

LVMH GROUP

CODE OF CONDUCT

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I. FOREWORD

The LVMH Group (“LVMH”) aims to be the undisputed leader of the luxury goods sector.

Its growth and long-term future are based on values and principles which are part of its culture and which should inspire and guide everyone's actions.

This ambition is backed up by the five fundamental values shared by everyone involved in LVMH:

- **Innovation and creativity:** because our future success will come from the renewal of our product offering while respecting the roots of our Houses.
- **Excellence of products and services:** because we embody what is most noble and accomplished in the artisan world.
- **Brand image enhancement:** because our brands represent an extraordinary asset, a source of dreams and ambitions.
- **Entrepreneurship:** because this guarantees our ability to react and our motivation to create and seize opportunities.
- **Leadership–Be the best:** because it is through continually excelling that we accomplish the best and achieve the best results.

First and foremost LVMH is a galaxy of Brands which share the same culture of excellence and creative spirit, serving the aspirations of our customers.

The Brands are structured around larger entities, category business groups, where a spirit of friendly competition fosters an exchange of ideas and experiences. In accordance with the principle of subsidiarity, LVMH asserts the primary position of the Brands in the organisation and recognises the richness and diversity of the models developed by each of them.

It respects their unique character and lines of development, and acts as the leader of a creative community where knowledge is shared.

Principles set out in the following Code of Conduct constitute an ethical and practical framework within which LVMH employees are invited to act and exchange in order to realize the passion that binds them.

Respect for national and international laws, regulations and rulings, notably in the area of social and environmental legislation, is a prerequisite for the credibility of our procedures.

LVMH invites its employees to use in a responsible way, the values and principles hereby stated.

This Code of Conduct is inspired by the Group's values as well as the principles of the *Universal Declaration of Human Rights*, the *Global Compact* and the *OECD Guidelines for Multinational Enterprises*.

It provides the foundation on which our approach is based. More specific areas are covered in the *Environmental Charter* and the *Suppliers' Code of Conduct*. Finally, this Code of Conduct does not aim to replace pre-existing ethical documents at the Brand or business group level, but sets out to serve as a common base and source of inspiration. It unites the fundamental principles which represent our shared commitment and serves as a guide for our professional conduct on a daily basis. It recalls the principles of conduct that drive us.

II. PRINCIPLES

1. VALUING TALENTS

Enriching its talent pool

LVMH encourages a diversity of profiles and backgrounds in order to promote its international image and to combine creative energy within its teams.

LVMH recognises the richness of talents and know-how of the men and women in the Group. It is careful to ensure equality for all its employees in the area of employment and development, providing equal opportunities on objective criteria. Gender equality is a key aspect of its equal opportunity policy. All forms of discrimination are prohibited.

Encouraging personal development

LVMH offers its employees a fulfilling working environment in order to encourage trusting and collaborative relationships. LVMH, therefore, specifically:

- encourages loyalty and mutual respect in professional relationships;
- does not accept any form of discrimination or harassment;
- does not accept any form of physical violence, or verbal or psychological harassment;
- respects employees' private lives.

LVMH promotes for all employees the respect of a good balance between personal and professional life.

Encouraging initiative

LVMH encourages individual responsibility in its employees, which goes hand in hand with the creativity and initiative expected from individuals. To this end, LVMH values:

- a high level of impartiality in inter-personal relationships;
- management by example;
- that employees demand of themselves the highest levels of quality in the execution of their work;
- a good balance between initiative and the limits of professional expertise and responsibilities.

Between employees concerned by a same event, function or mission, as well as towards hierarchy, LVMH prohibits any deliberate indiscretion, withholding of information, denigration or refusal to collaborate.

Maintaining and developing employment

LVMH encourages the movement of its employees within the Group, ongoing training and personal development.

LVMH develops category-specific know-how through training and animation initiatives.

LVMH promotes the development of young talent within the Group, notably through education, integration, training and mentoring.

LVMH complies with national regulations and legislation in the area of employment for the disabled and participates in initiatives which encourage their integration into the workplace.

Respecting fundamental rights and principles in the workplace

LVMH respects and defends the principles of the *Global Compact* in relation to fundamental rights and principles in the workplace, namely:

- elimination of professional and employment discrimination;
- freedom of association and effective recognition of the right to collective bargaining;
- elimination of any form of forced or bonded labour;
- effective abolition of child labour.

Promoting dialogue with employee representatives

LVMH encourages quality dialogue and consultation with employee representatives as well as the respect and consideration for employee representatives in each of the countries where it has a presence.

Looking after health and safety in the workplace

LVMH cares about the health and safety of all its employees, makes sure that all its activities respect current health and safety legislation and regulations and pays particular attention to implement best practice with regard to safety in the workplace.

2. WINNING THE TRUST OF CUSTOMERS

Sustaining the quality and safety of products

LVMH is continuously looking to offer its customers products of the highest quality, through improvement and innovation and the highest of standards in the selection of materials and the implementation of expertise in its activities.

LVMH cares about the health and safety of its customers, notably in accordance with the precautionary principle, in the design and manufacture of its products.

Respecting customers

LVMH is committed to supplying its customers with sincere and clear information and to not making any misleading statements concerning its products and their methods of production.

LVMH is careful that personal information submitted by its customers is treated with confidentiality.

Responsible communication

LVMH is aware of the impact on society of its products and their image. LVMH is therefore committed to the highest levels of vigilance in the advertising of its Brands by implementing responsible communication which encourages its customers to use its products in an appropriate and reasonable manner.

3. COMMITMENT TO THE PRESERVATION OF THE ENVIRONMENT

LVMH acts to protect the environment, fighting climate change and preserving resources.

LVMH wants dynamic and continuous improvement of the environment for the benefit of its customers, employees and society in general. In this perspective, the "*Environmental Charter*" was introduced in 2001.

It is always LVMH's ambition to go beyond regulatory prescriptions, responding to society's concerns, investing the necessary human and financial resources. In all countries, the Brands propose measures which aim to protect the environment in accordance with international standards in force and the best practice of the sector.

Promoting collective commitment

LVMH, through all of its Brands, employees and partners, is committed to continuously improving its practices with a view to maintaining the highest level of environmental performance.

LVMH develops, with its partners, a spirit of cooperation in the face of environmental problems. It participates with third parties in the production of studies and initiatives to develop innovative solutions.

Preserving natural resources and integrating the environmental dimension into products

LVMH recognizes that the long-term future of its Brands and products is based on a constant desire to preserve and respect natural resources, the main raw materials of a large number of its products.

LVMH develops manufacturing processes which consume fewer natural resources and less energy throughout the product life cycle.

In addition to an ambitious greenhouse gas reduction target, LVMH encourages the use of renewable energies.

Anticipating environmental risks

Through scrupulous monitoring and the application of the precautionary approach, LVMH is careful to manage its environmental risks through strict respect of the best practices.

4. IMPLEMENTING AND PROMOTING A RESPONSIBLE APPROACH

Responsible behaviour towards partners

LVMH is committed to maintaining equitable and loyal relationships with its partners (suppliers, distributors, subcontractors etc.).

LVMH will inform all of its commercial partners of its ethical principles and expectations.

LVMH asks its suppliers to comply with the principles set out in the *Suppliers' Code of Conduct*. This code specifies the demands in the areas of social issues (forced labour, child labour, harassment, discrimination, pay, working time, freedom of unions, and health and safety), environmental and operational issues (legality, custom tariffs, safety, subcontracting and corruption).

Fighting against corruption

LVMH prohibits any form of corruption. Any payment must reflect a service and legitimate price as described in the contracts and agreements.

LVMH only authorises gifts and invitations in the usual social and commercial situations.

LVMH is committed to operating independently in public life. LVMH prohibits the payment of money to political parties, trade unions or cultural organisations in an attempt to promote a particular interest or obtain or maintain an advantage.

Respecting competition

LVMH is concerned about preserving fair competition respecting laws and practices in force, without any interference with competition rules.

LVMH prohibits any unlawful agreements, notably through understandings, projects, arrangements or behaviours which have been coordinated between competitors concerning prices, territories, market shares or customers.

Preventing conflicts of interest

All employees can find themselves confronted with situations in which their personal interest, or that of private individuals or corporations with whom they are linked or close to, can come into conflict with the interests of the Group.

Employees must, when taking stakes in other companies and in their activities outside the Group, do everything possible to avoid finding themselves in situations of conflicting interests with LVMH or any other linked company.

In this matter, it will be the employee's responsibility to determine a course of action in all honesty and taking into account their duty of loyalty towards LVMH, and if in doubt to consult their line manager. The employee must notify all conflicts of interest in writing.

5. ACTING AS A SOCIALLY AWARE COMPANY

LVMH adheres to the principles of the Global Compact and supports the *Millennium Development Objectives*. LVMH believes that in order to succeed a company must show responsibility in relation to the major challenges of its human environment and must translate this success into useful and constructive commitments.

Respecting and supporting human rights

LVMH respects and promotes human rights and makes sure that its activities do not encourage human rights abuses. LVMH intends to reflect its attachment to human rights through exemplary behaviour in the operation of its business and to encourage, within its sphere of influence, the improvement of social conditions which constitute an essential factor in economic development.

Enhancing the local economic fabric

LVMH is committed to participating, through the location of its production sites, in the economic and social dynamic of regions. LVMH notably contributes to the development of employment in the regions where the Group has a presence.

Demonstrating active solidarity

LVMH's behaviour respects the cultures of all the countries in which the Group has a presence. LVMH is keen to promote the best of local culture and creativity.

LVMH leads youth-centred initiatives, notably to facilitate access to the richness of the world's cultural heritage and to encourage the emergence of tomorrow's talent.

LVMH demonstrates active solidarity with humanitarian and social causes and also provides continuous support for medical research on public health challenges in France and the rest of the world.

LVMH equally builds its commitment to society through sponsorship programmes which reflect its historical and artistic heritage and its contemporary creativity which is the basis of its success.

6. WINNING THE TRUST OF SHAREHOLDERS

Respecting shareholders

The rights of LVMH shareholders are protected by law and the principles of corporate governance which govern the way the Group operates.

The LVMH Board of Directors has a Charter which specifies, among other things, its composition, missions, operations and responsibilities.

Two Committees, whose composition, role and missions are defined by internal regulation, exist within the LVMH Board of Directors:

- The Performance Audit Committee ensures that the Group's accounting principles comply with the standards in force, reviews the corporate and consolidated financial statements and monitors effective implementation of the Group's internal control.
- The Nomination and Compensation Committee proposes the remuneration of directors and provides advice on candidates and remuneration for key positions of the Group respecting applicable legislation and governance principles.

Ensuring the transparency of financial information

LVMH is committed to ensuring the simultaneous, effective and complete dissemination of financial information which is relevant, accurate, true and fair, disseminated on a timely fashion, and consistent with previous publications.

Only designated personnel are authorised to give information to the financial market.

LVMH is committed to accurately reflect its operations in its accounts.

Preventing insider trading

Any employee who, due to their professional activity, has access to privileged information which could influence the Group's share price or that of another company is bound by absolute confidentiality and is prohibited from buying or selling shares in this company (or any financial instruments that are linked to it) or from doing so through a third party so long as this information is not in the public domain.

Maintaining the Group's heritage

LVMH ensures that each employee uses the Group's resources appropriately. These resources include notably LVMH's intellectual property, equipment, goods and financial resources.

LVMH is careful to protect any confidential information, within or outside the Group.

LVMH defends its heritage and know-how by combating counterfeit. The Group does everything in its power to protect its intellectual property rights using a strategy to fight counterfeit which is focused on prevention, information and communication. In addition to these initiatives, it is the responsibility of each employee to defend LVMH's heritage.

III IMPLEMENTATION AND COMPLIANCE

Principles of implementation

This Code of Conduct aims to ensure the effectiveness and fairness of LVMH's operations. This Code, distributed throughout the Group, must be understood, accepted and applied consistently within the category business groups and the Brands.

This Code and its principles, which should not be considered exhaustive, must be respected by each employee, each Brand and each category business group of LVMH.

The LVMH Code of Conduct serves as a basis for the drawing-up of codes of conduct at Brand and category business group levels, adapted to their context and their sector. Thus the principles of this Code can, when appropriate, be developed or specified in relation to local regulations and legislation, and, when they exist, locally applied charters or codes.

Resources to support implementation

The functional departments of the Group, each in their respective area, will support the Brands in the implementation of the Code of Conduct with a view to a consistent and uniform application of its principles.

LVMH encourages the sharing of experiences and best practices throughout the Group, this being a source of progress for everyone.

Responsibility for implementation

The Board of Directors of LVMH, to which the Executive Management of the Group submits each year a report on the implementation of the Code's principles, will be the body which ensures its correct application.

In accordance with the principle of subsidiarity inherent to LVMH, the executive management team of each operational and legal entity is responsible for compliance with the principles of this Code. Any employee that notices a non-conformity to one of the principles stipulated within the Code should inform his or her hierarchy.

Verification of implementation

Verification of compliance with the Code of Conduct is incorporated into the internal control mechanism existing within LVMH and follows the procedures in force in the Group.

APPENDIX: REFERENCE TEXTS

International agreements supported by LVMH

Universal Declaration of Human Rights

United Nations Global Compact

OECD Guidelines

International Labour Organization conventions

Caring for Climate (voluntary and complementary action platform for UN Global Compact)

Millennium Development Objectives

CITES Conventions (on International Trade in Endangered Species)

Kimberley Process

Internal Documents

Environmental Charter

Suppliers' Code of Conduct