

LVMH



SOCIAL RESPONSIBILITY REPORT



JULY 2014



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— *Introduction*

LVMH's leading position in our sector—premium businesses and products—is built on a unique tradition centred around a collection of iconic brands.

The vitality and prestige of the Group's companies are nurtured by their history, tradition of excellence, and openness to the world. Creativity, craftsmanship and pursuit of the exceptional are the essence of their business. The close attention paid to the expectations of employees, partners and the inhabitants of the regions in which we operate is as important as the attention paid to the quality of our products and the growth of our business.

For several years, the LVMH Group has therefore voiced its aims with regards to its social and societal responsibilities. It has developed a social responsibility policy that is based on firm principles of respect for the individual and solidarity towards the regions in which the Group operates. This policy forms part of a process that aims to preserve and enrich the heritage of our prestigious companies, to develop their creative capacities and pass on time-honoured and valuable know-how.

LVMH also firmly believes that excellence, which has driven its success, constitutes a formidable lever for the social and professional integration of people. The Group's social responsibility process therefore consists of putting this excellence at the service of marginalised and disadvantaged population groups. It embodies the Group's desire to increase the positive social impact of its activities and provide a generous and inclusive view of excellence.





A COMMITTED GROUP

LVMH is committed to stronger corporate citizenship: we strive to pass on our expertise, promote diversity and fulfilment among our employees, coach talent and support young designers, and protect the sometimes very scarce natural resources used in our products. The world is more and more concerned with such issues, and so are we as they form the foundation of our Group's future. Alongside the development of our business, they must serve as a permanent wellspring of creativity.

...

Bernard Arnault

Chairman and Chief Executive Officer

AMBITIOUS ACTIONS ON A PAR WITH THE LVMH GROUP'S COMMITMENTS



Chantal Gaemperle
Director of Human Resources and Synergies

Every day, LVMH brings to life what a person's mind and hands make best: the most original and beautiful objects. It would not be possible to make these objects without the commitment of the men and women who form the Group's companies. We can only expand our creative capacity, make use of the know-how that has been patiently acquired over time, pass on and develop this know-how, and serve customers in our stores as well as possible if we give our employees the best possible conditions in which they can express their talents.

We stand in solidarity with our employees, our service providers and the numerous communities within which we operate.

Respecting the unique nature of each individual, identifying new sources of creativeness and remaining attentive to all those who share our standards of excellence form the basis of our social and societal commitments. These commitments are guided by our desire to promote and implement our values. And it is this desire that drives our teams on a daily basis.



Signing of the United Nations Women's Empowerment Principles Charter

In 2013, LVMH and thirty-three of the Group's companies signed the United Nations Women's Empowerment Principles Charter, thereby committing themselves to offering female as well as male employees a real opportunity to fulfil their potential.

The seven women's empowerment principles concern, in particular, the education, training and professional development of women as well as a commitment towards gender equality at the highest level within a company.

This public commitment shows that the Group is keen to carry on increasing the number of women who sit on company executive committees and to hit the target of 40% by 2015 (compared to 37% in 2013 and 26% in 2010).

The following Group companies have made this commitment: Krug, Moët & Chandon, Hennessy, Veuve Clicquot, Glenmorangie, Estates & Wines, Louis Vuitton Malletier, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Christian Dior Couture, Loewe, LVMH Fragrance Brands, Givenchy, Acqua di Parma, Kenzo, Thomas Pink, Parfums Christian Dior, Guerlain, Parfums Loewe, Make Up For Ever, TAG Heuer, Fred, Chaumet, Dior Montres, Bulgari, De Beers Diamond Jewellers, Sephora, Le Bon Marché, DFS, Les Échos, Moët Hennessy Diageo, and Le Jardin d'Acclimatation.

THE BASIC PRINCIPLES BEHIND THE GROUP'S SOCIAL RESPONSIBILITY POLICY

The Group's corporate social responsibility (CSR) policy is based on four principles that share the same values of excellence, respect for individuals and solidarity. This approach towards social responsibility is common to all Group companies, which adapt it to their own challenges and circumstances while retaining their own identities.

WELL-BEING AT WORK

For the Group, respect for individuals and the preservation of their physical and mental integrity are prerequisites for their well-being and the development of their know-how and talents. Plans to avoid strenuous working conditions are rolled out. Positions in the vineyards, workshops and production sites are regularly assessed with regards to ergonomics and working conditions. Group companies adapt production lines to the needs of employees with health constraints. Administrative positions also benefit: quality of life in the workplace has improved thanks to the introduction of solutions such as concierge services, nursery places and physiologically adapted equipment.

TALENT AND KNOW-HOW

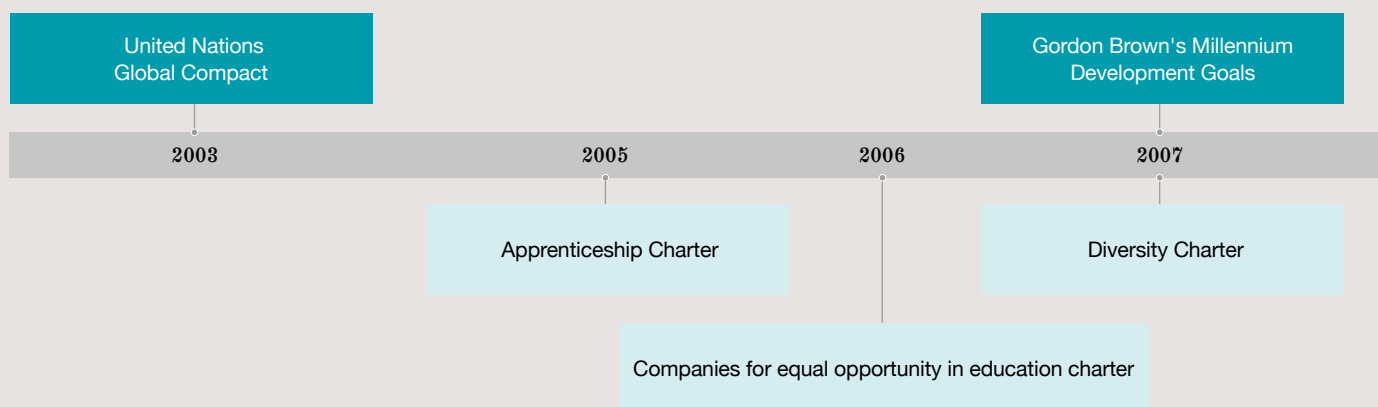
In order to develop brand passion and excellence, the Group and its companies offer numerous training and learning opportunities to all employees. The Group thereby aims to allow employees to acquire new qualifications, improve their employability and broaden their knowledge of the luxury goods on offer to customers

as well as to strengthen the know-how and excellence of the companies. LVMH also favours mobility between different occupations by encouraging employees to acquire new competencies through courses that lead to qualifications or diplomas.

PREVENTING DISCRIMINATION

Preventing discrimination is a major part of the Group's CSR policy, as demonstrated by its signature of the Diversity Charter in 2007. Since 2008, the Group has had an independent, recognized firm conduct discrimination tests on LVMH website job advertisements. A training course entitled 'Recruiting without discriminating', which is mandatory for all employees responsible for recruitment, raises awareness of the code of conduct that applies to this process. The Group and its companies continuously and scrupulously monitor the excellence of their recruitment practices and those of their service providers. The companies adapt this training to their managers and its scope is extended to include career management.

INITIATIVES SIGNED AND SUPPORTED BY LVMH



SUPPORTING LOCAL COMMUNITIES

The Group is committed to supporting the development of local communities where it operates. Such solidarity can make itself felt in emergency situations following the occurrence of a natural disaster. It also takes the shape of a permanent commitment to helping the neediest of children through long-term partnerships with NGOs that work on behalf of children. The Group is also involved in programmes that favour the social cohesion and integration of young people, particularly in the regions in which it operates. For example, LVMH has formed a partnership thanks to the 'Cultures and creation' fashion show in Seine-Saint-Denis, a geographically and economically deprived area. A wide range of actions are implemented on behalf of local inhabitants, particularly young people.

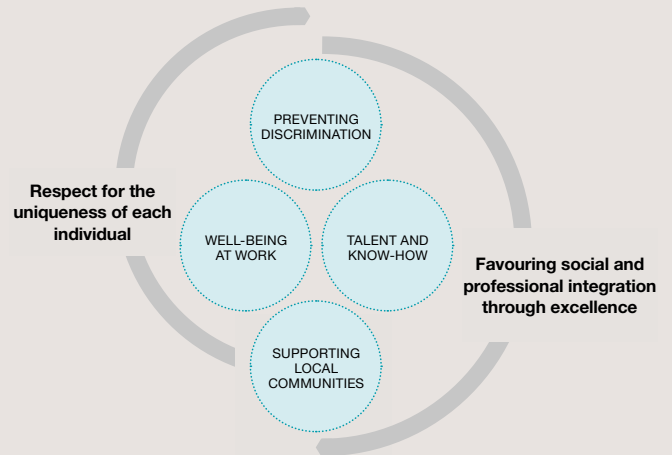
LVMH is a signatory of the Global Compact, the Diversity Charter and the Companies for equal opportunity in education charter. The Group supports the Universal Declaration of Human Rights, the guidelines of the OECD, the fundamental conventions of the International Labour Organization, the Millennium Development Goals, and the United Nations' Women's Empowerment Principles.

All of these actions are recognised and have helped LVMH appear in the following indices: Dow Jones Sustainability Index, Ethibel Sustainability Index Excellence Europe and Euronext Vigeo Eurozone 120.

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



EXCELLENCE FOSTERS INCLUSION



Montres & Joaillerie become members
of the Responsible Jewellery Council

2009

2011

2013

Copenhagen Communiqué
on Climate Change

Signing of the United Nations Women's
Empowerment Principles Charter

Charter for the integration of
disabled people into the workplace

'More women on boards of directors,
a promise for Europe' commitment statement

WELL-BEING AT WORK



LVMH and its companies, proud of the extensive expertise of their craftsmen, are keen to provide working conditions that enable each person to express his or her talent and art. Respecting women and men and preserving their physical integrity and know-how form a cornerstone of the Group's social responsibility policy.

LVMH companies constantly engage with employees to raise their awareness of the risks posed by the work environment, to address strenuous working conditions, to prevent and tackle psychosocial risks, and to educate employees on health and occupational safety issues.

More than 20.6 million euros were invested in health and safety in 2013. This figure includes spending on occupational medicine, protective equipment and programmes to improve the health and safety of employees, such as: ensuring new equipment is compliant, mounting signs, renewing protective devices, providing fire prevention training and reducing the impact of noise.

The total amount spent on and invested in improving health, safety and working conditions stands at over 68.2 million euros or 1.9% of the global gross payroll. Approximately 33,480 company employees

around the world have received safety training. Their working conditions must let them make their voices heard and find personal fulfilment in their work. The Group's commitment to working conditions therefore responds to employee needs as closely as possible.

ERGONOMICS AND PREVENTING STRENUOUS CONDITIONS

Preventing strenuous working conditions forms the basis of LVMH's 'health at work' campaign. Furthermore, preserving

employee health is a constant concern for all Group companies. Regular health, safety and ergonomics assessments, which give rise to structured action plans, are therefore carried out not only on production sites and in workshops and vineyards but also increasingly more often in stores and head offices. Production and manufacturing sites are designed in such a way as to protect employees as much as possible from physical and mental strain.

Berluti, while developing an occupational risk prevention plan (working conditions, musculoskeletal disorders, psychosocial risks, etc.) regularly improves the work stations of its craftsmen (colourists, patternmakers, lastmakers, etc.). A risk prevention and safety manager position has been created for this purpose in its factory in Italy. Parfums Christian Dior is implementing an initiative to improve work station ergonomics for head office personnel, mobile employees and point-of-sale staff in coordination with staff representatives. Chaumet is making changes to work stations to improve comfort both in the workshop and in the offices.

At Glenmorangie, the company's 'zero accident' policy continues to form the basis on which the company's entire health and safety culture is structured. The company has created a booklet entitled 'The Spirit of Safety', which focuses on behavioural safety.

At Guerlain, several ergonomics-related actions have been implemented both on production sites and in the stores. Louis Vuitton shall implement until 2015 a comprehensive health initiative that combines health policy, organisation of work, the physical work environment and a training plan for its workshops and warehouses.

HEALTH AND SAFETY

For the Group as a whole, a periodic analysis of the welfare and medical expenses policies is presented to and discussed with the social partners of the Group Committee in order to define a common basis on which employees can be protected. Company policies are ambitious. For example, Loewe in Asia Pacific (Hong Kong, Taiwan and Singapore) offers each employee free health and dental insurance. Sephora in China provides an annual health check-up for all of its employees. Louis Vuitton pays for its employees' health and dental insurance in North America.

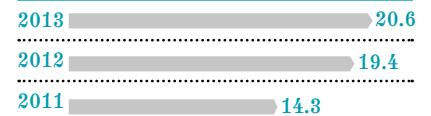
The prevention of psychosocial risks is a matter that captures the attention of all Group companies, which particularly look out for stressful situations that could affect their employees. For example, in 2013, Fendi undertook a psychosocial risk analysis and organised workshops on how to prevent stress in the workplace in Italy. A number of champagne producers also signed a psychosocial risk agreement on 18 January 2012.

News in recent years has shed light on the large number of risks of all kinds (natural, climatic, health, political, etc.) that currently affect expatriated employees or those that travel for business. The LVMH Group has decided to supplement the existing system, which is geared towards medical assistance and repatriation.

In terms of prevention, employees that have reserved flights and hotels in at-risk countries, through authorised travel agencies, always receive an information sheet and advice regarding the health and safety precautions to be taken.

In the event of a serious incident of any nature while in the field, they can be located very quickly in order to receive appropriate care. LVMH is a member of an international body that has a network and substantial resources to intervene in any kind of emergency situation around the world.

INVESTMENT IN HEALTH AND SAFETY (in millions of euros)



OPTIMAL WORKING CONDITIONS AT GUERLAIN

At Guerlain, the working conditions of employees are a priority, particularly in the case of those people who work in production or packaging. The operation rolled out in the workshop that makes labels is a case in point. This type of work demands accuracy and a high level of attention. Guerlain therefore wanted to provide optimal working conditions: comfort was improved by installing more suitable and pleasant lighting, anti-fatigue mats were laid and all of the chairs were replaced with more ergonomic solutions. Francine Leguérinel, the workshop's deputy manager, explains, 'Our work demands accuracy with regards to the settings and control throughout the production process to achieve the level of quality required. All of the work undertaken has helped create a very comfortable environment.'



A Spirit of Safety at Glenmorangie

'Employees must be able to go to work and return home unhurt at the end of the day.' Glenmorangie has taken this oft-repeated statement literally. Five years ago, the company set itself an ambitious health and safety target: zero accidents. The aim of the company's 'Zero accident' policy is to create a work environment in which the health and safety of employees become the main priority. Fulfilling this aim depends on the close cooperation of

employees, particularly with regards to the reporting of near misses and the undertaking of safety inspections. Management is also visibly involved as basic and informal safety inspections are carried out by management in the workshops. Thanks to all of these initiatives, serious accidents resulting in injury have become very rare at Glenmorangie, which last witnessed an accident more than 400 days ago.

Furthermore, every employee in the field has a unique telephone number to call in the event of a personal problem, regardless of the cause and severity. A network that is adapted to the situation is then activated to provide assistance to the employee concerned.

This (individual or collective) crisis management system has proven its worth over recent years, enabling us to overcome various, often totally unforeseeable, situations.

STRIKING A WORK-LIFE BALANCE

Respecting the individual depends on the consideration of a number of separate factors: physical well-being, work-life balance and family environment, among other things. LVMH Group companies have long understood this, offering their employees a high quality of working life. Work-life balance is a vital component of a person's quality of working life and something on which Group companies insist.

The provision of concierge services is spreading throughout the Group. Parfums Christian Dior has launched the first day dedicated to quality of working life. Berluti has broadened the concierge services offered at its head office in Paris and Sephora is raising awareness among employees in China of the work-life balance concept.

The companies make nursery places available to employees (Parfums Christian Dior). Bulgari is testing remote working in Germany and Italy. Fendi is extending the duration of maternity leave for its employees (Louis Vuitton is doing the same in the Middle East) and Glenmorangie supports employees with high childcare costs. In Japan, Louis Vuitton offers mothers of children under the age of three shorter hours and provides financial assistance to cover babysitting costs.

SOCIAL DIALOGUE AND INTERNAL COMMUNICATION

The LVMH Group is convinced that internal communication - listening, sharing and dialogue - fosters cohesion and efficiency. This is why the companies make sure, through direct and responsible communication, that the expectations and needs of individuals are heard.

LVMH companies want to ensure that communication is accessible to all. In South-East Asia and India, Bulgari therefore organises for store teams meetings with HR personnel so that they can discuss their work environment and career aspirations.

Communication also depends on information being managed correctly. Loewe encourages its employees to have 'a day without E-mails' once a month in order to promote a culture based on the efficient use of E-mails and good communication. Hennessy has created a separate 'Zen' area in which a relaxation therapist can run regular sessions.

HEALTH CHECK-UPS BORNE BY SEPHORA IN CHINA

In 2008, Sephora China introduced an annual health check-up for employees. In 2013, a total of 1837 employees in 50 cities took up this offer and went for a check-up. The human resources department of Sephora China launched this initiative to offer its sales staff a 'basic network of healthcare'. Sephora employees choose one day during the three-month programme to have their check-up. The cost of the check-up is borne by the company and no financial contribution is made by employees. Sephora China also offers discounted prices to an unlimited number of its employees' relatives. These health check-ups are an integral part of the well-being of Sephora China employees and employee healthcare also forms part of the company's culture.

TALENT AND KNOW-HOW



RECRUITMENT

LVMH considers the identification and recruitment of talent to be a key management responsibility and something that contributes to the short-, medium- and long-term success of each of its companies. In a business in which creativeness and know-how constitute the tools of our trade, it is essential that talent is attracted and developed.

In 2013, LVMH launched a series of tailor-made events entitled 'Talent Days', which focused on key subjects such as, 'Retail' and 'Engineers and Creation', to

allow a number of hand-picked students to experience an exceptional day at the heart of the LVMH 'ecosystem'. Talent Days are structured according to the day's theme: visits of stores, workshops or unique locations such as the building site of the Louis Vuitton Foundation, testimonials by company CEOs or former students now employed by the Group, discussions with managers, and group work on specific projects. In addition to discovering the Group and its lines of business, the students had the opportunity to meet the Group's recruiters; some of the students were selected to go on to the next stage of the recruitment process.

In 2009, LVMH decided to raise awareness of career opportunities inside what the Group calls its 'ecosystem'. The Group's desire to strengthen its image as an employer of choice is already widely known in France. The actions taken by all of the Group's companies allowed LVMH to retain its place as the preferred employer of business school students in France in the Universum ranking and to climb towards the top of the European rankings in 2013.

THE DEVELOPMENT OF EMPLOYEES

The annual organisation and talent review, coordinated by the Human Resources division in close cooperation with operational managers, is the kingpin of the Group's human resources policy. This review takes a forward-looking view of the most important positions and their corresponding succession plans. It is also responsible for identifying and developing talent within the Group through the provision of short- and medium-term career opportunities and the creation of individual development plans to prepare employees for their future responsibilities. This global review is also accompanied by a review of the functions that are considered to be essential for the Group as a whole, including, in particular, Finance, Human Resources, Supply Chain, Retail, and Digital.

LVMH also favours mobility between different occupations by encouraging employees to acquire new competencies through courses that lead to qualifications or diplomas. More than 6700 employees - or 6.5% of the permanent workforce - were promoted in 2013.

In order to develop brand passion and excellence, the Group and its companies offer numerous training and learning opportunities to all employees. The Group thereby aims to allow employees to acquire new qualifications, improve their employability and broaden their knowledge of the luxury goods on offer to customers as well as to strengthen the know-how

and excellence of the companies. Louis Vuitton, Berluti and Loewe have therefore established in-house academies to add to the expertise of leather workers throughout their working life. Chaumet has introduced a leadership and management competency development programme for middle managers and Givenchy is rolling out an action plan to maintain and renew skills in its sewing rooms.

Several companies have introduced ambitious programmes to develop the competencies of their retail teams, enabling them to acquire recognised expertise in the luxury goods sector and to take part in their professional development, while also offering them career opportunities: Sephora has a five-year development programme for its beauty consultants, Parfums Christian Dior has an ambitious skincare training programme, and DFS is recognised by the prestigious Hong Kong Management Association for its 'Beauty and Fragrances' academy.

These company initiatives are complemented by a number of Group courses. Every year, LVMH broadens its range of courses. In 2013, more than 3,300 managers were given the opportunity to take part in one of the transversal courses organised by the Group, allowing them to develop and to meet other company managers who come from different economic environments and face different challenges and have other views. In China, LVMH Retail Academy offered courses to develop recruitment competencies and to share best practice in the field of retail.

LVMH RISE (RESULTS IN SOCIAL ENTREPRENEURSHIP)

To help key talented individuals to develop a true leadership style in harmony with their own personal values and those of the Group, LVMH created the LVMH RISE programme. RISE asks future leaders to provide support to a social entrepreneur selected by the Group over a period of six to nine months. In 2013, a total of ten pairs were formed. For example, in New York, LVMH joined forces with the Seven Bar Foundation, which works in favour of the social and professional integration of women through the provision of micro loans. In Rome, Bulgari paired up with 'Made in Carcere', which offers female prisoners work with a view to facilitating their reintegration into society. In Tokyo, TAG Heuer is working with MotherNET, which offers childcare solutions to young mothers. By offering their expertise in the fields of finance, sales, and marketing, participants provide social entrepreneurs with access to a professional network and specific high-level competencies. The pairs formed have produced tangible results, thereby guaranteeing the work and social benefits of the social entrepreneur over the long term. All of this work was recognised at the 'eighth diversity awards' when LVMH won the 'Management of high potential' category.



TAG Heuer Retail Academy.



The Berluti Academy of Know-How

The Berluti Academy of Know-How was created in March 2012 in Ferrara, in the region of Emilia-Romagna, which is unfortunately known for its high rate of unemployment, exacerbated by the earthquake that struck in May of the same year. The academy was born out of Berluti's desire to revive and showcase in this region an ancestral tradition and craft that had virtually died out: shoemaking. By acting on this desire, Berluti has taken on a social, ethical and economic challenge in partnership with the region's public institutions. The Berluti Academy of Know-How selects,

trains and develops people without imposing any specific prerequisites to become the company's next generation of luxury shoemakers and leather workers. A total of 111 people have been trained by the academy since it was created and 70% of these trainees have been employed directly by Berluti. Thanks to its success, the Berluti Academy of Know-How has shown that it is possible to combine a public-interest commitment that benefits the community with the company's strategic vision.

PREVENTING DISCRIMINATION



The men and women who make up LVMH constitute the Group's most prized asset. This human capital is something that the Group intends to develop to enable employees to find personal fulfilment through their work. From the recruitment of talent to career guidance for all employees and training, the Group's HR policy is an essential performance lever. The LVMH Group's CSR policy therefore aims to prevent all risks of discrimination and to respect the uniqueness of each person.

A NEED FOR EXCELLENCE AND RESPONSIBILITY

The Group's code of conduct regarding recruitment practices is distributed among all of its recruiters. It lays down the ethical principles on which recruitment at LVMH is based and ensures that fair rules that are shared by all throughout the world are disseminated. It comprises 14 commitments that aim, in particular, to prevent any form of discrimination and to promote diversity. The aforementioned ethical principles and code of conduct are supported by a course entitled, 'Recruiting without discriminating'. Since 2011, this

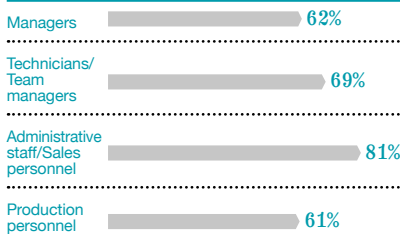
course has been compulsory for all of the Group's recruiters. The Group and its companies can thereby scrupulously and constantly ensure that the 14 commitments are respected.

Since 2008, LVMH has continuously monitored its practices regarding the diversity of applicants by asking an independent, recognized firm to conduct discrimination tests on the job advertisements published on the Group's websites. Such 'voluntary testing' allows the Group to ensure that its recruitment practices always meet the highest standards.

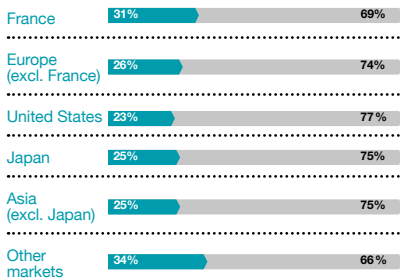
37%

of company executive committee members were women in 2013 (2015 target: 40%)

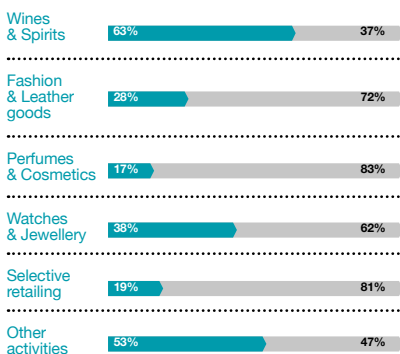
74% ARE WOMEN



DISTRIBUTION BETWEEN MEN/WOMEN BY GEOGRAPHIC AREA (on permanent contracts)



DISTRIBUTION BETWEEN MEN/WOMEN BY SECTOR (on permanent contracts)



LVMH also offers its companies a 'Managing without discriminating' course, which is directed at managers. In the US, a module entitled 'Appreciating differences' was inserted into the induction seminar of new company managers in 2013. The Group's companies adapt these resources to their specific characteristics before rolling them out. For example, Parfums Christian Dior runs a course entitled, 'Respecting oneself and respecting others'. Céline trains its managers with its own module, 'Managing without discriminating'. Loewe trains its workshop employees in gender equality. Louis Vuitton in India will be particularly attentive to avoiding discriminatory practices when recruiting and Sephora in Poland plans to enter into partnerships with associations in order to ensure diversity among newcomers.

An extensive study entitled 'Diversity and inclusion', conducted in the US in 2012, has encouraged Group companies in the US to adopt a diversity policy that is made known to all employees. Similarly, in 2013, Loewe decided to analyse its own practices with regards to diversity and equal opportunities.

FAVOURING THE ACCESS OF WOMEN TO POSITIONS OF RESPONSIBILITY

Gender equality is an integral part of the LVMH culture. Women make up three quarters of the Group's workforce. This strong female presence is an important characteristic of the Group. It is attributable in particular to the nature of the Group's business lines: Perfumes & Cosmetics (83% of employees are women), Selective Retailing (82%) and Fashion & Leather goods (71%). In contrast, men make up a majority in Wines & Spirits, where they account for 63% of the workforce.

In 2013, LVMH and 33 of the Group's companies signed the United Nations Women's Empowerment Principles Charter, thereby highlighting the importance given to the Group's firm commitment to offering

female as well as male employees a real opportunity to fulfil their potential. The seven women's empowerment principles concern, in particular, the education, training and professional development of women as well as a commitment towards gender equality at the highest level within a company. This public commitment shows that the Group is keen to carry on increasing the number of women who sit on company executive committees to hit the target of 40% by 2015 (compared to 37% in 2013 and 26% in 2010). The Group thereby confirms its ambition to develop diverse teams that reflect the Group's current economic and human situation. A total of six Group companies have a female CEO: Krug, Fred, Loewe, Emilio Pucci, Acqua di Parma and Miami Cruiseline.

Through its programme, EllesVMH, the Group aims to facilitate the access of women to positions of responsibility: access to management courses, the need to consider diversity in the succession plans of key positions and an offer of specific professional mentoring to female talent, as well as the creation of networks of women throughout the Group in the five biggest countries where the Group is present.

With regards to online communication, the Intranet community, 'EllesVMH', is already one of the biggest in-house communities with over 800 members around the world, made up of both men and women, and is a platform on which information and best practice are readily shared.

The Group continuously strives to take gender equality into account, as from the recruitment stage and throughout an employee's career. In France, all of the Group's companies have entered into company-wide agreements or created action plans concerning gender equality. They have also implemented measures on working conditions, career development and work-life balance, among other things.



EllesVMH Coaching

In 2013, a coaching programme for future female leaders was launched successfully. EllesVMH Coaching offers an innovative and effective approach to the coaching of High Potential women to help them manage their respective careers. Women from Asia, Europe and the US were coached individually by four external

experts on four career management obstacles that they may come up against: reconciling work and private life, expressing ambition, marketing oneself, and managing two international careers within a relationship. This initiative was also a great opportunity to build a multicultural network of women.

In 2013, LVMH took part in a national survey on the relationship between men and women in the workplace, conducted by the Committee for equal employment opportunities on behalf of the Ministry for the rights of women. Compared to the national average, the results for the Group's companies revealed the existence of greater gender equality. Women working for one of the Group's companies can fulfil their potential and make use of their talents more easily and are less constrained by gender-based stereotypes and other forms of sexism. These positive results testify to the strength of the initiative taken by LVMH. The Group will pursue its efforts in this area in the future.

POLICY IN FAVOUR OF OLDER EMPLOYEES

The importance of preserving know-how in the Group's various business lines places the transmission of this know-how at the heart of the Group's policy in favour of older employees. The holders of craft skills and valuable know-how acquired throughout their working lives, older employees are called on to add further value by tutoring other employees. Companies such as Moët & Chandon, Berluti, Céline, Parfums Christian Dior and LVMH Fragrance Brands take these measures to make sure that such unique know-how is passed on. Louis Vuitton asks employees over the age of 55 to lead courses at its academy dedicated to the know-how of leather workers. Guerlain offers its older employees the opportunity to teach in its academies.

Ensuring older employees can access and stay in work is an ongoing concern for the Group. Led by the Group's Corporate HR division, the companies endeavour to implement a global approach to the management and development of older employees. The companies have adapted this policy to their unique characteristics, which were previously identified through an assessment.

In France, 22 companies have made commitments to the manner in which they manage their older employees through either agreements or action plans in order to favour the recruitment, employment and career development of employees over the age of 50. All of the Group's French companies, regardless of their size, have negotiated or introduced a 'generational contract' that has three aims: to develop the long-term access of young people to work, to keep older employees in work and to pass know-how and experience down the generations.

Attention is paid to the ergonomics of work stations, preventing strenuous conditions and, more generally, the working conditions of those over the age of 55, particularly with regards to the positions that are most exposed to risks in the workshops and on the production sites. These initiatives are taken in close cooperation with the company doctor. The improvements made to the work stations are combined with greater medical surveillance of employees over the age of 55.

Human resources managers from all of the companies have been trained in conducting mid-career interviews based on a programme established by the Group's Corporate HR division. These interviews take place in the companies (Moët & Chandon, Hennessy, Berluti, Parfums Christian Dior, Le Bon Marché, etc.) in order to better manage the careers of older employees and systematically offer employees over the age of 50 an adapted professional assessment.

Employees who are nearing retirement may also be offered different working hours (Hennessy, Louis Vuitton, Parfums Christian Dior, LVMH Fragrance Brands, Hublot, among others) and are invited to attend information meetings on the subject of retirement (particularly, Le Bon Marché, Parfums Christian Dior, Hennessy and Louis Vuitton).

The commitments made by the companies also concern the recruitment and training of older employees. The Human Resources teams pay specific attention to this age group to ensure that it is fairly and sustainably represented in both processes.

Worldwide, 12.3% of LVMH employees are over the age of 50. They represent 21% of the workforce in France.

DEVELOPING THE EMPLOYMENT OF PEOPLE WITH DISABILITIES

Helping disabled people integrate into the workplace and find employment stands at the heart of the Group's CSR policy. The place given to the issue of disability reflects the values enshrined in the Group's CSR policy: respect for the uniqueness of each individual, the same standards required of all employees and the provision of means to meet these standards.

The Group's commitment to this subject is embodied in 'Mission Handicap LVMH', which steers the Group's initiatives in this area and is made up of a network of 30 disability coordinators who work in the companies. In 2011-2012, it enjoyed the support and trust of AGEFIPH, a reference in the subject of the employment of disabled people in France. This active partnership allowed the Group to increase the rate of employment of disabled people in France



Disabled pupils welcomed at Sephora Champs-Élysées

to 4.1% according to official standards at the end of 2013.

Such measures transcend national borders. Worldwide, the Group has almost 1000 employees who are recognised as disabled workers. In Japan, the companies have given special attention to this matter. For instance, Louis Vuitton, Bulgari and Loewe have made an effort to take on people with a disability. Berluti regularly allows interns who have a disability to join its Academy of Know-How.

The employment of disabled people depends first and foremost on training. LVMH chairs the association, ARPEJEH ('Accompanying the fulfilment of the study aims of disabled pupils and students'), which brings together some 60 companies around the subject of training young disabled people. In London, Donna Karan has made the most of the relationship formed with the Down's Syndrome Association (DSA) since 2012 to offer a youngster supported by the association the opportunity to join its teams to learn about the company's business. In Italy, Bulgari works with the Italian Down's Syndrome Association (AIPD) and has created, in particular, a calendar for 2014, which was promoted by Bulgari and made in partnership with and on behalf of the AIPD.

LVMH has developed 'Handi-Talents', a recruitment method that places disabled applicants in work. These innovative recruitment sessions - which do not use the applicant's CV - make hiring objective and allow skills that are transferable to a professional environment to be identified. Throughout the year, Group companies take part in local job forums dedicated to disabled people.

KEEPING PEOPLE IN WORK

In March 2011, Moët & Chandon, a pioneer in this field, created MHEA, a company adapted to the needs of disabled employees; at least 80% of the company's employees are disabled. MHEA welcomes

employees from Moët & Chandon sites whose disabilities no longer let them work in an ordinary environment. When joining MHEA, they retain all of their previous employment conditions, including their original salary and seniority benefits. In order to grow, the company has also recruited outside of Moët & Chandon. MHEA is intended as a gateway, enabling its employees to return to the so-called normal sector. Other companies have decided to develop assembly lines adapted to people with medical conditions (Guerlain, Parfums Christian Dior, among others).

LVMH favours the use of the 'protected and adapted sector'. This sector enables a person who is seriously disabled, whether permanently or temporarily, to work in an environment that is adapted to his or her circumstances. Following the LVMH Disability and responsible purchasing seminar in 2012, companies such as Louis Vuitton, Bulgari, Guerlain and Parfums Christian Dior reviewed their purchasing policy to develop their relationship with companies operating in this sector. Services outsourced to the protected and adapted sector were worth more than six million euros in 2013, which is equivalent to over 150 direct jobs.



TARA WORKS AS AN INTERN AT DONNA KARAN NEW YORK IN LONDON

Donna Karan is a member of WorkFit, a programme that facilitates access to work and that is run by the Down's Syndrome Association in the UK. Donna Karan's London store offered Tara Davies a paid three-month internship as part of the programme: an experience that very quickly proved to benefit everyone!

Thanks to the support provided by the association, which gave the team all of the assistance and training required to integrate the intern successfully, Tara quickly demonstrated what she could do. Resolutely optimistic, she successfully completed all of the tasks with which she was entrusted: entering data into the customer relationship management system, welcoming and advising customers, and participating in the reorganisation of the store's warehouse, among other things. Tara's internship also let her acquire several new skills. Furthermore, her work significantly contributed to the store's good results throughout the entire duration of her internship.

For the store manager, Marlo Love, having an intern with a disability like Tara's enabled her to improve her management style. 'Tara made me aware of all the stages needed to train somebody. Tara helped us - my management team and myself - to optimise our coaching skills.' A positive impression shared by the store's entire team, which was pleased to have worked with such a dynamic and positive young woman. Everyone said that they were keen to pursue the WorkFit programme!

SUPPORTING LOCAL COMMUNITIES



Many of the Group's companies have historical ties with some regions in France and play a vital role in the provision of jobs in their respective regions: Parfums Christian Dior in Saint-Jean-de-Braye, near Orléans, Veuve Clicquot Ponsardin and Moët & Chandon in Champagne, Hennessy in Cognac. They have developed relationship and communication policies with local authorities, particularly in the areas of culture, education and employment. Sephora regularly takes actions in favour of local jobs: the company has stores throughout France and two thirds of the company's workforce is located outside of the Paris region.

Major economic players in several employment areas, the Group's companies are attentive to a region's specific social characteristics and have developed partnerships, described below, with associations and NGOs to support the social and professional integration of the most disadvantaged people. For example, through Sephora's 'Values Inside Out' programme in the United States, the company has created partnerships between its stores and local associations to help them through fund-raising, the raising of customer awareness and volunteering.

Around the world, Group companies are taking action to facilitate the access of young children to education in countries that are disadvantaged or hit by natural disasters. Through 'Hand in Hand for Haiti', an initiative launched after the January 2010 earthquake, DFS is supporting a school for the most disadvantaged children in the region of Saint-Marc. Bulgari supports the education of young children with Save The Children in Italy. Louis Vuitton has entered into a very close and global partnership with SOS Children's Villages by making its energy and that of its teams in the countries where the brand is present available to this charity. The

construction by Louis Vuitton of a learning centre for 150 children in Bhubaneswar, India, is an illustration of this partnership. Sephora supports an association called 'Toutes à l'école' through the sale of a stuffed toy whose income is passed on to the association so that it can school young girls in Cambodia. On a local level, LVMH has created several partnerships and ties with educational institutions to raise awareness of occupations within the Group. These partnerships often result in scholarships and the funding of places on fashion and leather-working courses.

The Group develops solutions and partnerships to help the most disadvantaged find work. In France, several actions in favour of getting people into work are taken to allow all employees to get involved in the Group's CSR initiatives. As part of the partnership with the association, 'Our neighbourhoods have talent' (Nos Quartiers ont des Talents), around 100 experienced managers have mentored more than 100 young graduates from deprived neighbourhoods. Since 2007, 224 youngsters have found work after having been mentored by an LVMH Group employee. In association with towns and cities in deprived areas, the Group's occupations are presented to local pupils to help provide some guidance, which is a vital part of their job search.

In 2010, LVMH formed a partnership with Montfermeil, a cosmopolitan and proactive city situated in the suburbs of Paris. Driven by a common desire for excellence, this partnership helps facilitate the social mobility of young people from deprived neighbourhoods by welcoming interns and seniors. The Group helps Montfermeil raise awareness of its cultural wealth and the talent of its inhabitants, which is expressed during the 'Cultures and creation' fashion show. During this event, LVMH awards a 'Young Talent' trophy to one of the participants, thereby giving young people who are passionate about but have no access to the world of fashion the chance to become a part of it.

The 2013 'Young Talent' winner went on to exhibit her work in the Green Showroom, which takes place during Berlin Fashion Week, and then join the fashion school, Ecole de la chambre syndicale de la couture parisienne, under an apprenticeship contract with Kenzo. A wide range of actions are taken on behalf of Montfermeil's youngsters: 'company discovery' internships offered to 50 of the city's pupils, tours of the Group's companies, preparation of pupils attending vocational colleges, and help with looking for work. Similarly, Parfums Christian Dior is behind the first jobs forum, '2000 jobs, 2000 smiles' (2 000 emplois, 2 000 sourires). Held in Cosmetic Valley, this forum aims to put job seekers into direct contact with the recruiters of local firms. A total of 80 companies took part with 3000 jobs on offer. Coaching for the job interview was also offered by Sephora. More than 6000 people attended the event, 74% of whom were aged between 18 and 25. With the aim of encouraging entry into the company solely on the basis of skill and commitment, LVMH is a member of and contributor to the 'Companies for equal opportunity in education network'. This association encourages company involvement in schools in sensitive areas and welcomes interns from the schools and colleges in these areas. To favour the integration and insertion of youngsters through education regardless of their environment and background, LVMH supports the 'Priority education agreements' programme run by the Institute of political studies by offering scholarships and mentoring by its managers to youngsters on the programme. Similarly, Hennessy funds scholarships for Afro-American students in the US.

Finally, as a signatory to the Apprenticeship charter, the Group has substantially developed its apprenticeships to allow young people to gain a qualification more easily. On 31 December 2013, there were more than 870 young people on apprenticeship or professional training contracts in all of the Group's French companies.

HAND IN HAND FOR HAITI: EDUCATION TO SAFEGUARD THE COUNTRY'S FUTURE

The association, Hand in Hand for Haiti, was created in 2010 on the basis of an initiative to design, build and run a new and sustainable school: lycée Jean-Baptiste-Pointe-du-Sable in Saint-Marc. This ultramodern development offers a unique and global approach to education through high-quality lessons taught in English and in French from nursery school to the end of secondary school. 'Hope for a brighter future for Haiti depends on educating and giving responsibilities to the country's children,' explains Ed Brennan former CEO of the DFS Group and co-founder and chairman of this remarkable foundation. Hand in Hand for Haiti has attracted an extraordinary amount of support and is a true success story. In the academic year, 2013-2014, 252 pupils attended the school. A sports hall and a football pitch were opened at the end of June 2013. Onboard Media and Starboard Cruise Services, two LVMH companies based in Miami, have played a decisive role in the funding of the school. Every year, the two companies organise several events and, in particular, a five-km race/walk and a golf tournament in Miami. Since 2011, they have raised more than 865,000 dollars for the foundation.



FOCUS



*The Young Talent of the 'Cultures and creation' fashion show
at the Green Showroom during Berlin Fashion Week*

The LVMH Young Talent award actively promotes equal opportunities by acclaiming a young designer during the Montfermeil (Seine-Saint-Denis) 'Cultures and creation' fashion show. In 2013, the winner was Anaïs Guille. The award, presented in February and at the time of this annual event, lets the winner pursue his or her professional ambitions under exceptional conditions by benefiting from creative support from LVMH Group professionals, tailor-made training, funding for the winner's first

collection from the Guerlain fund for creation and diversity, media coverage (Group Internet site, press articles, etc.) and participation in Berlin Fashion Week. Anaïs Guille was therefore able to present in July, after six months of preparation, a small collection at the Green Showroom in Berlin and then join Kenzo on a two-year work/study programme in partnership with the fashion school, Ecole de la chambre syndicale de la couture parisienne.

FOCUS



The LVMH Committed Companies Dinner

On 7 November 2013, LVMH held its first 'Committed Companies Dinner' at Jardin d'Acclimatation in Paris. This dinner celebrates the social and societal commitment of the Group's companies and firms through a philanthropic gesture. Bringing together around 20 companies and firms, and more than 200 participants, both in-house and external CSR managers and partners, the dinner was organised to help combat sickle-cell anaemia.

Antonio Belloni, Group Managing Director, and Chantal Gaemperle, Human Resources Director, recalled on this occasion the need for companies like ours to be attentive to the society that

surrounds them and to encourage an outlook that is generous and integrates excellence. The CEOs invited to present the actions of their respective companies demonstrated the extent to which the latter are attentive to their stakeholders. The evening ended in high spirits and a desire to make an even greater effort. The next dinner has already been arranged.

PHOTOGRAPHS

NQT – Yoann Pallier – Karl Lagerfeld – Peter Marlow/Magnum Photos – Messe Frankfurt/Green Showroom –
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