

A close-up photograph of a person's hands, wearing a black long-sleeved shirt, working with various colored leather strips on a wooden table. The strips are in shades of orange, tan, dark blue, light blue, and pink. One hand is holding a long orange strip, while the other is pointing at a section where the strips are woven together. The background is a plain, light-colored wall.

# LVMH

2021 SOCIAL AND ENVIRONMENTAL  
RESPONSIBILITY REPORT

*Committed to  
positive impact*



LVMH

*Committed to  
positive impact*







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*E*very action taken by the Group reflects our commitment to ethics, corporate social responsibility and respect for the environment. They drive our Maisons' performance and ensure their longevity. Firmly convinced that truly desirable products can only come from sustainable businesses, we are committed to ensuring that our products and the way they are made have a positive impact on our entire ecosystem and the places we operate, and that our Group is actively working to build a better future.

We wanted to seek out and meet those who symbolize the Group's commitment in 2021.



## *Developing circularity in the service of young creators*

**S**leeping beauties, those scraps of exceptional fabrics and cutoffs of precious textiles, are all materials to make young designers dream. A treasure to be cherished. And that's how Nona Source was born – championed by LVMH employees through the DARE (Disrupt, Act, Risk to be an Entrepreneur) program. A

unique digital platform developed to promote stocks from the Fashion & Leather Goods Maisons and make them available to up-and-coming designers and stylists as well as creators of the Group. Having started out as a virtual space, the project now boasts its own physical forum, with showrooms in Paris and soon in other

capitals around the world. It encourages creative forms of reuse and circularity, while offering a wide range of materials – from lace to leather – compositions, weights, colors, and patterns.

**Romain Brabo, Marie Falguera, Anne Prieur du Perray**  
Co-founders of Nona Source





## *Safety is everyone's concern*

When it comes to health and safety at work, everyone has their part to play. It is our responsibility to safeguard everyone working at our facilities – employees, temporary staff and contractors. This mindset inspired the practical Safety Day training courses we rolled out at Belvedere. As we uphold the highest standards when it comes to our products, we must do the same to keep everyone safe.

**Ireneusz Węglewski**  
Health & Safety Manager, Belvedere



## *Solidarity, a force that unites us*

We are one group, yet also a multifaceted group, with situations as varied as our world. The 175,000 LVMH employees in 80 countries may encounter personal difficulties that are difficult to overcome alone. The LVMH Heart Fund, supported by the Human Resources Department, is designed to help those who are facing critical personal situations. Promoting it is a source of pride for us all.

**Corey Yribarren**  
Executive Vice President and Chief People Officer,  
Sephora USA



## *Committing to people with disabilities*

**I**t started out as my job. Now recruiting people with disabilities, building relationships with them and finding solutions so everyone feels comfortable is my passion. This may involve adapting workstations, remodeling workspaces, accommodating different working schedules or enabling people to retrain in a different profession. As a result, these employees are recognized the same as all others: for their skills and contribution to the success of the Group.

**Seilin Hyun**  
Talent acquisition specialist,  
LVMH Perfumes & Cosmetics, South Korea

## *Unleashing potential and building up confidence*

**T**he strength of the LIVE - *L'Institut des Vocations pour l'Emploi* program is that it enables people to feel supported, every step of the way, which helps to build their confidence. It gives people an opportunity to develop their skills, bolster their knowledge, and find a vocation to help them back into work after long-term unemployment. For all those enrolled, LIVE gets them back into society and acts as a passport to the world of tomorrow.

**Siméon Diolot and Anissa Zoubir**  
Livers





## *Enhancing artistry, skill and finesse*

**W**e harness passion, respect for the craft, extremely sophisticated techniques and artistic mastery to create high quality shoes. Craftspeople become artists of materials and shapes when working with such premium natural raw materials, when every technique becomes a matter of principle from which a form of beauty arises.

**Marcello Pancaldi**  
Métiers d'Excellence Virtuoso, Berluti



## *Fostering a Culture of Inclusion*

**A**t LVMH, we believe Diversity and Inclusion is transversal to our activities, from the management of our talents to our social impact. Our ambition is not only to foster an inclusive workplace, but an inclusive ecosystem in which our people, partners and customers feel welcome, respected and represented. This belief has been reinforced by the creation of a Diversity & Inclusion Direction at the Group level.

**Vanessa Mounzar**  
Group Diversity & Inclusion Director





## *New energies for a better environment*

**A**chieving environmental and social responsibility requires both technical and strategic skills that are essential to steer operational transformation. In 2021, four LVMH Maisons substantially bolstered their teams and appointed sustainable development champions. Reflecting the Group's drive to accelerate the pace of efforts to make tangible and efficient progress on the targets set out in the LIFE 360 action program,

these departments develop policies that are tailored to the particular challenges facing their sectors, which feed into the Maisons' strategies. As the driving force deploying and monitoring measurement tools, they make it possible to oversee and steer such work more closely using shared indicators. They also take action to raise awareness and train the workforce from all the Maisons about sustainable development.

**Flore Augé**  
Celine

**Séverine Pinault**  
Fendi

**Claire Coletti**  
Christian Dior Couture

**Isabelle Sultan**  
Parfums Christian Dior



## *Planting trees to restore life*

**T**he agroforestry strategy pursued by Hennessy is in full swing. In France's Charente department, over 4 km of protective hedges have already been planted in the vineyards. Over the next decade, nearly 1,000 km of hedges will be created to support ecosystems by boosting biodiversity and serve as natural assets to enhance the eaux-de-vie used to produce our cognacs.

**Mathilde Boisseau**  
Hennessy Vine and Wine Manager



## *Developing a sustainable approach to luxury*

**S**eamlessly blending tradition with innovation, the luxury industry is constantly changing. The LVMH Future of Luxury Commission, which met for the first time in July 2020, analyzed the emerging alliances between excellence, savoir-faire, commitment and sustainability so as to invent a new approach to luxury.

**Marc Abélès**  
Anthropologist and ethnologist, member of  
the Future of Luxury Commission





## *Asserting yourself through your style*

**T**he brand harnesses its knowledge of cuts to underpin the celebration of the female body and deconstructed silhouettes. The pieces empower women, enabling them to express who they are with ultra-sexy designs that are often asymmetric, playing with light and sheer fabrics, made all the more interesting through the use of sustainable materials such as Georgette and organic silk organza.

**Nensi Dojaka**  
Albanian designer, winner of the 2021 LVMH Prize



## *Harnessing energy from the land*

**N**estled in the heart of the beautiful Scottish Highlands, in Tain, the Glenmorangie distillery enjoys an exceptional panoramic view of the sea. Yet it is the land that serves as the source of energy, after a reactor was installed to transform by-products of the distillation process into biogas. The energy transition joins forces with nature to further enhance the excellence of our whiskies.

**Peter Nelson**  
Glenmorangie Operations Director





# *Our commitments make our culture shine*

**T**he LVMH Group embodies a unique culture, one that we express around the world through our products, as well as our ethical, social, environmental and cultural actions, with each aspect contributing to a truly living legacy. This legacy is often centuries old and continues to thrive with deep roots in some very exceptional places, like the Château d'Yquem, built in the 16th century, or the recently renovated Art Nouveau and Art Deco buildings of the Samaritaine, in Paris. We also borrow part of this legacy from nature, taking great care to preserve it. The French vineyards of our Maisons, which spread across 2,000 hectares around the country, are 100% herbicide-free. Equally important, our cultural legacy is also immaterial, encompassing some 280 métiers d'excellence (professions of excellence) that have been passed down throughout the years, constantly being renewed by the next generation. Our culture is at the same time unique and multifaceted. Unique in its model, in its values and its heritage as well as the *art de vivre* it expresses, and of which we are so proud. Multifaceted, precisely because it brings together the distinctive cultures of all of our Maisons. Last but certainly not least, our culture unites each and every one of our Group's employees through our business ethics, and our deep sense of duty, responsibility, and commitment.

LVMH's record results in 2021 underline the solidity of our business model, which is built on the desirability of our products and our ability to make people dream. Yet our success is only worthwhile if it is also a virtuous one. This is a strength because it benefits everyone. It also concerns our non-financial performance—it creates jobs and strengthens the economic and social fabric of our communities. It brings our culture, and all it represents, to the entire world—our concept of *art de vivre*, our values, our unique savoir-faire, our commitments and more.

Thanks to our success we are able to further invest in causes we believe are right. It is a commitment that nourishes and sometimes exceeds the scope of our responsibility. I believe that being attentive to our employees is a priority, a legitimate recognition of their immense contribution to our Group. This is why we launched the LVMH Heart Fund in 2021 to provide emergency financial aid, along with social and psychological support to help employees confronted with unexpected serious difficulties in their personal lives. Another commitment that I personally believe is extremely significant is our plan to recruit some 25,000 young people under the age of 30 by the end of 2022. They represent our future and we must support them in these challenging times.

We also have a responsibility to continue to drive progress in preserving and nurturing biodiversity through our LIFE 360 program. Protecting nature is an imperative. One recent emblematic example is Château Cheval Blanc, one of our oldest Maisons, which has become the first grand cru wine estate in the world to develop an agroecology program. I cannot conclude without saying a few words about our commitment to the arts and culture. Both of these areas, where different sensibilities have found outlets for expression since the beginning of time—engaging with all the senses, emotions, intuition and intellect—should be supported and celebrated. They constitute the foundations of humanity and must be energetically preserved.

LVMH's vision is to share a culture—our culture—by inspiring dreams the world over, whether through the creation of exceptional products, our ability to believe that nothing is impossible, or our support for those in need.

BERNARD ARNAULT  
*Chairman and Chief Executive Officer*

# LVMH Group businesses and key figures

## Wines & Spirits

Moët & Chandon, Dom Pérignon, Krug, Veuve Clicquot, Ruinart, Hennessy, Château d'Yquem, Clos des Lambrays... the origins of all these world-famous estates are inextricably linked to the appellations and terroirs of the world's most prestigious wines and spirits. Whether they are in Champagne, Bordeaux, or other famed wine regions, these Maisons, many of which date back more than a century, all share a powerful culture of excellence.

## Fashion & Leather Goods

The Fashion & Leather Goods business group comprises Louis Vuitton, Christian Dior Couture, Celine, Loewe, Kenzo, Givenchy, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Loro Piana, RIMOWA and Patou. While respecting the identity and autonomous management of these brands, LVMH supports their growth by providing them with shared resources.

## Perfumes & Cosmetics

LVMH is a key player in the perfume, makeup and skincare sector, with a portfolio of world-famous French brands: Christian Dior, Guerlain, Givenchy and Kenzo. The Group also owns other beauty brands: Benefit, Fresh, Acqua di Parma, Perfumes Loewe, Make Up For Ever, Maison Francis Kurkdjian, Fenty Beauty by Rihanna, KVD Vegan Beauty and Officine Universelle Buly.

## Watches & Jewelry

The LVMH Watches & Jewelry Maisons are some of the most emblematic brands in the industry. They operate in jewelry and watches with Tiffany & Co., the prestigious American jewelry house acquired in 2021, Bulgari, Chaumet, Fred, TAG Heuer, Hublot and Zenith. These Maisons are guided by a daily quest for excellence, creativity and innovation.

## Selective Retailing

The Selective Retailing business group comprises Sephora, the world's leading selective beauty retailer; Le Bon Marché, a Paris department store with a unique atmosphere; and travel retailers DFS and Starboard Cruise Services, who cater specifically to international travelers.

## Other activities

Other activities include Groupe Les Echos, which comprises leading French business and cultural news publications; Royal Van Lent, the builder of high-end yachts marketed under the brand name Feadship; Cheval Blanc and Belmond, which are developing a collection of exceptional hotels.



75  
MAISONS

80  
COUNTRIES

5,556  
STORES

110  
PRODUCTION SITES IN  
FRANCE

175,647  
EMPLOYEES

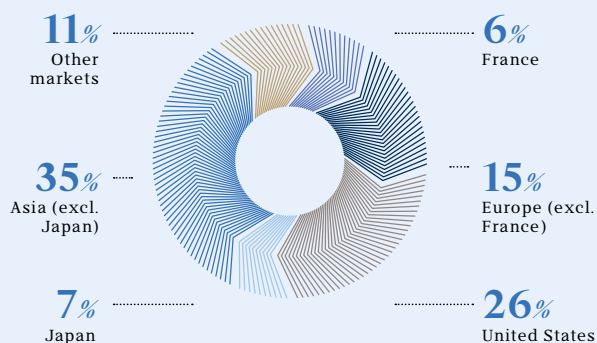
179  
NATIONALITIES

€64.2bn  
REVENUE  
+ 44% vs 2020 | + 20% vs 2019

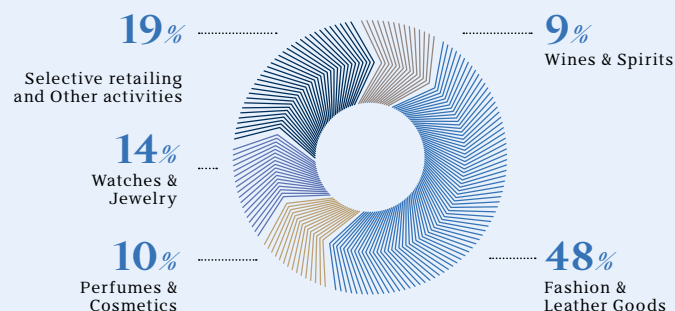
€17.2bn  
PROFIT FROM RECURRING OPERATIONS  
+ 107% vs 2020 | + 49% vs 2019

€12bn  
NET PROFIT GROUP SHARE  
+ 156% vs 2020 | + 68% vs 2019

2021 sales by region  
(as %)



2021 sales by business group  
(as %)



Geographic footprint  
(as of December 31, 2021)

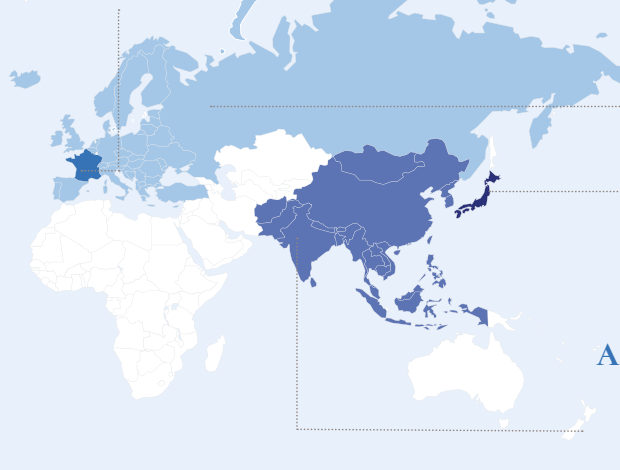
### United States

Revenue: €16,591m  
1,014 stores  
34,930 employees



### France

Revenue: €4,111m  
522 stores  
33,887 employees



### Europe (excl. France)

Revenue: €9,860m  
1,203 stores  
39,343 employees

### Japan

Revenue: €4,384m  
477 stores  
8,013 employees

### Asia (excl. Japan)

Revenue: €22,365m  
1,746 stores  
43,705 employees

### Other markets

Revenue: €6,904m  
594 stores  
15,769 employees

# Corporate governance

LVMH's Board of Directors is the strategic body of the Company that is primarily responsible for driving long term value creation and protecting its corporate interests, focusing in particular on the social and environmental issues facing its business.

The Board of Directors' principal assignments are to approve the Company's and the Group's broad strategic direction and supervise its implementation, as well as verifying the fair and accurate presentation of information about the Company and the Group. It is also tasked with protecting the Group's corporate assets and ensuring that core business risks are accounted for in its management. The Board also ensures that procedures to prevent corruption and influence-peddling are implemented by the Group and its main partners, and monitors the impact of the Group's non-discrimination and diversity policy, notably with regard to gender equality within the governing bodies. Lastly, it acts as guarantor of the rights of all of its shareholders and ensures that they fulfill all of their duties.

The Executive Committee, which consists of the Group's operational and functional executives, lays down strategic objectives within the framework of the direction set by the Board of Directors, coordinates their implementation, ensures that the organization adapts to changes in the business environment, defines senior executives' responsibilities and delegated authority, and ensures that the latter are properly applied.

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## *Board of Directors*

**Bernard Arnault**  
Chairman and Chief Executive Officer

**Antonio Belloni**  
Group Managing Director

**Antoine Arnault**

**Delphine Arnault**<sup>(4)</sup>

**Dominique Aumont**  
Director representing the employees

**Nicolas Bazire**

**Marie-Véronique Belloeil-Melkin**  
Director representing the employees

**Sophie Chassat**<sup>(1)</sup>

**Charles de Croisset**<sup>(1)(2)(3)</sup>  
Lead Director

**Diego Della Valle**<sup>(1)</sup>

**Clara Gaymard**<sup>(1)(2)</sup>

**Marie-Josée Kravis**<sup>(1)(3)</sup>

**Marie-Laure Sauty de Chalon**<sup>(1)(4)</sup>

**Yves-Thibault de Silguy**<sup>(1)(2)(3)(4)</sup>

**Natacha Valla**<sup>(1)</sup>

**Hubert Védrine**<sup>(1)(4)</sup>

### ADVISORY BOARD MEMBERS

**Yann Arthus-Bertrand**

**Lord Powell of Bayswater**

### GENERAL SECRETARY

**Marc-Antoine Jamet**

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**16**  
BOARD MEMBERS

**57%**  
of the members  
are Independent  
Directors

**7**  
members are  
women

**62**  
Average  
age

**98.4%**  
Directors' overall  
attendance rate

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## *Committees of the Board*

### ETHICS & SUSTAINABLE DEVELOPMENT COMMITTEE

**Yves-Thibault de Silguy**<sup>(1)</sup>  
Chairman

**Delphine Arnault**

**Marie-Laure Sauty de Chalon**<sup>(1)</sup>

**Hubert Védrine**<sup>(1)</sup>

### NOMINATIONS & COMPENSATION COMMITTEE

**Charles de Croisset**<sup>(1)</sup>  
Chairman

**Marie-Josée Kravis** <sup>(1) (5)</sup>

**Yves-Thibault de Silguy**<sup>(1)</sup>

### PERFORMANCE AUDIT COMMITTEE

**Yves-Thibault de Silguy**<sup>(1)</sup>  
Chairman

**Charles de Croisset**<sup>(1)</sup>

**Clara Gaymard**<sup>(1)(6)</sup>

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(1) Independent Director.

(2) Member of the Performance Audit Committee.

(3) Member of the Nominations & Compensation Committee.

(4) Member of the Ethics & Sustainable Development Committee.

(5) Marie-Josée Kravis was appointed as Chairman of the Nominations &

Compensation Committee, effective at the close of the Shareholders' Meeting of April 21, 2022, with Charles de Croisset remaining a member of the committee.

(6) Clara Gaymard was appointed as Chairman of the Performance Audit Committee, effective at the close of the Shareholders' Meeting of April 21, 2022, with Yves-Thibault de Silguy remaining a member of the committee.

# Social and Environmental governance

The Group has chosen to leverage specific skills and expert managers to establish a set of first-rate principles, methodologies and action plans. Each Maison adapts them to their own particular social, societal and geographic context, while respecting the Group's ethical principles. Reporting at an international level is used to monitor performance and facilitate consolidated communication.

## Supervision and coordination

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. The Committee provides leadership on matters of ethics as well as environmental, workforce-related and social responsibility.

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 at the Maison level, who help organize the measures to be implemented and facilitate their application within the Maisons, which then makes the necessary adjustments in line with their own values, their environment, and the expectations of their employees and customers. These officers are supported by a network of CSR Officers in major geographic areas.
- The Environment Committee, which brings together a network of Environment Officers from the Maisons. This body provides a forum for discussion about major objectives (LIFE 360 program), environmental challenges and opportunities.
- Maison representatives in charge of purchasing, certain supply chains and supplier relations, who come together at the Responsible Purchasing seminar to review priority issues, launch new initiatives and share best practices within the Group.

- The network of Ethics & Compliance Correspondents. Their role is to implement the Group's ethics and compliance standards within their Maison.

## Leadership and implementing social responsibility

Chantal Gaemperle, Group Executive Vice President, Human Resources & Synergies, and member of the Executive Committee, oversees the Group's social responsibility. The Maisons initiate and develop a wide variety of initiatives under her leadership.

The LVMH social responsibility strategy is spread across three levels:

- General procedures and commitments that ensure the issues and objectives related to each strategic priority are addressed.
- Initiatives put in place by the Maisons to address their specific local needs and operations.
- Group-wide projects and partnerships.

Each Maison has its own CSR correspondent appointed by the HR Department who prepares CSR reports and liaises with LVMH to ensure that all initiatives are in line with the Group strategy.

Within each Maison, a reporter collects and reports workforce-related data, a controller checks and validates its accuracy, and the Maison's Human Resources Director provides final sign off. In addition, the Corporate



Social Responsibility Department reports on qualitative aspects, listing progress made under the policies adopted and action plans put in place by the Maisons. LVMH uses these consolidated reports to steer and communicate about its social responsibility policies and initiatives.

### Leadership and implementing environmental responsibility

Reporting directly to Antoine Arnault, who sits on the LVMH Board of Directors, the 10-member Environmental Development Department pursues the following objectives:

- Implement the four action plans (creative circularity, traceability, biodiversity and climate) of the LIFE 360 program across all Maisons.
- Guide Group companies' environmental policies, in compliance with the LVMH Environmental Charter.
- Report on the Group's environmental strategy through a dedicated report and specific impact indicators.
- Identify world class environmental analyses, tools and methodologies and share them with the Maisons. Build the environment into design processes and nurture innovation.
- Carry out forward looking analysis to help the Maisons safeguard against risks and seize opportunities in each business segment.
- Share LVMH's environmental experience at international summits and build proactive partnerships.
- Uphold the Group's reputation and contribute to its non financial performance.

The Group Environmental Development Department acts as an intermediary between the Executive Committee and the Maison's senior management on environmental issues. Each Maison also draws on a network of nearly 200 Environment Officers from Maisons, known as the Environment Committee.

In addition, LVMH's ability to drive continuous improvement is closely tied to the Group's success at making sure that its 175,000 employees understand their role as active participants in its approach to environmental matters. The Environmental Development Department thus works to inform, train and raise awareness among all employees with regard to the conservation of natural resources and biodiversity, as well as climate change through an in-house Environment Academy.

In 2021, environmental training and awareness programs totaled 20,106 hours, all actions included.

Each year, employee salaries are also reviewed so as to be increasingly linked to the Group's environmental targets. Following the initiatives conducted by Hennessy and Sephora Collection, the climate objective was integrated into the calculation for the profit sharing scheme open to employees of the LVMH Holding company in 2021. Le Bon Marché included an environmental target in the performance-related pay calculations for all its teams.

# Ethics and compliance at the heart of our strategy

The LVMH group has always been strongly committed to exemplary integrity and ethics in the conduct of its business and in its relations with all stakeholders. Rules of conduct, principles and guidelines governing ethics and environmental and social responsibility have been defined to establish the behavior required of the Group's executives and employees, as well as our suppliers and partners.

## Strong commitment to exemplarity

In 2020, "commitment" was added to the core values shared by the Group – LVMH's ethics and compliance efforts are all based on this principle of commitment. This confers on the entire Group a deep sense of responsibility and a solemn duty to be exemplary. To ensure that the rules of conduct are applied uniformly across the Group, LVMH counts on each one of its employees and stakeholders.

## A dedicated governance structure

Created in 2017, the Ethics & Compliance Department steers and coordinates the Group's procedures in the fight against corruption, in personal data protection, and in compliance with international sanctions, human rights, and anti-money laundering laws. Each Maison has their own organizational and governance structure tailored to suit their operational needs and the geographic regions in which they operate. The Ethics & Compliance Department coordinates the work of the Correspondents within each Maison, with some of these Maisons having built up their own network.

To ensure greater independence and visibility, in April 2021, the department was incorporated into the Group's "General Administration and Legal Affairs" Department, reporting directly to the Chairman and Chief Executive Officer.

The Group's Ethics & Compliance Director regularly reports on the Department's work to the Board of Directors' Ethics & Sustainable Development Committee.

## Standards

In recent years, the Group has supported or signed up to several international standards, the implementation of which it promotes within its sphere of influence, in addition to putting in place its own internal standards.

### International instruments

For many years now, the Group has sought to conduct itself in a responsible manner, aligning its operations and strategy to support several international texts of reference, including:

- The United Nations Global Compact, which the Group ratified in 2003
- The Universal Declaration of Human Rights
- The OECD Guidelines for Multinational Enterprises

### The Code of Conduct

Designed to provide a common ethical foundation for the Group and its Maisons, the LVMH Code of Conduct outlines the rules to

be followed by all employees as they go about their work. With a foreword written by the Chairman and Chief Executive Officer, it has been translated into more than ten languages and is widely disseminated across the Group.

The Code is structured around six core principles:

- Acting responsibly and with social awareness
- Providing a fulfilling work environment and celebrating talent
- Committing to protect the environment
- Winning the trust of customers
- Winning the trust of shareholders
- Embodying and promoting integrity in the conduct of business

The Group also developed its own set of guiding principles that covers all entities and serves as a reference to help employees adopt the right approach when it comes to business ethics, whether it be in matters of anti-corruption, or in the respect of international sanctions and anti-money laundering measures.

### The Supplier Code of Conduct

Each Maison in the Group calls on their suppliers to uphold the ethical principles set out in the Supplier Code of Conduct and to ensure that their own suppliers and sub-contractors also comply with these same requirements.

### **Ethics and compliance guidelines**

The Supplier Code of Conduct is further backed up by a set of guiding principles developed by the Ethics & Compliance Department, and the anti-corruption policy of the Group.

### **Identifying and controlling risks**

The Group's operations undergo regular risk assessments to ensure adequate and proportionate risk prevention and detection measures are in place. A comprehensive supply chain risk assessment is also regularly carried out. Furthermore, the Maisons identify the corruption risks inherent to their businesses as part of a corruption risk mapping exercise conducted in accordance with France's Sapin II law. These maps enable the Maisons to manage risks and steer mitigation plans more effectively. With the right understanding, they are then able to deploy appropriate ethics and compliance strategies, especially in the fight against corruption.

### **Communication initiatives, awareness, and training in risk prevention rules and best practices**

The LVMH Group believes that employee training is the most effective way of widely disseminating its ethics and compliance culture and passing on best practices that people can apply to their daily work, in line with the Group's values. In addition to the efforts made by the Group Ethics & Compliance Department to inform and raise awareness, especially as part of in-house events organized across the various regions and business segments, the Maisons and Regions have developed their own strategies to train and educate their employees. Employees receive regular

communications reminding them of the importance of attending these courses.

### **A culture based on dialogue**

LVMH promotes open communication and dialogue across the Group and with all its stakeholders, including sub-contractors, partners, and clients.

Any employee or external stakeholder who becomes aware of a breach to the LVMH Code of Conduct, its guiding principles, internal policies or applicable laws or regulations should inform the Group of their concerns. Employees can contact their line manager, an HR manager, the Ethics & Compliance Correspondent from their Maison or the Group Ethics & Compliance Director.

In addition to these channels, employees and external stakeholders can use the LVMH Alert Line, a secure and confidential online platform where people can report in good faith any breaches to any laws, regulations, or Group principles.

The Group promises that no disciplinary action will be taken against anyone who uses the Alert Line in good faith. An essential component in expanding the ethics and compliance culture, the whistleblowing system has been developed in 14 languages and is the focus of regular communications within the Group. It may be accessed via the LVMH Group corporate website.

### **Regular checks on the tools employed for continuous improvement**

In order to ensure the ethics and compliance measures in place remain suitable and effective, the LVMH Group has put in place a series of checks that are appropriate and

proportionate to the risks facing the Group. Should these measures be found insufficient or incomplete, corrective actions are put in place.

The Group takes considerable care to ensure its employees always conduct themselves in an exemplary manner. Therefore, any employee who breaches the Group's rules, in particular its Code of Conduct or its guiding principles, is subject to disciplinary sanctions.

### **Responsible management of personal data**

The Maisons within the LVMH Group ensure the protection of the personal data of clients and employees they collect by complying with all applicable regulations, and in particular, the EU General Data Protection Regulation (GDPR). To assist them in this area, they can take advantage of a shared reference document that sets out the rules and recommendations to help them devise a clear policy that is in harmony with that of the other Maisons that make up the Group. LVMH has fostered a data protection culture, across all its business lines and professions, by providing training and awareness sessions, drafting several charters, and forming a network of Data Protection Officers.

An appropriate governance structure was put in place to effectively uphold data protection, and each Maison within the Group appointed its own Data Protection Officer (DPO) who oversees the compliance and maintenance of practices and procedures within each Maison.

The Group applies a stringent cybersecurity policy, not only to protect the Maisons' IT systems, but also to guarantee a high level of safety for the products supplied by third-party service providers with which the Group and its Maisons operate.

# The LVMH Group CSR strategy and SDGs

The Group supports the 17 Sustainable Development Goals (SDGs) set out by the United Nations in 2015. The 17 SDGs represent a global call for action to be achieved by 2030, in an effort to reduce inequality, make the world a better place for future generations, especially by developing solutions to tackle climate change, and ensure that all human beings are able to live in peace and prosperity. The following table details the ways in which the LVMH corporate social responsibility strategy helps to achieve the 17 SDGs.



	01 — No poverty	02 — Zero hunger	03 — Good health and well-being	04 — Quality education	05 — Gender equality	06 — Clean water and sanitation	07 — Affordable and clean energy	08 — Decent work and economic growth	09 — Industry, innovation and infrastructure	10 — Reduced inequalities	11 — Sustainable cities and communities	12 — Responsible consumption and production	13 — Climate action	14 — Life below water	15 — Life on land	16 — Peace, justice and strong institutions	17 — Partnerships for the goals
● Major direct contribution to the goal (Group-related)																	
○ Other contribution to the goal (indirect or voluntary)																	
Respecting each one's dignity and individuality																	
Promoting diversity and guaranteeing inclusion			●		●			●	●	●	●	●					●
Achieving gender equality	○		●	○	●			●		●	○	○				○	○
Promoting employment and expanding opportunities for people with disabilities	○		●	○	○			●		●	○	○				○	○
Supporting employment of people with disabilities																	
Ensuring health and safety at work			●	○				●	○	○		●				○	○
Safeguarding the well-being of employees			●					●	○	○	○	●				○	○
Listening to employees and driving progress			●	○	○			●	○	○	○	○				●	●
Transmitting our world heritage's savoir-faire																	
Shaping the future of the Group	○		○	●	○			○	●	○							●
Contributing to the continuity of savoir-faire	○		○	●	○			○	●	○		○					●
Developing employee skills	○		○	●	●			●	●	●		○					●
Committing to a better society																	
Supporting employment, entrepreneurship and local development	●		○	○	○			○	●	●	●	○				○	●
Facilitating professional integration and access to education	●		○	○	●			○	○	●	●	○				○	●
Supporting underserved populations	●	○	○	○	●			○	○	●	●	○				○	●
Making the circular economy desirable																	
Drawing inspiration from materials to stimulate creativity		○	○			○	○		●			●	○	○	○		○
Extending ecodesign to packaging and stores								○				●					
Harnessing innovative circular services to give products a second lease of life								○				●					
Protecting biodiversity																	
Transforming our relationship with the living world	○		●			○	○	○		○			●	●	●		○
Avoiding and mitigating the impact on biodiversity			●			○	○						●	●	●		○
Protecting ecosystems	○				○	○	○		○	○			○	●	●		●
Contributing to the fight against climate change																	
Aligning the Group's trajectory with the 1.5°C target						○	○		○		○	●	●		○		○
Setting an example at sites and in stores			○			●	○	○	○		○	●	●	●			○
Making significant progress in sustainable transportation							○		●		○		●				
Refining traceability and engaging everyone																	
Striving for excellence in traceability and product safety	○		●	○		○			○			●	●	○	●		
Integrating innovative tools to boost transparency	○			○		○			○			○	○				○
Sharing knowledge and evangelizings						○	○					○			○		○



## Key dates of the LVMH Social and Environmental Policy

1992

LVMH creates the Environment Department after the Rio de Janeiro Earth Summit

1998

Hennessy becomes the first wine and spirits producer in the world to obtain the ISO 14001 environmental certification

2001

LVMH publishes the luxury industry's first-ever environmental report

2002

LVMH Maisons use the Bilan Carbone® method to measure their CO<sub>2</sub> emissions

2003

LVMH joins the United Nations Global Compact

2005

LVMH signs the *Apprenticeship Charter*

2006

LVMH signs the *Business Charter for Equal Opportunity in Education*

2007

LVMH signs the *Diversity Charter*

2008

LVMH drafts a *Supplier Code of Conduct* to expand its commitments to supply chain partners

2009

LVMH supplements the *Supplier Code of Conduct* with the *LVMH Code of Conduct* and the *Recruitment Code of Conduct*

LVMH signs the *Charter for the Employment of People with Disabilities*

2012

LVMH signs up to the French National Strategy for Biodiversity

The Group launches LIFE (LVMH Initiatives For the Environment) to boost its environmental policy

2013

LVMH signs the *United Nations Women's Empowerment Principles*

## 2015

The United Nations adopts the Sustainable Development Goals (SDGs)

LVMH sets up an internal carbon fund to finance projects that combat climate change—a pioneering initiative in the luxury industry

## 2017

LVMH draws up the *Charter on Working Relations with Fashion Models and their Well-Being*, together with Kering and other industry professionals

LVMH updates the *LVMH Code of Conduct* and the *Supplier Code of Conduct*, reasserting and adding to the principles of proper conduct set out to guide everyone's behavior

## 2018

LVMH participates in the Gender Parity Task Force set up by the Davos World Economic Forum

## 2019

LVMH signs the United Nations Standards of Conduct for Business Tackling Discrimination against LGBT+ People

LVMH signs the French Manifesto for the inclusion of people with disabilities in the workplace

LVMH unveils its *Animal-Based Raw Materials Sourcing Charter*

LVMH signs a partnership with UNESCO to support its “*Man and the Biosphere*” program and protect biodiversity

## 2020

LVMH joins the International Labour Organization (ILO) Global Business and Disability Network

LVMH creates the Future of Luxury Commission and calculates the environmental footprint of its entire value chain, including scope 1, 2, and 3 impacts on climate change, biodiversity, and water resources

## 2021

LVMH unveiled its LIFE 360 environmental strategy, which sets out ambitious objectives with specific milestones for 2023, 2026 and 2030

The 75 Maisons that form the LVMH Group signed the “WE for ME” pact for its Métiers d'Excellence, reflecting the Group's commitment to safeguarding and promoting these highly skilled professions

LVMH signed the Health & Safety Policy, underscoring its ambition to strive for excellence regarding the health and safety of its employees, as well as that of service providers and customer

LVMH creates the LVMH Heart Fund, a global emergency and support fund for its 175,000 employees



## Our commitments in numbers

*No. 1*

recruiter in France\*

280

métiers d'excellence (professions of excellence) across our 75 Maisons

25,000

young people hired throughout the world by the end of 2022

€30m

budget allocated to the LVMH Heart Fund, the global assistance program for employees

575

partnerships initiated with associations, foundations and initiatives supported through the commitment of nearly 30,000 employees

2011

LVMH became engaged in the fight against sickle cell disease 10 years ago

11,000

young designers have entered the LVMH Prize since 2014

1.5°C

the LVMH carbon trajectory approved by the SBTi

657,000

hectares of wildlife habitats rehabilitated by 2030

100%

of vineyards, 61% of cotton sourcing channels, 81% of leather and 92% of gold enjoy a special traceability system, with a target to reach 100% by 2030

41%

of recycled raw materials used in packaging, with a target to reach 70% by 2030

2021

the Louis Vuitton Foundation earned HQE Exceptional certification

8

million people have visited the Louis Vuitton Foundation since it opened at the end of 2014

MOODY'S | ESG Solutions

Advanced status in the CAC40 ESG index



A- / A- / A-

on climate, water and forest considerations



#1

Most attractive employer for students from business schools in France

\*Ranking drawn up by Usine Nouvelle of the Top 100 manufacturing and services companies, 2022 outlook.



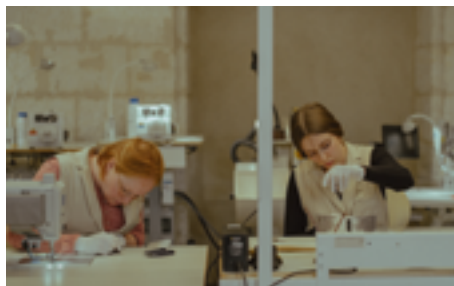






PART I

# Our social responsibility



Louis Vuitton production workshop,  
which opened in 2021 at the historic abbey of the Trinity  
in the French town of Vendôme.



As a Group, we owe our success to our talents whose dedication has contributed to our overall business performance. We have reached an all-time high of over 175,000 employees worldwide, including Tiffany & Co.

45,000 newcomers have been onboarded in 2021—+9% vs 2019—and 25,000 early career professionals (under the age of 30) will be hired by the end of 2022.

Learning & career development continue to be among the top priorities for talents. In 2021, we reinforced our initiatives to pass on skills—exceptional expertise and savoir-faire are indeed critical for success in our industry. We will continue to promote our 280 creative, craft and sales métiers, showcasing our artisans to recruit the next generation. Last September, a record 340 apprentices integrated the eighth cohort of the LVMH Institut des Métiers d'Excellence. Our pact “WE for ME” (Worldwide Engagements for Métiers d'Excellence) was signed by the Group Executive Committee and all our Maison Presidents, marking our determination to recognize and promote these key métiers.

We cannot be a fully committed company without ensuring that we are paying close attention to our employees. At LVMH we believe in an inclusive, respectful, and merit-based working culture that gives everyone the opportunity to express their potential—one where a person's skills should be the main factor for professional accomplishment. This year saw the appointment of a Diversity & Inclusion Director at Group level with the objective of creating an environment where each employee can contribute to building a more inclusive world for all. Diversity and Inclusion must be a priority everywhere and should be infused in our business model, in our talent management, in our communication, and in the customer experience across our Maisons.

In 2021, we also pledged to collectively adopt best practices and the highest standards through our Health and Safety Policy, which was signed by every member of our Executive Committee and our Maison Presidents. We have also strengthened our support to all our employees around the world by creating the LVMH Heart Fund, a global emergency fund to assist those facing adversity, an accident, or critical situations in their personal lives.

Looking forward to 2022, we will take an even more dedicated and impactful approach to all our social and solidarity commitments. This long-term engagement targets all our employees. We will boost inclusion, expand our initiatives to pass on and promote savoir-faire, and consolidate our long-term partnerships to make our society a more inclusive one.

CHANTAL GAEMPERLE  
*Group Executive Vice President, Human Resources and Synergies*





# Respecting each one's dignity and individuality

At every stage of an employee's career within the Group, LVMH strives to conduct itself in a commendable manner, implementing tangible initiatives to promote the inclusion and professional fulfilment of the diverse group of individuals who make up its workforce and represent its most valuable asset.

# Promoting diversity and guaranteeing inclusion



LVMH reiterated its commitment to promoting an inclusive culture at every level of the organization during the Voices of Inclusion broadcast.

Promoted at every level of the Group, the inclusive culture assures each employee that, at work, only their talent and their skills are considered differentiating factors. LVMH has put in place a number of systems and procedures to eliminate all forms of discrimination and respect the uniqueness of each individual. Set out in the Code of Conduct, these principles form the foundation of the Group's diversity and inclusion policy. Following the example set in North America in 2020, a Diversity & Inclusion Department was set up to ensure the Group truly lives and breathes these principles. The new team, headed by Vanessa Mounzar who

reports directly to Chantal Gaemperle, Group Executive Vice President, Human Resources and Synergies, harnesses the diversity and inclusion network to promote the Group's commitments and inclusive culture throughout its Maisons and professions.

For over 10 years now, LVMH has ensured that its recruitment practices are not distorted by any form of discrimination. In 2021, a compliance assessment was conducted on a sample of job offers across six selected countries to verify that no postings included any discriminatory language. Since 2011, the Group has offered regular mandatory training

on non-discrimination to all its employees involved in recruitment. Certain Maisons, such as Louis Vuitton, train their managers in unconscious bias and stereotypes, as well as non-discrimination and inclusion. In addition, 1,500 people from sales teams in North America received training in the risks of racially aggravated harassment and behavior.

In June 2021, LVMH organized the second edition of "Voices of Inclusion" to celebrate Pride Month—an exceptional opportunity for employees, Maison presidents and renowned artists to express their support for uniqueness in all its forms.

## Solutions and action plans

\* The LVMH Code of Conduct, the Supplier Code of Conduct, the Recruitment Code of Conduct, and the Diversity Charter structure the fight against all forms of discrimination. In 2021, the Group began to revise its Recruitment Code of Conduct, which will be published in 2022.

\* Since 2008, the Group has worked with an independent firm to audit its recruitment practices. The Group and its Maisons regularly provide their recruiters and executives with mandatory training on how to prevent discrimination.

\* In 2019, LVMH bolstered its inclusive corporate culture by signing the UN Standards of Conduct for Business Tackling Discrimination against LGBT+ People.



# Achieving gender equality



EllesVMH, the Group's gender equality program, celebrated its 15th anniversary and significant progress in the number of women holding managerial and senior roles.

**B**uilding a diverse workforce is a priority for human resources managers. Although the Group has already made significant strides in this direction (women now hold 65% of managerial positions and 44% of key positions, compared with 23% in 2007), LVMH aims to achieve equality in these positions by 2025. The Group champions this ambition and encourages women to develop their careers, promoting equality and ensuring transparency about the progress made at every level of the organization.

EllesVMH, the flagship initiative that epitomizes this ambition, injects momentum

across the Group and its Maisons by providing coaching and mentoring to foster greater equality. In 2021, LVMH opened the SHERO Academy, a brand new digital coaching platform that offers over 40 hours of content for all of its employees. The topic of workplace equality has also been discussed at numerous workshops on the SHERO platform, an internal website collating a range of articles, videos and podcasts to support female employees throughout their career. Each year, the EllesVMH Mentoring & Coaching program benefits a new group of women leaders of the future. In 2021, it enabled 45 women leaders to follow a six-month

training course combining individual coaching and mentoring from a Group executive. Specific programs have also been rolled out locally, including the Futur'Elles program in Asia-Pacific and the Allyship program in North America.

Moreover, based on the Gender Equality Index drawn up by the French government to measure the gender pay gap (which takes account of the consolidated LVMH Group companies in France that employ more than 1,000 people), the Group obtained a score of 92/100 in 2021, an improvement on the previous year.

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## Solutions and action plans

\* In 2013, LVMH signed the United Nations Women's Empowerment Principles.

\* The EllesVMH program, which was set up in 2007, promotes career development among women at every level of the Group through numerous international initiatives.

\* Each Maison develops its own tools to identify and reduce any pay gaps within a professional category or compensate any pay gaps that may have arisen as a result of a person's gender.

\* In 2018, LVMH set up the Inclusion Index, a diversity and inclusion observatory designed to promote and pool innovative initiatives to boost gender equality and inclusion of LGBT+ people.

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# Supporting employment of people with disabilities



During the International Day of People with Disabilities, LVMH reaffirmed its commitment to including talent from all horizons.

**S**teadfastly committed to integrating people with disabilities into the workplace, LVMH has deployed an ambitious professional integration program to enhance accessibility, recruit people with disabilities and provide them with the support that enables them to continue doing their jobs. The Group fiercely refutes the misconception that people with disabilities do not belong in the world of luxury and is proud to call on such people to help sustain the excellence championed by its Maisons. In 2021, LVMH signed the International Labour Organization (ILO) Global Business & Disability Network Charter and fixed a target of increasing the

proportion of people with disabilities in its global workforce to 2% by 2025. Currently, people with disabilities account for 1.2% of LVMH employees. For the International Day of People with Disabilities on December 3, 2021, LVMH reiterated its commitment to better integrate people with disabilities into work and society by leveraging its quest for excellence. Narratives from teams across Europe, America and Asia were collated in a series of videos entitled “Looking Beyond Disabilities” and communicated to all employees. It gives people with disabilities who have successfully integrated every level of the Group’s Maisons a platform to talk about their day-to-day reality

on the job and the adjustments that still need to be made. In France, LVMH co-founded the “Inclusiv’Day” event held each year around the country to promote the integration of people with disabilities. The 2021 edition brought together 3,500 participants. LVMH also raised awareness among 254 young people by giving them an insight into the careers on offer within the Group through the non-profit institution ARPEJEH (French acronym that stands for “supporting young students with disabilities through education”). This organization, co-founded by LVMH in 2008, had already helped 15,000 people with disabilities by the end of 2021.

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## Solutions and action plans

\* In 2020, LVMH signed the Charter for and joined the International Labour Organization (ILO) Global Business and Disability Network.

\* Since 2007, Mission Handicap has spearheaded the Group’s efforts outside France, backed by a network of 82 CSR and disability correspondents within the Maisons.

\* LVMH aims to increase the proportion of people with disabilities in its workforce to 2% by 2025.

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## Promoting diversity and guaranteeing inclusion

72%

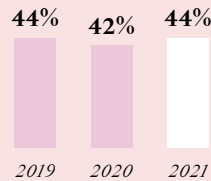
of recruiters underwent non-discrimination training between 2019 and 2021

**2025 OBJECTIVE: 100%**

## Achieving gender equality

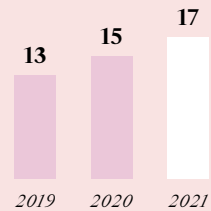
71%

of the Group's total workforce, and **74%** of people hired, are women

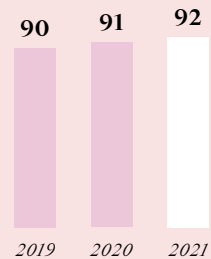


Of key Group positions are held by women

**2025 OBJECTIVE: 50%**



Group Maisons' female Presidents



LVMH score achieved in the French government Gender Equality Index (Score out of 100)

## Promoting employment and expanding opportunities for people with disabilities

1.2%

of employees throughout the world have disabilities

**2025 OBJECTIVE: 2%**

515

people hired by the Group in 2021 have disabilities

2,104

people with disabilities were employed within the Group in 2021

## AROUND OUR MAISONS

# *Promoting diversity*



As part of the Women@Dior mentoring program, the Maison unveiled its online training platform open to 500 students throughout the world.

### Women@Dior x UNESCO: “Dream for Change”

As part of its unique Women@Dior mentoring program, launched in 2017, Christian Dior joined forces with UNESCO to organize a pioneering event in 2021, reaffirming its commitment to bringing about a sustainable and inclusive society. Produced as a digital show, this conference, entitled “Dream for Change”, took place in the prestigious amphitheater of the United Nations and involved a number of distinguished guests, including Audrey Azoulay, Director-General of UNESCO.

### Parfums Givenchy stands alongside LGBT+ people

During Pride Month, Parfums Givenchy reiterated its support for the LGBT+ community by launching an innovative project where the brand collaborated with the London-based art dealer and LGBT+ activist Amar Singh, and the artists from the Rewind Collective, to create a piece of digital art, the proceeds from which were donated to the *MAG Jeunes LGBT+* (€108,000). This initiative reflects the strategy of the Maison, where disruptive creativity and innovation have always been combined with the values of respect and inclusion.

### Leaders championing diversity and inclusion

In 2021, Marc Chaya, co-founder and CEO of the Maison Francis Kurkdjian, was declared winner in the LGBT+ leadership category at the third annual “LGBT+ Role Models & Allies at work” organized by L’Autre Cercle, a renowned French non-profit that campaigns for the inclusion of LGBT+ people at work.



Talent, culture and brand – the three components of the diversity & inclusion strategy at Tiffany & Co.

## Tiffany & Co. actively promotes human rights

The Human Rights policy in place at Tiffany & Co. is aligned with the United Nations Guiding Principles on Business and Human Rights. The Maison was also named by Seramount in its “Top Companies for Executive Women” list. Moreover, Tiffany & Co. was shortlisted for the inaugural World Sustainability Awards 2021 in two categories – Human Rights and Business of the Year.



Sephora US set itself a target to increase the proportion of people with disabilities in its distribution center workforce to 30%.

## Meeting the “Zenith DreamHers”

At the “Meet the DreamHers” event that took place on October 7 in Madrid, guests invited by the Maison Zenith had the opportunity to meet the “Zenith DreamHers”, a group of impressive self-accomplished women. Set up in 2020, “Meet the DreamHers” is an initiative that offers a forum to independent and visionary female role models from a variety of backgrounds in which they can come together to share their experience and encourage other women to achieve their dreams.

## Sephora, diversity at all levels

In 2017, Sephora set up a program in the US to increase the proportion of people with disabilities employed across its five distribution centers to 30%. Overall, 246 employees were hired, bringing the proportion of people with disabilities in the distribution center workforce up to 9%. Sephora was also the first retailer to join the “Fifteen Percent Pledge” to dedicate 15% of its shelf space to Black-owned brands, a target that was reached in 2021.





# Supporting the safety and well-being of employees

The Group has a duty to protect the health, safety and well-being of its employees. It does so by fostering a culture based on trust and listening, as well as creating the conditions necessary for collective success.

# Ensuring health and safety at work



On April 28, 2021, Antonio Belloni and Chantal Gaemperle, members of the Executive Committee signed the LVMH Group Health & Safety Policy.

The LVMH human resources policy centers around listening to and communicating with employees so as to protect their health, safety and well-being and create a high-quality working environment. The highlight from last year came when the Health & Safety Policy was drawn up and signed by the members of the Executive Committee and the Maison presidents to mark the World Day for Safety and Health at Work on April 28. It commits the Maisons to work on five tangible areas, each with their own monitoring indicators and targets to achieve by 2025. The five areas include: identifying priorities and formulating an

approach; drawing up and regularly revising an action plan; rigorously analyzing results within the Maisons' management committees; raise all employees' awareness about risk prevention and first aid; and organizing an annual event to promote health, safety and well-being at work.

As the pandemic continued throughout 2021, the Maisons maintained the changes they had made to their workspaces to carry on operating while keeping their teams safe. In 2021, the investments made to improve working conditions totaled €112.3 million, which represented 1.5% of the

gross global payroll. LVMH also continued its efforts to raise awareness among its teams about safety and risk prevention, enabling 77,432 people to receive training in this area.

Given their vast range of business lines, the Maisons deploy their own tailored occupational hygiene and safety policies. Integrated into the global investment program, they determine in particular which initiatives the teams need to deploy.

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## Solutions and action plans

\* The Health & Safety Policy signed in 2021 by the Executive Committee structures a comprehensive approach that spans the entire LVMH Group operations and seeks to foster a "zero accident" culture.

\* In 2017, LVMH and Kering drew up a Charter on working relations with fashion models and their well-being.

\* A Health & Safety referent was appointed within each Maison that had signed the policy. Brought together as part of a Health & Safety Community, these referents are tasked with developing operational tools.

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# Safeguarding the well-being of employees



On June 8, 2021, the Group announced the launch of the LVMH Heart Fund, an emergency and support fund allocated a budget of €30 million and open to its 175,000 employees.

**P**hysical and mental well-being, as well as proper work-life balance, are essential to enabling employees to feel fulfilled and engaged. The Group integrated these considerations into its human resources policy, along with concerns regarding parenthood – such as pregnancy, young children, return from maternity or paternity leave and adoption – as well as preparation for retirement, employees with disabilities, and employees with caring responsibilities at home. This understanding is motivating a growing number of Maisons to offer employees company concierge services and spots in daycare centers.

Certain Maisons, such as the groupe Les Échos-Le Parisien, offer support to their employees who work Sundays and evenings.

In 2021, the Group set up the LVMH Heart Fund, a groundbreaking emergency and support fund designed to assist its employees around the world. The fund offers social and psychological support through its Employee Assistant Program,\* as well as rapid financial aid to help employees through serious and unexpected emergencies in their lives. Employees can contact the fund via a confidential freephone hotline operated locally and, in their language, open 24 hours

a day, seven days a week. The fund was allocated a budget of €30 million. Throughout the Group, employees aged 50 and over represent 23% of the workforce in France and 15% globally. They benefit from tailored support, such as healthcare and flexible hours. LVMH endeavors to keep its most experienced talent in work by offering them specific career development opportunities, adapting their workstations to accommodate their needs and proposing flexible schedule options.

\*Emergency hotline or platform to support employees experiencing serious difficulties at work or challenges in their personal lives.

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## Solutions and action plans

\* The Group offers maternity, second parent and adoption leave that goes above and beyond local statutory requirements to employees in many countries around the world.

\* Throughout the world, 40.6% of the workforce is covered by employee representative bodies or unions, and 78% of Maisons have concluded at least one national or corporate collective bargaining agreement.

\* Many collective bargaining agreements and charters relating to remote work and the right to disconnect exist to protect the Group's employees.



# Listening to employees and driving progress



Through “The Doers”, a brand-new series published on its social media accounts, the Group gives a platform to allow the voices of its employees to be heard.

The Group rolls out many major initiatives to encourage social dialogue, foster an environment where everyone’s voice is heard and empower people to work together more effectively. Tasked with enabling people to derive fulfilment from their work, employee representatives communicate employee expectations across all levels of the organization.

Employee representation forms one of the pillars of the LVMH Code of Conduct, which protects the right to freedom of association and recognizes the right to collective bargaining. The commitments included in the Supplier

Code of Conduct are intended to apply to the Group’s entire ecosystem. During the Covid-19 pandemic, employee representative bodies continued their efforts to maintain social dialogue by holding meetings online.

All the Group’s Maisons are actively working to prevent psychosocial risks, another factor contributing to well-being at work. They assist employees in their day-to-day tasks with a number of tools, including support units, training platforms, and an in-house whistleblowing system available in 10 languages. The majority of the Maisons have appointed a champion to combat sexual harassment and sexist

behavior, while some have developed their own suggestion schemes.

LVMH followed up on the Global Pulse survey, launched in 2020 and involving over 78,000 employees. Reflecting the LVMH culture and their own specific situation, the Maisons drew up their own action plans to enhance flexibility at work, internal communication, talent development and apprenticeships as well as diversity and inclusion. The Group drew on the findings of this survey to draft eight HR convictions, which were co-written and signed by the members of the Executive Committee.

## Solutions and action plans

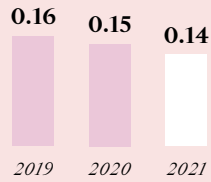
\* The Group Works Council, composed of 29 members, covers all employees based in France, and facilitates dialogue regarding major strategic orientations, such as financial and economic priorities, and changes in employment.

\* The European Works Council, composed of 28 members from the 22 European countries in which the Group operates, focuses on transnational issues that apply across Europe.

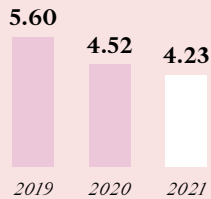
\* Since the end of 2020, two directors representing employees were appointed to the LVMH Board of Directors.

\* The Executive Committee members developed a set of eight convictions that encapsulate how people at LVMH operate and collaborate, providing a foundation to combine performance with fulfilment, and craft the future together.

## Ensuring health and safety at work



LVMH Group workplace accident severity rate



LVMH Group workplace accident frequency rate

€112.3 m

invested to improve workplace conditions

up 111.8% vs 2020

## Safeguarding the well-being of employees

94%

of employees benefit from special measures and arrangements to help them achieve a more favorable work/life balance (right to disconnect etc.)

15%

of employees around the world enjoy flexible or adapted hours and 47% work as part of alternating teams or shifts

85%

of Maisons have deployed flexible working hours (part-time working, remote working, returning to work part-time, etc.)

## LVMH Heart Fund

over 1,000

requests for psychological, social or financial support made around the world

100%

of employees are covered by an employee assistance program (emergency hotline or platform to support employees experiencing serious difficulties at work or challenges in their personal lives)

## Results achieved in 2021 from commitments made in the new Health & Safety Policy

71.7%

of Maisons have formed a health and safety approach

2025 OBJECTIVE:  
100%

93.9%

of Maisons regularly review their health and safety approach

2025 OBJECTIVE:  
100%

83.7%

of Maison's Management Committee analyze their health and safety performance once a year, focusing in particular on workplace accident frequency rates

2025 OBJECTIVE:  
100%

20.9%

of employees received training in risk prevention and first aid

2025 OBJECTIVE:  
100%

100%

of Maisons organize an annual day promoting health, safety and quality of life at work

2025 OBJECTIVE:  
100%

## AROUND OUR MAISONS

# *Living and working together*



Fendi employees outside the Maison's head office, the Palazzo della Civiltà Italiana, in Rome.

### Louis Vuitton acts in favor of employee wellbeing

**I**n South Asia, Louis Vuitton has chosen to tackle a challenge of essential importance - mental health and employee well-being. The Maison designed an in-house program to raise awareness so as to help people better understand and appreciate their well-being and mental health. It also offers consultations and psychological support online. In Malaysia, in the Philippines, healthcare plans extend beyond social security cover to include mental health.

### Fendi reinvents workspaces and ways of working

**B**y permanently integrating the organizational changes and widespread uptake of remote working brought about by the pandemic, Fendi completely overhauled the layout of the Palazzo della Civiltà Italiana (its headquarters in Rome) to align it with the principles of smart working. The spaces were redesigned to offer teams an updated and improved working experience. These changes helped to create more efficient, optimized workspaces, offices intended to facilitate teamwork, indoor green spaces, as well as the standardized use of digital tools. The aim was to give rise to a stimulating workspace that encourages creativity and design.

### In Japan, Berluti combats workplace stress

**I**n 2021, Berluti conducted an internal survey to assess work-related stress. In Japan, it set up a course to train store managers about bullying and labor law, formed a store manager health and safety committee to focus on mental health, and conducted an annual stress assessment.



Bulgari created a ground-breaking training course adapted to a post-Covid world.

## From skills to emotions, Bulgari revisits its training courses

Bulgari has developed the People Care program dedicated to building skills and helping both managers and teams interact effectively and in an inclusive manner. The first version of this program started in 2020, with sessions dedicated to unconscious bias as well as the causes of violence and crisis situations. In 2021, an online training kit was put together in response to the

need to develop new skills and update ways of working in the wake of the pandemic against a complex backdrop of considerable uncertainty and teams who were working remotely. Some of the topics that were covered included: flexible working relations, the power of emotions, assertive communication, effective virtual communication, as well as remote working and team dynamics.

## MHD listens to its employees in China

**I**n China, MHD called upon the Great Place to Work® organization to conduct a survey among its employees in five main areas – credibility, respect, equality, pride and team spirit. The findings were aggregated and shared with the management team so they could take key learnings and devise action plans.





# Transmitting our world heritage's savoir-faire

The Group is a custodian of ancient and unique savoir-faire, which it strives to promote and transmit through programs of excellence and sponsorship. In this way, LVMH attracts the best talent and offers all its employees opportunities to further their careers.



# Shaping the future of the Group



The first training program in the luxury industry with a work-study format, the LVMH Institut des Métiers d'Excellence offers training in Creative, Craft and Client Experience métiers.

Why is LVMH such a good place to start one's career? More than just a quip, this was one of the many questions that came out of the social media campaign run by LVMH in January 2021. The campaign gave students in Europe, China and the US an opportunity to discuss about the Group and the sector in which it operates. Answering their questions were 17 employees from different regions and Maisons who spoke about their own careers and explained what "talent" means in a Group that never stops challenging itself and introspecting its future. As a trusted employer, LVMH strives to protect the diversity and individuality of

its workforce. The Group has stepped up its programs focused on training and access to professional life, to support young people, who are recent graduates or are struggling to find work. In 2021, it announced a new global objective to recruit 25,000 people under the age of 30 by the end of 2022, including 5,000 internships and work/study contracts and 2,500 permanent contracts in France.

Moreover, the Group relaunched its employer brand with a new signature—"Craft the future"—in partnership with schools and universities in France and around the world. To bring this tagline to life, LVMH gave a

platform to its talent from across all its professions and business lines in an exclusive series. The INSIDE LVMH digital platform enables students and young people from around the world to improve their understanding of the luxury industry, receive quality additional training and assist them in preparing their careers. It offers 50 hours of exclusive content produced by experts from the luxury industry, including employees, HR specialists and executives from the Group and its Maisons, as well as professors from around the world. INSIDE LVMH, created in 2016, attracted over 45,000 subscribers by the end of 2021 through its digital platform launched in March 2021.

## Solutions and action plans

\* LVMH renewed 12 key partnerships with prestigious higher education establishments and universities in France and around the world (ESSEC, HEC, Sciences Po, Bocconi, CEMS, Polytechnique, CentraleSupélec, IFM, Central Saint Martins, SMU, LSE and EDHEC).

\* "Start your Journey with LVMH": an annual digital event to inform young people about the opportunities on offer within the Group. Each year, several thousand students take part.

\* The FuturA program aims to support and nurture employees who have been identified as successors to management positions

# Contributing to the continuity of savoir-faire



The LVMH Institut des Métiers d'Excellence was set up in 2014 to help pass on savoir-faire and excellence to people from younger generations and those looking for a change of career.

**I**n 2021, LVMH structured its ambition around three strategic focuses: ensuring savoir-faire is passed on to future generations, enabling employees to capitalize on their skills, and celebrating this unique asset. To perpetuate and promote their crafts, the Group's 75 Maisons signed the "WE for ME" (Worldwide Engagements for Métiers d'Excellence) manifesto in July 2021, which is designed to highlight and preserve the highly skilled professions practiced within its Maisons. In line with this event, another entitled "SHOW ME" was organized in October in Paris at the Théâtre des Champs-Élysées, an opportunity for the

Group to showcase 67 virtuosos, holders of the Maison's exceptional savoir-faire. It also announced its intention to recruit 30,000 people by the end of 2024 for its highly skilled professions.

Since opening its doors in 2014, the Institut des Métiers d'Excellence has trained 1,400 apprentices across multiple countries. They join the LVMH Métiers d'Excellence community, which brings together the Virtuosos, apprentices and mentors from the Maisons. In 2021, the Institute of ME launched its first program in Japan. Designed for women who have not

been able to stay in work, the program will help them reintegrate the world of work as sales advisors. In 2021, the Institute of ME took on 339 new apprentices, the largest group since the Institute was formed, and new initiatives were developed, such as the "Excellent!" program, which informs and offers career guidance to young people. Launched in January 2021, it has been rolled out to four middle schools in Clichy-sous-Bois and Montfermeil, just north of Paris. It has so far given 120 children aged between 13 and 15 an insight into the professions on offer in the luxury industry.

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## Solutions and action plans

\* The LVMH Métiers d'Excellence refer to 280 highly skilled professions in the fields of Creativity, Crafts and Sales Experience. This intangible heritage is brought to life by over 80,000 employees throughout the world.

\* The Village des Métiers d'Excellence, set up in 2015, enables many young people from disadvantaged backgrounds to learn about and integrate the Group's professions each year.



# Developing employee skills



LVMH House innovated in 2021 by developing several short training courses that could be followed remotely to ensure they can easily fit into employees' schedules.

Across the major regions in which LVMH operates, career development has become an effective tool to retain top talent. In this way, effective human resource policies and managerial involvement are essential to helping the Group and its employees grow. LVMH House innovated in 2021 by developing several short training courses that could be followed remotely to ensure they can easily fit into employees' schedules. The Group conducts an annual review of its structure and talent across each of its Maisons, divisions, departments and regions in order to identify key talent as well as the needs of the organization as it looks to

the future. Furthermore, in 2021 the Group revised the way it manages the performance of its talent, in order to offer them with an experience where they are empowered to take charge of their own careers, thanks to a more collaborative and agile approach that closely reflects the challenges and reality facing the business. The Group's vast and diverse network offers employees a wealth of possibilities and opportunities to change profession or region.

To ensure employee remuneration remains appealing and advantageous, each year LVMH carries out wage surveys, taking account of

the specific nature of each profession and industry. In 2021, a team was formed to draw up a Fair Wage policy, which would apply both within the Group and beyond. The principles of this policy will be made public in 2022.

The remuneration and benefits in kind awarded to the Group's executive corporate officers comprise a variable component that is subject to achieving a number of quantitative and qualitative objectives, which may relate to strategic, managerial, organizational or operational priorities concerning corporate social responsibility and sustainable development.

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## Solutions and action plans

\* The Organizational and Managerial Review (OMR) offers a global Group-wide overview of the pool of future executives and employees with high potential, which serves to fill the majority of strategic vacancies.

\* Rise, the new digital platform developed in 2021 in partnership with Louis Vuitton, makes it possible to manage performance in a more collaborative, agile manner. In 2022, 65,000 employees have already benefitted from this innovative approach.

## Contributing to the continuity of savoir-faire

### Shaping the future of the Group

18

Group Maisons have developed their own skills academies, providing training to nearly **3,000** employees each year around the world

### LVMH Métiers d'Excellence

280

Métiers d'Excellence involving **80,000** employees, a spectrum unparalleled throughout the world by any other company

25,000

people under the age of 30 will be hired by the end of 2022, including **5,000** on internships and work/study contracts and **2,500** on unlimited contracts in France

### The LVMH Métiers d'Excellence

27

professions across three main categories: design, craftsmanship and retail

34

programs across **39** Maisons and **24** school and university partners

6

countries operating an Institute of ME program: France, Switzerland, Italy, Spain, Japan and Germany since 2021

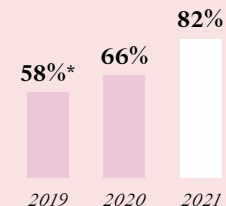
1,400

apprentices trained since the institute opened its doors in 2014

339

new apprentices in 2021 for the **8th** intake at the Institute of ME, a historic record

### Developing employee skills



employees received training in 2021

\*training sessions of more than three hours

#1

Voted #1 in the Universum ranking of the most attractive employers among business school students in France for the 17th consecutive year

€129.2m

invested by Group companies in training

## AROUND OUR MAISONS

# *Passing on excellence*



At the 4th Craft Prize exhibition, the Loewe Foundation announced the winners of the 2021 prize, singling out the work of Chinese designer Fanglu Lin.

### Loro Piana sets up its craft academy

**I**n 2015, Loro Piana opened the doors to its Accademia dei Mestieri, to nurture the “Wisdom of the Hands to realize the Loro Piana touch”. The Academy’s aim is to safeguard the priceless patrimony of knowledge and skills that are synonymous of the high-quality standards set by Loro Piana. To do this, Accademia dei Mestieri, has identified more than 40 essential *métiers* for which it provides trainings and other activities, with the goal of ensuring the care and preservation of each one. The strategy is based on three key pillars: ensuring the knowledge sharing of its savoir-faire, sustaining talent development and know-how transmission, and engaging with local communities and vocational schools.

### The Loewe Foundation Craft Prize 2022

**I**n May 2022, the Loewe Foundation, set up in 1988, presented the fourth annual “Craft Prize”. Each year, this international award celebrates the esthetic value of a one-of-a-kind, innovative piece of work in modern applied arts. In order to promote the Prize, the new digital platform “The Room” showcases the exceptional work of the 115 shortlisted entries since its launch in 2016.

### “Adotta una scuola”, mentoring according to Fendi

**L**es Métiers d'Excellence have joined forces with the Italian project developed by the Altagamma foundation. In 2021, the foundation trained 21 young people, aged between 14 and 18, at the Fermo professional institute in shoemaking with mentoring provided by the Maison Fendi. The project will be renewed in 2022.



Fendi presented the “Hand in Hand” exhibition to celebrate traditional Italian craft and culture through the lens of fashion.

## “Hand in Hand”, high-quality traditional Italian craftsmanship

**F**endi presented the “Hand in Hand” exhibition in 2021 at the Palazzo della Civiltà Italiana in Rome, continuing and enriching the project of the same name initiated in 2020 to celebrate traditional Italian craft and culture through the lens of fashion. The “Hand in Hand” initiative is a partnership with select artisans from across Italy to transform the iconic Baguette bag into a piece of art by harnessing their exceptional talent and craftsmanship.

## Fostering a digital and learning culture within the Maisons

Similar to Bulgari, several Maisons have structured and partially or fully digitized their onboarding content to reach as many employees as possible. Parfums Christian Dior launched a vast digital transformation and skills development plan to ensure it was well placed to innovate over years to come. TAG Heuer, Fred, LVMH Fragrance Brands and Le Bon Marché launched digital learning sessions to

make it easier to access educational content and maintain a focus on day-to-day learning. The content is developed by the Maisons themselves and covers key subjects such as management, leadership, professional expertise, products, sales techniques and customer experience.





# Committing to a better society

Determined to ensure its business activities make a positive impact on society, the Group focuses its success on social and professional integration, thereby helping to drive regional economic momentum. As a staunch defender of communities, LVMH takes action locally to support underserved populations.

# Supporting employment, entrepreneurship and local development



Hennessy US formed the Never Stop Never Settle Society, a growth accelerator set up in collaboration with Marcus Graham to support the projects of African American entrepreneurs.

## Boosting local employment

LVMH injects significant momentum into the economy and society wherever it has a presence, both directly through its own business, facilities and network of stores, and indirectly through its partners and suppliers. The Maisons substantially contribute to growth and progress in the countries and regions in which they operate and they ensure it systematically goes hand in hand with close ties to local authorities, in particular on efforts relating to culture, education and employment. LVMH believes that by leveraging its network to benefit society, it brings to life its values in a tangible way. Indeed, in France, the Maisons

have built up a long-standing presence and make a positive impact around the country – Moët & Chandon / Ruinart, Veuve Clicquot and Hennessy are based in Cognac, Louis Vuitton and its 20 French workshops are spread across a number of regions, while Parfums Christian Dior is located in Saint-Jean-de-Braye, near Orléans, and in Chartres, where Guerlain is also present.

## Entrepreneurship and minorities

The Group continues to support the development of entrepreneurship. In the US, Hennessy teamed up with the Marcus Graham Project to launch the “Never Stop

Never Settle Society”, a growth accelerator to champion the next generation of African American entrepreneurs. The Maison also supports local businesses owned by people from minority groups in partnership with non-profit organizations such as the Asian American Business Development Center, the Hispanic Federation and One Hundred Black Men.

Since it was launched in the US in 2016, the Sephora Accelerate program has supported 67 startups founded by women in North America, Mexico and Brazil.

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## Solutions and action plans

\* La Maison des Startups, launched in 2018 by LVMH, is an accelerator program for startups in the luxury industry based at the Station F incubator in Paris, which each year integrates 50 international startups.

\* From June 16 through 19, the Group took part in the 2021 Viva Technology conference, which brought together 140,000 participants to consider a range of topics, including innovation, retail, blockchain and digital technology.

\* In February 2021, LVMH became a top-tier partner of L’Escalator, a new incubator created in November 2020 that aims to help launch entrepreneurs who might not have otherwise had the opportunity to succeed.

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# Facilitating professional integration and access to education



LVMH supported the Montfermeil Défilé Cultures et Création show for the 11th consecutive year.

## Education and equal opportunity

For the last 15 years, LVMH has partnered with the non-profit “Nos Quartiers ont des Talents”, through which Group employees mentor young graduates from disadvantaged backgrounds. In 2021, 170 managers were involved in this program, and since it was launched, it has helped 709 young people to find a job.

For the 11th consecutive year, LVMH supported the Montfermeil Défilé Cultures et Création show, which highlights the creative talent in the local area. At the show, the Group presents the LVMH “CSR Young Talent” Award and gives young enthusiastic designers, struggling to enter the fashion

industry, the opportunity to be recognized. It highlighted the work of 34 designers and 90 models, who got ready with the help of Guerlain’s make-up artists. Also, LIVE - *L’Institut des Vocations pour l’Emploi* was founded by Madame Brigitte Macron to help adults over the age of 25 who are looking to get back into work after personal setbacks or who have been professionally inactive for a considerable amount of time. Over 200 people have benefited from the institute’s support since the opening of the first campus and three quarters have successfully gone on to pursue work or education. After the first two institutes were set up in Clichy-sous-Bois and Valence, a third center was inaugurated in July 2021 in the northern

French town of Roubaix.

## Art, crafts, and cultural heritage

Mindful of the need to preserve and enrich its unique savoir-faire by looking outward, LVMH reinforced its support for the charity La Fabrique Nomade that helps refugee artisans find work. Experts from Christian Dior Couture, Louis Vuitton, Chaumet and Repossi take part in this project. As part of this drive, LVMH also initiated an artistic project in collaboration with the eco-artist Jérémy Gobé and five female artisans from La Fabrique Nomade, culminating in a one-off piece that was presented at the 2021 FIAC festival in Paris and the 2022 Homo Faber exhibition in Venice.

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## Solutions and action plans

\* LVMH joined the Priority Education Conventions initiative set up by the Institut d’Études Politiques (Sciences Po Paris). The Group funds

scholarships and runs a mentoring program involving its managers and young students. In 2021, the partnership was extended for a further five years.

\* Last year, LVMH also renewed its partnership with the towns of Clichy-sous-Bois and Montfermeil (France) to continue to help people find work and boost

social cohesion. It offers a range of opportunities to young people living in the Seine-Saint-Denis area, including internships, job coaching and events.

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# Supporting underserved populations



Tiffany & Co. has initiated a partnership with the Lower Eastside Girls Club in New York to give girls the opportunity to take advantage of various educational programs. Thirty employees took part in a six-month mentoring program.

## Struggling communities

All throughout the world, LVMH supports high-profile non-profits and NGOs in their efforts to support underserved people and struggling communities, either directly or through the involvement of its employees, by donating products and providing financial aid. Encouraged by the Group, the Maisons identify and implement support in the areas around where they are based to meet the specific local needs. Since 2009, Bulgari has supported Save the Children, the leading humanitarian organization for children. To date, the Maison has donated over \$100 million to improve access to education for over two million children. In South East

Asia, DFS has carried out a number of initiatives to support underprivileged children and orphans born in the most impoverished areas in the region. In Indonesia, Guam, China and Australia, DFS raises funds to improve the daily lives of families who find themselves in serious difficulty.

## Supporting medical research

For over 10 years now, LVMH has channeled its support into the fight against sickle cell disease, providing financial assistance to the teams at the Robert-Debré hospital in Paris. This money helps to buy essential equipment to bring comfort to children

in hospital and invest in research to find a treatment for this disease that for the moment has no cure. Furthermore, the Group reiterated its support to the initiative launched by the American Red Cross to combat this disease.

Louis Vuitton, Bulgari, Hublot, TAG Heuer and Zenith offered their backing to Association Monégasque Contre les Myopathies, a Monaco-based charity that supports people with myopathy, by donating all the proceeds from the Only Watch auction, which raised nearly €1.5 million.

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## Solutions and action plans

\* Each year, the *Dîner des Maisons Engagées* brings together executives from the Group, as well as representatives from charities and non-profits,

well-known personalities and artists to celebrate the Group's charitable partnerships. It also encourages guests to make donations and to financially

back research into sickle cell disease, a cause that is close to the Group's heart. Although the event could not go ahead as a result of the pandemic, the Group

and its Maisons maintained their high level of support, bringing the overall amount donated since 2011 to €1.5 million.

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## *A quantitative assessment of our social actions*

	employees involved	donated	people helped	partnerships
Supporting employment and expanding entrepreneurship	4,181	€22.4m	24,853	125
Supporting diversity	2,559	€1.3m	4,331	37
Supporting education	5,835	€4m	5,457	79
Supporting artists and artisans and promoting cultural heritage	249	€10.2m	1,660	64
Supporting underserved people affected by natural catastrophes and/or experiencing considerable distress	8,217	€6.4m	343,763	146
Supporting medical research, as well as people suffering with illnesses and their families	8,796	€1.6m	385,719	124
<b><i>Which overall represents</i></b>	<b>29,837</b>	<b>€45.9m</b>	<b>765,783</b>	<b>575</b>

## AROUND OUR MAISONS

# *Supporting worthy causes*



To mark the World Youth Day, LVMH and its Maisons reaffirmed their commitment to promoting equal opportunities and education.

### Louis Vuitton and RIMOWA join forces with UNICEF

**L**ouis Vuitton has been working alongside UNICEF since 2016 as part of a partnership that has already raised nearly \$16 million for underserved children in need. These efforts are more essential than ever, as 250 million children around the world today are in need of humanitarian assistance to survive. RIMOWA launched a unique *Vol. 1* project, the proceeds of sales will help to support the distribution of Covid-19 vaccines to some of the world's poorest countries.

### TAG Heuer backs United Way of NYC

**I**n the US, TAG Heuer continues to work with the non-profit United Way of New York City, which helps children from underserved communities in the city through their education. In 2021, the Maison's support, added to the proceeds from the sale of the Monaco Pièce d'Art at auction, which were donated to UWNYC, made it possible to unveil a new library at East Side House's Mill Brook Community Center in the South Bronx.



The two Italian Maisons bring their craftsmanship and shared passion for beauty in support of Save the Children.

### Emilio Pucci and Acqua di Parma x Save the Children

**E**milio Pucci and Acqua di Parma are pooling their efforts to support the charity Save the Children and back its "Riscriviamo il futuro" project (Rewrite the future). The two Italian Maisons came together to create an exclusive Holiday Season collection using the *Vortici* (swirl) print, inspired by the archives of Emilio Pucci and presented in Acqua di Parma yellow. The collection comes to life in a campaign by Virgilio Villaresi, a young Italian director who defines himself as a craftsman of dreams.



DFS organized several fundraising programs in Hong Kong to help communities affected by the Covid-19 pandemic.

## #diorstandswithwomen who make a difference

**A**longside Charlize Theron, Parfums Christian Dior pledged to finance the university studies of young women chosen for the CTAOP Youth Leaders Scholars to help them become the leaders of tomorrow. The majority of them go on to make an outstanding commitment and have deep involvement in their local communities. Dior will provide full scholarships for the new cohort to cover the costs of their four-year course.

## Tiffany & Co. supports African American students

**I**n partnership with BeyGOOD and the Shawn Carter Foundation, Tiffany & Co. pledged to donate \$2 million through its About Love Scholarship program for students in the arts and creative fields at Historically Black Colleges and Universities (HBCUs).

## Veuve Clicquot supports La Cartonnerie

**F**or a decade now, Veuve Clicquot has supported la Cartonnerie, a music hall in Reims and a unique cultural landscape. This exceptional sponsorship program promotes access to musical culture to young people from disadvantaged backgrounds and people with disabilities. The Champagne Maison, which will mark its 250th anniversary in 2022, supports local organizations that celebrate culture and community.









PART II

# Our environmental responsibility



In August 2021, Angelina Jolie, godmother to the first class of the "Women for Bees" program, kicked off the women's beekeeping entrepreneurship program launched by Guerlain in collaboration with UNESCO and supported by the French Observatory of Apidology.



ANTOINE ARNAULT  
*Image & Environment*



H  L  NE VALADE  
*Environment Development  
Group Director*

Today's society must bring about a fundamental transformation and invent new ways of production and consumption that take into account the Earth's limits. Luxury is constantly changing and, as such, must position itself at the forefront of this transformation. The members of the Future of Luxury Commission have highlighted the pressing need that has emerged to bring about a new form of committed luxury that champions a culture of craftsmanship, intricate savoir-faire, and artistic professions all over the world while also protecting natural resources. The LIFE 360 program, which was presented at the LVMH Annual General Meeting in April 2021, was launched to do just that: transform its model to design products that further enhance their intrinsic appeal because they are in harmony with nature.

LIFE 360 delivered its first results in 2021, meeting its targets across the board. The Group's carbon trajectory has been mapped and then approved by the SBTi, following which the Maisons have seized on this new framework to guide their action, taking steps to reduce their carbon footprint in sites, stores, and transportation. Moreover, they are wholeheartedly adopting the principles of the circular economy by using organic or recycled materials, whose qualities are conducive to inventiveness, and extending product lifecycles through innovative upcycling services. The creative process is changing—it is the materials that now inspire design ideas, rather than the other way round. The late Virgil Abloh, whose passing in 2021 came as an immense shock to us all, elevated the profile of the circular model. Indeed, he broke new ground with his range of upcycled sneakers and we are fiercely determined to see his legacy live on.

LIFE 360 fosters a systemic approach, as working toward reducing our carbon footprint inherently involves striving to protect soils and biodiversity, while also supporting people whose livelihood depends on the land. In 2021, regenerative agriculture was adopted at a number of vineyards, cotton fields and grasslands for livestock grazing. A total of 657,000 hectares of wildlife habitats were rehabilitated or regenerated over the past year. Protecting biodiversity and the climate are strongly linked, forming an intimate and pressing connection that we underlined at the IUCN World Conservation Congress in Marseille in September 2021. Then, at COP 26 in Glasgow in November, we shared various initiatives to demonstrate the steps we are taking to build a new relationship with the living world. Furthermore, our strategic sourcing channels are certified to reflect stringent environmental and societal impact standards and we are proud to have made significant progress across the board in 2021, particularly in the leather industry. Ultimately, we cannot create the products that people dream of and aspire to own without strictly following certain principles, which includes providing traceability.



LIFE 360

# *For a bold new vision of luxury*

LIFE 360 is a program with precise targets and timeframes designed to forge a new alliance between nature and creativity: products in harmony with nature that respect and preserve biodiversity and the climate, engaging and motivating all stakeholders.

*Creating products  
in harmony with  
nature*



**2023**

New circular services (repairs, upcycling, etc.)

**2026**

Packaging: zero virgin fossil-based plastic

**2030**

**100%** of the Group's new products will be ecodesigned



**2030**

**100%** of our strategic supply chains will integrate dedicated traceability systems

*Engaging  
stakeholders*

*Employees*

**2023**

Environmental training program for people in all LVMH businesses

**2026**

Environmental management system in place at **100%** of production and logistics sites

*Innovation*

**2023**

Research and innovation program dedicated to sustainable luxury

*Customers*

**2026**

**100%** of new products come with a customer information system

*Suppliers*

**2030**

Contractual CSR clauses audited for **100%** of strategic suppliers by 2030

# 2021 Key results

## Preservation of ecosystems



### 2026

100 % of strategic raw materials certified to standards guaranteeing the preservation of ecosystems and water resources

### 2030

5 million hectares (50,000 sq. km) of flora and fauna habitat restored and/or preserved



### 2026

Reduce greenhouse gases from energy consumption at our sites and stores by 50% (baseline 2019)

100% renewable or low-carbon energy at sites and stores

### 2030

Reduce and/or avoid by 55% GHG emissions linked to scope 3 (raw materials and transport) per unit of added value



## CREATIVE CIRCULARITY

41% of recycled raw materials used in plastic and glass packaging

6% reduction (8,632 metric tons) in the amount of virgin fossil-based plastic used in customer packaging



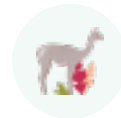
## TRACEABILITY

4,000 products carry their own customer information system

*Knowledge of country of origin:*

76% of leather purchased

62% of wool purchased



## BIODIVERSITY

657,000 hectares of flora and fauna habitat restored and/or preserved

*Certification of strategic supply chains:*

Cotton: 61% (51% in 2020)

Leather: 81% (74% in 2020)

Diamond: 99.9% (99% in 2020)

LVMH vineyards: 92% (no change)



## CLIMATE

6% reduction in GHG emissions generated by energy consumption (2019 baseline)

39% of renewable energy in the Group energy mix

57% of stores are lit entirely by LED lighting



# Making the circular economy desirable

By ecodesigning products, packaging and infrastructure as well as developing new services designed to extend their life cycle, LVMH and its Maisons significantly stepped up the deployment of tangible initiatives in 2021 to achieve the ambitious targets set out in the LIFE 360 program.



# Placing natural resource protection at the heart of the design process



In the hands of a specialist craftsperson, the Loewe “Woven Basket” bag is reinvented into a woven lattice model as part of the “Surplus Project”, a collection of bags and accessories produced using excess leather.

The notion of creative circularity reflected in the LIFE 360 program takes account of the entire product life cycle so as to minimize their impact on the natural environment. The Group intends to achieve this ambition by pursuing the following targets: 100% of its new products will be ecodesigned by 2030, and circular services and certified environmental management systems will be put in place at 100% of production and logistics sites by 2030. In practice, this involves working with new, innovative, recycled, organic and certified materials that may be sourced from regenerative agriculture. In addition, transformation and production

processes are closely monitored across facilities operated by Maisons and suppliers, and specific certifications and programs are deployed depending on the business. In 2021, Louis Vuitton expanded its range of ecodesigned products, which also carry a newly designed LV logo inspired by the symbol for recycling. Loewe has designed a bag made with strips of excess leather. Berluti sends its surplus materials to the artist Jorge Penadès, who transforms them into furniture for Belmond hotels and stores. As artistic education represents a breeding ground for innovative ideas, LVMH and Central Saint Martins, the London-based College of Art and

Design, presented “Maison/O for regenerative luxury” on Earth Day 2021. This five-year partnership opens new academic programs to promote design as a catalyst for sustainable innovation. In addition to a number of action plans, the partners present two “Maison/O Awards”—the “Green Trail”, set up in 2018, which celebrates innovative responses from graduating students to the climate and biodiversity emergencies across all categories of design, and since 2021, the “This Earth Award”, which celebrates the power of artistic practice to advocate for nature.

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## Solutions and action plans

✱ In 2021, tools to measure the environmental footprint of products were put in place within the Perfumes & Cosmetics Maisons. Fairly Made developed a platform to measure the impact of products, including traceability and environmental impact, that is currently being trialed by the Fashion & Leather Goods Maisons.

✱ As part of their regenerative luxury platform, LVMH, Fendi and Central Saint Martins are exploring new techniques of working with micro-organisms. A separate project with Imperial College London seeks to develop synthetic keratin that could then be used to produce wool, silk and cashmere.

✱ LVMH is a member of the International Reference Center for Life Cycle of Products, Services and Systems (CIRAIG), an organization renowned for its work and initiatives solidly grounded in science. In particular, LVMH has conducted studies on stores and lighting systems.

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# Extending ecodesign to packaging and stores



The ecodesigned spaces set up by Dior at Nammos Dubai were crafted from natural materials – combining clay, sand and raw fibers – using an exceptional 3D printing system.

E codesign can also apply to packaging, as part of an effort to reduce the volume of raw materials used, facilitate recycling and help eliminate virgin fossil-based plastic by 2026. In 2021, the proportion of recycled glass and plastic used in packaging had reached 41%. To achieve the target of 70% by 2030, LVMH stepped up its research into new components with a view to develop substitute materials. Bulgari's ecodesign approach involves integrating recycled materials into its packaging, reducing its weight and volume, and offering services for recharges and refills. Consequently, the bottle for the Man Terrae

Essence fragrance contains 40% recycled glass and the cap is made from 95% recycled plastic. The weight of cardboard in the packaging for Le Gemme fragrance has been reduced by 33%. Givenchy has redeveloped its Soin Noir range, taking an ecodesign approach for each product. For example, the refillable Soin Noir skincare treatment has had the weight of its packaging cut by 44% and its volume by 59%. Furthermore, LVMH Recherche drew up a helpful ecodesign guide entitled "E-commerce packaging". Stores have also been playing their part. In 2021, the Sustainable Store Planning was created with more than 300 people involved

and training stepped up with over 400 webinars held throughout the year. An LVMH Store Planning classification system was developed in collaboration with the Maisons, listing the areas of improvement in relation to managing energy, water and waste, and developing the circular economy (for example, by using recycled materials and making premises free from VOCs, etc.). Furthermore, the Group deployed a system to analyze the life cycle of POS displays. Harmonized and developed in close collaboration with suppliers, the system is operated by the Point of Purchase Advertising International (POPAI) trade association.

## Solutions and action plans

\* EDIBOX is an internal tool used to calculate the Environmental Performance Index (EPI) of packaging in light of the LIFE 360 targets, such as eliminating the use of virgin fossil-based plastics and recyclability. It also calculates an environmental footprint aligned with the requirements to display the environmental impact of products.

\* LVMH Perfumes & Cosmetics has contracted Eastman to develop packaging using molecular recycling techniques for plastics. In 2021, Parfums Christian Dior introduced the Eastman Cristal Renew copolyester, which contains 30% certified recycled content, for the packaging of its Dior Addict Lip Maximizer.

\* In collaboration with the Fédération de la Haute Couture et de la Mode, the Group put in place systems to measure the environmental footprint of catwalk shows. Louis Vuitton pledged to recycle its sets and structural elements used at its shows, as well as the textiles.

# Harnessing innovative circular services to give products a second lease of life



Thanks to meticulous manual care, a Berluti Master bootmaker can make a shoe look brand new and give them a second lease of life, enabling connoisseurs of exclusive models to enjoy them for even longer.

**T**he 75 Maisons of LVMH constitute an incredible playing field for exploring new avenues for circularity between its businesses. Upstream, the products must be designed in such a way as to guarantee durability, by using high quality materials, which in turn requires in-depth knowledge of suppliers and the country of origin of the main raw materials; but also by anticipating how they may be given a second lease of life, beyond standard maintenance and repair solutions. As such, downstream, once a product has reached the end of the road of its initial usage, the product itself or the materials from which it was made can be reused, recycled

or upcycled. The repair and patina services developed by Berluti and Louis Vuitton will be extended to several other Maisons.

In April 2021, LVMH launched Nona Source, the first online platform to resell materials, textiles and leathers from its Fashion & Leather Goods Maisons. Set up by employees from the Group, the service, which is open to buyers both within LVMH and beyond, helps to bring to life the sourcing revolution sought by LIFE 360. In 2021, over 60,000 meters of material were upcycled. In addition to being donated or reused, products can also be given a second lease of life by deconstruct-

ing unsold items and reusing the component parts through the Environmental Center for Eco-friendly Packaging Breakdown and Recycling (CEDRE) platform.

Similarly, an initiative developed by Dior Couture and the startup WeTurn transforms textile materials back into new high quality threads, which are then woven into new pieces. Dior also opened a workshop to disassemble its shoes so as to make it easier to recycle each component part.

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## Solutions and action plans

\* The Group's Maisons are constantly adapting their range to meet their customers' needs, in particular to reduce stocks and prevent surpluses. LVMH established a partnership with Cravate Solidaire, Kenzo joined forces with Tissons la solidarité, and Marc Jacobs in New York teamed up with Fabscrap.

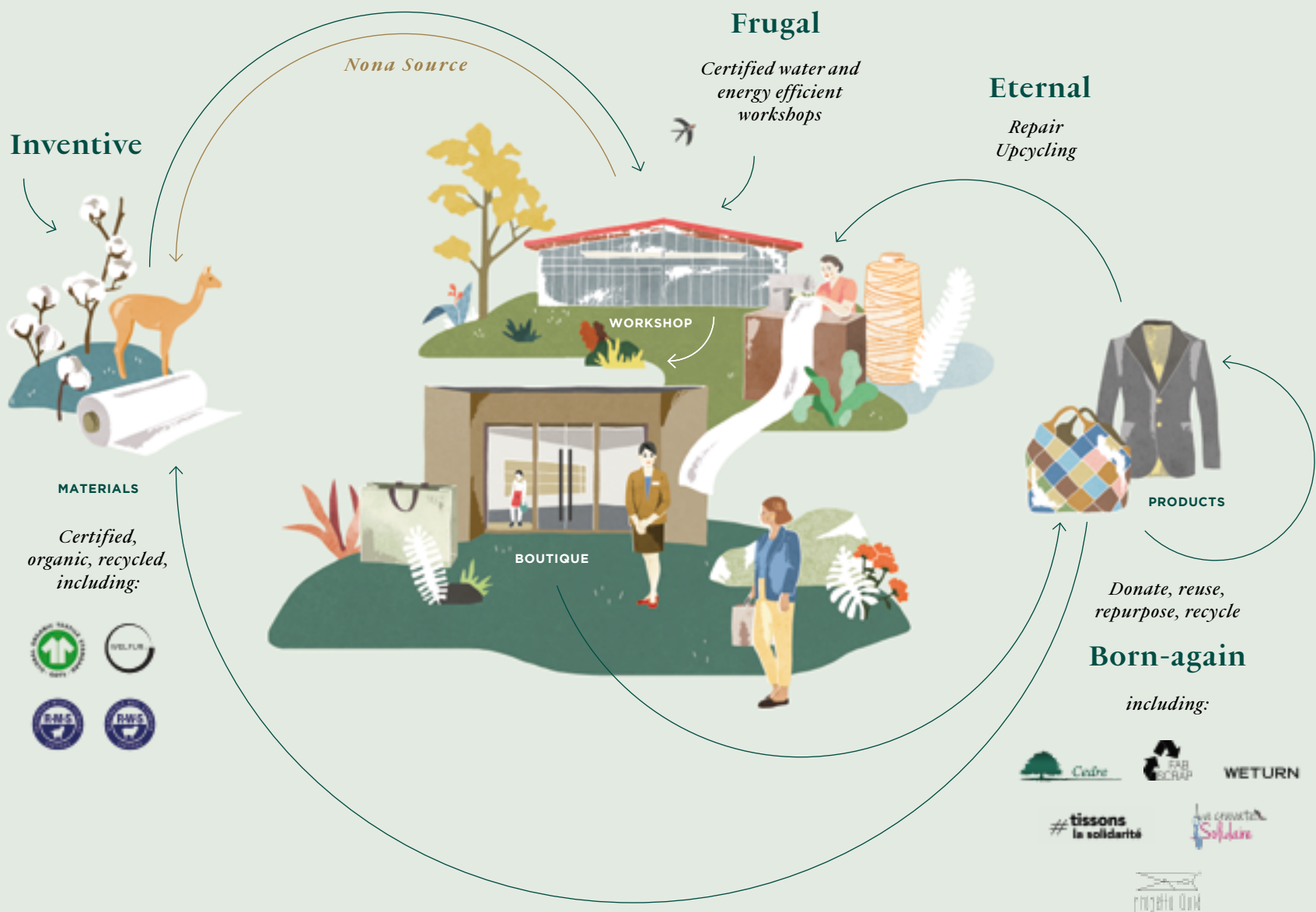
\* In France, Perfumes & Cosmetics Maisons, including Sephora since 2010 and Louis Vuitton since 2011, work with the CEDRE platform to sort, recycle and recover all the waste generated by the manufacturing, packaging, distribution and sale of cosmetics.

\* In November 2021, LVMH joined the United Nations Fashion Industry Climate Action Charter (UNFCCC) to identify together the means to move towards a global commitment, particularly relating to the production and transformation of raw materials.

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# Creative circularity

for fashion products



## LVMH to ecodesign all new products by 2030

As part of the LIFE 360 program, the Group intends to apply ecodesign principles to all its new products by 2030. The goal is to ensure that the practices adopted have a positive impact at certain strategic stages in a product's life cycle.



## AROUND OUR MAISONS

# *Giving meaning to excellence*



A Keepall bag made from recycled materials from the Louis Vuitton Felt Line collection, transforming the art of travel.

## Felt Line by Louis Vuitton, when the monogram brand becomes an activist

The late Virgil Abloh drew inspiration from moving blankets to design this Keepall bag made from recycled wool-based jacquard, which was one of the star pieces to grace the catwalk at the Louis Vuitton Fall/Winter 2021-2022 show. Taking this upcycling initiative one step further, the Maison presented the Louis Vuitton Felt collection in 2021. The three models are made using the same eco-friendly

material, composed of 43% certified organic cotton, 20% recycled wool and recycled polyester. The lining comes from existing stocks of 100% recycled polyester. The corners and chains of the bags are made from 70% recycled plastic, while the straps and handles are Leather Working Group (LWG) certified leather.



The vintage watches from the Zenith ICONS collections are restored and certified by the manufacturer.



## Zenith ICONS, giving a new lease of life to iconic watches

In 2021, the luxury watch manufacturer Zenith inaugurated its ICONS collection, enabling people to acquire reconditioned vintage models. This exclusive collection presents some of the brands most iconic and classic watches. Each watch is authenticated, restored and certified by the Heritage Department and the workshops at the restoration manufacture in Le Locle. A passport is issued and printed for each individual piece. It is filled out by hand by the Heritage Department and signed by the watchmaker who restored it, thereby guaranteeing the traceability of the watch for generations to come.



Sephora reinvents the magic of Christmas with ecodesigned packaging.

## Sephora revamps its Christmas packaging

In 2021, Sephora designed an innovative range of packaging for its Christmas collection, successfully managing to use lower volumes of materials by taking an ecodesign approach. Gift boxes were developed from FSC certified recycled paper and do not use any plastic, eliminating 26 tons of plastic compared with previous years. The range was printed with vegetable-based inks and decorated with biodegradable glitter, while gift pouches were made from recycled cotton. This approach won the R Award, presented by the group Génération Responsable in recognition of continuous improvement efforts made with respect to sustainable development in retail.



Stella McCartney with HRH The Prince of Wales at COP 26 in Glasgow in November 2021.

## Stella McCartney flying the flag for innovative materials at COP 26

At COP 26 in Glasgow in November 2021, the designer Stella McCartney launched the exhibition, “Future of fashion: an innovation conversation with Stella McCartney” as part of an initiative implemented by Prince Charles, showcasing innovative materials such as Bolt Threads’ Mylo mycelium leather. A key element in her Spring/Summer 2022 collection, it was

used to make the first pair of soccer shoes from 100% vegan materials. Stella McCartney also relies on materials produced with recycled textile waste from regenerative agriculture, including regenerative cotton from Söktas, Econyl regenerated nylon and Evrnu’s NuCycl sourced from post-consumer waste and ocean plastics.





# Protecting biodiversity

LVMH has an intimate relationship with the richness and beauty of life, which gives the products of its companies their exceptional character. The protection of natural ecosystems is therefore an imperative for LVMH.



# Transforming our relationship with the living world



LVMH and UNESCO united their voices at the IUCN World Conservation Congress in Marseille by operating a single pavilion together to present their joint initiatives to protect the environment.

To move from the current epoch of the Anthropocene to a civilization that coexists harmoniously with nature, we must question our relationship with the living world. Indeed, can we initiate a virtuous model by working with the living world? Is humankind really an animal like any other? LVMH put these questions and many others to its employees in 2021 during a series of discussions on nature and the living world with experts and practitioners under the auspices of Usbek & Rica. The Group's scientific committee, set up in 2019 when the Animal-Based Raw Materials Sourcing Charter was unveiled, supported

the research led by LVMH to improve conditions in livestock farming and guided its biodiversity strategy, a major component of the LIFE 360 program, comprising three targets: zero sourcing in areas where there is a very high risk of net deforestation by 2026 and gross deforestation by 2030, 100% of its strategic raw materials certified to the highest standards by 2026, and 5 million hectares (50,000 sq. km) of habitat for flora and fauna preserved by 2030. Antoine Arnault, the Group's Head of Image and Environment, spoke about this during the CEO Summit ahead of the IUCN World Conservation Congress in

Marseille in September 2021. LVMH measures the impact of its value chain on biodiversity and also aligns its commitments and action with the framework currently being developed for Science Based Targets for Nature, which seeks to connect the efforts made by private businesses with international targets to preserve biodiversity. Furthermore, the Group's partnership with UNESCO's Man and the Biosphere Program, which aims to improve relations between people and their environment, reflects the global ambition spurring on LVMH's action.

## Solutions and action plans

\* In 2021, LVMH deployed the Global Biodiversity Score and in 2022, will update its life cycle analysis of its entire value chain with geographically specific biodiversity indicators. This innovative and pioneering approach is still relatively rarely adopted. The analysis will be enriched through direct collaboration with specialists.

\* LVMH is a major sponsor of the Biodiversity Impulsion Group (BIG) program, which brings together contracting authorities, users, purchasers, and experts to integrate biodiversity considerations into the way real estate projects in France are designed and managed.

\* A guide entitled "Biodiversity: Best practices in the cosmetics industry" and drafted by the members of the Biodiversity working group of the FEBEA, an industry body chaired by Cécile Joucan from LVMH, lists 176 virtuous ways to integrate biodiversity into the production and distribution stages.

# Avoiding and mitigating the impact on biodiversity



Reducing the use of plastic involves reinventing the packaging in which the products are sold to customers. At Louis Vuitton, the gift boxes are made from a blend of wood fibers certified by the Forest Stewardship Council®.

As part of its aim to achieve zero deforestation, LVMH ensures it does not source any raw materials from areas where there is a very high risk of deforestation or desertification, especially for leather, wood and wood derivatives. LVMH and its Maisons rely in particular on Forest Stewardship Council (FSC) certification, which will ultimately account for 100% of its demand for wood, paper and card, as well as the wood (mixed and recycled) used to decorate its stores by 2026. The partnership with the NGO Canopy, established in spring 2021, aims to eradicate deforestation from the wood, card and viscose supply

chains through responsible sourcing. The Group developed a strategy to source and preserve raw materials that binds its Maisons to ensure that by 2026, 100% of the strategic raw materials they purchase or produce are certified to the highest standards.

A responsible sourcing guide identifies the key certifications for each strategic raw material. Consequently, Fashion & Leather Goods set nine targets for 2026, including purchasing 100% of wool from sustainable sources, from certified farms that meet high standards of animal well-being and protection, such as those set out in the Responsible

Wool Standard (RWS). Perfumes & Cosmetics Maisons chose to ensure its core ingredients meet Union for Ethical Biobased Trade (UBET) certification, which is renowned throughout the world for its standards defining ethical sourcing practices for ingredients that come from biodiversity.

Conscious of the importance of taking care of our planet as we take care of our skin, Fresh became the first Maison in the Group to earn this certification in 2021.

## Solutions and action plans

\* In 2021, the Group made significant progress in the level of certification of certain sourcing channels. Indeed, 100% of the exotic leather purchased by the Heng Long tannery now comes from farms certified to the standards reviewed in

2021 to take account of the latest findings from research into the welfare of farmed crocodilians.

\* LVMH has bolstered its innovation policy to develop new materials using bacteria, plants and keratin, and systematically conducts life cycle assessments to guide its choices. The Group is involved in a number of initiatives to

raise the environmental requirements set out in standards such as the Textile Exchange or the Coloured Gemstones Working Group (CGWG).

# Protecting and regenerating ecosystems



Frédéric Dufour, Chairman of Ruinart, at the launch of a pilot agroforestry project in March 2021 in the heart of vineyards in France's Champagne region.

In 2021, 657,000 hectares of wildlife habitat were regenerated, reflecting the tangible progress made toward the target to regenerate 5 million hectares by 2030 set out in the LIFE 360 program. Further to its contribution to the collective effort to regenerate and preserve ecosystems as well as endangered species of animals and plants, LVMH follows regenerative agriculture practices. The action plans involve sourcing channels by deploying special programs for strategic farmed materials such as grapes, cotton, wool and leather, as well as palm trees, beetroot and rare flower essences. In 2021, the Group stepped up the pace at which it rolled

out sustainable, organic or regenerative winegrowing across the Maisons' vineyards and grape suppliers. In line with the targets set out in LIFE 360, 100% of grapes from vineyards owned by the Group will be grown in accordance with sustainable, organic or regenerative practices by 2026, including 50% directly from regenerative or organic agriculture. With respect to partner vineyards and suppliers of ingredients used in Champagne, cognac and wines, 80% of grapes will be sourced from sustainable, organic or regenerative winegrowing by 2026. The Group also takes action outside its own sourcing channels. For example, in collaboration with

UNESCO, LVMH launched a program in the Amazon, in the Amazon with a budget of €5 million over five years to tackle the causes of deforestation and pollution in the Amazon river basin. Eight biosphere reserves in Bolivia, Ecuador, Brazil and Peru are associated with the project. In 2021, Moët Hennessy teamed up with its partner Reforest'Action to launch reforestation programs in Kenya, China, the US, South Africa and on its own vineyards. In London, Louis Vuitton planted 600 trees to form an urban forest. LVMH Italy also became a partner of the Forestami program to replant 3 million trees in the greater Milan area by 2030.

## Solutions and action plans

\* The Group leverages a network of renowned experts, including Biosphères, Renature, Earthworm, Pour une Agriculture du Vivant and Savory. Several projects have already been launched in a number of sourcing channels, such as grapes, cotton, wool, leather, palm trees, beetroot and many other core ingredients for our Maisons.

\* The Hectar center for research and innovation, of which Parfums Christian Dior is a partner, strives to protect rare and precious species of plants, which can go into the composition of certain perfumes.

\* LVMH is an active member of Act4Nature International and also joined OP2B at the end of 2021, which aims to drive and promote the systemic changes necessary to restore and preserve biodiversity within members' value chains.



*Certification of strategic supply chains: LIFE 360 achievements in 2021*

Indicators	Performance 2021		Performance 2020		Target for 2026	
Wines and Spirits						
Grapes – Sustainable winegrowing certification <i>% certified grapes by weight; figures include still wines and eaux-de-vie</i>	LVMH vineyards	92%	LVMH vineyards	92%	LVMH vineyards	100%
	French vineyards	100%	French vineyards	100%		
	Rest of the world	86%	Rest of the world	90%		
	Independent grape suppliers	16%	Independent grape suppliers	16%	Independent grape suppliers	50%
Fashion and Leather Goods						
LWG certification of tanneries for bovine and ovine leather <i>leather from certified tanneries by weight, as %</i>		81%		74%		100%
LWG certification of tanneries for crocodile skin leather <i>crocodile skin leather from certified tanneries by weight, as %</i>		70%		N/A		100%
Certified cotton <i>% GOTS, Better Cotton, GRC, OCS and Supima certified cotton by weight</i>		61%		51%		100%
Certified paper, cardboard and wood <sup>(a)</sup> <i>% FSC- and PEFC-certified paper, cardboard and wood by weight</i>		77% <sup>(a)</sup>		N/A		100%
Certified fur (mink and fox) <i>% fur from farms certified as complying with one of the standards recognized by the FurMark program</i>		92%		87% <sup>(b)</sup>		100%
Certified sheep’s wool (merino and other species) and cashmere <i>% wool and cashmere from farms certified RWS, ZQ, Authentico, New Merino, Sustainawool, Nativa, SFA</i>		24%		N/A		100%
Certification for all crocodile farms supplying the Group’s tannery <i>% crocodile skin from farms certified as complying with LVMH’s crocodile standard</i>		100%		86%		100%
Perfumes and Cosmetics						
Palm oil derivatives <i>RSPO-certified Mass Balance or Segregated palm oil derivatives by weight, as %</i>		95%		91%		100%
Watches and Jewelry						
Diamonds: RJC COP certification <i>carats of diamonds from COP-certified direct suppliers, as %</i>		99.9%		99%		100%
Gold: RJC COP certification RJC CoC certification <i>For Maisons without CoC certification, gold is included within the reported indicator if it is sourced from CoC-certified precious metal refiners, regardless of any intermediate subcontractors between the precious metal refiner and the Maison<sup>(c)</sup></i>		98%		79%		100%
		93%		77%		100%

(a) It should be noted that, since the reporting process is currently under development, data reported by the Maisons is subject to a high degree of uncertainty.  
(b) Indicator not audited in 2020. (c) In 2021, the Maisons reported exclusively on their Watches and Jewelry activities.

## AROUND OUR MAISONS

# *Innovating on all fronts*



Antoine Arnault, the Group's Head of Image and Environment, alongside Audrey Azoulay, Director-General of UNESCO.

## Hennessy takes steps to expand agroforestry

Hennessy takes steps to expand agroforestry. Hennessy started to roll out regenerative agriculture across all its vineyards by eliminating the use of chemical weedkiller and planting trees. The Maison, which sponsors the French National Forests Office (ONF), introduced conservation grazing at its iconic 6-hectare Bagnolet facility and planted over 15,000 trees from 30 different species and over 4 km of hedges. The aim is to plant 1,000 km in the Charentes area over the next decade in partnership with Vitinnov, the French Chambers of Agriculture, the LPO, Prom'haies and les Planteurs Volontaires. Hennessy also partners with Reforest'Action.

## LVMH and UNESCO join forces to defend biodiversity

At the IUCN World Conservation Congress in September 2021, UNESCO and LVMH highlighted their joint commitments to protect biodiversity as part of the Man and the Biosphere Program. Within a single pavilion, UNESCO, the LVMH Group and its Maisons presented their vision and the tangible actions they have taken to protect and promote

biodiversity. LVMH also supported the Biocenosis21 exhibition presented by Art of Change 21 and curated by Alice Audouin, and displayed a special edition of "Wither" created by Thijs Biersteker in the UNESCO x LVMH pavilion, a piece that combines light and sound and that reacts in real time to deforestation data in the Amazon, inviting not only awareness but also action.

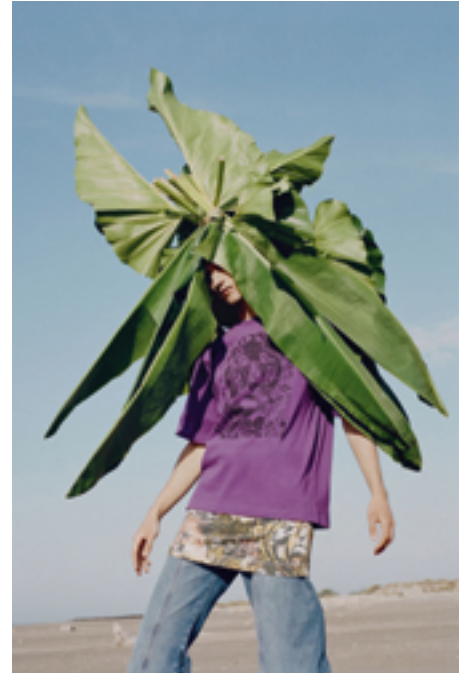


Noëline Raondry Rakotoarisoa (UNESCO) and Angelina Jolie, godmother of "Women for Bees".

## Guerlain cultivates knowledge of the living world

Guerlain joined forces with UNESCO, along with Angelina Jolie, who acted as godmother to the class of 2021 that graduated from its women's beekeeping entrepreneurship program, "Women for Bees". Rolled out in the heart of UNESCO's biosphere reserves and enjoying the support of the French Observatory of Apidology (OFA), the program will train and support female beekeepers from around the globe. Furthermore, through its Bee School,

Guerlain raises awareness among young people about the importance of biodiversity and climate change, in particular thanks to an educational kit it has developed. The scheme was upgraded in 2021, and Guerlain now offers five versions of its course designed for children aged between five and twelve, translated in around 10 languages and available through a digital Group platform.



Kenzo designed a collection inspired by its action to protect tigers.

## Hublot and Kenzo taking action to protect large animals

In 2021, Hublot prolonged its collaboration with Kevin Pietersen and his charity SORAI (Save Our Rhino Africa India) to protect rhinos, which are critically endangered. A portion of the proceeds from the Big Bang Unico SORAI will be donated to the largest rhino sanctuary in the world, Care for Wild, in South Africa. This action is similar to that of Kenzo, which in 2021 stepped up its partnership with the WWF to support the Tx2 program seeking to double the number of tigers in the wild by 2022.







# Contributing to the fight against climate change

In 2021, LVMH increased all its targets to reduce its carbon footprint. At a time when the fight against climate change is more urgent than ever, the Group is stepping up the pace at which it is implementing tangible solutions throughout its Maisons and promoting constructive dialogue with organizations able to catalyze change.

# Aligning the Group's trajectory with the 1.5°C target



On the road to the future of fashion, the creations designed by Kim Jones using recycled nylon formed part of the tribute to the work of Jack Kerouac in the Dior 2022 Fall men's fashion show.

In 2021, LVMH raised its ambition for its carbon trajectory to bring it in line with the Paris Agreement, which was approved by the Science Based Targets initiative (SBTi) at the end of the year. The Group stepped up its LIFE 360 targets to reduce its scope 1 and 2 emissions (halve greenhouse gas emissions from energy consumption at sites and stores by 2026, compared with 2019 levels) and scope 3 emissions (55% reduction per unit of value added by 2030 in greenhouse gas emissions generated by raw materials, purchasing, transport, waste, use and end of life). As scope 3 accounts for over 90% of the

Group's carbon footprint, it must therefore strive to reduce emissions across its supply chains by harnessing innovation and the circular economy.

To power their climate policy, the Maisons are able to draw on a number of innovative tools, such as regenerative farming techniques, new materials derived from biotechnology, the program to develop clean technology in collaboration with the Solar Impulse Foundation, and the "Matières à Penser" materials library. Therefore, in 2021, the Maisons' carbon strategies gave rise to new policies in logistics, sourcing and pack-

aging. Berluti, Christian Dior Couture, Fendi, Kenzo and Louis Vuitton use certified or recycled materials wherever possible. Parfums Christian Dior, Givenchy and Guerlain produce their products in reduced or rechargeable packaging. The bottle for Christian Dior's Sauvage fragrance has been designed to ensure it may be easily refilled. The Maison has thereby cut its use of energy and water, as well as glass, consequently reducing its greenhouse gas emissions by 56%.

## Solutions and action plans

\* In 2021, the Group continued to deploy a number of pilot initiatives in green online retailing, including ecodesigning websites, defining a program for 2023 and deploying the LIFE 360 Climate action plan at all Maisons.

\* The Maisons are beginning to experiment with various offsetting measures. Until recently, LVMH had sought to avoid such solutions to maximize the leverage achieved through pure reduction. The Net Zero standard set by the SBTi integrates carbon credits, once reduction targets have been met.

\* At the end of 2020, LVMH pledged to support the principles of the Task Force on Climate-related Financial Disclosures (TCFD) as part of a continuous improvement strategy, integrating them into its LIFE 360 program.

## Setting an example at sites and in stores



The Lighthouse, located alongside the bioreactor at Glenmorangie's distillery in Scotland, has helped to reduce by 95% the organic pollution produced by distillery while also producing biogas from the distillation process.

Remarkable spaces in which to connect with customers, the Group's stores also represent its main source of energy consumption. That is why LVMH strives to achieve energy efficiency at every stage of the process. New and renovated stores are assessed against the LIFE in Stores scoring matrix, drawn up in 2015 on the basis of the most stringent international references, including LEED®, BREEAM®, Greenstar, HQE, Well and Beam. Furthermore, architects and store planners can access cutting-edge lighting solutions through the LVMH Lighting platform. They receive special training, through programs

such as La fresque de la construction, to focus their minds on the importance of cutting the Group's carbon footprint. By 2026, all stores will use LED lighting, and by end-December 2021, 40% of retail space was already lit in this way following the considerable push made at Le Bon Marché to retrofit LED lighting across its entire 51,528 m<sup>2</sup> store.

Both in store and across sites, the shift to renewable or low carbon energy is already underway, with a view to reach 100% by 2026, across all the Group's business lines. Moreover, Guerlain's main production facil-

ity, La Ruche, switched to 100% biomethane in July 2021, which will enable the Maison's factories to reduce their carbon footprint by 95%. Also, all Dior's industrial and logistics sites in France, Switzerland, Germany and Italy opted for green electricity contracts. Many sites are equipped with photovoltaic panels or geothermal installations. Since 2019, all Sephora sites in the US have been powered by green electricity. In 2021, Belvedere inaugurated its biomass plant that will serve to cut its CO<sub>2</sub> emissions from energy consumption at the distillery by 95% by 2022.

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### Solutions and action plans

\* In 2021, the LVMH carbon fund supported 60 projects, and thereby helped to avoid over 2,600 metric tons of CO<sub>2</sub> equivalent per year. With the contributions matched by all the Maisons, it finances investment projects to reduce energy consumption or generate renewable energy.

\* The "Better Stores" program calculated the annual consumption of stores to identify the worst performers. The threshold was set at 700 kWh/m<sup>2</sup> in 2020 and 600 kWh in 2021, but will be progressively cut to 500 kWh in 2023, 400 kWh in 2026 and 300 kWh in 2030. A 15-point questionnaire serves to identify the most pressing areas for improvement.

\* LVMH and SAVE Energies, France's second-largest purchaser of biomethane, joined forces in fall 2021 for a three-year period to substitute the use of natural gas in France by gas produced from organic waste, thereby reducing CO<sub>2</sub> emissions by 81%. This approach will successfully avoid 14,000 metric tons of CO<sub>2</sub> equivalent emissions from 2023 onwards.

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# Making significant progress in sustainable transportation



Alongside sailor Michel Desjoyeaux, Nathalie Haber, Hennessy Customer Service Manager, Jean Zanuttini, President of NEOLINE and Mathieu Testud, Hennessy Supply Chain Director, took part in Wind for Goods, in Saint-Nazaire.

The Group has stepped up its commitment to sustainable transportation by prioritizing local sourcing, optimizing supply chains, opting for rail or sea freight wherever possible, using sustainable aviation fuel and electric vehicles for last mile deliveries. Upstream and downstream transportation of component parts and finished goods account for the second largest source of the Group's scope 3 emissions, generating 17% of emissions in 2019 when employee commuting is taken into account (which itself represents 7%). Leading the charge in this area, Hennessy managed to increase the proportion of sustainable trans-

portation solutions to 90% in 2021, primarily by switching to sea freight. In September 2021, the Maison took part in Wind for Goods, the largest event in France championing wind-powered maritime transport. It marks a new chapter in the partnership with the Neoline cargo ship.

As the first cognac Maison to join forces with the Nantes-based ship owner, Hennessy will transport 240 containers per year via the Neoline sailing ship from 2023 onwards. The 136 m long ship is propelled solely by the power of the wind hitting its sails spanning 4,200 m and is able to transport up to

5,000 metric tons of conventional freight at a commercial speed of 11 knots. The aim is to move four million bottles between Europe and the US using nothing more than the power of the wind.

Elsewhere, Celine is seeking to move away from air freight and use more sea or road transportation options, with a target to use alternative solutions for 2,500 m<sup>3</sup> of air freight each year. Reducing the size and weight of packaging (15% reduction in leather goods) has a direct impact on CO<sub>2</sub> emissions generated during downstream transportation.

## Solutions and action plans

\* In accordance with SBTi requirements, each year, the Group updates its calculation of greenhouse gas emissions generated as a result of purchases, employee commuting and business travel, investments as well as the use and end-of-life treatment of its products.

\* The calculation of greenhouse gas emissions related to purchasing, commuting, fixed assets and the use and end-of-life of the Group's products is updated annually in accordance with SBTi requirements.

\* To mark the 4th anniversary of the French Business Climate Pledge, LVMH rallied its suppliers to work together to combat climate change (in particular Bolloré Logistics, CMA CGM, Transports Thevent and Deret Logistique).

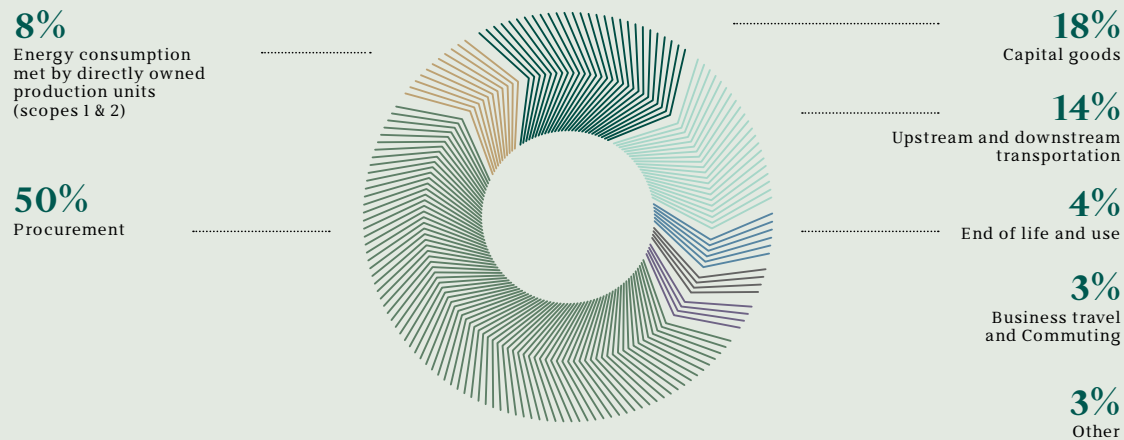
## LVMH carbon footprint in 2021

The Group's life cycle assessment serves to measure the climate impact of its operations. Scope 3, which can now be measured increasingly accurately now that capital goods have been integrated, accounts for **94%** of its footprint, primarily comprising raw materials purchased for products and packaging and downstream transportation of finished goods.

### *LVMH carbon accounting by business group*

	SCOPES 1 & 2* Base : 100%	SCOPE 3* Base : 100%
Wines & Spirits	9%	17%
Fashion & Leather Goods	39%	60%
Perfumes & Cosmetics	5%	12%
Watches & Jewelry	3%	5%
Selective Retailing	36%	5%
Other activities	8%	1%
<b>TOTAL EMISSIONS</b>	<b>375,740 t eqCO<sub>2</sub></b>	<b>5,706,670 t eqCO<sub>2</sub></b>

### *Main contributors to the Group's carbon footprint\**



\*See methodology, p.138.

## LVMH makes its voice heard at COP 26

In 2021, LVMH took advantage of the international focus on COP 26 in Glasgow to speak with its partners and expand its action. Antoine Arnault was interviewed on behalf of the Group as part of the special edition of the study conducted by United Nations and Accenture entitled "The 2021 United Nations Global Compact-Accenture CEO Sustainability Study: Climate Leadership In The Eleventh Hour". As the largest global

research program into sustainable development, it offers a candid look at perspectives of more than 1,000 CEOs across 113 countries and 21 industries. The Group organized a conference entitled "Preserving Biodiversity Can Help Mitigate Climate Change" in the French Pavilion and also took part in several other conferences such as "Net Zero Business and Value Chain" organized by EpE (Entreprises pour l'Environnement) in the European Pavilion, "Fashion Industry On

The Race to Zero" organized by the UNFCCC Fashion Industry Charter for Climate Action, "Objective Net Zero in the private sector: how can businesses help achieve a carbon neutral planet and report their strategies?" organized by the French Environment Agency ADEME and Carbone 4, as well as a Facebook live event with the Solar Impulse Foundation on the technological solutions required for the transition.

## AROUND OUR MAISONS

# *Being an agent of change*



The façade of Bulgari in Shanghai, made from recycled champagne bottles.



In addition to the Group's trajectory, the Maisons pledge to minimize their own footprints.

### In Shanghai, Bulgari is harnessing innovation to boost performance

**B**ulgari made an impression with its new facade created from recycled champagne bottles and the full LED lighting system in its new store at Shanghai Plaza 66. Moreover, the need to minimize the environmental impact of the Bulgari Hotel Shanghai was taken into consideration right from the design stage. Light pollution was reduced by installing large floor-to-ceiling windows and a water-cooled heat exchanger helps to cut the use of air conditioning systems by up to one third.

### Louis Vuitton further extends the art of travel with sustainable fuel

**A** trial was carried out in 2021 on 30 flights between France and China using sustainable aviation fuel, made from used cooking oil, which generates 70 to 80% fewer emissions than conventional fuel (kerosene). The project stems from Louis Vuitton's pledge to transition to low carbon transportation solutions. From 2022, in collaboration with its two main haulage contractors, this action plan will be significantly extended.

### Four Maisons receive SBTi certification approving their trajectories

**T**he SBTi approved the carbon trajectories set by Louis Vuitton, Moët Hennessy, Parfums Christian Dior and Guerlain in 2021, which applies to their own scope, confirming the ambitions set out in the strategy of each Maison. Louis Vuitton is continuing along "Our Committed Journey", Moët Hennessy strives to protect "Living Soils", Parfums Christian Dior seeks to leave "Beauty as Legacy", while Guerlain is working "In the name of beauty".





The newly renovated La Samaritaine building boasts a number of innovations, which were integrated right from the design phase, acting as a show room for virtuous construction.

## La Samaritaine, a model of urban ecology

In 2021, the extensive renovation of La Samaritaine, in Paris, project integrated an environmental strategy as far back as 2008. At every stage (design, renovation, delivery and operation), performance and improvement targets were set, monitored, checked and considered. The fulfilment of these targets was confirmed upon delivery with a number of international certifications and labels including Patrimoine Habitat, HQE®, Effinergie +,

BREEAM and LEED. Energy consumption was reduced, with a target to limit conventional consumption in renovated areas (80 kWhPE/m<sup>2</sup>/year) and newly built areas (50 kWhPE/m<sup>2</sup>/year). Overall, 27% of the building's energy needs are covered by renewable energies, primarily through innovative heating solutions, such as geothermal energy, solar thermal hot water and natural ventilation. Lighting is 100% LED. The renovation project, governed by a

"Minimal disruption" charter, achieved its objectives, recovering 86% of worksite waste and 91% of materials, clearing a portion of non-hazardous industrial waste by barge and creating a road within the site to minimize congestion and disruption to traffic.







# Refining traceability and mobilizing everyone

In order to guarantee accurate traceability, the Group must identify the challenges and put in place responsible practices. These upstream efforts are coupled with a desire to achieve transparency downstream. LVMH believes that it is essential to communicate about the environmental performance of its products with its clients, which is why it has set a target for the Group to develop an information system for each product by 2026.



# Striving for excellence in traceability and product safety



By achieving complete traceability of the materials used to create the exceptional products crafted by LVMH artisans, the Group offers the utmost guarantee that animal welfare concerns are acknowledged and protected.

The Traceability and Transparency commitment set out in the LIFE 360 program reflects the Group's pledge to achieve, by 2030, complete traceability for strategic materials across the entire supply chain by developing a special traceability system to cover 100% of sourcing channels.

The first step was to identify the country of origin of every material. This is why in 2021 the Maisons introduced specific clauses in their contracts with suppliers to ensure that each Maison is informed about where the animal raw materials are sourced from for 90% of their exotic leather, 84% of fur and 62% of wool. The second step involved identifying more effective upstream traceability solutions. The third and final step led the Group to implement a certification system that takes into account the chain of responsibility,

which requires access to all documents and systems used to verify the traceability between the audited production unit and the claims made about the end product. LVMH therefore chose to implement systems that factor in each stage of the process to transform the raw materials, such as the Global Organic Textile Standard (GOTS), the Responsible Wool Standard (RWS) for cotton and merino wool, and the Responsible Jewellery Council (RJC) for precious metals.

Not only does LVMH strive to ensure that suppliers uphold responsible practices, it also maintains a profound understanding of cutting-edge developments in science, which led the Group to eliminate the use of certain substances from its products. Fashion & Leather Goods and Watches & Jewelry Maisons worked together to draw up the LVMH Restricted Substances List, which goes above

and beyond global regulatory restrictions. LVMH also joined the Zero Discharge of Hazardous Chemicals (ZDHC) program, which seeks to promote best practices, avoid the use of banned substances and address wastewater discharge from production units in the textile and leather industry. LVMH set out a detailed roadmap that covers all Group production sites concerned as well as the main suppliers to Fashion & Leather Goods Maisons.

The targets set for 2023 include deploying the ZDHC Manufacturing Restricted Substances List (MRSL) with a minimum compliance rate of 50%, implementing a management system for chemical products with a minimum ZDHC Level 1 certification and verifying the quality of wastewater, producing at least one ClearStream ZDHC report per year.

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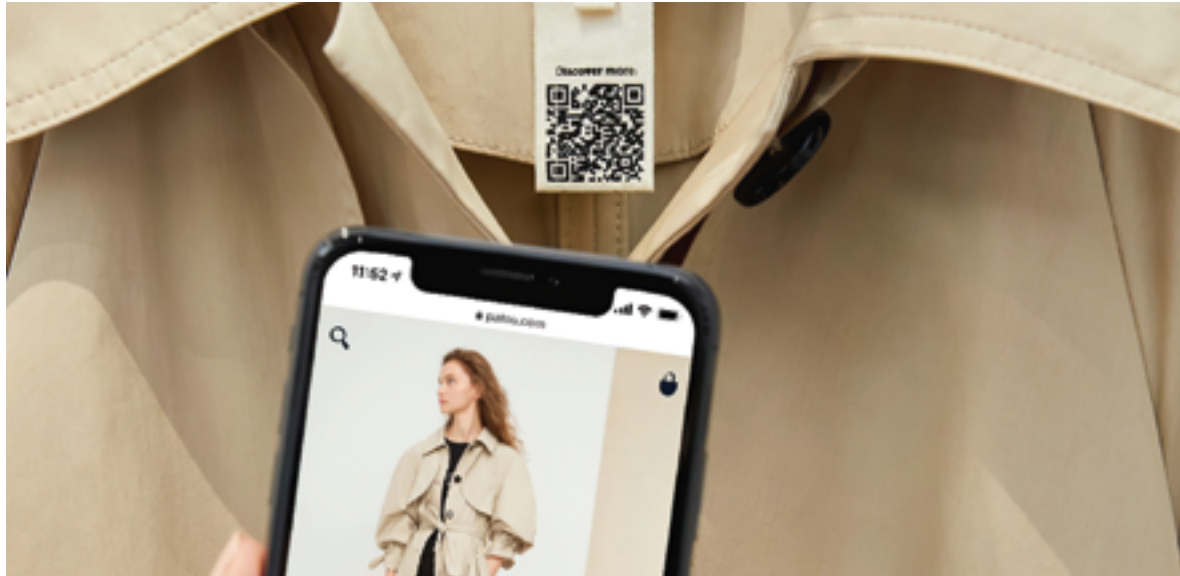
## Solutions and action plans

\* In 2021, the Environment and Purchasing departments set up a working group on upstream traceability involving over 25 Maisons from the Group to harmonize and work together to develop the most high-performance traceability solutions.

\* The Group leverages innovation to develop new traceability tools like molecular tracers. In 2021, LVMH Métiers d'Arts joined forces with SMX to roll out a technological solution to permanently mark any type of material.

\* Loro Piana earned the 4Sustainability chemical management certification, which is aligned with the ZDHC program and was developed by several major names in Italy's luxury and fashion industry.

# Integrating innovative tools to boost transparency



The QR code put in place by Patou allows each client to easily obtain full product information, in particular all details regarding traceability and material certification.

Consumers' expectations for transparency are increasingly high, and LVMH strives to exceed these standards. The Group launched a call for tender in 2021 to integrate a mapping system into its strategic sourcing channels in order to accurately monitor the flow of materials through the value chain, as well as identify and mitigate any environmental, social, ethical and animal welfare risks.

After spending six months considering the various solutions, the Group and its Maisons chose Sourcemap, which will be rolled out as a pilot project in the first half of 2022 to

trial both the technology and the service. In order to build robust environmental information systems for a product, it is essential to be able to accurately map supply chains and harness sophisticated traceability tools.

In 2021, over 4,000 products have already been given their own information system. Several Maisons, such as Sephora, Guerlain, Parfums Christian Dior and Hennessy have put in place a transparency platform and share product information. By collating all its supplier data online, Fendi made significant progress in the Fashion Transparency Index 2021. In addition, the Group endeavors

to standardize the information it shares with clients, ensuring they are guided by scientific fact. That is why LVMH is involved in discussions at national and European levels about environmental performance labeling in fashion. The Group was also one of the founding members of the EcoBeautyScore Consortium, aiming to develop an industry-wide environmental impact assessment and scoring system for cosmetics products.

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## Solutions and action plans

\* In 2021, LVMH teamed up with Prada Group and Cartier to launch the Aura Blockchain Consortium. This global tech platform, open to all luxury brands, informs clients about products' history by delivering a digital authenticity certificate. Hennessy, Bulgari and Hublot already use the platform.

\* LVMH is working to identify key indicators that will comprehensively and accurately measure the environmental impact and lifecycle of textile products. LVMH is working with the governing body for the French fashion industry, the Fédération de la Haute Couture et de la Mode (FHCM) and in partnership with three other luxury Maisons.

\* In France, Louis Vuitton and Patou have been involved in the official trial for the European apparel standard as part of the methodological work conducted at national and European levels on environmental labeling.

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## Sharing knowledge and evangelizing



Guerlain set up its own Sustainable Board, composed of 13 experts from a variety of disciplines and headed by the photographer Yann Arthus-Bertrand.

The LIFE 360 program is at once a tool to enhance transparency and dialogue with stakeholders, and an action plan. Approved by the LVMH Science Committee, the results are widely communicated and shared with people outside the Group. In 2021, Guerlain formed a Sustainable Board chaired by Yann Arthus-Bertrand to replace the Ethics Committee it set up in 2018. Many Maisons including Hennessy, Loewe, Parfums Christian Dior, Guerlain and LVMH Fragrance Brands also publish their own sustainable development report. Further to the efforts that it has made over the years to protect the planet,

Loro Piana published its first environmental report in 2021 in order to convey the progress it has made and share its vision for the future.

Following the Be The Change movement launched by LVMH in 2020, the Maisons have introduced a wave of initiatives to empower all employees to help bring about change by getting involved with environmental causes—both within the Group and among society as a whole. Fendi employees can contribute directly to reforestation projects through the Freedom digital platform that allows people to plant trees

remotely. Charitable events also encourage employees to get involved, such as the Fendi Action Day, which inspires teams to spend half a working day volunteering for an environmental cause. In 2022, this program (originally developed in Italy) will be extended to a number of other countries. Elsewhere, the Sustainability Japan team organized a Green Workshop for the various branches of Louis Vuitton.

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### Solutions and action plans

\* Following the Future of Luxury Commission (set up in 2020 and whose work inspired LIFE 360), LVMH joined forces with So Good to produce a series of podcasts to give a voice to those who will be at the forefront of the luxury industry of tomorrow.

\* Launched by Dior Couture in 2021, the My Dream is Green project has collated over 200 projects on its online platform put forward by employees.

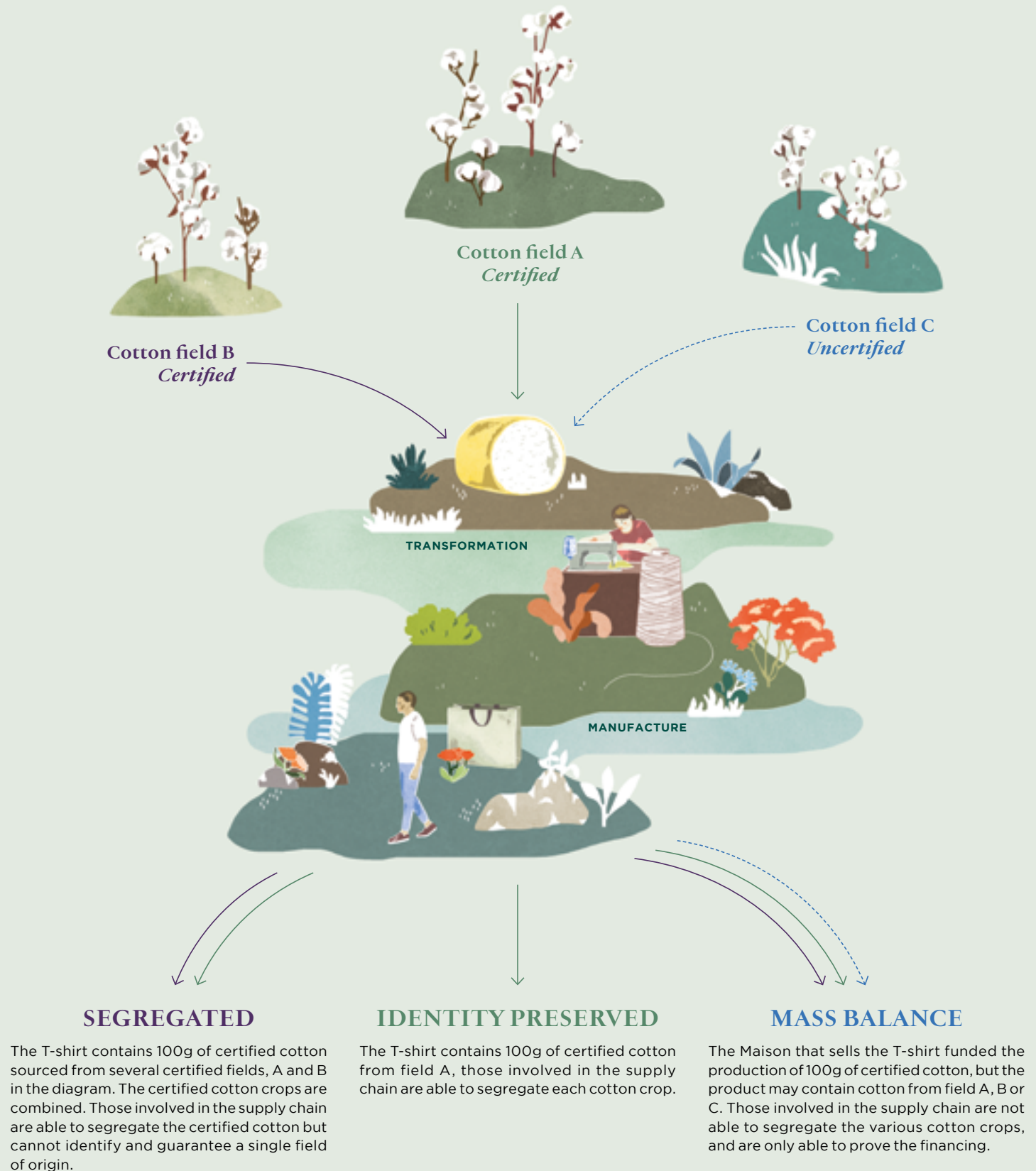
\* Last year, Louis Vuitton set up a global network of 16 ambassadors through its Ever Greener program. Focused on Client Care Service & Retail Quality, it aims to spread best practices across the globe with meetings every two months and in direct collaboration with the Maison's Environment Department.

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# Traceability

## The example of cotton



## AROUND OUR MAISONS

### *Applying our signature*



Bulgari's ethical and traceable gold reflects the Italian jeweler's commitment to being a responsible company.

#### All Bulgari jewelry made with certified, ethical gold

After becoming the first jewelry Maison to obtain RJC CoC (Chain of Custody) back in 2015, Bulgari will become, in 2022, the first Maison to only use gold that comes from certified and traceable sources both in its jewelry and watch collections. While fully complying with RJC standards, the Maison goes above and beyond the requirements set by the authority, deploying systems to guarantee the total segregation of certified materials at every stage of the value chain.

#### Hublot stores its e-warranty in the Aura blockchain

After making pioneering progress in 2009 by developing WISEKey technology, the authenticity of Hublot's luxury watches is now guaranteed by a visual recognition of the micro-structure of their materials, much like facial recognition. This advanced technology was developed in partnership with the company KerQuest. The Hublot e-warranty is stored in the Aura blockchain platform initiated by LVMH.



Respect for materials is Fendi's philosophy, and this includes knowledge of their origin.

#### Fendi goes above and beyond ISO to measure traceability

Each year, the Fashion Transparency Index examines the progress made with respect to transparency across the supply chain of fashion brands. Fendi improved on its 2020 score of 25%, making the most significant leap forward of the companies assessed to reach 43% in 2021. The Index takes account of all aspects of the company, including its policies, engagement, management, traceability, supplier performance and its approach to the wider considerations of the climate and the circular economy.



From the mine to the store, Tiffany & Co. boasts end-to-end traceability of its gemstones.

## Tiffany & Co. and vertical traceability

In 2021, Tiffany & Co. was able to trace all the rough diamonds it used, which are sourced primarily from Botswana, Canada, Namibia, and South Africa, back to the mine they came from. All their gold, silver and platinum can also be traced from the mine or recycler from which it was sourced. In addition, the Maison started to purchase Fairmined-certified gold from Peru in 2021. It also published its Colored Gemstone and Pearl Source Warranty

Protocol last year, which serves as a practical and operational tool that it shares with its suppliers to support them in improving traceability as well as their social and environmental practices. Across the Maison's five polishing workshops around the world, there are 1,500 artisans fiercely safeguarding the excellence of its jewelry. Having seamlessly integrated traceability into its way of working through its vertical integration model,

Tiffany & Co. now communicates on the entire supply chain for its newly sourced diamonds. Indeed, the Diamond Craft Journey, initiated in 2020 – one year before its target date of deployment – positions Tiffany & Co. as the first jeweler to disclose the countries where its newly sourced, individually registered diamonds are crafted.



Die Blumen (1890)  
Johannes Vermeer  
Öl auf Leinwand  
Königliche Museen, Amsterdam  
Königliche Museen, Amsterdam  
Königliche Museen, Amsterdam  
Königliche Museen, Amsterdam







PART III

# Art and Culture



The Louis Vuitton Foundation reserves a special welcome for school groups, who are given dedicated time slots to ensure their visit is a real cultural and educational experience.





As much for its diversity as its unity, LVMH represents a unique ensemble that champions a set of values universally considered as essential components of French and Western culture. The Group forms a multi-faceted “world” that reflects the history of its Maisons and the talent of all its employees, constituting a rare and unique, often centuries-old heritage. Nevertheless, the Group strives to constantly renew itself by looking to the future to create an *art de vivre* where dreams, emotions and values ring through each and every one of its designs and products. These creations take shape by transforming raw materials produced by nature, which the Group takes measures to protect, and harnessing savoir-faire and knowledge to develop the sublime mastery found in art and nurtured by artists. This transformation is guided by the fundamental values of creativity and the quest for the highest quality, which form the spirit and the language of LVMH’s culture. There is no challenge more enthralling than building on an inspiring and valued heritage to continually reinvent and renew oneself.

Whether here in Paris, across Europe or further away, at the ends of the Earth, LVMH is synonymous with art, artists, designers, and French culture in particular. It’s only normal that a share of the Group’s outstanding economic results is given back to the world of art and artists, and to the culture and its audience. This responsibility and commitment give the Group’s corporate philanthropy its full meaning. In addition to being a major business Group, LVMH—through its philanthropy—acts as a resolute, progressive cultural actor that brings together a holistic group of artistic, intellectual, and scientific talents committed to education and knowledge transfer—like minds who look to share this heritage with the largest and most diverse public possible.

The Louis Vuitton Foundation, without any doubt, is the ultimate culmination of LVMH’s patronage—thanks to the building itself, Frank Gehry’s masterpiece, and the exceptional opportunity it offers to develop a genuine cultural approach and share it with as many people as possible. From the day it opened its doors, the Louis Vuitton Foundation became one of the most significant institutions in the art world. It stages and curates exceptional, fearless, and ground-breaking exhibitions. This report can only mention but a few of the most recent exhibitions, such as the Sergei Shchukin Collection (2016-2017), followed by those devoted to Charlotte Perriand and Jean-Michel Basquiat, and most recently The Morozov Collection (September 2021-April 2022)—these exhibitions, taken together, were viewed by hundreds of thousands of visitors from France and around the world,

This is the role LVMH strives to play—to celebrate culture, offer it to the world and help people to dream, to stir up emotions and to raise awareness either by the design of exceptional products or by shining light on works of art that are simply remarkable.

JEAN-PAUL CLAVERIE  
*Adviser to the Chairman and Director of Corporate Philanthropy at LVMH*

# Harnessing corporate philanthropy to advance culture and design

For more than 25 years, LVMH has pursued a corporate philanthropy policy that reflects the values of creativity and solidarity shared by all its Maisons, seamlessly aligning with their respective communication strategies and image.

Art provides a constant source of inspiration for designs of high-quality luxury goods. The Group's cultural assets include exceptional craftsmanship and age-old techniques, the rarity of its professions and the creativity that is synonymous with its Maisons. It is this foundation that ensures the flawless reputation for luxury all around the globe. It was therefore only natural for LVMH to put in place a range of initiatives to support art and culture, thereby extending its reach to as many people as possible and communicating the Group's passion for creativity.

## Promoting heritage, art and design

Philanthropy reflects and enriches the cultural, artistic and humanist values that form the foundation of the institutional identity of LVMH and its Maisons, which in turn represent its greatest strengths to achieve economic success. It operates across several areas, in France and around the world, to rehabilitate historical monuments, enrich the collections of major museums, contribute to large-scale national exhibitions, and support contemporary artists as they create new works.

The fire that tore through Notre-Dame cathedral in Paris in 2019 particularly resonated within LVMH, touching the artisanal and cultural core of a Group that believes in preserving and passing on its unique savoir-faire from generation to generation. That is why its Chairman, Bernard Arnault, donated €200 million to help the renowned monument once again rise from the ashes.

## Promoting and spreading culture

In 2021, LVMH sponsored the performance of The Glass Menagerie by Tennessee Williams, and directed by Ivo van Hove, at the Théâtre de l'Odéon in Paris. As a loyal sponsor of, Nuit Blanche the night-time arts festival, for nearly 15 years, LVMH encourages the general public

in Paris to get a taste of the work created by contemporary artists and open the doors to many iconic examples of Parisian heritage. The Group also continued to support the Giacometti Institute to expand its scientific and cultural program as well as its temporary exhibitions.

For over 25 years, LVMH has been committed to offering new opportunities to young people, young artists and, more generally, to promote artistic education, through a variety of cultural actions, inviting almost 50,000 students from music schools around Paris to some of the most prestigious concerts of the year through its "1,000 tickets for young people" initiative. In addition, for many years now, LVMH has helped the non-profit Orchestra at school to purchase musical instruments for several hundred students around France. The young virtuosos also benefit from master classes with Seiji Ozawa thanks to the support provided by the Group to the International Music Academy.

At the same time, the decision to loan the LVMH collection of Stradivarius has allowed Renaud and Gautier Capuçon, as well as Daniel Lozakovich, to unleash their full potential on stage to the pure joy of spectators all around the world.

## Promoting health and education

The innovative and ambitious philanthropic efforts to promote art and culture also extends to humanitarian, medical and scientific causes. LVMH backs the Fondation des Hôpitaux de Paris – Hôpitaux de France, the non-profit Le Pont Neuf, Save The Children in Japan, the Robin Hood Foundation in New York that supports low-income families, the Fondation Claude Pompidou that supports elderly and people with disabilities, the Association Fraternité Universelle that strives to improve access to healthcare and education as well as develop agriculture in Haiti, and the Curie Institute that conducts research into childhood cancers.



The restoration of Notre-Dame de Paris cathedral began at the end of 2021 after a delicate rescue operation.



The Glass Menagerie, Tennessee Williams' first great stage success, is performed at the Théâtre de l'Odéon (2021).



The Louis Vuitton Foundation grooms the next generation of talent with the “Cello Class of Excellence”, directed by Gautier Capuçon.



LVMH once again supported the City of Paris for their 2021 edition of their Nuit Blanche night-time arts festival.





View of the Morozov Collection Exhibition at the Louis Vuitton Foundation, which attracted more than one million visitors (September 2021-April 2022).

## The Louis Vuitton Foundation

Since opening in 2014, the Louis Vuitton Foundation has captivated imaginations with the ground-breaking genius of its architect, Frank Gehry, and forged a place for itself as one of the foremost institutions in the global art scene, having already attracted nearly eight million visitors from all around the world. The Foundation helps to make art and culture accessible to as many people as possible. To support artistic creation in France and internationally, it curates temporary modern and contemporary art exhibitions, presents works from its own collection, and puts on multi-disciplinary events including concerts and recitals that look to promote young talents.

“The Morozov Collection. Icons of Modern Art” exhibition opened its doors on September 22, 2021. In partnership with the State Hermitage Museum (Saint-Petersburg), the Pushkin State Museum of Fine Arts (Moscow) and the State Tretyakov Gallery (Moscow), this landmark exhibition presents over 200 masterpieces from the French and Russian modern art collection of the brothers Mikhail Abramovitch Morozov (1870-1903) and Ivan Abramovitch Morozov (1871-1921). On display for the first time outside Russia, the Morozov Collection follows the presentation of the Shchukin Collection in 2017, which attracted a record 1.2 million visitors to the Foundation.

Set out across the various rooms within the building, the exhibition offers an original take on museology by bringing together a selection of iconic pieces that exemplify the emerging artistic modernity of the late 19th and early 20th centuries, with works by renowned artists including Manet, Rodin, Monet, Pissarro, Toulouse-Lautrec, Renoir, Sisley, Cézanne, Gauguin, Van Gogh, Bonnard, Denis, Maillol, Matisse,

Marquet, Vlaminck, and Derain alongside masters including Repin, Vrubel, Korovin, Golovin, Serov, Larionov, Goncharova, Malevich, Mashkov, Konchalovsky, Outkine, Saryan and Konenkov.

In light of the public’s enthusiasm for the exhibition, the Louis Vuitton Foundation decided to offer wider access to the collection by putting on Live Visits through a 360° online tour commented by a guide in real time and available to people all around the world. Given its success and the exceptional nature of the work on display, the exhibition has been extended. By end-January 2022, it had already attracted over 800,000 visitors.

In 2021, the Louis Vuitton Foundation continued its international “Outside the walls” traveling exhibition program in Munich and Tokyo, where Louis Vuitton spaces presented “Cao Fei” and “Gilbert & George”.

As with all LVMH entities, the Louis Vuitton Foundation is aware of its responsibilities, which is why it has very actively sought to promote the circular economy since 2019, supporting the French environment agency Ademe and ensuring it always reuses equipment and picture rails from its exhibitions.

By 2024, it plans to:

- Draft a charter to reduce the impact of managing its artwork, a set of responsible project rules and a responsible contractor charter.
- Produce a carbon report for each exhibition and strive to achieve zero unrecycled waste at the end of each exhibition.
- Use alternative, more environmentally friendly, materials.

THE GROUP AND ITS MAISONS  
*Driven by creativity*



*The LVMH Award*

**Nensi Dojaka wins the 2021 LVMH  
Award for Young Fashion Designers**

From the nine designers shortlisted for the LVMH Award, which shines a spotlight on emerging designers, the judges chose to recognize the work of Nensi Dojaka, the 27-year-old London-based Albanian designer behind the eponymous women's fashion brand. Since the first award was presented in 2014, it has received submissions from over 11,000 candidates from all four corners of the globe.



*Parfums Christian Dior*

**Le Château de  
la Colle Noire and the  
Beaux-Arts de Paris**

Since December 2021, Résonance, the sculpture created by Clarisse Aïn who won the first Dior de la Colle Noire Award, has been installed at Château de la Colle Noire. The exhibition was prepared as part of a chair entitled "Inhabiting the Landscape - Where Art Meets the Living World" at the Beaux-Arts de Paris art school sponsored by Parfums Christian Dior and initiated by Jean de Loisy, the director of the school.





### *Bulgari*

## The Area Sacra, an open-air museum in the making

The Area Sacra in Rome's Largo di Torre Argentina will for the first time be accessible to the public as part of an exceptional project, partially financed by Bulgari. It will boast a network of raised walkways, LED lighting and many paths accessible to people with disabilities to take visitors around the site.



### *Hennessy Award*

## Recognizing journalism and literature

Since 1987, the Hennessy Literary Journalism Award has recognized the commitment of literary journalists to share their passion and promote literature and its authors to a broader public. This year's award went to Marine Landrot, literary journalist for *Télérama* magazine. Hennessy deepened this commitment in 2020 with the creation of the Hennessy Book Award, which in 2021 was given to Mohamed Mbougar Sarr for his novel *La Plus Secrète Mémoire des Hommes* (The Most Secret Memory of Men).



*Fendi*

## Supporting Roman heritage

The Maison Fendi financed the restoration project of one of the most emblematic and historic places of the Italian capital—the Temple of Venus and Rome. Access for the general public has been made easier, while a new lighting system highlights the immensity as well as the fine details of an edifice that is made up of more than 200 columns of granite and marble.



*Loewe*

## Three years alongside the Ghibli Museum

The Loewe Foundation continues its commitment to supporting craftsmanship by becoming a patron of the Tokuma Memorial Cultural Foundation for Animation, and consequently the Ghibli Museum in Mitaka, Japan, until 2024, enabling it to pursue a range of cultural activities and exhibitions.





### *Moët Hennessy*

## Restoring the Tuileries Garden

As part of its extensive agenda of social and environmental initiatives, Moët Hennessy is a patron of the 11th edition of the Tous Mécènes! crowdfunding campaign organized by the Louvre, which it has supported for many years. This latest campaign aims to “re-green” and restore the Tuileries Garden.



### *Prix des Artisanas*

## Elevating style to a fine art

LVMH joined forces with the ELLE, ELLE à Table and ELLE Décoration magazines to create the Prix des Artisanas to recognize the exceptional savoir-faire of talented women artisans in craft métiers requiring exceptional skills in the fields of Fashion, Design, Wines & Spirits and the Preservation of French Heritage. Four prizewinners were selected: Janaína Milheiro (*Prix des Métiers* – Fashion), Manon Bouvier (*Prix des Métiers* – Design), Isabelle Roché (*Prix des Métiers* – Preservation of French Heritage) and Elise Bougy (*Prix des Métiers* – Food & Wine).



PART IV

# In finer detail

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# A demanding responsible purchasing policy

In an effort to continuously improve the way it controls non-financial risks, LVMH takes a responsible approach to managing its sourcing, which in particular includes assessing and supporting its partners and suppliers, who have pledged to uphold a set of common ethical, social and environmental rules.

## Expanding responsibilities

The role of buyers has changed considerably over recent years. Further to their role of controlling quality, cost management and sourcing deadlines, buyers must now monitor compliance with corporate social responsibility requirements. The Responsible Purchasing Committee brings together each Maison's buying managers, key sourcing channel managers and supplier relations managers to ensure environmental and human rights commitments are fulfilled. They also initiate any necessary actions and share best practices throughout the Group.

## Reducing the Group's footprint

The Purchasing Department works hand in hand with the Environment Department to reduce the direct and indirect impact of the Group's operations. For example, 94% of greenhouse gas emissions generated by the Group fall within scope 3 (raw materials, purchases, transportation, waste, product usage and end of life). The Group works with suppliers to take targeted action on various stages of the product life cycle. To implement solutions faster, the Group also collaborates with startups to develop alternative materials

and disruptive packaging, and is involved in creating new, more sustainable channels to source raw materials.

## Protecting those who work far upstream

The Group endeavors to structure and improve working conditions for people involved in its supply chain, everywhere it operates. For example, LVMH has, for many years, taken part in the Utthan initiative, which brings together major purchasers in the luxury industry to recognize the

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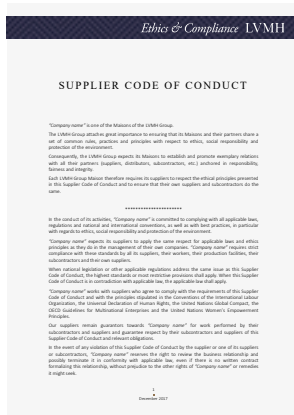
## Moët Hennessy and the Global Proximity program

Four years ago, Moët Hennessy launched the Global Proximity program to encourage key suppliers to invest in the area surrounding the Group's production sites in Champagne, Scotland, Cognac and Argentina to minimize transportation needs. To date, over 6,300 metric tons of CO<sub>2</sub> equivalent have been avoided as a result.

## The Coloured Gemstones Working Group

Working with suppliers and others in the market, LVMH joined the Coloured Gemstones Working Group (CGWG); led by sustainability advisory firm The Dragonfly Initiative, to collectively improve the sourcing conditions of colored gemstones. In 2020, the CGWG developed a gemstones and jewelry community platform, which can be used by the Group's Maisons.

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## The Supplier Code of Conduct

The Supplier Code of Conduct sets out the Group's expectations with regard to its partners in a range of areas including social responsibility, human rights, the environment, anti-corruption and more generally, ethical business conduct. It also states that suppliers working with LVMH and its Maisons are responsible for the work carried out by their own sub-contractors and suppliers, especially with respect to the principles outlined in the Code.

In 2021, work began to revise and update the Code, in collaboration with the various stakeholders concerned, including the Legal, Ethics & Compliance, HR, Purchasing and Environment departments. The revised Code will be published in 2022.

expertise of embroiderers in Mumbai, India, where many embroidery factories work with the Group's Maisons. The initiative also includes deploying a training program for the embroiderers in the region. In 2021, the audit scoring grid and levels of compliance were revised to align them with India's new regulations.

Elsewhere, in Madagascar, where the wild longoza flower—an essential ingredient in the Dior Capture range—grows, flower pickers enjoy advantageous employment policies and special training programs. More generally, LVMH is currently working to draw up a Fair Wage policy, which would apply both within the Group and beyond. The principles of this policy will be made public in 2022.

## Moving forward together

The Group believes that it is of the utmost importance that its Maisons and their partners share the same common foundation of ethical principles and rules of conduct with respect to social and environmental responsibility. That is why LVMH positions the need to provide support to suppliers as a strategic priority, in order to foster long-term relations built on the same vision of excellence. This inherently requires compliance with charters, standards and process audits.

If a supplier assessment identifies a breach in compliance with respect to the requirements set out in the Group's standards, LVMH works with the company to implement corrective actions without prejudice. Suppliers are

encouraged to undergo the process to achieve certification of either ISO 14001 (environmental management system) or ISO 45001 (occupational health and safety management system). The Group involves suppliers in the assessment process and supports them to adopt better working or production procedures, and more socially and environmentally responsible practices. Training and upskilling suppliers opens many opportunities for the Group's Maisons to reinvent their relations with partners and sub-contractors, and to involve them in the LVMH CSR strategy and to develop new solutions together.

To succeed in this effort, buyers themselves undergo training, including responsible purchasing courses that take place within

## Group Maisons providing training to suppliers and buyers

In October 2021, seven Maisons (Berluti, Fendi, Givenchy, Loro Piana, Louis Vuitton, Acqua di Parma and Bulgari) came together to implement an online training course for 25 site managers working for suppliers in Italy. In December, 10 Maisons (Moët Hennessy, Berluti, Celine, Fendi, Givenchy, Loewe, Louis Vuitton, Bulgari,

Parfums Christian Dior and Sephora) did the same for 65 site managers working for suppliers in China. The courses covered human rights, health and safety, the environment and anti-corruption.





## The LVMH Vigilance Plan

In response to the requirements of the French corporate duty of vigilance law, which states that parent companies have an obligation to prevent social, environmental and governance risks related to their activities, and the Sapin II law, the components that form the Group's Vigilance Plan are set out in the cross reference tables published at the end of the Management Report of the Board of Directors included in the LVMH 2021 Universal Registration Document, available on the Group's website.

the Maisons, as well as a Group-wide responsible purchasing course that will be rolled out in 2022.

### Demanding transparency

Certain suppliers of raw materials and components are of particular strategic importance to the Group. As part of a collaborative and participative approach, the Maisons actively support these partners, thereby enhancing transparency within the supply chain. As part of the listing process, suppliers first and foremost undergo a comprehensive in-depth assessment. As is the case with Loewe, the Maisons, the Maisons send potential suppliers highly detailed pre-listing questionnaires.

They then carry out audits to verify suppliers' claims, and increasingly often, direct suppliers (level 1 and over) also see their sub-contractors audited so as to ensure they comply with the requirements of the Supplier Code of Conduct. The vast majority of audits cover HR considerations (such as health and safety, working conditions, child labor, decent wages, working hours, discrimination, freedom of association, the right to strike and anti-corruption) as well as environmental considerations (including environmental management systems, water usage and pollution, emissions and air pollution, chemical management, waste management and raw materials usage). Each year, hundreds of companies are visited by the various purchasing departments throughout the Group to ensure they uphold these principles.

“

*Responsible purchasing means upholding the LVMH Group standards with respect to its social, ethical and environmental commitments. Buyers must therefore monitor the performance of every link in the supply chain, in accordance with the Group's social and environmental strategy.”*

MOHAMED MARFOUK  
*Operations Director at LVMH,  
Head of Purchasing*

## The Responsible Beauty Initiative

The Group's Perfumes & Cosmetics Maisons joined the Responsible Beauty Initiative coordinated by EcoVadis to develop action plans to suit the challenges of the industry. They are also involved in the Responsible Mica Initiative, which seeks to pool the resources of various organizations in the industry to guarantee acceptable working

conditions throughout the mica supply chain by 2022. The Indian mica supply chain map, initiated in 2015 and followed by an audit program tracing the mineral back to the mine, enables them to cover over 80% of supply.

Certain Maisons even go as far as to speak directly with the employees of their suppliers to gauge their opinion of their own working conditions. These surveys, which are conducted anonymously through an instant messaging mobile app, serve to highlight practices, such as forced labor or bullying, that cannot be detected during an audit. If, following an audit, a supplier does not put in place a corrective action plan or does not meet the Group's expectations in any way, the decision may be taken to put an end to the relationship. The Maisons terminated 17 contracts in this way in 2021.

### The LVMH convergence program

Well over 80% of all the Group's direct purchases are made in Europe. As part of the comprehensive supplier risk assessment process, the Group put in place a Convergence program, which covers three main courses of action. The first involves identifying and mapping the most serious risks, with help from Verisk Maplecroft, a leading research firm specializing in global risk analytics. A variety of factors and

indicators beyond the standard risk levels are assessed through an approach that is broken down by both geographic region and business segment. These findings are cross-referenced with the quantitative data provided by the Maisons. Then, suppliers are ranked by criticality level, which serves to measure the potential risk across the Group's supply chain. The second course of action requires suppliers identified as high risk to be assessed using the EcoVadis methodology. Suppliers are contacted and undergo assessment remotely to evaluate their ethical, social and environmental performance by collecting data, carrying out external monitoring and conducting internet searches. The third course of action involves carrying out audits on site and working with the suppliers concerned to put together a corrective action plan that is monitored by the relevant buyer within the Group. The Maisons work collaboratively with suppliers, supporting them to conduct new audits and roll out the remediation plan.

To carry out and monitor audits, LVMH has developed its own platform – LVMH Sustainable Sourcing – which serves to

identify and manage the risks inherent to the Group's operations so as to make even more detailed and accurate assessments and implement even more effective corrective actions with its suppliers.

### LVMH Métiers d'Art

In order to protect and develop the access of the LVMH Group's Fashion & Leather Goods companies to essential raw materials and expertise, LVMH Métiers d'Art supports the best suppliers over the long term and invests in the most strategic activities. As such, LVMH Métiers d'Art is present in the leather, crocodile, metal parts and silk industries on five continents, including the Roux tannery in France, the Heng Long tannery in Singapore, and crocodile farms in the United States and Australia. LVMH is also present in the eyewear business with the Thélios production unit in Italy.

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### Tiffany & Co. and responsible mining

**T**iffany & Co. is determined to improve mining standards across the world. The Maison's diamond sourcing requirements go above and beyond the obligations set out in the Kimberley Process (which certifies stones are not conflict diamonds) and obliges its suppliers to follow the Diamond Source Warranty Protocol.

### The Action for Sustainable Derivatives Initiative

**T**he Group's Perfumes & Cosmetics Maisons also joined the Action for Sustainable Derivatives Initiative, which strives to enhance traceability as well as improve practices and conditions in the supply chain for palm oil derivatives.

54 *pts*

the average score of suppliers assessed (compared with 44 pts on average for EcoVadis overall)

1,512

audits (excluding EcoVadis assessments) carried out at 1,201 suppliers and sub-contractors (compared with 1,325 in 2020)

78 %

of audits cover social and environmental considerations, 17% cover social considerations only, and 5% cover environmental considerations only

+1,450

suppliers were assessed using the EcoVadis methodology in 2021. 66% of suppliers were reassessed and 72% of them improved their score between the first and second evaluation

5 %

of suppliers audited did not meet the standards set by the Group in 2021

1/4

of audits conducted in 2021 on suppliers that had already been audited in previous years

### Supplier breakdown\*

	Europe	North America	Japan/Asia	Other
By volumes purchased	63%	20%	15%	2%
By number	73%	13%	11%	3%
Breakdown of audits	67%	1%	28%	4%

\*Given the economic disruption experienced in 2020 and 2021, the data presented above reflect the situation in 2019.

### Breakdown of direct purchases by region and by business segment

	Europe	North America	Japan/Asia
Wines & Spirits*	89%	6%	5%
Fashion & Leather Goods	93%	3%	4%
Perfumes & Cosmetics	71%	10%	19%
Watches & Jewelry	92%	4%	4%

\* Data reflecting direct purchases excluding grapes.



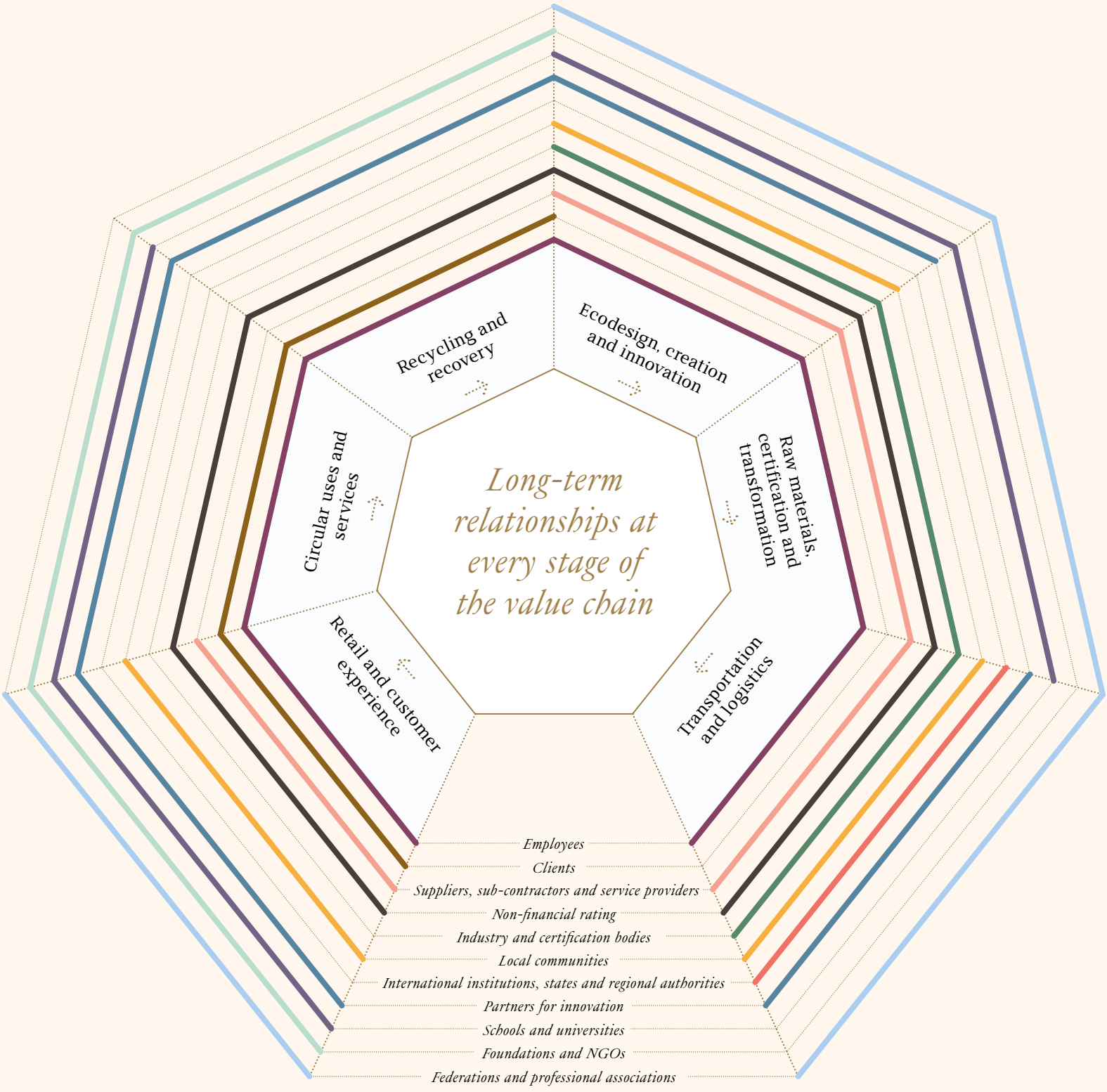
# Working hand in hand with stakeholders

Underpinned by ambitious objectives, the LVMH Group roadmap was developed in close consultation with all participants at each stage of the value chain and addresses all pertinent social, environmental and ethical topics.

This responsible approach, which truly respects the environment, upholds ethical conduct, and safeguards employees and their health, first and foremost requires constructive dialogue and collaboration with all stakeholders. Initiated many years ago, this approach combines the challenges facing society today with the Group's core business, through declarations and actions, as well as the statements made to employees within the Group, and to the wider world. Such high standards take on their full meaning when it comes to responding to the environmental and social challenges of the day, which have been aggravated in recent times, in particular as a result of the worldwide pandemic. Eschewing simple intentions, LVMH puts in place a series of concrete actions.

Centered around shared objectives, constructive dialogue is held all throughout the year with states, institutions, local authorities, as well as many universities, schools, laboratories, foundations and service providers. Contributing to more global thinking, the Group also assumes an active and significant role in major international events. In 2021, LVMH made its voice heard alongside that of UNESCO's and many of its partners at COP 26 in Glasgow, the IUCN World Conservation Congress in Marseille and the China International Import Expo conference in Shanghai.

As a catalyst of sustainable innovation, a key player driving ethical transformation and improved environmental and social practices, LVMH views its stakeholders as fully fledged partners working on projects hand in hand.



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*Foundations and NGOs*

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15% Pledge  
100 chances 100 emplois  
AAPI Women Lead  
Adecco Foundation  
ADELA Foundation  
Accompagner la réalisation des projets d'études de jeunes élèves et étudiants handicapés (Arpejeh)  
AIDES  
Al Jalila Foundation  
Ali Forney Center  
APHP  
Asian American Business Development Center  
Asian American Legal Defense and Education Fund  
Asian Americans Advancing Justice  
Association Arcat  
Association conservatoire de l'abeille noire bretonne de l'île d'Ouessant  
Association de gestion du fonds pour l'insertion des personnes handicapées (Agefiph)  
Association Ela  
Association française des managers de la diversité (AFMD)  
Association Française du Vitiligo  
Association Les Compagnons du Devoir et du Tour de France  
Associazione AGAPE Onlus  
Associazione Dynamo Camp Onlus  
British Heart Foundation  
Cancer Society  
Cap Emploi  
Casa 93  
Charlize Theron Africa Outreach Project (CTAOP)  
City Harvest  
Coat Drive  
Croix-Rouge  
Collège des Directeurs du Développement durable (C3D)  
Dalma Forming Foundation  
Daughters of Tomorrow

Dress for Success  
Emmaüs  
Fabrique Nomade  
Les Flâneries Musicales de Reims  
Fondation Epic  
Fondation des Femmes  
Fondation Randstad  
Free Arts NYC  
Fundación A LA PAR  
HandsOn Hong Kong  
Hate Is A Virus  
HBCU First  
Hetrick-Martin Institute  
Hispanic Federation  
Honey Shine  
Hôpital Robert-Debré  
INJA (Institut National des Jeunes Aveugles)  
La Cartonnerie  
La Cravate Solidaire  
Ligue Contre le Cancer  
LILT  
Little Ones  
Look Good Feel Better Foundation  
Lower Eastside Girls Club  
MAG Jeunes LGBT+  
Marcus Graham Project  
Mother Choice  
NAACP Legal Defense Fund  
National Coalition on Black Civic Participation  
National Hispanic Corporate Council  
Nos Quartiers ont des Talents  
Observatoire de la responsabilité sociétale des entreprises (ORSE)  
Observatoire français d'apiculture  
Odyssea  
Octobre Rose  
One Hundred Black Men of NYC  
Only Watch  
Pôle Emploi  
Redress  
ReGeneration  
Restos du Cœur

Runway of Dreams Foundation  
Save the Children  
Science Based Targets Initiative  
Shanghai United Foundation  
Spanish Association Against Cancer  
Special Olympics  
Step 30  
Stop Asian Hate  
The Prince's Trust  
The Women's Association  
Toys for Tots  
UNESCO  
UNICEF  
United Way of NYC  
Viensvoirmontaf

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*Schools and universities*

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Accademia dei Mestieri Loro Piana (Loro Piana)\*\* \*\*\*  
Accademia Massoli (Fendi)\*\*  
Académie de formation technique interne (Rossimoda)\*\*  
Académie du savoir-faire (Berluti)\*\* \*\*\*  
Accademia Alta Sartoria Massoli (Fendi)\*\* \*\*\*  
AFPA  
AgroParisTech et fondation ParisTech  
Arts et Métiers ParisTech  
Asian University for Women (AUW)  
Avize Viti Campus\*\*\*  
Bee School  
Belmond Academy  
Bocconi Milan  
British School of Watchmaking  
Budapest Corvinus University  
Campus d'excellence des métiers d'art et du design de Paris  
Cà Foscari Challenge School  
Celine Production's Leather Goods Internal Schools\*\*



Centoform  
Central Saint Martins College of Arts & Design  
CPRO Stephenson\*\*\*  
Chandon Argentina University (Estate & Wines)\*\*  
Compagnons du Devoir\*\*\*  
Diadema Academy  
École Boucicaud (Le Bon Marché)\*\*  
École Centrale Paris  
École des Savoir-Faire Maroquiniers et École des Savoir-Faire\*\*  
"École des Savoirs" project in Épernay (Moët & Chandon/Ruinart)\*\*  
École Duperré Paris\*\*\*  
École Ferrières  
Hublot watchmaking school\*  
LVMH watchmaking school (TAG Heuer and Zenith)\*\*  
École Hôtelière de Lausanne  
École Internationale de Marketing de Luxe Paris (EIML)  
École Internationale Tunon de Genève  
École Normale Supérieure de ParisÉcole Polytechnique Fédérale de Lausanne  
École 42  
École Supérieure Européenne de Packaging  
École supérieure Sainte-Anne de Pise  
École Thermale du Stress  
EDHEC  
EIML Paris\*\*\*  
EM Lyon  
EMA SUP\*\*\*  
Ensaama (École nationale supérieure des arts appliqués et des métiers d'art)  
ENSAM  
ESCP  
ESSEC  
EXCELLhanCE  
Fashion Institute of Technology  
FERRANDI\*\*\*  
Fine watchmaking workshop (Bulgari)\*\*  
Florida International University  
Fondazione Mani Intelligenti

Fondazione Setificio\*\*\*  
ForAl\*\*\*  
Fudan University School of Management  
Galdus Formazione (Milan)\*\*\*  
Grenoble École de Management  
GRETA  
Haute École de Joaillerie\*\*\*  
HBCUs (Historically black colleges and universities)  
HEC Lausanne  
Hong Kong Art Center  
HEC Paris  
IAE Gustave Eiffel  
IcamIMD Business School  
Inescop  
Institut des Métiers d'Excellence LVMH\*  
Institut Français de la Mode\*\*\*  
Institut Marangoni  
Institut Supérieur Technique  
International Reference Center for Life Cycle of Products, Services and Systems (CIRAIG)  
Institut Français de la Mode  
Imperial College of London  
ISEM Fashion Business School (Université de Navarre) en Espagne  
ISIPCA\*\*\*  
Iuav University of Venice  
IUT d'Orléans\*\*\*  
La Chance pour la diversité dans les médias  
La Fabrique  
La Sorbonne Nouvelle - Paris 3\*\*\*  
Les Roches International School of Hotel Management  
LIVE - L'institut des Vocations pour l'Emploi  
London Business School  
LUISS Rome - MINES ParisTech  
Lycée professionnel Madeleine Vionnet  
Make Up For Ever Academy\*\*\*  
Metal hardware maker Renato Menegatti  
NEOMA Business School  
New Designers  
Parson Paris  
Parsons New School for Design New York

Polimoda\*\*\*  
Politecnico Calzaturiero\*\*\*  
Politecnico di Milano  
Politecnico di Torino  
Raffles Design Institute Riyadh  
Rigides (Louis Vuitton)\*\*  
Royal College of Art London  
School of Leather Craft (Loewe)\*\*  
Sephora University\*\*  
Sichuan International Studies University  
Singapore Management University  
Tessile Abbigliamento Moda  
Thurgood Marshall College Fund (TMCf)  
University of Alabama  
Università di Bologna  
Università Cattolica del Sacro Cuore, Milan  
University of Columbia  
University of Fudan  
University of Miami  
Université de Paris Dauphine  
Université de Saint-Gall  
Vienna University of Economics and Business

*\* The main schools and training academies belonging to the LVMH Group*

*\*\* The main schools and training academies belonging to the Maisons*

*\*\*\* The main partners of the LVMH Institut des Métiers d'Excellence and the Maisons for apprenticeship*

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*Partners for innovation*

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Association Orée  
Business for Social Responsibility (BSR)  
Canopy  
CEEBIOS  
Coloured Gemstones Working Group (CGWG)  
Comité interprofessionnel du vin de Champagne (CIVC)  
Cosmetic Valley  
Enedis

European Brands Association AIM

Entreprises engagées pour la nature – act4nature France

Fédération des Entreprises de la Beauté (FEBEA)

Flower Gems of India

Fondation Solar Impulse

Forest Stewardship Council (FSC)

Institut National de Recherche pour l'Agriculture, l'alimentation et l'Environnement (INRAE)

Institut de liaisons des entreprises de consommation (ILEC)

Leather Working Group (LWG)

LinkedIn

LVMH & Central Saint Martins | Sustainability & Innovation in Luxury | Fostering Creativity

Responsible Jewellery Council (RJC)

Roundtable on Sustainable Palm Oil (RSPO)

Southeast Asian Reptile Conservation Alliance (SARCA)

Station F et Maison des Startups

Sustainable Fibre Alliance (SFA)

Textile Exchange

Union française de la bijouterie, joaillerie, orfèvrerie, des pierres et des perles (UFBJOP)

Zero Discharge of Hazardous Chemicals (ZDHC)

*International institutions, states and regional authorities*

UN (signatory of the Global Compact)

Paris Action Climat

French national emergency aid package for the Amazon

Regions: Toscane and Veneto

UNESCO

UNICEF

European Union

Parisian suburbs: Clichy-sous-Bois and Montfermeil

*Local communities*

Beekeepers

Comité de Viticulture (Cognac region)

Floriculture production companies in Tamil Nadu (India)

Farmers and shepherds in Mongolia (cashmere)

Farmers and local communities in Peru for the protection of vicuñas

Farmers in Africa (crocodiles)

Miners in the regions concerned

*Industry and certification bodies*

Competent authorities in the various regions

*Suppliers, sub-contractors and recycling service providers*

Farmers

Livestock farmers

Companies in the sheltered employment sector

Packaging industry

Textile industry

Mining industry

Grape suppliers

CEDRE (Centre Environnemental de Déconditionnement, Recyclage Écologique)

Tanners

*Non-financial rating*

*Investors and asset management:*

Non-financial rating agencies and SRI index managers

CDP

FTSE4Good (FTSE Russell)

Global Child Forum

ISS

MSCI

Open Corporation

SAM S&P Global

Solactive

Sustainalytics

Vigeo Eiris (Moody's)

*Supplier assessment:*

EcoVadis

Sedex (Supplier Ethical Data Exchange)

# A certified and recognized strategy



As a signatory of the UN Global Compact, LVMH submitted its Communication on Progress (CoP) in August 2021 for the GC advanced level.

## Indices and Sustainability ratings



Moody's ESG Solutions

LVMH has been included in the CAC 40 ESG since its creation.  
LVMH has been included in the Euronext Vigeo Eurozone 120 index since it was launched in 2013.  
In August 2020, LVMH was ranked in the TOP 5 by Moody's ESG Solutions for the Luxury Goods & Cosmetics segment, with a rating of 67/100.



In January 2021, FTSE Russell gave LVMH a rating of 4.4/5.  
In January 2021, LVMH was confirmed as a member of the FTSE4Good Global 100.



In November 2021, LVMH was rated A (on a scale from AAA to CCC), for the Textiles, Apparel & Luxury Goods segment.\*  
At the end of 2021, LVMH was once again included in the MSCI World, Europe, Euro and France indices.

\* Read the MSCI disclaimer: [www.msci.com](http://www.msci.com)



In March 2022, Sustainalytics considered LVMH as presenting the lowest risk of major financial impact from ESG matters and gave the Group a rating of 12.4.



In 2022, LVMH was shortlisted for the *Workforce Transparency Awards*, and in March received a special mention in the "Most Transparent" category.



In February 2022, S&P Global published the 2022 edition of its Sustainability Yearbook, in which LVMH was included as a Sustainability Yearbook Member.



In April 2021, the consulting firm Axylia gave LVMH an A rating for its Score Carbone®, which assesses the ability of the top 40 listed French companies to offset the impact of the CO<sub>2</sub> emissions generated through their operations, on a scale from A to F.



In December 2021, LVMH was rated A- by the CDP with respect to Climate Change 2021, Forests 2021 and Water Security 2021, respectively.



In March 2022, LVMH ranked 3<sup>rd</sup> in a list of 604 companies analyzed by Open Corporation, with a score of 83/100.



In November 2021, as part of its report into "The State of Children's Rights and Business 2021", which assesses the policies put in place by the world's largest companies to defend and promote children's rights, the Global Child Forum awarded a score of 7.4/10 to the LVMH Group, categorizing it as an "Achiever".

## Employer rankings



For the 17th consecutive year, LVMH topped the Universum France ranking of most attractive employers among students from business schools, published in April 2021.  
In 2021, for the 3<sup>rd</sup> consecutive year, LVMH headed the Universum France ranking for experienced managers who graduated from business schools. LVMH also ranked 4th among experienced managers who graduated from top engineering schools.



In 2021, LVMH ranked 3<sup>rd</sup> for the Textiles & Apparel segment by the Refinitiv Diversity & Inclusion Index that ranks the top 100 organizations with the most diverse and inclusive workplaces.



# 2021 social indicators

Transparent with regard to its performance, LVMH produces a series of indicators each year in connection with its social responsibility policy, structured by four major pillars, covering the Group's six business sectors.

		Group
<b>Respecting each one's dignity and individuality</b>		
<b>Raising awareness and training on the importance of non-discrimination</b>		
Human resources	53%	
Recruiters (over the last three years)	72%	
Managers	52%	
<b>Maisons that have implemented initiatives to promote equality, recruitment, retention and career development of:</b>		
Women	78%	
People with disabilities	73%	
Seniors	50%	
People from the LGBT+ community	57%	
<b>Supporting the safety and well-being of employees</b>		
Employees with access to a doctor through work	74%	
Employees covered by an employee representative body and/or a union	100%	
Employees covered by the LVMH Heart Fund	100%	
Employees able to take advantage of adaptations and special measures to better promote work-life balance (right to disconnect, etc.)	95%	
Maisons that have introduced flexible working hours (part-time working, remote working, returning to work part-time, etc.)	85%	
Employees covered by a body that is representative of the staff and/or their trade unions	41%	
<b>Commitments set out in the Health &amp; Safety Policy</b>		
Maisons that have established a health and safety approach	72%	
Maisons that review the health and safety approach regularly	94%	
Maisons whose Management Committee analyze their health and safety performance once a year	84%	
All employees trained in risk prevention and first aid	21%	
Each Maison organizing an annual day promoting health, safety and quality of life at work	100%	
<b>Transmitting our World heritage's savoir-faire</b>		
Maisons that have implemented a structured policy to safeguard and pass on key skills	69%	
Maisons that have developed a structured training policy to meet future needs (digitalization, artificial intelligence, innovation, collective intelligence, etc.)	65%	
Maisons with their own internal crafts school (excl. IME) and/or structure specializing in passing on critical or emerging savoir-faire about their crafts	37%	
<b>Committing to a better society</b>		
Partnerships established by the Maisons	575	
Employees involved	29,837	
Financial donations	€45.9m	
People helped	765,783	

LVMH  
In finer detail

Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities
70%	49%	54%	44%	58%	56%
83%	64%	84%	89%	82%	67%
47%	53%	40%	59%	56%	63%
76%	80%	90%	86%	100%	43%
60%	87%	70%	100%	75%	71%
48%	60%	50%	43%	75%	29%
48%	67%	60%	86%	100%	14%
88%	72%	60%	66%	81%	98%
100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%
75%	98%	100%	92%	100%	47%
76%	87%	100%	86%	100%	86%
73%	51%	42%	26%	26%	62%
74%	32%	74%	95%	100%	99%
86%	94%	97%	100%	89%	99%
86%	92%	31%	100%	100%	59%
38%	8%	18%	61%	19%	1%
100%	100%	100%	100%	100%	100%
60%	80%	70%	100%	75%	43%
52%	67%	70%	100%	100%	43%
28%	67%	10%	57%	25%	29%
129	146	128	101	40	31
5,330	8,314	6,904	1,691	4,908	2,690
€27.2m	€6.4m	€3.2m	€2.3m	€0.7m	€6.1m
55,261	35,194	416,158	3,680	253,192	2,298

## 2021 Social indicators

# Methodology

The LVMH Group has been consolidating its labor indicators since 2001, covering areas such as employment, remuneration, hygiene, occupational safety, training and professional relations. These indicators are published in the chapter on workforce-related information in the Universal Registration Document, in accordance with regulatory requirements, including in particular article 116 of France's "New Economic Regulations" of May 15, 2001, which calls for listed companies to communicate the environmental and social impact of their operations, and the Grenelle II Law, along with the Decree of April 24, 2012.

They are also published in the present Group Corporate Social and Environmental Responsibility Report. These indicators are verified by one of our statutory auditors, an independent third party, to provide a reasonable level of assurance. The opinion expressed by the independent verifier is published in the Universal Registration Document.

### Protocol

All the principles regarding the calculation and consolidation of quantitative and

qualitative data are defined in the LVMH workforce-related reporting protocols, which are updated annually by the Talent Management and Social Responsibility divisions within the Human Resources Department.

### Scope

The reporting scope covered by this process is based on the financial consolidation scope

75 Houses	
80 countries	948 entities

provided by the Group Finance Department. Reporting on the labor indicators covered the following scope in 2021: There are two conditions Maisons must meet in order to be included within the

scope of the social report: they must have produced at least 12 monthly reports and employ more than two people.

### Group workforce

The employee numbers published below cover all entities consolidated on December 31, 2021, including the Group's share in joint ventures, with the exception of certain companies that joined the Group within the last 12 months. The other labor indicators are calculated across a scope of 948 organizational entities covering more than 99% of the global workforce and integrating people employed by the Group during the last financial year, including in joint ventures.

99%

Quantitative  
data

99% in 2020

99%

Qualitative  
data

97% in 2020

### Reporting tool and methodology

The quantitative report is prepared using a web-based tool consisting of two kinds of questionnaires:

- A monthly workforce questionnaire
- An annual questionnaire in English and French consolidating all reporting data

The data are then checked and automatically consolidated by a system that has a variety of control and warning mechanisms (consistency problems, alerts, abnormal data and unit issues, etc.).

Qualitative reporting is prepared on the basis of a questionnaire sent to the Maisons' Human Resources departments.

### Internal and external assessments

For the 2021 social reporting, the LVMH Group tasked an independent third party to audit a selection of the indicators published in the Universal Registration Document, as part of the standard statutory auditing process.

The aim is to:

- Ensure the reporting framework (including the procedure and instructions provided at Group and subsidiary level) complies with international standards for assurance on non-financial information (ISAE 3000).
- Assess the way in which Group- and

subsidiary-level procedures and instructions are deployed and applied by those involved to organize the social information reports.

- Test certain social data across a representative sample of entities and ensure they correctly feed into the system in place to consolidate subsidiary data at Group level. The list of companies audited as well as the audit schedule is communicated at a later date by the statutory auditors.
- Provide an independent opinion on the LVMH Group scope.
- Offer observations (areas of improvement or progress) and recommendations to improve the reporting process.

### Workforce-related information considered to be the most important

**Employment:** breakdown of total workforce by type of contract, job category, turnover, absenteeism and outsourcing.

**Compensation:** personnel costs and their year-on-year changes, wage scale.

**Occupational health and safety:** workplace accidents, occupational illnesses, investment to improve safety and working conditions.

**Training:** training budget and the balanced allocation by job category, business segment and region.

**Business relations:** review of collective bargaining agreements.



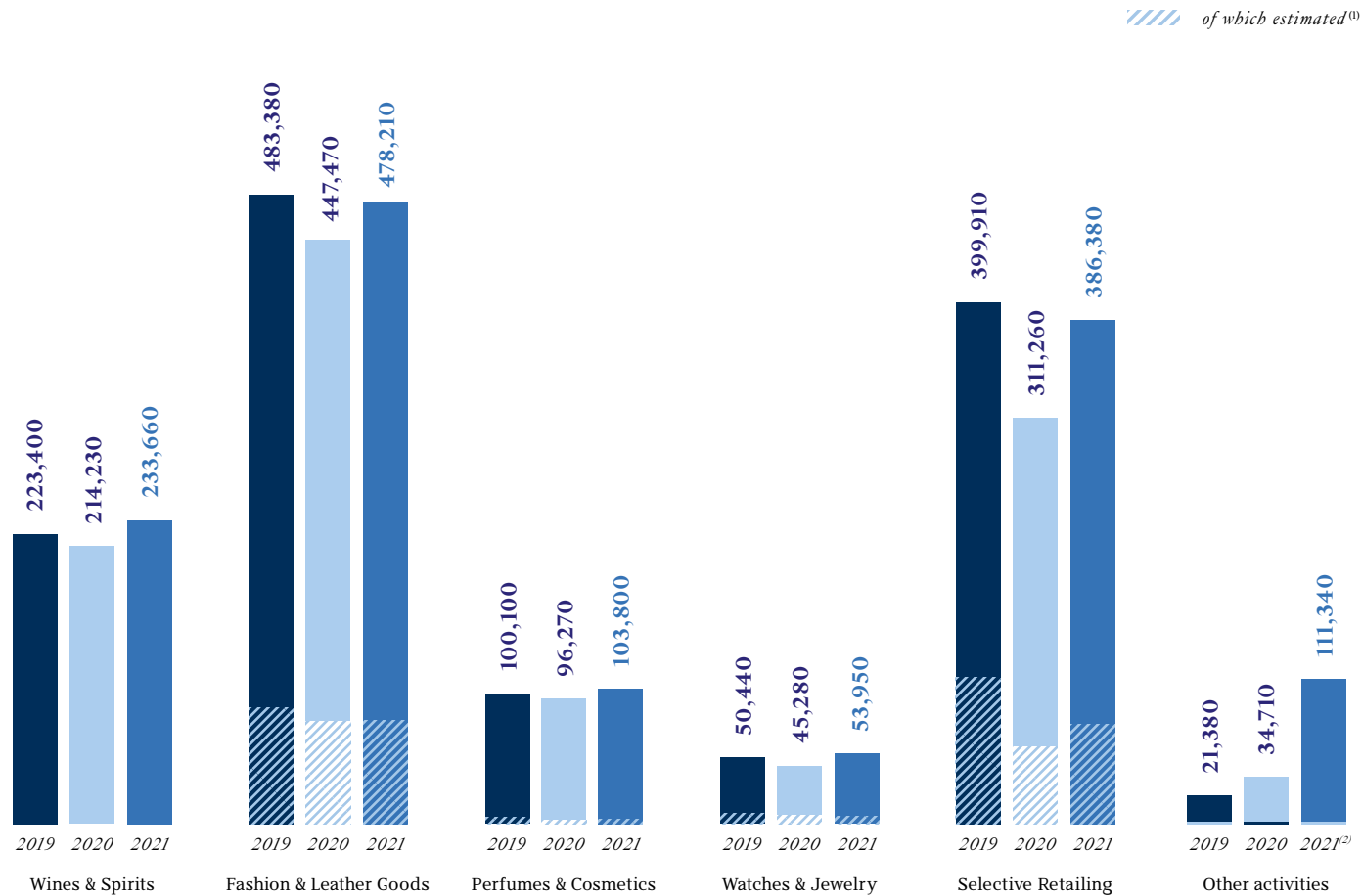
# 2021 environmental indicators

## Energy

Energy consumption (in MWh)

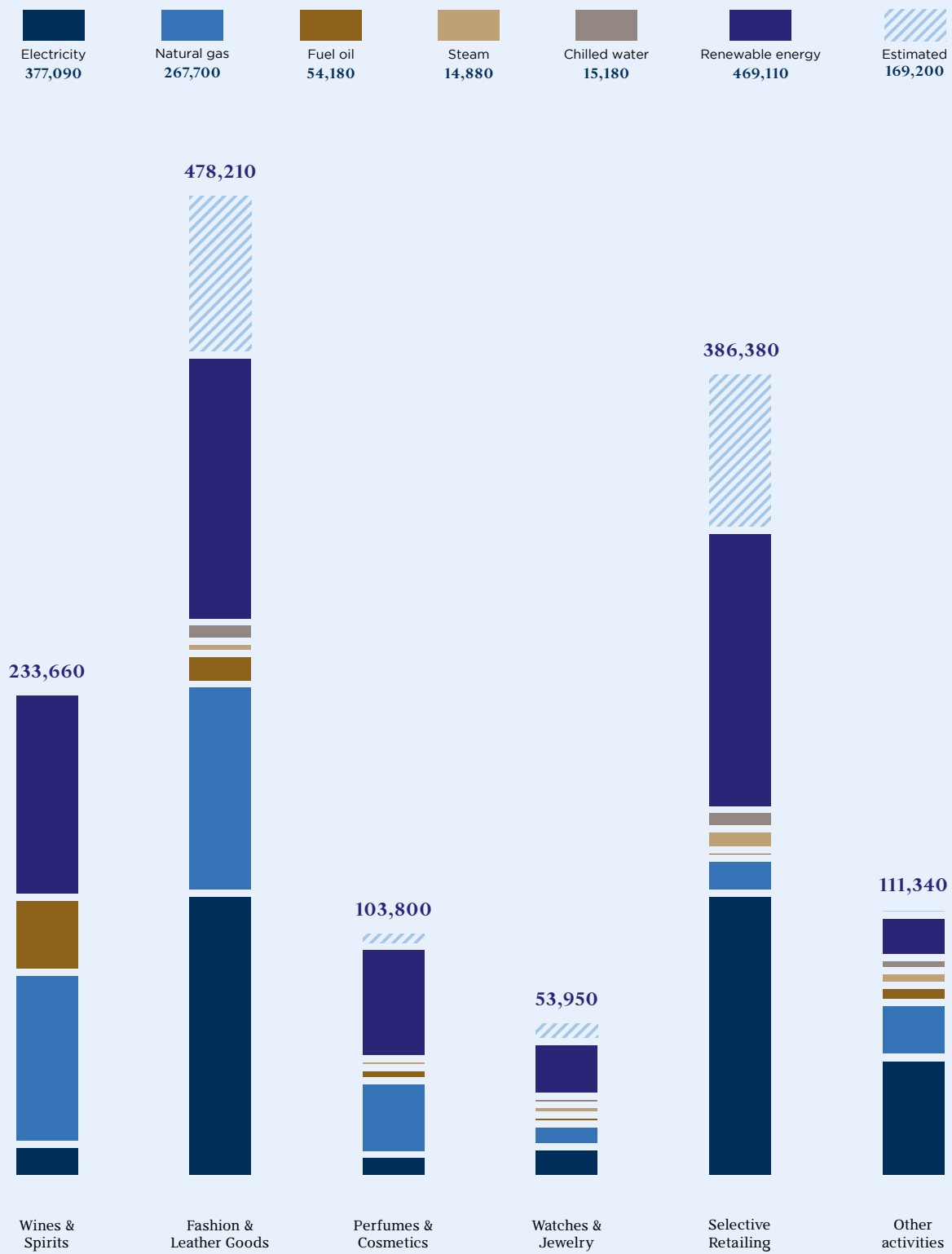


Change in energy consumption by business group (in MWh)



(1) 26% of retail space is not included in the consolidated figures for energy consumption indicators. To include this space, an estimate is made on the basis of the actual data for the 74% of total retail space covered.  
(2) Change related to the integration of Belmond's activities in the reporting scope.

Energy consumption by business group and by source (in MWh)

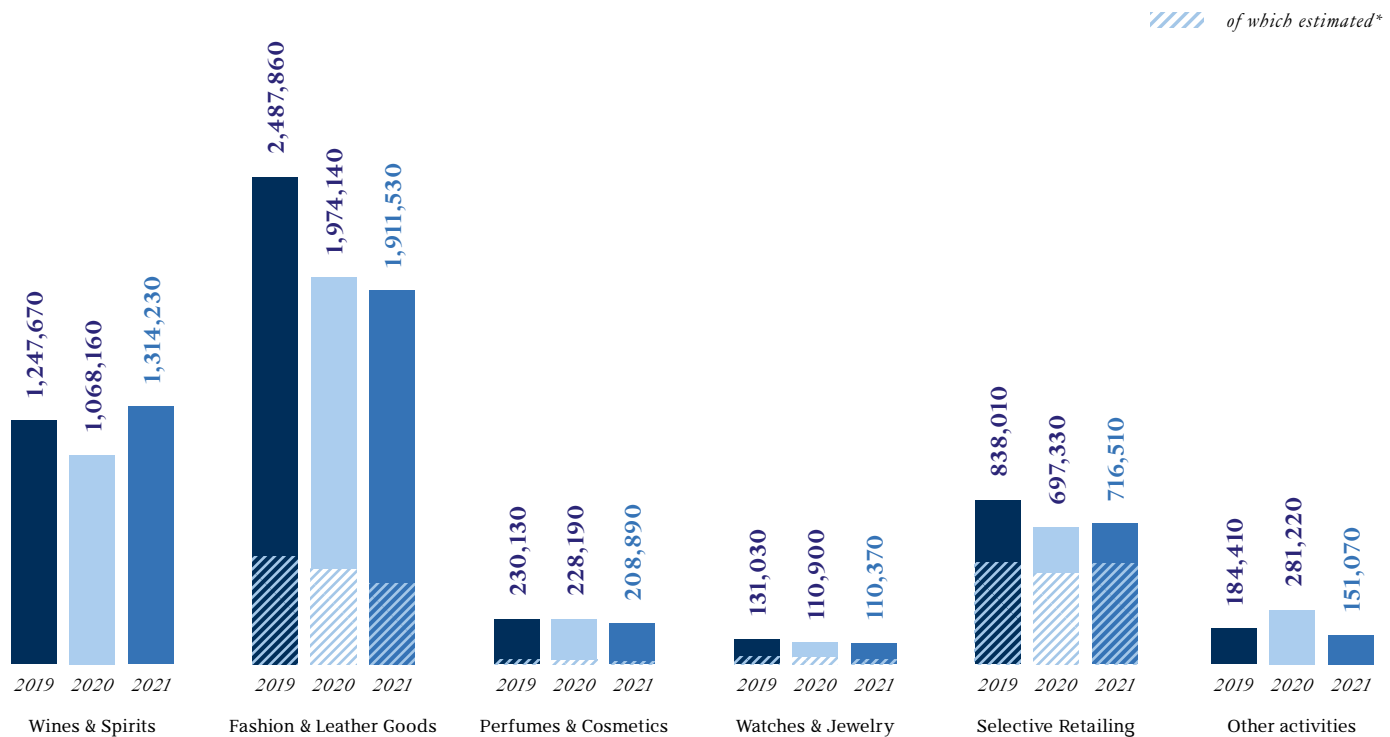


## Water

### Group water consumption for “process” purposes (*in m³*)

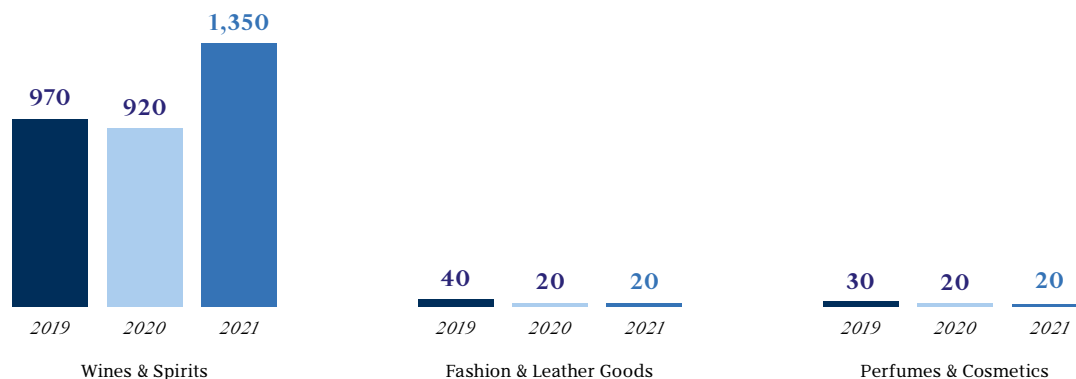


### Change in water consumption by business group for “process” purposes (*in m³*)



\*80% of retail space is not included in the consolidated figures for the water consumption indicator. To include this space, an estimate is made on the basis of the actual data for the 20% of total retail space covered (some DFS stores and Le Bon Marché).

### Chemical oxygen demand after treatment (*in metric tons per year*)



## CO<sub>2</sub>

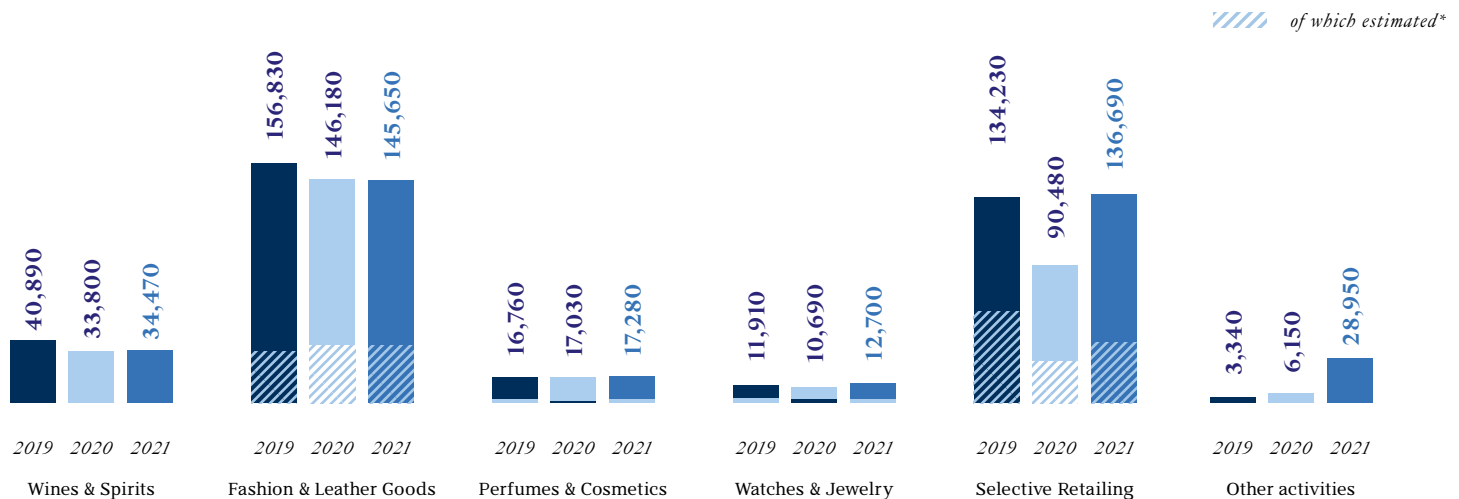
Change in greenhouse gas emissions (scopes 1 & 2, in metric tons of CO<sub>2</sub> equivalent)

<b>363,960</b> of which 113,550 estimated*	<b>304,330</b> of which 72,980 estimated*	<b>375,740</b> of which 85,560 estimated*
2019	2020	2021

Breakdown of direct and indirect emissions per year (scopes 1 & 2, in metric tons of CO<sub>2</sub> equivalent)

	2021			2020			2019		
	TOTAL	% direct emissions	% indirect emissions	TOTAL	% direct emissions	% indirect emissions	TOTAL	% direct emissions	% indirect emissions
Wines & Spirits	34,470	80	20	33,800	75	25	40,890	71	29
Fashion & Leather Goods	145,650	17	83	146,180	17	83	156,830	17	83
Perfumes & Cosmetics	17,280	45	55	17,030	41	59	16,760	43	57
Watches & Jewelry	17,290	14	86	10,690	11	89	11,910	12	88
Selective Retailing	136,690	2	98	90,480	3	97	134,230	2	98
Other activities	28,950	23	77	6,150	33	67	3,340	38	62
<b>Total</b>	<b>375,740</b>	<b>19%</b>	<b>81%</b>	<b>304,330</b>	<b>21%</b>	<b>79%</b>	<b>363,960</b>	<b>19%</b>	<b>81%</b>

Change in greenhouse gas emissions by business group (scopes 1 & 2, in metric tons of CO<sub>2</sub> equivalent)

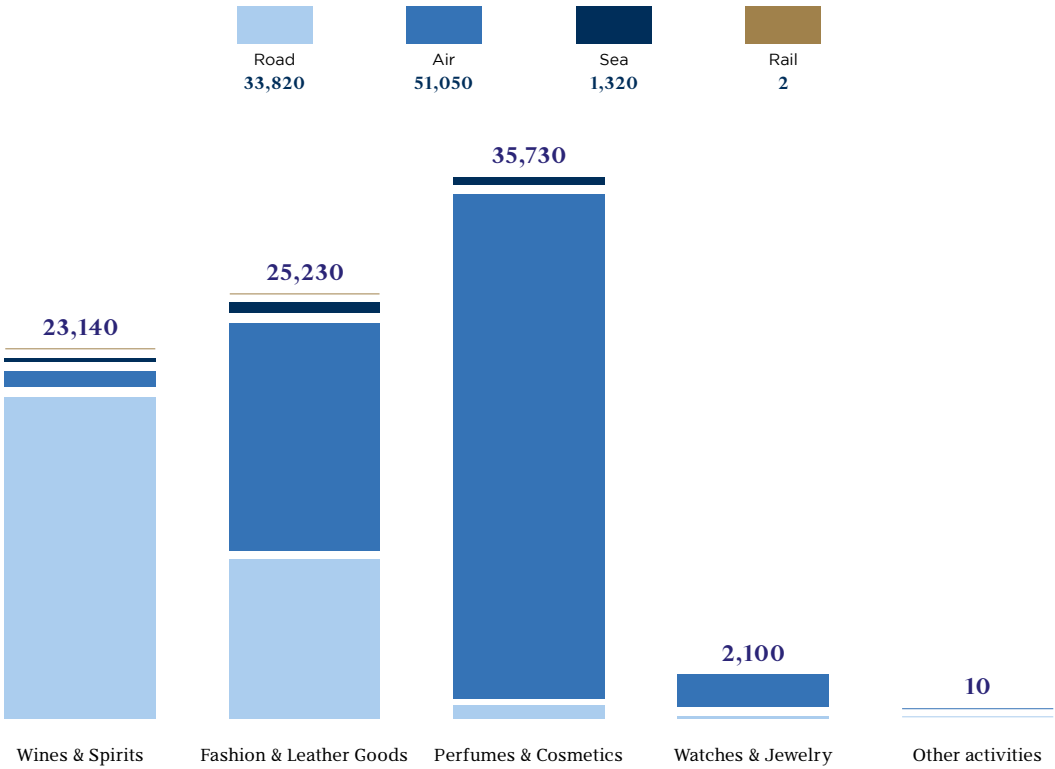


\*26% of retail space is not included in the consolidated figures for greenhouse gas emissions. To include this space, an estimate is made on the basis of the actual data for the 74% of total retail space covered.

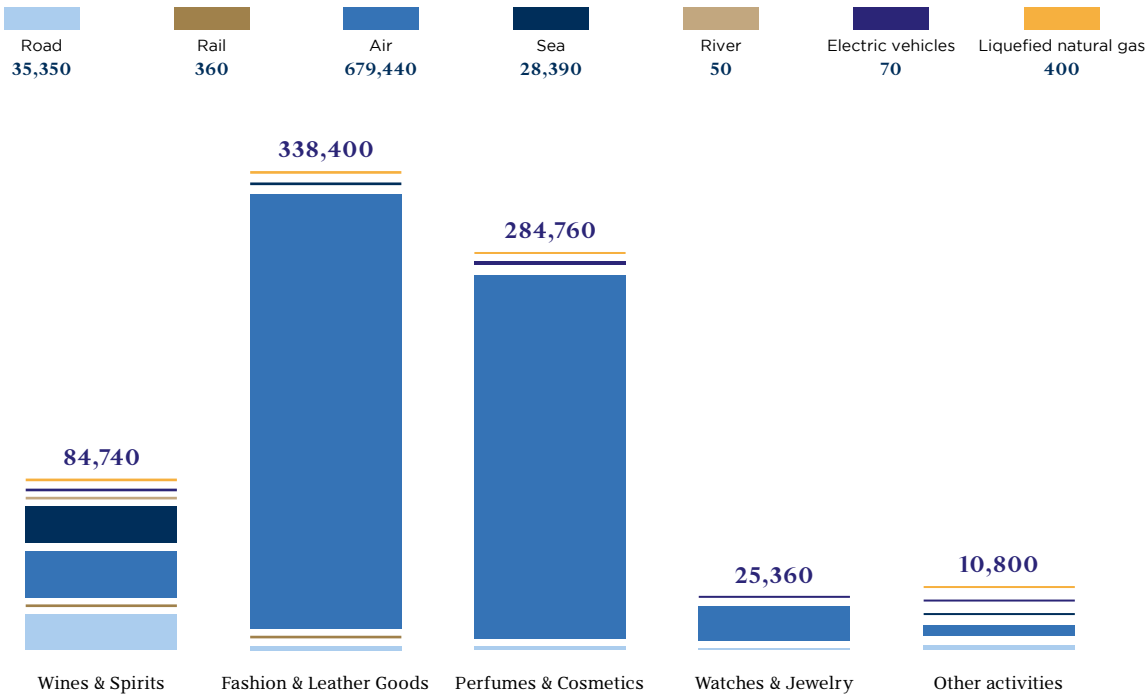


# Transportation

Breakdown of greenhouse gas emissions generated by upstream transportation in 2021 (in metric tons of CO<sub>2</sub> equivalent)

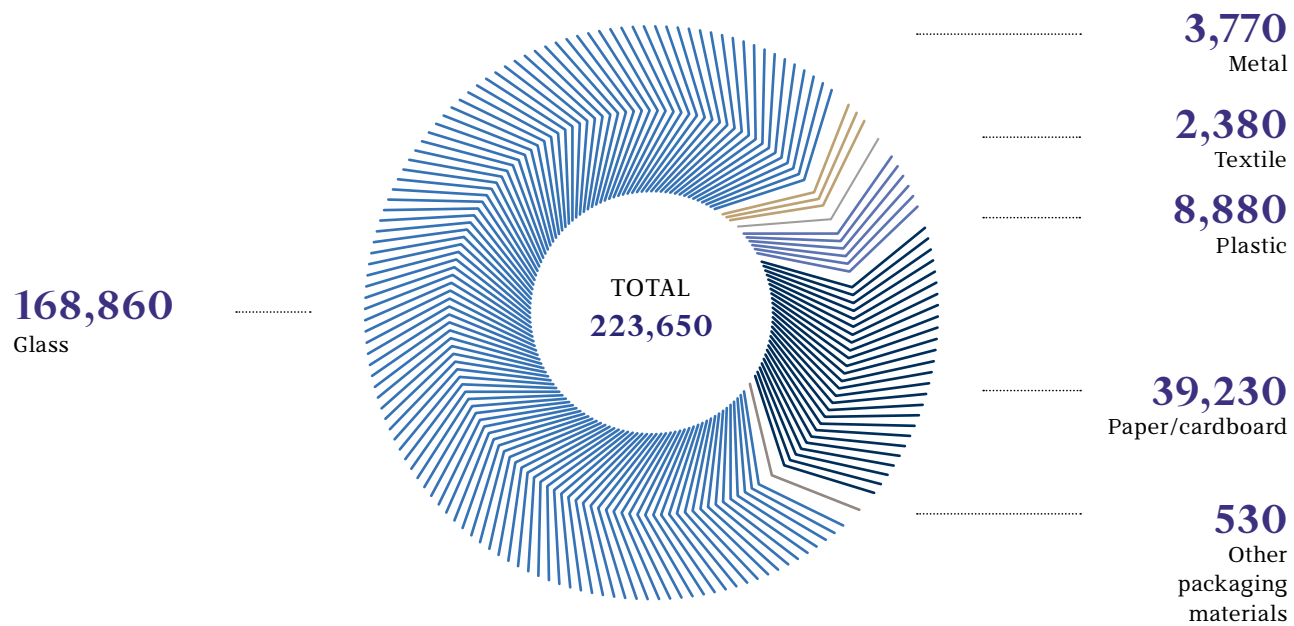


Breakdown of greenhouse gas emissions generated by downstream transportation in 2021 (in metric tons of CO<sub>2</sub> equivalent)

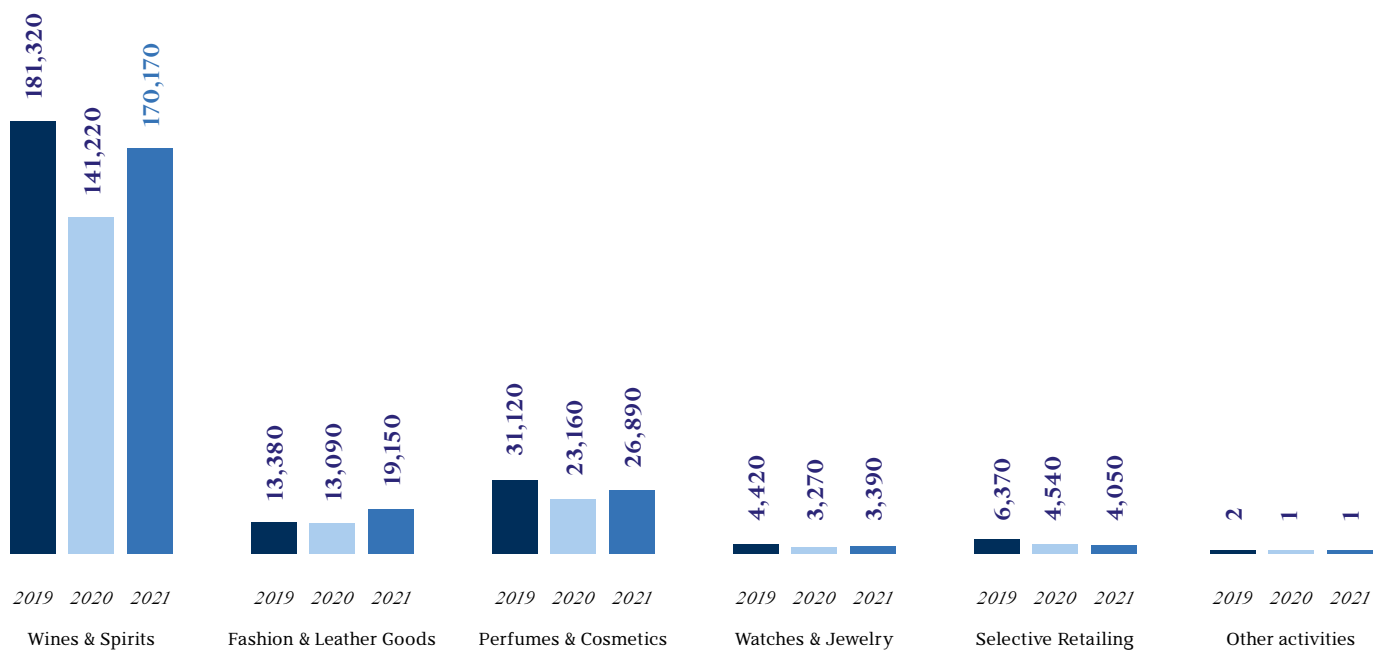


## Packaging

Quantity of packaging by type of materials in 2021 (*in metric tons*)



Packaging given to customers (*in metric tons*)



## Waste

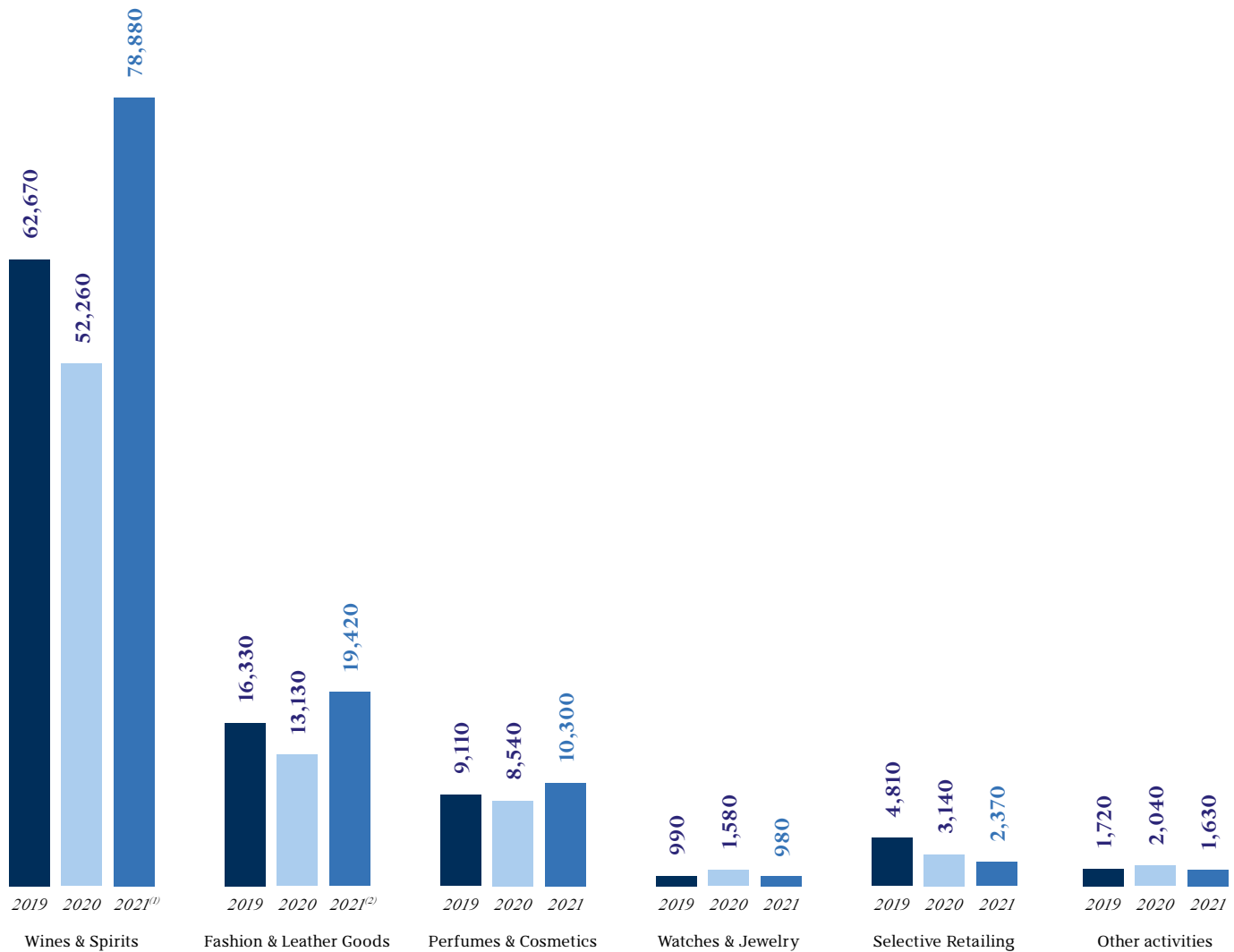
Group waste production (*in metric tons*)

**95,620**  
2019

**80,690**  
2020

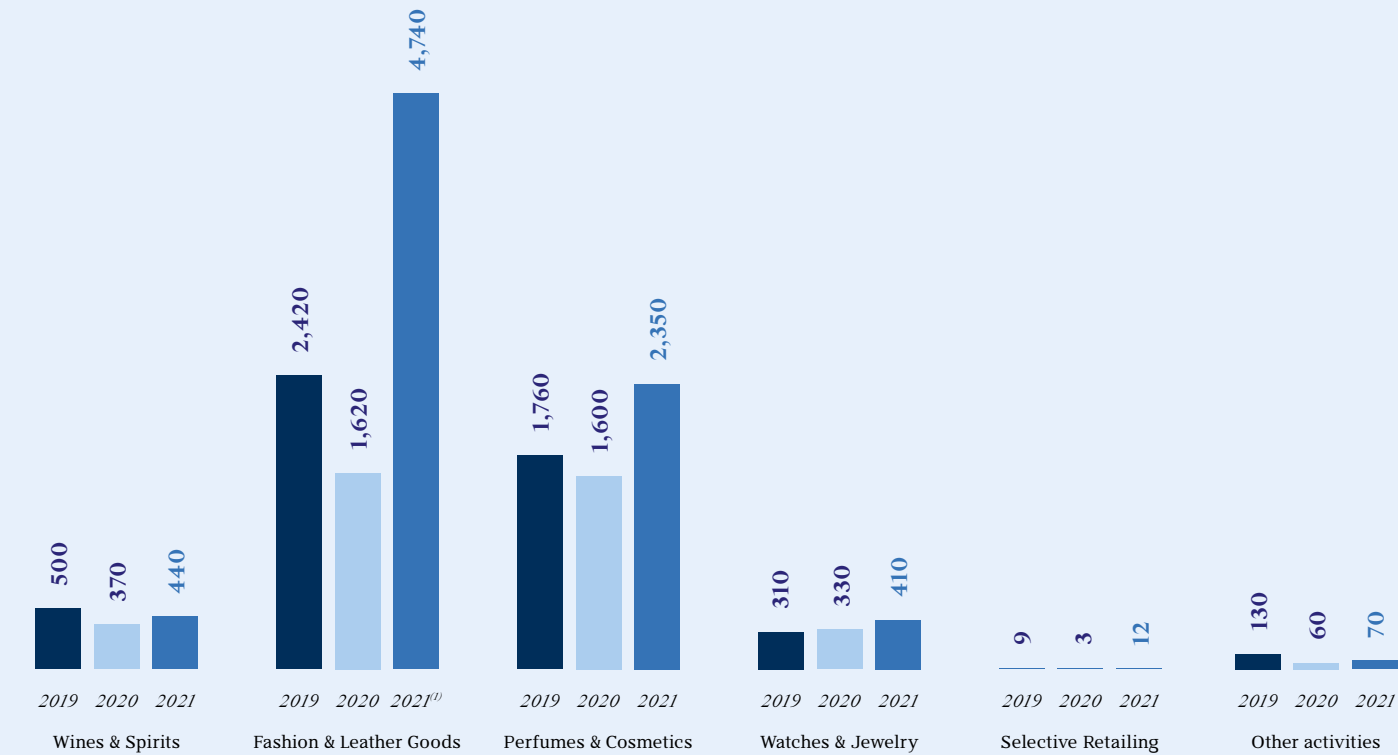
**113,580**  
2021

Change in waste produced by business group (*in metric tons*)



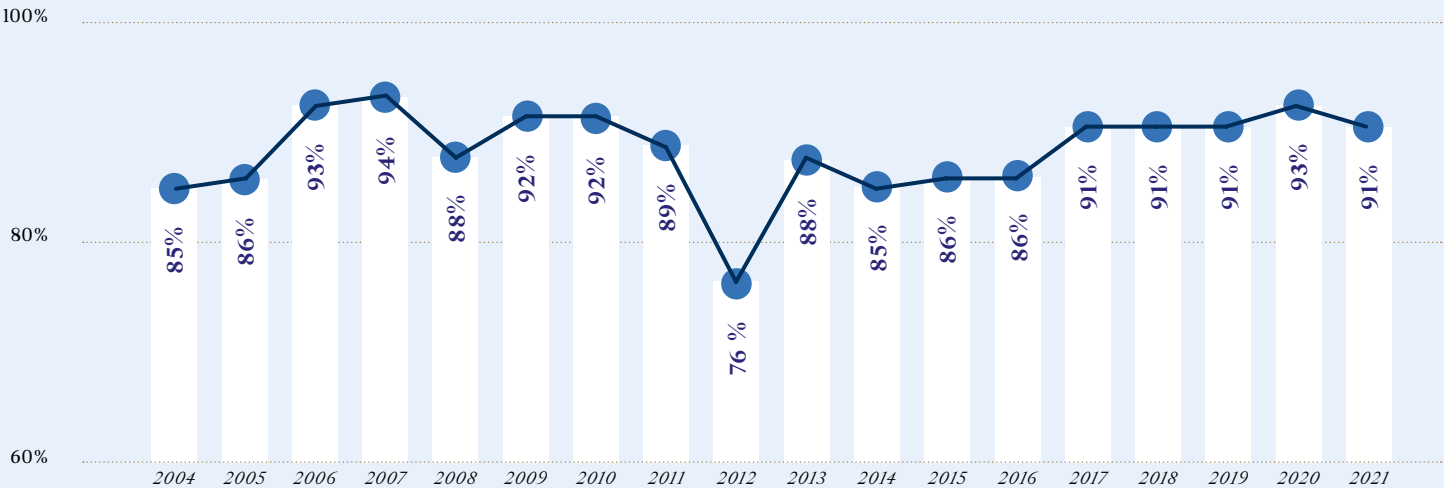
(1) This change is the result of a process change at one site.  
(2) This change is the result of exceptional activity at one site.

Change in hazardous waste produced by business group (in metric tons)



(1) This change is the result of exceptional activity at one site.

Percentage of waste recovered





## 2021 environmental indicators

### Methodology

The LVMH Group consolidates its environmental indicators, publishing them since 2001 in the Universal Registration Document and the present Group Corporate Social Responsibility Report. Since 2002, these indicators have been verified by one of our statutory auditors, an independent third party, to provide a reasonable level of assurance. The opinion expressed by the independent verifier is published in the Universal Registration Document.

#### Protocol

All consolidation and calculation rules are defined in the LVMH environmental reporting protocol, which is updated annually and published by the Environmental Development Department. Requests to consult the document may be sent to the following address:  
[contact.environment@lvmh.com](mailto:contact.environment@lvmh.com)

#### Scope

Reporting on the environmental indicators covered the following scope in 2021:

#### Production, warehouse and administrative sites (number)

<p><b>446</b> Total number of sites</p>	
<p><b>301</b> Covered sites (a)</p>	<p><b>145</b> Sites non covered (b) (c)</p>

The manufacturing, logistics and administrative sites that are not covered by environmental reporting are essentially excluded for operational reasons and their environmental impact is not material. A plan to gradually include them is underway.

(a) Integration of Château Galoupet and new sites operated by Bulgari, Christian Dior Couture and Louis Vuitton.

(b) Of which, mainly: certain regional administrative sites operated by Louis Vuitton and Moët Hennessy, as well as administrative sites with fewer than 20 employees.

(c) The Belmond group was integrated into the reporting scope for indicators regarding energy and related greenhouse gas emissions, but seven hotels, five trains and three boats were excluded.

#### Total retail space covered by the scope, per indicator

In the calculation of energy consumption and greenhouse gas emissions, the methodology for taking into account or excluding shop surface areas is as follows:

- The retail space operated by the main Maisons covered are integrated in accordance with the following proportions (as a % of total retail space of each store):

**74 %**  
2021

**73 %**  
2020

- The retail space not included in the environmental report covering Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry and Selective Retailing (stores estimated at 26%).
- The retail space operated by Sephora in south-east Asia, RIMOWA, Cha Ling, Francis Kurkdjian and Parfums Givenchy has been excluded.
- The retail space operated by the Fashion & Leather Goods, Perfumes & Cosmetics, and Watches & Jewelry business groups has been excluded.

Only certain DFS stores and stores from Le Bon Marché group are included in the data relating to waste production and water consumption.

### Reporting tool and methodology

The environmental report is prepared using an in-house web-based tool consisting of four kinds of questionnaires:

- A questionnaire compiling corporate data: training, packaging, etc.
- A downstream transportation questionnaire
- A raw materials questionnaire
- One or more questionnaires compiling data specific to the manufacturing sites: water and energy consumption, waste production (quantity and type), and waste processing, etc.

In total, each Maison collects data for around 100 categories. The data are then checked and automatically consolidated in a central file, which has many control and warning mechanisms (abnormal data and consistency problems, etc.).

### Internal and external assessments

Consistency checks are performed by the sites (comparison with Y-1), and when data are consolidated by the LVMH Environmental Development Department. The key qualitative and quantitative information set out in the following list has been audited to obtain reasonable and limited assurance of its fair presentation (marked by an asterisk) by EY & Associates as part of its statement of non-financial performance.

### Environmental information considered to be the most important

Quantitative information (including key performance indicators):

- Percentage of industrial sites with ISO 14001 certification
- Total energy consumption (MWh)
- Greenhouse gas emissions due to energy use – scopes 1 and 2 (metric tons of CO<sub>2</sub> equivalent)\*
- Breakdown of greenhouse gas emissions generated by downstream transportation – scope 3 (in metric tons of CO<sub>2</sub> equivalent)\*

- Total water consumption for process purposes (m<sup>3</sup>)
- Total water consumption for agricultural purposes (m<sup>3</sup>)
- Total waste production (metric tons)
- Total hazardous waste production (metric tons)
- Percentage of waste recovery
- Total packaging sent to customers (metric tons)\*
- Environmental performance index (EPI) of packaging (value)
- Greenhouse gas emissions avoided per year by projects carried out under the carbon fund (metric tons of CO<sub>2</sub> equivalent avoided)

Qualitative information (action or results):

- Organization of the environmental initiative, in particular governance and commitments, including the LIFE 360 program
- Environmental impact of packaging and monitoring of LIFE “Creative circularity” target
- The fight against climate change and monitoring the LIFE “Climate change” objective

## Social information

Quantitative information (including key performance indicators):

- Proportion of grapes (in kg) from its own vineyards or purchased, certified as sustainable viticulture (%)\*
- Proportion of palm oil, palm kernels and palm oil derivatives (in kg) purchased from certified RSPO Mass Balance or Segregated suppliers (%)\*
- Proportion of leather (in m<sup>3</sup>) purchased from LWG-certified tanneries (excluding exotic leathers) (%)\*
- Proportion of exotic leather (crocodile, in number of skins) purchased from LWG-certified tanneries (%)
- Proportion of gold (in kg) purchased that is RJC CoC certified\*
- Proportion of gold (in kg) purchased from suppliers that are RJC COP certified\*
- Proportion of diamonds (in carats) purchased from suppliers that are RJC COP certified\*
- Proportion of cotton (in metric tons) certified (%)\*
- Proportion of cotton supply (in metric tons) certified (%)\*
- Proportion of fur (mink and fox) (in kg) certified (%)
- Proportion of sheep wool (merino and other species) and cashmere (in kg) certified (%)
- Number of social and/or environmental audits conducted on suppliers and sub-contractors

Qualitative information (action or results):

- Environmental standards taken into account in sourcing and monitoring the LIFE “Traceability” and “Biodiversity” objective
- Implementation of the Charter on Working Relations with Fashion Models and Their Well-Being
- Implementation of the Charter on Working Relations with Fashion Models and Their Well-Being

- Procedure to assess and provide support to suppliers
- Management of personal data
- Procedure guaranteeing ethical business conduct

## Selection and suitability of indicators

The environmental indicators published seek to report on the Group’s annual environmental results. They feed into the environmental themes and data in accordance with the provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

## Raw materials

A set of indicators is applied to measure the quantity (in metric tons) of raw materials used to manufacture products, as well as the proportion of certified raw materials and the proportion of certain raw materials for which the geographic origin is known:

- Wines & Spirits: grapes
- Fashion & Leather Goods: leather, wool, cotton, viscose, exotic leather, fur, etc.
- Watches & Jewelry: gold, diamonds, colored stones, metals, etc.
- Perfumes & Cosmetics: palm oil derivatives, etc.

## Water consumption

Water consumption is expressed in m<sup>3</sup>. This indicator enables the amount of water consumed to be assessed by distinguishing between the following two requirements:

- Agricultural requirement: measurement of the amount of water used for irrigation (banned in France), and sprinkling vines (to prevent frost, etc.). The water volumes used are either measured directly or, more usually, estimated.

- Processing requirement: measurement of all non-agricultural requirements (industrial and sanitary processes or cleaning).

## Water pollution

Water pollution is expressed in metric tons of chemical oxygen demand. This indicator reflects the total annual flow discharged into the natural environment by sites, after treatment either on site or at a downstream facility. It applies to Wines & Spirits, Fashion & Leather Goods and Perfumes & Cosmetics only, where discharges of organic matter and other pollution from effluents are material and directly related to operations.

## Waste production

All the waste produced is measured in metric tons. Waste taken into account includes hazardous and non-hazardous waste produced by the sites during the reporting period. The method to process the different categories of waste is also identified so as to calculate a recovery ratio.

The various channels for recycling waste include:

- Reuse: using the waste for the same purpose as the one for which the product was initially intended.
- Recovery, which involves:
  - Recycling: waste is directly reintroduced into the production cycle from which it came, in order to partially or completely replace a virgin raw material.
  - Organic recovery: composting and controlled spreading of organic waste in order to fertilize soil.
  - Energy recovery: incinerating the waste and recovering the energy generated by burning waste in the form of electricity or heat.

### Energy consumption

Energy consumption is expressed in MWh, and represents all the types of energy used by sites (electricity, natural gas, fuel oil, heavy fuel oil, steam, chilled water, butane-propane, and renewable energy) and company cars.

### Greenhouse gas emissions

Indicators regarding greenhouse gas emissions generated by energy consumption (scopes 1 and 2) are expressed in metric tons of CO<sub>2</sub> equivalent and cover production, logistics, and administrative sites, as well as stores, in accordance with the 2021 reporting scope (see page 78 of the 2021 Universal Registration Document). As part of LIFE 360, the Group is aiming to halve its greenhouse gas emissions across scopes 1 and 2 in absolute terms between 2019 (base year) and 2026.

Indicators regarding other greenhouse gas emissions (scope 3) are expressed in metric tons of CO<sub>2</sub> equivalent and, in accordance with the GHG protocol, cover emissions generated by purchases (raw materials, packaging, stores, POS displays, window displays, show and events sets as well as advertising services), transportation (upstream, downstream, business travel and commuting), product usage and end of life, as well as investments. Emissions generated by investments were calculated in 2021 as part of a continuous improvement process. As part of LIFE 360, the Group is aiming to reduce its scope 3 greenhouse gas emissions by 55% per unit of value added between 2019 (base year) and 2030.

### Upstream and downstream transportation

This indicator is expressed in metric tons per kilometer and in metric tons of CO<sub>2</sub>

equivalent. A distinction is made between upstream and downstream transportation:

- Upstream transportation: the number of kilometers traveled by raw materials and components from the direct supplier site to the first delivery site. At the very least, the assessment is performed on the main components and products:
  - Wines & Spirits: bottles, cases and caps, etc.
  - Fashion & Leather Goods: leathers, metal parts, packaging and ready-to-wear clothing, etc.
  - Perfumes & Cosmetics: bottles and pouches, etc.
  - Watches & Jewelry: pouches, boxes, and cases, etc.
  - Selective Retailing: store bags, envelopes and boxes, etc.
- Downstream transportation: the number of kilometers traveled by all finished products from the manufacturing site to the first platform belonging to the whole-sale customer or stores (for selective retailing businesses and brands that own boutiques).

### Packaging given to customers

This indicator is expressed in metric tons of packing materials. It includes the primary and secondary packaging given to customers by all Group Maisons. Packaging used for shipment during transportation is excluded from this indicator.

### Training and awareness sessions

This indicator is expressed in hours. It includes training and awareness sessions fully or partly focused on the environment, specifically:

- Training employees in order to reduce their impact on the environment (energy consumption, handling of hazardous products, training on environmental

regulations, training for health, safety and environment officers, training on environmental audits, water management, waste management, and sustainable viticulture, etc.).

- Training and awareness sessions on the environment (the major considerations include greenhouse gases, biodiversity, and raising awareness among grape harvest workers, etc.) and environmental management systems (ISO 14001, etc.).
- Corporate training (onboarding seminar for new managers, attendance at the Environmental Commission, and involvement of the LVMH Environmental Development Department in Executive Committee meetings or other meetings, etc.).
- The hours spent by in-house environmental trainers (Sustainable Development Week, World Water Day, and health, safety and environment officers who conduct training/awareness sessions, etc.).

### Expenditure incurred and investments made to mitigate the impact of business activity on the environment

This indicator is expressed in thousands of euros. It includes the following expenditure incurred and investments made to mitigate the impact of business activity on the environment:

- Protect ambient air and the climate
- Manage wastewater
- Manage waste
- Protect and rehabilitate soils
- Prevent noise and vibrations
- Protect biodiversity and conduct other environmental protection activities
- Conduct research and development.



## Images

*Cover*: Roberto Castelli - *p. 5, 6, 7, 8, 9, 10, 11*: Agence Fisheye / Nora Houguenade / Glenmorangie - *p. 12*: Jamel Toppin - *p. 26*: Viviane Sassen - *p. 28-29*: Nanna Heitmann - *p. 31*: Jean François Robert - *p. 32*: Zenith watches - *p. 34, 35, 36*: LVMH - *p. 98*: Christian Dior Couture - *p. 39*: Tiffany & Co. Diamond Craft Journey / Sephora - *p. 40*: Bobby Allin - *p. 42*: Gabriel de la Chapelle - *p. 43*: LVMH - *p. 44*: LVMH Spoa - *p. 46*: Fendi - *p. 47*: Bulgari - *p. 48*: Fabrice Laroche - *p. 50*: Martin Colombet - *p. 51*: Marie Rouge - *p. 52*: LVMH House - *p. 54*: Loewe Foundation, Craft Prize 2021, digital exhibition at The Musée des Arts Décoratifs, Paris - *p. 55*: Fendi - *p. 56*: Bobby Allin - *p. 58*: Hennessy - *p. 59*: Franck Dunouau - *p. 60*: Erin Yamagata / Cassidy Turner - *p. 62*: Louis Vuitton / Emilio Pucci x Acqua di Parma Holiday 2021 - *p. 63*: DFS - *p. 64-65*: Marie Rouge - *p. 67*: Mazen Saggar / Gabriel de la Chapelle - *p. 68-69*: Julia Spiers - *p. 70, 72*: Loewe / Roberto Castelli - *p. 73*: Dior - *p. 74*: Berluti - *p. 75*: Julia Spiers - *p. 76*: Louis Vuitton Malletier / François Coquerel / Zenith watches - *p. 77*: Sephora / Stella McCartney - *p. 78*: David Crookes & Nicola Jackson - *p. 80*: Gabriel de la Chapelle - *p. 81*: Louis Vuitton - *p. 82*: Mathieu Bonnevie - *p. 84*: Gabriel de la Chapelle - *p. 85*: Marie Rouge / Kenzo - *p. 86*: Nanna Heitmann - *p. 88*: Brett Lloyd - *p. 89*: Glenmorangie - *p. 90*: Julie Stiglio - *p. 92*: Bulgari / Xia Zhi / Louis Vuitton Malletier / Sébastien Plassard - *p. 93*: We Are Contents - *p. 94*: Bulgari - *p. 96*: Loro Piana - *p. 97*: Patou - *p. 98*: Studio Yann Arthus-Bertrand - *p. 99*: Julia Spiers - *p. 100*: Bulgari / Fendi - *p. 101*: Tiffany & Co. Diamond Craft Journey - *p. 102-103*: Fondation Louis Vuitton / Martin Argyroglo - *p. 105*: Fondation Louis Vuitton / Jean Picon - *p. 107*: Philippe Wojazer / Jan Versweyveld / Fondation Louis Vuitton / Benjamin Vialatte / Vinciane Lebrun - *p. 108*: Fondation Louis Vuitton / Marc Domage / Succession Manzana-Pissarro Georges - *p. 110*: Saskia Lawaks / Vanni Bassetti - *p. 111*: Bulgari / Say Who / Ayka Lux - *p. 112*: Electa\_ph\_Stefano Castellani / Museo d'Arte Ghibli / Shun Komiyama - *p. 113*: Moët Hennessy / Martin Colombet - *Back cover*: Roberto Castelli

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Loewe artisan Ana María Muñoz handcrafting  
the Surplus Leather “Woven Basket” bag.

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