

# LVMH Moet Hennessy Louis Vuitton SE

**TICKER**  
 PAR:MC

**MARKET CAPITALIZATION**  
 US\$173 billion

**HEADQUARTERS**  
 France

**DISCLOSURES**
UK Modern Slavery Act: Yes (Disclosure of Subsidiary)

**TARGETS**  
 None

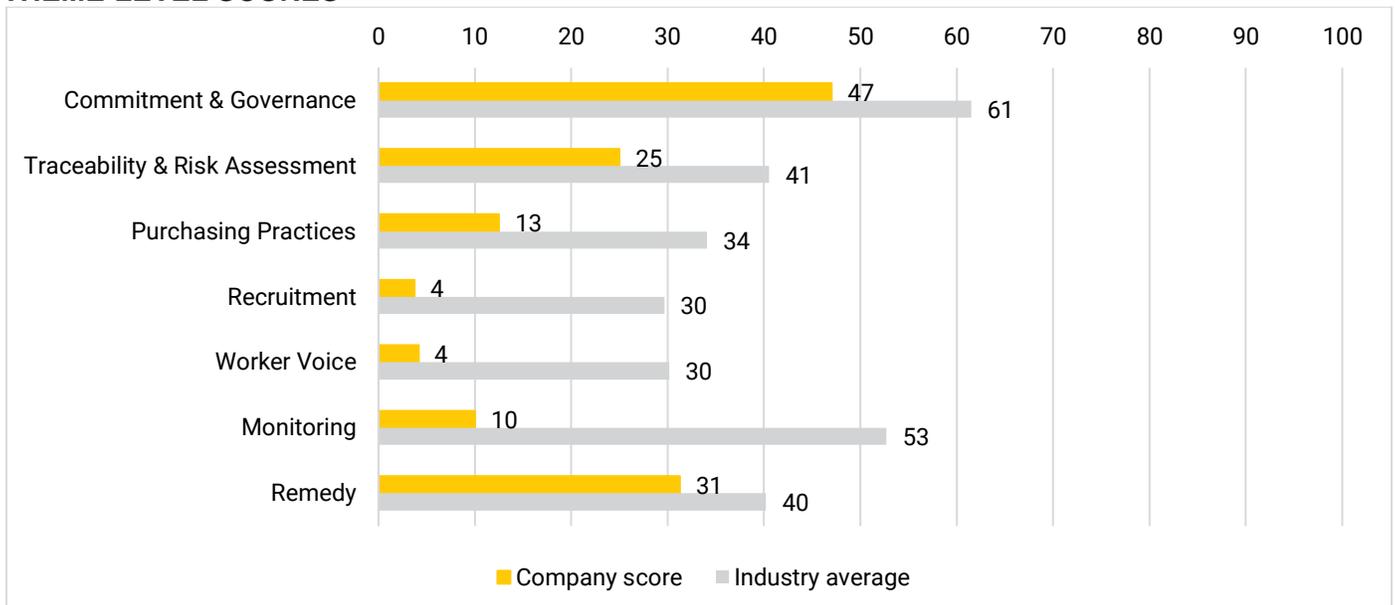
California Transparency in Supply Chains Act: Yes (Disclosure of Subsidiary)

**OVERALL RANKING**
**29** out of **37**

(2018 Rank: 31 out of 43)

**OVERALL SCORE**
**19** out of **100**
**SUMMARY**

LVMH Moet Hennessy Louis Vuitton SE (LVMH), the largest luxury goods company in the world whose brands include Christian Dior, Givenchy, and Louis Vuitton,<sup>1</sup> ranks 29<sup>th</sup> out of 37 companies and discloses significantly less information on its forced labor policies and practices than its peers. Compared to 2018, LVMH improved its score by five points. This is because it began disclosing internal oversight of its suppliers' social compliance, conducting supplier training on topics including human rights and responsible cotton sourcing, and conducting a risk mapping that included factors such as freedom of association and forced labor. It also states that it requires suppliers to ensure that subcontractors adhere to its supplier code and that it monitors subcontractors. It does not disclose the steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers. LVMH is encouraged to improve on the themes of Purchasing Practices, Recruitment, and Worker Voice.

**THEME-LEVEL SCORES**


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**KEY DATA POINTS****SUPPLIER LIST**

■ No

**IMPROVEMENTS OF FREEDOM OF ASSOCIATION**

■ No

**HIGH-RISK RAW MATERIALS<sup>2</sup>**

■ Cashmere, cotton, silk, and others

**DATA ON PURCHASING PRACTICES**

■ No

**REMEDY FOR SUPPLY CHAIN WORKERS**

■ No

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**LEADING PRACTICES**

None.

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**NOTABLE FINDINGS**

**Commitment & Governance:** LVMH discloses its supplier code, which addresses forced labor, child labor, discrimination, freedom of association, and collective bargaining. The company reports that it has provided human rights training to its suppliers based in China and training for its suppliers in Italy on responsible cotton sourcing in partnership with the Better Cotton Initiative.

**Risk Assessment:** LVMH discloses conducting a risk mapping that identifies and ranks human rights abuses and violations of its supplier code of conduct, including for particular geographic locations. It states that it undertook a non-financial risk assessment in 2018, which assessed freedom of association, forced labor, and supply chain risks.

**Corrective Action Plans:** LVMH discloses collaborating with suppliers to draw up corrective action plans where required. It states that it verifies the implementation of corrective actions through re-audits and reports on outcomes of this process.

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**OPPORTUNITIES FOR IMPROVEMENT**

**Purchasing Practices:** To address forced labor risks in its supply chains, LVMH is encouraged to adopt purchasing practices that decrease the risk of forced labor, such as improving planning and forecasting and prompt payment or providing incentives (e.g., price premiums or increased orders) to suppliers to encourage or reward good labor practices. The company may further consider assessing the risks of forced labor at potential suppliers before entering into any contracts with them and integrating supply chain policies that prohibit forced labor in its supplier contracts.

**Recruitment:** To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, LVMH is encouraged to take steps to ensure that workers in its supply chains are not charged fees during any recruitment-related process and to ensure that such fees are reimbursed to the workers. It is encouraged to ensure that migrant workers understand both the terms and conditions of their recruitment and employment and their rights and to offer evidence that the steps taken to ensure that the rights of workers in vulnerable conditions are respected and result in positive outcomes.

**Worker Voice:** To prevent and address forced labor risks in its supply chains, LVMH may consider ensuring that a formal and effective mechanism to report grievances regarding labor conditions is available and communicated to its suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. Further, the company is encouraged to take steps to ensure that workers in

its supply chains are aware of their rights and are able to exercise their rights to freedom of association and collective bargaining.

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**ENGAGED WITH KNOWTHECHAIN<sup>3</sup>**

Informal (i.e., responsive to KnowTheChain but did not take part in the formal engagement/disclosure process).

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<sup>1</sup> Deloitte (2020), "[Global Powers of Luxury Goods 2020](#)," p. 17.

<sup>2</sup> For further details on high-risk raw materials, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

<sup>3</sup> Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).