

KnowTheChain 2023 Apparel & Footwear Benchmark

Additional Disclosure

Company Name: LVMH

Date: 15 September 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices. Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.
- Column F in the Scored Research tab of your excel sheet highlights questions to your company where the KnowTheChain team is seeking clarification or further detail on particular points of your company's disclosure.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

2.2) "In addition to training on responsible purchasing practices held at certain Maisons in previous years, the decision was made in 2021 to create an LVMH-wide training program on this subject. Delivery of this training program, developed with the support of consulting firm Des Enjeux et Des Hommes, began in 2022, with sessions having taken place in France and North America. An

anti-corruption training program for Group buyers was also developed in 2022 and will be rolled out within the Maisons during 2023"

- "Training for LVMH purchasing managers. The Maisons will be able to meet LVMH's ethical, social and environmental targets only by involving everyone within the Group who directly oversees its strategic supply chains. That's why the Group provides training on the challenges and opportunities of responsible purchasing for employees dealing with suppliers. The program, designed together with Des Enjeux et des Hommes, a CSR strategy consulting firm, started up in 2022 in Europe and North America and is gaining pace in 2023 with a roll-out in Asia."

2.2) - LVMH, (2022) Universal Registration Document, <https://r.lvmh-static.com/uploads/2014/10/2022-ethics+O22-and-responsibility.pdf>, p. 56

- LVMH, (2021) "Social and Environmental Sustainability Report", https://r.lvmh-static.com/uploads/2023/06/lvmh_rse_2022_gb_pp_e-accessible.pdf, p.124

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

In the LVMH (2022) "Social and Environmental Sustainability report" p.74 - The 2026 objective of our LIFE 360 Program on Biodiversity: "100% of strategic raw materials certified according to standards guaranteeing the conservation of ecosystems and water resources"; also helps us to have a better understanding of our supply chain and helps us to minimise the sourcing of materials coming from countries at risk. Supporting that, is the traceability and transparency pillar of the LIFE 360 Program with a dedicated target for 2030 (refer to web link).

Regarding the supplier's name disclosure, Fendi disclose the list, their name and address (refer to the Fendi website) under "The relations with our suppliers are based on trust, transparency, and accountability principles, which allows us to confidently disclose their names, addresses, and production types of our suppliers, processing facilities, and raw material providers"

Additionally, in the LVMH (2022) "Social and Environmental Sustainability report" p.106, Fendi improved its rating, scoring 53 out of 100 (up 10 points on 2021), making it the second-highest ranked luxury brand.

LVMH, (2021) "Social and Environmental Sustainability Report", https://r.lvmh-static.com/uploads/2023/06/lvmh_rse_2022_gb_pp_e-accessible.pdf

Fendi 'Traceability', <https://www.fendi.com/sustainability/responsible-product/traceability>

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

4.2 details on forced labour risks identified in different tiers of its supply chains; and

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers' and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

Any employee or external stakeholder who becomes aware of violations of the LVMH Code of Conduct, internal guidelines, principles and policies and/or of applicable laws and regulations is invited to raise their concern and/or ask for guidance.

Stakeholders can raise their concern to their contact person(s) at LVMH. In addition to these channels for raising ethical and other concerns, the Group's employees and stakeholders have

access to the LVMH Alert Line, an online interface that provides a fully confidential and secure way of reporting in good faith violations of the laws, regulations, or principles of internal conduct.

This formal mechanism is available to all internal or external stakeholders, including supply chain workers below the first tier. There is no condition to submit a report through the LVMH Alert Line.

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

The LVMH Group Alert Policy, available on the lvmh.com website, describes how concerns should be reported and how they should be addressed within the LVMH Group.

The number of reports received through the LVMH Alert Line is disclosed and publicly available on several supports, notably:

- Universal Registration Document (p. 74) ->https://r.lvmh-static.com/uploads/2023/03/deu-2022-va_v

https://r.lvmh-static.com/uploads/2023/03/deu-2022-va_vdef.pdf

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk raw materials. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Bamboo
- Cashmere
- Cotton
- Leather (cattle)
- Rubber (natural)
- Silk
- Viscose
- Wool

Please indicate whether your company sources from any of the below high-risk locations.

- Argentina
- Bangladesh
- Brazil

- China
- Ethiopia
- India
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam