with an authority or administration to obtain a favorable decision.

### **Influence peddling**



***What are the penalties?***

Corruption (or bribery) and influence peddling are **criminal offenses** that may lead to **heavy penalties** not only for the Group and its Maisons, but also for the employee.

Note that attempted corruption and influence peddling, even if unsuccessful, are also subject to criminal penalties.

Under most laws, corruption and influence peddling are punishable by:

- a **prison sentence**,<sup>3</sup>
- **heavy fines**,<sup>4</sup>
- **heavy additional penalties**.<sup>5</sup>

In addition to criminal penalties, corruption and influence peddling may have a **very heavy financial or commercial impact** (end of a commercial relationship, loss of a contract, a court order to pay damages, etc.) and **damage the reputation and image of the Group and its Maisons**, causing them to lose the trust of their partners, shareholders, and customers.

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<sup>3</sup> For example, up to 10 years' imprisonment in France, and up to 20 years' imprisonment in the United States and Italy.

<sup>4</sup> For example, in France, a fine of up to 500,000 euros or 1 million euros for an individual, and up to 2.5 million or 5 million euros for a company, which can be increased to double the proceeds of the offence; in the United States, a fine of up to 250,000 dollars or 5 million dollars for an individual, and up to 2 million or 25 million dollars for a company, which can be increased to double the proceeds of the offence.

<sup>5</sup> For example: confiscation, obligation to return profits, prohibition from carrying out a commercial activity or exercising a profession.

## 3.2. How to recognize and manage certain situations that pose risks

LVMH employees may encounter situations in the course of their professional activities that pose risks of corruption or influence peddling.

Given the wide variety of situations that can arise, this Charter cannot provide exhaustive principles and examples.

Employees must therefore use **good judgment** and be guided by a **sense of responsibility**.

In all circumstances, they must ask the following questions:

- 1. Am I acting in accordance with the Group's values and policies?*
- 2. Did I consult my manager when required?*
- 3. Will I be comfortable if my actions are made public?*

If the answer to any of these questions is "no" or in the case of doubt, employees should contact their manager, their Maison's Ethics & Compliance Correspondent, or the Group's Ethics & Compliance Director at [ethics@lvmh.com](mailto:ethics@lvmh.com).

**3.2.1. Gifts and Invitations**

It is common in business to offer gifts and invitations. Caution must be exercised, however, because gifts and invitations can be used to commit corruption or influence peddling.

In general, any gifts or invitations, whether **offered or received**, must:

- be **reasonable** in nature and value,
- be offered and accepted with complete **transparency**,
- be **occasional**,
- not be offered during negotiations, calls for tenders, or competitive bidding,
- be offered in a **business context**, for a legitimate commercial purpose.

They must under no circumstances be offered with the expectation of receiving something in exchange or put the relationship partners on unequal footing.

Gifts or invitations to public officials may be authorized only exceptionally.

All LVMH employees must comply with local laws and with the policies adopted by their Maisons, in particular by referring to the conditions under which gifts and invitations may be offered or received (threshold, prior approval, reporting obligation, etc.).

They must in all cases comply with the rules set forth in this Charter.

Gifts and Invitations - Remember the Rules	
Do's	Don'ts
<ul style="list-style-type: none"> <li>- <b>I refuse</b> all gifts, invitations, and advantages that do not satisfy the requirements of this Charter or that may be perceived as likely to influence my decision.</li> <li>- <b>I read the policy</b> on gifts and invitations that applies in my <b>Maison</b> so that I can follow the rules (threshold, prior approval, reporting obligation, etc.).</li> <li>- <b>I ask my manager or the Ethics and Compliance Correspondent of my Maison</b> if I am not sure what to do.</li> </ul>	<ul style="list-style-type: none"> <li>- Giving gifts of money or cash equivalents (checks, wire transfers).</li> <li>- Giving gifts and invitations that are contrary to propriety or decency.</li> <li>- Soliciting gifts or invitations or receiving gifts at home.</li> <li>- Accepting gifts or invitations received during calls for tenders or competitive bidding, or when a contract is being renewed or renegotiated (such gifts or invitations must be refused).</li> <li>- Offering or accepting gifts or invitations in order to establish a contractual relationship, obtain an order or advantage of any kind, or pay for a service.</li> </ul>
<p><b>In relations with public officials:</b></p> <ul style="list-style-type: none"> <li>- As a rule, I <b>do not offer</b> gifts or extend invitations to public officials or their family members, friends, or relatives, and I refer to the policy that applies in my Maison.</li> <li>- If a public official solicits a gift or invitation, I immediately contact my Ethics and Compliance Correspondent.</li> </ul>	

**Example 1:**

Julia works for the purchasing department. The department decides to renew one of its portfolio of suppliers for the coming year and informs them of that decision. When New Year's wishes are being exchanged a few weeks before the competitive bidding, Julia receives an expensive item from a supplier whose renewal is at stake.

**What should she do?**

The gift seems to have been given in a business context and to symbolize a preexisting relationship between the Maison and the supplier. But Julia must be careful because competitive bidding has been scheduled. She cannot ignore the fact that this gift may be intended to influence her so that she favors this supplier over others. She must therefore refuse and return the gift to the supplier, with an explanation of why she is returning it.

Note also that the gift's value alone should make Julia suspicious and consult the gifts and invitations policy that applies in her Maison before she accepts anything.

**Example 2:**

William, a retail development manager, is negotiating with the owner of a luxury shopping center to obtain a strategically located spot for his Maison. The owner intimates that several of the Maison's competitors are interested in the same location, and implies that she could give the Maison preference in exchange for leather goods from the Group's Maisons.

**What should he do?**

Even though it is only implied, the owner's request constitutes solicitation of undue advantages in exchange for favoring the Maison. This is a form of corruption. William must refuse this solicitation.

He must also inform his manager and the Ethics and Compliance Correspondent of his Maison so that they are aware of this owner's practices.

**Example 3:**

Sofia works in the Research and Development department of a Maison. Her team is working on a new product that incorporates components of high technological value. Sofia is invited to lunch by someone she has met at professional events who works for a competitor. During lunch, this person suggests that they would give Sofia two hard-to-get tickets to a highly popular event if Sofia gives them information about the new product.

**What should she do?**

Protecting information about LVMH, the Maisons and/or their products is vital to the Group. If Sofia breaches her duty of confidentiality, she could be subject to disciplinary action and criminal penalties.

If she agrees to the competitor's proposal, she would be committing an act of corruption because she would be accepting an advantage in exchange for violating her obligations as an employee. She must therefore refuse the offer and inform her manager and/or her Ethics and Compliance Correspondent.

**3.2.2. Conflicts of interest**

A conflict of interest is not in itself prohibited. However, any such conflict must be reported so that the risks it may pose can be managed, because a conflict of interest may **provide a basis for corruption**.

A conflict of interest, whether real, apparent, or potential, is a situation in which a Group employee’s **personal interests**<sup>6</sup> conflict, seem to conflict, or potentially **conflict with those of the Group** or one of its Maisons, and may therefore compromise (or give the impression that it may compromise) the impartial, loyal, and objective performance of the employee’s duties for the Group.

All employees must exercise good judgment when examining their personal situation for potential conflicts of interest.

They must **immediately report any such conflicts in writing** to their managers and/or the relevant department(s) –Ethics & Compliance, Human Resources, Legal– **according to their Maison’s internal procedures**.

Top management and employees whose jobs and responsibilities expose them to a high risk of corruption must, as provided by their Maison, file periodic reports indicating either the lack of any conflicts of interest or situations that might cause such a conflict. This is especially the case for members of the LVMH Executive Committee and the Presidents of the Maisons, whose reports should be sent to the Group’s Ethics and Compliance Director every year.

Conflicts of interest are resolved through discussions between the employee in question and their manager, in liaison with the relevant departments of their Maison.

Intentional non-disclosure of a conflict of interest may result in disciplinary measures, including dismissal.

Conflicts of interest - Rules to Remember	
Do’s	Don’ts
<ul style="list-style-type: none"> <li>- <b>I report my elected or judicial office or my public, union, or nonprofit positions</b> that may interfere with my job or position with the Group.</li> <li>- <b>I do not</b> hold a significant financial stake (including indirectly through a family member, friend, or relative) in any of the Group’s competitors, suppliers, or providers.</li> <li>- <b>I read my Maison’s policy and immediately report</b> any conflicts of interest (real, apparent, or potential).</li> <li>- <b>If I have any doubts</b> about whether there is a potential conflict of interest, <b>I reach out to</b> my manager, Human Resources, or my Ethics and Compliance Correspondent.</li> </ul>	<ul style="list-style-type: none"> <li>- Using my position with the Group for personal gain.</li> <li>- Obtaining favorable treatment for a third party (supplier, business partner, etc.) because of the link or relationship between us.</li> </ul>

<sup>6</sup> “Personal interests” means any relationship or connection of any kind that an employee has with a third party. That connection may be direct, indirect, past, present, or future.

**Example:**

Emma is a store planner responsible for renovating several stores. She receives several bids, including one from an interior design company managed by her sister. Emma has doubts about this situation, given that the company in question has a good reputation and submitted a bid at market rate.

**What should she do?**

Emma's personal interest (seeing the company managed by her sister win the contract) might conflict with the interests of her Maison (finding the best provider at the best price). She therefore has a conflict of interest.

She must report the situation in accordance with her Maison's policy. Her managers may decide to entrust the selection and negotiation process to another employee to prevent the risk that this conflict will affect her decision-making. The company may then be selected based on objective criteria, such as its good reputation (if confirmed) and the quality of its bid given the needs of the Maison.



### 3.2.3. Recruitment

At LVMH, recruiting and career development practices support diversity and equal opportunity. The Group’s Recruitment Code of Conduct promotes diversity in terms of candidates’ profiles as well as the use of selection criteria based on skills.

In addition, each Maison has human resources procedures that must be followed in all instances.

Recruiting **family or friends** of a Group employee may lead to **conflicts of interest that must be reported** as soon as possible by the employee in question so the situation may be managed, if necessary (for example, the employee in question may be excluded from the recruiting procedure).

No one may be hired in exchange for favorable treatment or advantages for the Group.

Caution must be exercised when recruiting **former public officials**. The necessary formalities and verifications must be carried out with the competent authorities (in France for example, the High Authority for Transparency in Public Life, which rules on whether the private activities under consideration are compatible with the public official’s former duties).

Recruiting - Rules to Remember	
Do’s	Don’ts
<ul style="list-style-type: none"> <li>- I <b>report all</b> conflicts of interest related to a potential recruitment as soon as they arise.</li> <li>- If a <b>former public official or a family member, friend, or relative of a public official</b> is being recruited, I carry out the necessary verifications and/or I contact my Ethics and Compliance Correspondent.</li> <li>- I make sure that all hiring is based on <b>objective selection criteria</b> reflecting candidates’ skills, abilities, and experience.</li> <li>- <b>If I have any doubts, I reach out</b> to my manager, Human Resources, or my Ethics and Compliance Correspondent.</li> </ul>	<ul style="list-style-type: none"> <li>- Giving someone a position requiring little or no work, or fictitious employment.</li> <li>- Deciding to hire someone or promoting or approving their hiring in exchange for a gift or advantage.</li> <li>- Giving someone a promotion or raise, or making any other favorable decision in connection with a human resources procedure, in exchange for a gift or advantage.</li> </ul>

**Example 1:**

Ali is a purchasing manager for a Maison. His best friend's sister has applied for a junior position that just opened up in his team. Ali believes she has the necessary skills for the job.

**What should he do?**

Ali has a conflict of interest: because of his personal knowledge of the candidate, the other candidates might be treated unfairly. However, this situation must not prevent Ali's friend's sister from being considered in a procedure in which her skills and abilities will be examined.

Ali must report the situation in accordance with the rules of his Maison, and may not participate in this particular hiring procedure.

**Example 2:**

Linh is conducting negotiations for her Maison, which is entering a new market. Her local counterparty intimates that she could agree to the Maison's terms if Linh were to find a job for the counterparty's brother in a Group subsidiary.

**What should she do?**

If Linh were to agree and find a job in the Group for the counterparty's brother in exchange for advantageous terms for the Group, she would be committing bribery. She must therefore refuse to do so and inform her manager and/or her Ethics and Compliance Correspondent about it.

### 3.2.4. Facilitation payments

A facilitation payment is a payment, usually of a modest amount (often in cash), made to a public official in order to facilitate or expedite, in the ordinary course of business, the obtaining of a decision or authorization (permit, license, visa, etc.) or the accomplishment of certain procedures or legal formalities (such as customs clearance).

Such payments are **prohibited**.

Facilitation Payments - Rules to Remember	
Do's	Don'ts
<ul style="list-style-type: none"> <li>- I <b>refuse all undue solicitations of payment</b> made or implied by a public official, regardless of the amount.</li> <li>- I <b>immediately report such solicitation</b> of payment to my manager and/or my Ethics and Compliance Correspondent.</li> </ul>	<ul style="list-style-type: none"> <li>- Making facilitation payments, regardless of the reason for them, their amount, or the country in which they are solicited, even if such payments are permitted or tolerated locally.</li> <li>- The <b>only exception</b> is when payment is made under <b>duress</b> or the failure to pay would expose the employee to a <b>risk of immediate physical harm</b>. In such case, the employee must inform their manager and/or Ethics and Compliance Correspondent as soon as possible after making the payment.</li> </ul>

<p><b>Example:</b></p> <p>John appointed an intermediary to export certain products. He receives a phone call from the intermediary, who tells him that a customs agent of the country to which the products must be delivered has blocked the cargo and is demanding payment of a small amount of money to release it. He tells John that this is not the first time that this has happened and that making the payment usually solves the problem quickly.</p>	<p><b>What should he do?</b></p> <p>The customs agent is demanding payment to facilitate or expedite the customs clearance of the products. He is therefore demanding a facilitation payment. Group employees are strictly prohibited from making such payments, either directly or through an intermediary, even if the amount in question is small.</p> <p>John must therefore refuse to make the payment and inform his manager and/or his Ethics and Compliance Correspondent.</p>
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**3.2.5. Relations with agents and intermediaries**

Agents and intermediaries are third parties appointed or hired to provide representation or assistance. Working with such third parties is not a problem in itself. However, it poses a risk because their actions may implicate the Group in the commission of acts for which the Group may incur liability.

If any corruption or influence peddling is committed, the fact that the Group was only indirectly involved, through an agent or intermediary, does not exonerate it.

Caution must therefore be exercised both before entering into relationships with agents and intermediaries, and for as long as such relationships last.

The Group is especially careful about making sure such third parties comply with the same ethics and integrity standards as the Group does, in particular with respect to combating corruption and influence peddling. Agents and intermediaries must therefore comply with the ethics rules and principles set forth in the **LVMH Supplier and Business Partner Code of Conduct**.

Agents and intermediaries must also be evaluated in advance using the Maisons’ processes or systems for assessing third parties’ integrity.

Agents and Intermediaries - Rules to Remember	
Do’s	Don’ts
<p><b>Before entering into a relationship:</b></p> <ul style="list-style-type: none"> <li>- I follow the <b>selection procedure</b> and apply my Maison’s rules for assessing <b>third parties’ integrity</b>;</li> <li>- I make sure that using this third party is warranted and that the suggested pay is <b>in exchange for real and justifiable services</b>. If necessary, I ask my Ethics and Compliance Correspondent for help;</li> <li>- I <b>formalize the relationship in a written agreement</b> that includes an <b>anti-corruption clause</b> in which the third party agrees not to engage in any conduct that might constitute an act of bribery or influence peddling;</li> <li>- I have the third party <b>sign the LVMH Supplier and Business Partner Code of Conduct</b>;</li> <li>- I am <b>even more careful</b> if the agent’s or intermediary’s duties would be carried out by a former public official. I <b>ask</b> my Ethics and Compliance Correspondent for <b>advice</b>.</li> </ul> <p><b>During the relationship:</b></p> <ul style="list-style-type: none"> <li>- If a suspicion arises during the relationship, I immediately inform my manager and/or my Ethics and Compliance Correspondent.</li> </ul>	<ul style="list-style-type: none"> <li>- Obtaining assistance or help from a third party when <b>the purpose or effect of that party’s intervention is, even indirectly, to exercise influence</b> in order to obtain an advantage for the Group unlawfully.</li> </ul>

*For more information, please see the [LVMH Supplier and Business Partner Code of Conduct](#).*

**Example 1:**

Dimitri is in charge of opening a new store. The opening requires administrative authorization. Dimitri has been advised to hire an intermediary chosen for their close personal relationship with a member of the local authority responsible for granting such authorizations.

**What should he do?**

Using this intermediary would be based on their close personal relationship with a member of the local authority. Their intervention with that authority to obtain the authorization in question would pose a high risk of corruption of a public official (through bribery or influence peddling). Dimitri must not enter into a relationship with this intermediary.

**Example 2:**

Sarah handles intellectual property litigation for a Maison. A case that might have a significant impact on the Maison's business is being litigated in a country with a high risk of corruption. The local lawyer advises her to use the services of a consultant who is very familiar with how the wheels of justice turn in that country and could use their influence to obtain a favorable decision from the court.

**What should she do?**

Using a consultant in this situation would be deemed influence peddling because the consultant would be hired to influence a judicial decision. This type of conduct is strictly prohibited and could result in heavy criminal penalties for Sarah and her Maison. She must refuse to hire this consultant.

### 3.2.6. Donations, patronage, and sponsorship

By making donations and acting as a patron or sponsor, the Group expresses its values of solidarity and creativity and wishes to spread heritage, art, fashion, and artistic education throughout the world.

All donations, patronage, and sponsorships must be part of the strategy of the Maison in question and must always comply with applicable laws and regulations.

A **donation** is the transmission of an asset or money to a third party, without receiving anything in exchange.

**Patronage** consists of making a donation, in cash or in kind, to a public interest organization so that it can conduct its activities, with no expectation of anything in return.

Patronage is thus different from **sponsorship**, which is the provision of financial or material support to an event or an organization in order to benefit from the commercial impact generated by participating in the event.

These forms of support may be diverted from their purpose and become ways of committing corruption. They may therefore pose a risk for the Group and must therefore be closely supervised.

Donations, Patronage, and Sponsorship- Rules to Remember	
Do's	Don'ts
<ul style="list-style-type: none"> <li>- I follow my Maison's rules for assessing third parties' integrity concerning donation, patronage, and sponsorship recipients.</li> <li>- I make sure the operation is formalized in a written agreement.</li> <li>- I verify that the project to which funds were donated was carried out and that it complies with the agreement, and check the conditions in which it was carried out and how the funds were used.</li> </ul>	<ul style="list-style-type: none"> <li>- Using donations, patronage, or sponsorship to unlawfully obtain any type of advantage for the Group.</li> </ul>

<p><b>Example:</b></p> <p>Rose is in charge of donations and patronage for her Maison. A nonprofit organization contacts her to obtain a large donation. Rose replies that such a donation does not fall within the Maison's donation and patronage strategy. The organization's president insists, emphasizing that she will "thank" the Group "properly" if Rose agrees to help her obtain this financial support.</p>	<p><b>What should she do?</b></p> <p>If Rose agrees to the president's proposal, such donation could constitute bribery. She must refuse and inform her Ethics and Compliance Correspondent so that they are aware of this organization's practices.</p>
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### 3.2.7. Lobbying

The Group takes part in public policy discussions in a spirit of constructive dialogue and cooperation with the stakeholders concerned, including but not only political leaders.

Although lobbying is legitimate, it can expose the Group to risks of corruption and influence peddling, so it must be closely supervised.

When participating in the public sphere, the Group always complies with applicable laws and regulations and the rules specific to the institutions and organizations involved. In particular, the Group is registered as an “interest representative” (lobbyist) wherever its business requires and complies with the applicable ethics obligations, in particular the obligation not to offer or give gifts, donations, or any advantages of significant value to any public officials.

Employees who publicly represent the Group or whose jobs involve interacting with public officials or authorities must be especially careful and make sure that these situations cannot form the basis for acts of corruption or influence peddling. The Group’s external providers must comply with the same rules.

Lobbying- Rules to Remember	
Do’s	Don’ts
<ul style="list-style-type: none"> <li>- <b>I am careful</b> when lobbying or representing interests to avoid situations that might be seen as ambiguous, in particular with respect to gifts and invitations, for which the rules are stricter when public officials are involved (see section 3.2.1 on Gifts and Invitations).</li> </ul>	<ul style="list-style-type: none"> <li>- Giving money to political parties or to political or union organizations.</li> <li>- Giving advantages to a public leader in exchange for a position or for the leader acting or expressing themselves in favor of LVMH.</li> <li>- Paying or hiring a member of a parliament (national or European), whether permanently or temporarily, during such person’s term of office.</li> </ul>

*For more information, please see the [Responsible Lobbying Charter](#).*

<p><b>Example:</b></p> <p>A draft directive that would deprive the Group of some of its business is currently being reviewed by the European Parliament. José works in the Group’s Corporate Affairs Department. He knows a member of parliament who is going to vote on the draft directive. He would like to invite him to a major sports event, with hotel and transportation included.</p>	<p><b>Can he give such a gift?</b></p> <p>This invitation may constitute an act of corruption designed to influence the member of parliament in connection with the draft directive. Given the circumstances, José must not extend this invitation.</p>
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# Appendix - LVMH anti-corruption compliance program

LVMH has developed a rigorous program for preventing and detecting breaches of applicable anti-corruption laws.

## 1. Anti-corruption standards

The rules and principles governing LVMH's anti-corruption compliance activities are set forth in its Code of Conduct, its Supplier and Business Partner Code of Conduct, and its Anti-Corruption Charter. These documents are supplemented by the Group's internal policies and procedures and those specific to each Maison.

### 1.1. LVMH Code of Conduct

The principles set out in the Code of Conduct form the ethics framework governing all the activities of LVMH and its employees.

The Code applies throughout the Group and has been made public. It expresses the Group's values — creativity and innovation, excellence, entrepreneurial spirit, and commitment to positive impact — which underlie its culture and inspire and guide the actions of everyone who works for the Group.

The management bodies of the Group and each Maison fully support this Code and all employees must comply with it.

### 1.2. LVMH Supplier and Business Partner Code of Conduct

The Supplier and Business Partner Code of Conduct sets forth the commitments LVMH requires its partners to make with respect to its social, environmental, ethics, and business integrity standards (in particular, the measures for preventing and combating corruption).

This Code gives LVMH the right to verify compliance with these principles. In the event of a breach of the Code, LVMH or the Maison concerned may suspend temporarily or terminate the commercial relationship with the partner, in accordance with applicable law and depending on how serious the breach is.

### 1.3. LVMH Anti-Corruption Charter

The Anti-Corruption Charter contains a set of rules of conduct that all Group employees must follow and constitutes a common framework of rules for preventing corruption. It gives guidance on what to do and what not to do to prevent risks of corruption.

The Charter also sets out LVMH's "zero tolerance" policy with respect to corruption and influence peddling.

### 1.4. The anti-corruption policies and procedures of the Group and the Maisons

The internal policies and procedures developed by the Group or specific to the Maisons set forth the rules and principles governing each topic covered by the anti-corruption compliance program and explain how to apply them, taking into account any aspects specific to the business context and locations of the Maisons.



## 2. Corruption risk mapping

Through corruption risk mapping, the Maisons identify, analyze, and rank the risks of corruption and influence peddling inherent in their business activities and processes.

The aim is for each Maison's risk map to include all of that Maison's activities and processes, as well as the geographical areas in which it operates, so that it provides an understanding of the risks the Group is exposed to as a result of the Maison's activities and establishments.

An action plan must therefore be developed in order to gradually cover all the risks that each Maison is exposed to.

These risk maps and the resulting action plans are presented to the top management of the Maisons and the Group, which are regularly informed of the progress on the action plans.

Every year the Maisons review the need to update their maps, and new risk mapping is undertaken regularly in any event.

## 3. System for assessing the integrity of third parties

To prevent corruption, the risk posed to the Group by entering into or continuing a relationship with a third party must be assessed.

Each Maison must therefore institute a system, based on its corruption risk map, for evaluating the integrity of the third parties it works with.

To manage the risk of corruption, such evaluation of third-party integrity:

- must make it possible to know the third parties under consideration better and assess the risks posed by the potential relationship;
- must be of appropriate scope and detail given the type and level of the risks that have been identified;
- must be conducted before the relationship is entered into;
- can make it possible to take appropriate mitigating and monitoring measures to prevent identified risks;
- must be documented, and the documents must be retained in accordance with applicable law.

## 4. Awareness program and training activities

The Group conducts training and awareness-raising initiatives so that its employees fully understand the Code of Conduct, the Anti-Corruption Charter, and in general, the corruption prevention program.

Training programs are developed based on the corruption risk maps of the Maisons and reassert the rules and principles set out in the Anti-Corruption Charter.

Employees exposed to a greater risk of corruption due to their jobs and/or the geographical area in which they work receive specific enhanced training.

## 5. A global alert system

LVMH promotes a culture of dialogue and communication.

The Group has adopted an Alert Policy that describes the system for collecting and processing reports.

Any employee who is facing a situation likely to constitute a violation of applicable laws or regulations, or of the principles set forth in this Code or in the policies of the Group or its Maisons, is encouraged to report the situation without delay to Human Resources or to their Ethics & Compliance Correspondent.

In addition to these channels, LVMH has set up a centralized, secure alert system that guarantees confidentiality: the “**LVMH Alert Line.**” This online platform can be accessed on the Group’s website or at <https://alertline.lvmh.com>. It is open to all employees and external stakeholders.

The Group maintains the integrity and confidentiality of reports at all times.

Retaliation is prohibited against anyone who uses this system in good faith or anyone who assists a whistleblower or is connected with them, even if the reported allegations turn out to be inaccurate.

## 6. Anti-corruption accounting controls

LVMH and its Maisons must maintain a system of internal control and keep accurate, detailed accounts and records to ensure that the funds and other assets of the Group and the Maisons are used in good faith and in accordance with applicable laws and regulations and Group policies and procedures.

Each Maison must formalize anti-corruption accounting procedures and controls that are based on the risks identified in the Maisons’ risk maps and designed to ensure that the accounts and records are not used to cover up or serve as vectors of corruption.

## 7. Auditing and assessing the anti-corruption system

LVMH regularly audits the implementation of the anti-corruption compliance program throughout its organization. These audits are formalized and documented, and include three levels of control. Each Maison must have an audit program that covers the entire anti-corruption system.

First-level controls are usually implemented at the operations level.

Through its Enterprise Risk and Internal Control Assessment, the Group’s Internal Control Department contributes to the second-level control and helps assess the effectiveness of the Group’s anti-corruption compliance program by examining ten issues specific to anti-corruption. The Group’s Ethics and Compliance Department also helps with the second-level control of the anti-corruption compliance program.

Lastly, the Group’s Internal Audit Department carries out third-level audits, which are dedicated to the anti-corruption compliance program in each of the Group’s Maisons.

## **8. Disciplinary measures**

It is of great importance to the Group that its employees act with exemplary integrity in all circumstances.

Employees who do not comply with the Group's rules, and in particular the rules set out in the Anti-Corruption Charter, may be subject to disciplinary measures, including dismissal.

LVMH