



Milan, December 13 2018

Dear Colleagues,

Loro Piana's history has always been founded on values such as quality, authenticity, integrity, excellence. Moved by the firm conviction that an ethical and sustainable conduct represents the base for our success and growth, we believe that the task of each of us is to keep an exemplary behavior, becoming ambassadors of these guiding principles and reflecting them in our everyday activities.

This is concretely represented by our Code of Ethics, which embodies our way of acting and thinking while guaranteeing coherence among the values and the daily activities which the company carries out.

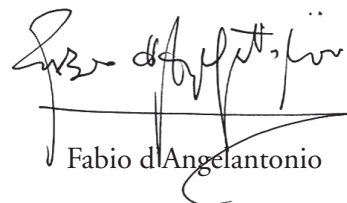
Recently, LVMH has updated its Code of Conduct, enlarging and remarking the ethical principles and behaviors embraced by the Group and by its Maisons, defining a general framework able to adapt to different contexts and to their continuous evolution as well as guaranteeing full compliance to international treaties and agreements.

Loro Piana embraces the principles and behaviors adopted by the LVMH Group which fully intertwine and reflect our distinguishing philosophy and DNA and adopts once again the LVMH Code of Conduct making it its own Code of Ethics.

These principles guide the behaviors of each of us and of every person who works, collaborates or gets in contact with Loro Piana.

I invite you to download the updated Code of Conduct, available in different languages at the following link. Read it carefully and consider it the vademecum of your daily activities, in the offices, in the stores and in the plants.

Thank you for your collaboration.



Fabio d'Angelantonio



*Code
of Conduct*
LVMH

*Code
of Conduct*
LVMH

TABLE OF CONTENTS

6	FOREWORD
8	INTRODUCTION
10	ACTING RESPONSIBLY AND WITH SOCIAL AWARENESS
12	PROVIDING A FULFILLING WORK ENVIRONMENT AND VALUING TALENTS
15	COMMITMENT TO PROTECT THE ENVIRONMENT

17	WINNING THE TRUST OF CUSTOMERS
18	WINNING THE CONFIDENCE OF SHAREHOLDERS
21	ACTING WITH AND COMMITMENT TO INTEGRITY IN THE CONDUCT OF BUSINESS
25	IMPLEMENTATION AND COMPLIANCE

FOREWORD

Successful companies stand the test of time.

LVMH knows this well. Our Maisons excel in nurturing the value of their brands, continually strengthening their appeal with bold innovation while respecting their unique and prestigious heritage. This is what inspires the success of the Group and guarantees our future.

The success of LVMH also depends on respect for the shared rules, practices and principles that guide the day-to-day conduct of our business activities everywhere in the world in terms of ethics, social responsibility and respect for the environment.

LVMH has articulated and encouraged respect for these shared rules, practices and principles. Since its founding, the LVMH Group has ensured that:

- **these practices reflect** the highest standards of integrity, responsibility and respect for stakeholders;
- **employees enjoy** a work environment in which they can express their talent and apply their skills and expertise;
- **our Maisons define and adapt** their production processes, habits and behaviors to pursue continuous improvement in addressing the environmental issues we face;
- **we contribute** to the development of the regions and communities where we do business;
- **we provide** resources and competencies to support public interest initiatives and corporate philanthropy, and promote access to the arts and culture for a broad public.

We make these commitments to ourselves and to our stakeholders. They are reflected in the signature by LVMH and its Maisons of fundamental initiatives – such as the United Nations Global Compact in 2003 – and by the adoption of internal codes of practice and charters that provide a benchmark for all our Maisons. These include an Environmental Charter introduced in 2001 and the Supplier Code of Conduct in 2008. We adopted the initial version of our Code of Conduct in 2009, formally setting out simple yet fundamental principles that

inspire the Group in the conduct of its businesses and guide each of us in the exercise of our responsibilities.

This updated version of our Code of Conduct is both more explicit and more extensive for several reasons.

Because we must update our common framework to better address the diversity of continually evolving national contexts, métiers and cultures.

Because we must ensure compliance with all applicable treaties, laws and regulations, particularly in the areas of human rights and basic freedoms, health and safety, environment and ethics.

And because it is essential that these principles be applied thanks to concrete and effective means and an appropriate organizational structure.

This Code of Conduct has been signed by the members of the Executive Committee and by the CEOs of the LVMH Maisons. Each of the signatories thus makes a formal commitment to respect this Code and to guarantee its application and dissemination.

The Board of Directors' Ethics and Sustainable Development Committee monitors respect for the rules and values defined in this Code of Conduct. Each Maison and its members are expected to engage with this common framework and to apply its principles. This is a key factor in ensuring our continued excellence and a pillar that allows us to thrive over the long-term.

Our future collective success depends on the ethical commitment of every individual in the Group.

Bernard Arnault
Chairman and Chief Executive Officer of LVMH

INTRODUCTION

PURPOSE

The LVMH Group (“LVMH” or the “Group”) comprises over 70 exceptional Maisons that create high quality products. LVMH is the only company active in all five major sectors of the luxury industry: Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry and Selective Retailing.

The Group’s growth and enduring success are underpinned by the values and principles that shape its culture and inspire and guide the actions of all employees.

LVMH’s ambitions are anchored by three fundamental values shared by all members of the Group:

— **Be creative and innovative:** creativity and innovation are part of our DNA. Over the years, they have ensured our Maisons’ success and established their legitimacy. This combination of creativity and innovation is the foundation of our Maisons and figures at the heart of the delicate balance required to continually renew our offering while resolutely looking to the future, always respecting our unique heritage;

— **Deliver excellence:** because LVMH embodies the world of craftsmanship in its most noble and most accomplished form, we pay meticulous attention to detail and to perfection. We never compromise on quality. From products to service, we cultivate our difference through this constant quest for excellence;

— **Cultivate an entrepreneurial spirit:** LVMH has an agile and decentralized organization that encourages efficiency and responsiveness. It stimulates individual initiative by entrusting each person with meaningful responsibilities. Our entrepreneurial spirit encourages both risk-taking and perseverance. It requires pragmatic thinking and an ability to motivate teams, leading them to achieve ambitious objectives.

RESPONSIBLE PEOPLE AT THE HEART OF PERFORMANCE

LVMH employees are inspired by these values and embody them to guarantee the success of the Group and its Maisons. These values serve as a guide for our employees in changing contexts, as well as in complex environments, enabling them to challenge themselves to innovate and drive growth. These values are the pillars that ensure the performance and long-term success of the LVMH Group.

AN ECOSYSTEM OF MAISONS

LVMH is above all an ecosystem of Maisons that share a common culture of excellence and dynamic creativity to satisfy the aspirations of their customers.

The organization of LVMH emphasizes the autonomy of its Maisons, recognizing the rich diversity of the business models they have

developed. The Group respects their distinctive character and development paths and acts as the leader of a creative community where expertise and skills are carefully preserved, nurtured and shared.

Decentralized operations guarantee the autonomy and agility of the Maisons, allowing LVMH to remain extremely close to customers, to rapidly make effective decisions, and to continually motivate our employees by encouraging them to show their entrepreneurial spirit.

A SHARED ETHICAL FRAMEWORK

The principles set out in this Code of Conduct provide an ethical framework for all the actions of LVMH and its staff. LVMH expects exemplary behavior by its employees, fully respecting the Group's ethical commitments.

Respect for national and international laws, regulations and decisions and the application of best practices – particularly with respect to ethics, the environment and social responsibility – are essential prerequisites for the credibility of our policy. LVMH is committed to respecting both the letter and the spirit of these key texts and to translating its values and principles into responsible behavior.

This Code of Conduct is inspired by the fundamental values detailed above, as well as the Universal Declaration of Human Rights, the United Nations Global Compact, the OECD

Guidelines for Multinational Enterprises and the United Nations Guidelines on Women's Empowerment.

The LVMH Code of Conduct provides the foundations for our policy. The application of this common base in specific areas is detailed in the Environmental Charter, the Supplier Code of Conduct as well as various internal guidelines and charters.

This Code of Conduct does not supersede the codes and charters applied by LVMH Maisons, but rather serves as a common core and source of inspiration. It brings together the fundamental principles that illustrate our shared commitment and guide the way we carry out our day-to-day professional activities. It states the principles that must inspire every member of the Group, as well as our partners and suppliers.

ACTING RESPONSIBLY AND WITH SOCIAL AWARENESS

RESPECTING AND SUPPORTING HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

LVMH ensures that the conduct of its businesses respects individual rights and encourages the continuous improvement of social and public health conditions, which are essential to the development and protection of individual rights.

LVMH is committed to remaining vigilant in identifying any potential direct or indirect negative impact of its activities on society in order to prevent, or if necessary, remedy any such negative impact.

LVMH respects and promotes the Universal Declaration of Human Rights and adheres to the principles of the United Nations Global Compact, as well as to the United Nations Guidelines on Women's Empowerment. Within its sphere of influence, LVMH supports the values, freedoms and fundamental rights promoted in these texts.

CONTRIBUTING TO THE ECONOMIES OF HOST COUNTRIES

LVMH contributes to the economic and social development of the regions where it does business.

LVMH contributes to job creation in the regions where it is present – both directly through its

own facilities and indirectly through its partners – and also to the tax revenue of local and national governments.

Through cooperation with the different sectors in which LVMH operates, the Group's presence encourages the development of local centers of excellence, as well as development of skills.

BUILDING AND ENCOURAGING RESPONSIBLE RELATIONSHIPS WITH PARTNERS

LVMH is committed to maintaining and encouraging responsible and fair relationships with its partners.

LVMH supports its partners to establish and respect good corporate social and environmental practices and encourages their awareness of the importance of these issues. In particular, LVMH requires suppliers to comply with the ethical principles set out in the Supplier Code of Conduct. This Code specifies requirements to be respected by its suppliers, including any subcontractors they employ, in the management of their business regarding social issues (prohibition of forced labor and child labor, harassment and discrimination, measures related to wages, working hours, the free exercise of union rights, health and safety), environmental issues and operational issues (notably respect for laws, customs regulations, safety and subcontracting) and measures to fight corruption and illicit influence. This Supplier Code of

Conduct also gives LVMH the right to conduct audits to ensure, as far as possible, supplier compliance with these principles.

LVMH maintains balanced commercial relations with its partners and places special emphasis on respect for contractual agreements and terms of payment.

ACTIVE SOLIDARITY AND CORPORATE PHILANTHROPY

LVMH is committed to exemplary corporate social responsibility. This commitment is anchored in the fundamental principle of respect for people and individuals, and in making excellence a lever for social and professional inclusion, in solidarity with our host communities.

LVMH carries out numerous initiatives to support culture, artistic creativity, education and youth, as well as major humanitarian causes.

LVMH pursues an innovative corporate philanthropy policy designed to benefit the largest possible number of people. The different aspects of this policy reflect and promote the cultural values that unify LVMH Maisons and underpin their success.

LVMH respects the cultures of the countries where it conducts business and is committed to promoting the best of local cultures and creativity. LVMH's social solidarity policy reflects its attachment to historic and artistic heritage.

LVMH education and youth initiatives emphasize broad access to the world's cultural heritage and encourage the development of tomorrow's talents.

The LVMH Group's solidarity also extends to humanitarian and social causes. LVMH provides ongoing support for medical research in France and around the world.

▪
*LVMH supports its partners
to establish and respect
good corporate social and
environmental practices.*
▪

PROVIDING A FULFILLING WORK ENVIRONMENT AND VALUING TALENTS

LVMH respects and promotes the principles of the United Nations Global Compact, in particular the fundamental rights at work:

- elimination of discrimination with respect to employment and occupation;
- elimination of all forms of forced and compulsory labor;
- effective abolition of child labor;
- freedom of association and the effective recognition of the right to collective bargaining.

LVMH encourages a diversity of profiles and backgrounds. This commitment is formally set out in the Group's Recruitment Code of Conduct and materialized by its signature of the French Corporate Diversity Charter ("Charte de la diversité en entreprise").

Diversity, a gender-balanced workforce and gender equality are embedded in the LVMH culture.

LVMH is formally committed to ensuring that all employees enjoy their rights irrespective of skin color, sex, religion, political convictions, national or social origin, age, disability, trade union membership, sexual orientation, or gender identity. Particular attention is accorded to vulnerable persons' rights.

PROMOTING A WORK ENVIRONMENT THAT RESPECTS INDIVIDUALS

Diversity inspires creativity and is an essential value for LVMH. The diversity of the Group reflects a strong commitment to nurturing a culture of inclusion that respects the individuality of each employee or job candidate.

LVMH prohibits all forms of discrimination in recruitment, compensation, working time, breaks or paid vacation, maternity rights, job security, assignment of positions, appraisal, training, career development, job security and workplace health and safety. LVMH opposes all forms of physical, sexual, verbal or psychological violence and harassment.

Gender diversity is an integral part of the LVMH culture. The Group makes equal opportunity for women and men a cornerstone of its human resources policy within the framework of an inclusive culture, and places special emphasis on developing the careers of women. LVMH ensures equitable treatment of both women and men, including on work compensation and benefits.

LVMH takes initiatives to recruit, develop and retain talents that respect gender diversity. It has set up programs including mentoring and active support for talented women.

LVMH promotes the development of young talents through partnerships with schools and universities, local communities and associations.

LVMH encourages the employment and retention of older employees through initiatives such as training, flexible work hours and working conditions and prevention of physically difficult tasks. Senior employees are actively encouraged and valued through mentoring programs designed to preserve and transmit their skills.

LVMH is resolutely committed to the professional integration of people with disabilities and actively supports their training and recruitment through specific initiatives and dedicated partnerships.

**ENCOURAGING A WORK ENVIRONMENT
THAT IS SAFE AND WHICH
RESPECTS PRIVATE LIFE**

LVMH takes measures to ensure the health and safety of its employees and ensures that all its activities comply with applicable workplace health and safety laws and regulations in all its host countries. LVMH is committed to implementing best practices in the area of workplace

safety. It works towards protecting employees in the framework of their professional activities from exposure to hazardous materials or situations and reporting potential hazards.

LVMH internal regulations detail workplace health and safety rules. They are communicated to employees.

LVMH takes measures to ensure a healthy balance between professional and private life for its employees.

LVMH respects the right of its employees to be involved in political activities and/or associations in a private capacity. Employees must ensure that these private activities do not involve or jeopardize the fulfillment of their responsibilities or damage the reputation of their employer.

LVMH is committed to respecting applicable regulations in its host countries when it gathers, processes or transfers the personal data of employees or job candidates.

**OFFERING A STIMULATING
AND MOTIVATING WORK ENVIRONMENT
FOR EMPLOYEES**

LVMH seeks to attract, recruit and develop the most talented people and offers a fulfilling work environment that encourages relationships between colleagues based on trust.

LVMH actively develops the skills of its employees through an extensive range of training programs and by promoting internal mobility, both geographic and functional. The Group is strongly committed to the transmission of skills and the cultural heritage represented by artisanal and creative professions.

LVMH encourages its employees to continually focus on quality in the execution of their work. Managers place priority on leading by example and ensuring an effective balance between initiative and limits dictated by the professional skills and responsibilities of the people who report to them.

Employees are expected to cooperate with colleagues and ensure impartiality and mutual respect in their inter-personal relations.

Employees may not make discriminatory, defamatory or harassing remarks when discussing their colleagues, managers or employer. In particular, this includes communication on social networks to be in compliance with the guidelines set out in the internal Social Media Charter.

**PROMOTING DIALOGUE
WITH EMPLOYEE
REPRESENTATIVES**

LVMH respects employees' right to freely express views and opinions formulated within the framework of a constructive dialogue.

LVMH respects the right of employees to freely and voluntarily join organizations to promote and protect their professional interests.

LVMH encourages positive dialogue with employee representatives and cooperation with trade unions, as well as the respect and consideration for employee representatives in each country where the Group is present.

COMMITMENT TO PROTECT THE ENVIRONMENT

Protecting the environment is both an imperative and a source of progress.

In all countries where it has a presence, LVMH strictly complies with applicable environmental laws, regulations and standards. LVMH strives to exceed legal and regulatory norms as an exemplary corporate citizen to address environmental issues that concern everyone. Through its Maisons, employees and partners, LVMH actively contributes to defining and implementing more virtuous practices in all of its business sectors, in particular through a precautionary approach.

These commitments were formalized in the Environmental Charter adopted in 2001 and applied by all LVMH Maisons:

- Aim for a high level of environmental performance;
- Foster a collective commitment;
- Control environmental risks;
- Design high-quality products by integrating environmental innovation and creativity;
- Pursue commitments beyond the company.

•
*Protecting the environment
is both an imperative
and a source of progress.*
•

PRESERVING NATURAL RESOURCES AND INTEGRATING THE ENVIRONMENTAL DIMENSION INTO PRODUCTS

The long-term success of LVMH Maisons and their products depends directly on protecting and respecting natural resources.

Products created by LVMH Maisons are made from natural and often rare and exceptional materials. The design and manufacture of luxury products require not only innovation, creativity and excellence in execution, but also environmental performance.

The LVMH Group has since its founding perpetuated values rooted in the unique heritage of its Maisons, continually anticipating and adapting production processes and behaviors to better address the many environmental challenges we face.

A COMMITMENT SUPPORTED BY CONCRETE, EFFECTIVE TOOLS

LVMH takes concrete initiatives to protect the environment, fight climate change and preserve natural resources. The Group seeks to actively drive continuous improvement of environmental conditions to benefit its customers, employees and the broader community, and deploys the suitable human and financial resources.

This commitment is embodied by the LIFE program - LVMH Initiatives For the Environment - which has been incorporated by all LVMH Maisons to structure their initiatives and focus them on nine shared priority areas and objectives:

— **Integrate** environmental performance of products throughout their life cycle since the design stage;

— **Secure** access to strategic raw materials by protecting biodiversity;

— **Guarantee** material and product traceability compliance;

— **Promote** environmental and social responsibility of suppliers and work with them to ensure best-in-class environmental standards across our supply chain;

— **Protect** critical know-how;

— **Reduce** greenhouse gases emissions of our activities and promote the use of renewable energy;

— **Improve** the environmental performance of our production sites and stores;

— **Increase** the lifetime and “reparability” of products;

— **Establish** procedures to address environmental issues raised by customers and stakeholders.

Environmental priorities and objectives are an integral part of the strategic plans at each Maison. The Maisons must prepare medium- and long-term plans to ensure continuous improvement, accompanied by indicators to measure performance.

Beyond environmental factors linked directly to its business activities, LVMH also helps protect the environment by forging partnerships with business groups, public authorities and NGOs. Guided by the LIFE program, LVMH and its Maisons work in a spirit of cooperation with stakeholders to make a positive contribution to best practices and address environmental issues throughout the entire value chain.

▪
*LVMH takes concrete
actions to protect
the environment
and always strives
to exceed legal and
regulatory requirements.*
▪

WINNING THE TRUST OF CUSTOMERS

SUSTAINING PRODUCT QUALITY AND SAFETY

LVMH is committed to ensuring the health and safety of its customers by applying the precautionary principle in the design and production of its products.

LVMH continually strives to offer customers the highest possible product quality thanks to research and innovation, exacting standards in selecting materials, and in the use of expert skills in its different sectors.

The Group takes special care in the production and sourcing of these high-quality materials to seek to assure the sustainability of its resources, as well as respect for the principles promoted by LVMH in this Code of Conduct.

RESPONSIBLE COMMUNICATION

LVMH provides its customers with clear and accurate information concerning production methods, as well as the impact and correct usage of its products. LVMH strives to refrain from making misleading statements or claims concerning its products and how they are produced.

LVMH recognizes the social impact of its products and their image and is therefore committed to the highest levels of vigilance regarding its marketing and advertising information, by promoting responsible practices.

RESPECTING PRIVACY

Understanding customer needs and expectations is essential in order to provide them with the products they seek and deliver a personalized customer experience.

LVMH and its Maisons take measures to act with complete transparency in compliance with applicable regulations concerning protection of customers' personal information. In particular, LVMH Maisons provide their customers with clear information concerning the personal information they provide, and take measures to protect the confidentiality of this information.

LVMH and its Maisons do not sell customers' personal information and do not send commercial messages to customers without their prior consent.

▪

*LVMH takes measures to act
with complete transparency
with regards to the protection
of personal information
and to scrupulously ensure
respect of its customers' privacy.*

▪

WINNING THE CONFIDENCE OF SHAREHOLDERS

DEFINING AND RESPECTING SHAREHOLDER RIGHTS

The rights of LVMH shareholders are protected by law and by the corporate governance principles that cover the operation of the Group.

The Board of Directors of LVMH has adopted a Charter that sets out, among other things, its composition, duties, operating procedures and responsibilities.

The Board of Directors of LVMH has three committees whose composition, duties and operating procedures are set out in the company's internal rules:

— **The Performance Audit Committee**, whose main duties are to ensure that the Group's accounting procedures comply with applicable standards. It reviews the corporate and consolidated financial statements and ensures effective execution of internal control and risk management procedures within the Group;

— **The Nominations and Compensation Committee** issues proposals concerning the compensation for senior executives and issues opinions on candidates and compensation for key positions, in compliance with applicable legislation and governance principles;

— **The Ethics and Sustainable Development Committee**, whose main duties are to ensure compliance with the individual and collective values that constitute the cornerstone of the LVMH Group's operations, as detailed in this

Code of Conduct and other codes and charters resulting from this Code.

ENSURING THE QUALITY AND TRANSPARENCY OF FINANCIAL INFORMATION

LVMH accurately reflects its operations in its financial statements.

LVMH provides information on its performance with complete independence and transparency. In addition, the Group completes certain questionnaires from independent ratings agencies where there is no risk of conflict of interest.

LVMH is committed to ensuring the simultaneous, effective and complete dissemination of financial and extra-financial information that is relevant, accurate, precise and trusted, and to the publication of this information in a timely manner and in a format consistent with previous publications.

Only a limited number of designated persons within the Group are authorized to provide information to financial markets.

PREVENTING INSIDER TRADING

"Insider information" is any specific information that is not publicly available that directly or indirectly concerns one or more issuers of financial instruments or one or more financial

instruments and which, if it were made public, could significantly impact the price of the financial instruments concerned or any derivative financial instruments linked to them. Employees with access to such information are prohibited from directly or indirectly buying or selling the issuer's shares (or financial instruments linked to these securities) or to have such transactions executed by a third party until such information is made public.

The Group implements procedures to assess whether information should be qualified as insider information or not, and to determine whether this information can be communicated or used, and whether it must be made public.

▪
*LVMH provides
information on its
performance with
complete independence
and transparency.*
▪

To mitigate the risk of unintentional dissemination of insider information, employees with access to such information are required to respect complete confidentiality and are prohibited in particular from mentioning this information in any communications channels that unauthorized persons might consult or in any place where they risk being overheard. If employees have any doubts as to whether information is considered "insider information", they must contact their management or any other authorized person (Finance or Legal departments).

PROTECTING THE GROUP'S RESOURCES

The Group takes every possible measure to protect its assets and resources, including its intellectual property rights. The Maisons deploy an anti-counterfeiting strategy based on prevention, cooperation and communication.

Each employee is responsible for protecting the heritage and resources of LVMH to avoid any loss, improper use, damage or waste. These resources include equipment, property, financial resources and any other Group asset.

Employees are expected to use the Group's resources responsibly and for professional, legal and appropriate purposes in order to achieve the objectives set within the framework of their duties, with the goal of contributing to the development of the Group's businesses.

Employees must be vigilant in protecting against waste or abusive use of resources, particularly in taking advantage of benefits accorded. Resources and assets are made available to employees on a temporary basis and remain the property of the Group.

The LVMH Group has established internal guidelines concerning the protection of resources which employees are also expected to follow.

Occasional personal use of communications resources (e-mail, internet, etc.) is acceptable as long as it does not interfere with an employee's duties, does not generate any additional costs for the company, complies with applicable legislation, and does not negatively impact the business interests of LVMH.

The use of information technology resources is in particular subject to compliance with the rules and principles set out in the internal LVMH Information Systems Security Charter.

LVMH requires that its employees demonstrate fair and equitable behavior. Each of them is responsible for protecting the reputation of LVMH, its employees and its partners, and must refrain from any denigration of competitors. In particular, LVMH expects its employees to be extremely vigilant in the statements they publish on the Internet, particularly in making certain that their remarks reflect only their personal views, in compliance with the internal Social Media Charter. Employees are expected to show restraint, respect for others and to guarantee confidentiality and professional secrecy.

ACTING WITH AND COMMITMENT TO INTEGRITY IN THE CONDUCT OF BUSINESS

LVMH requires that its employees and partners act with exemplary integrity. Failure to comply with regulations can expose the Group – as well as employees themselves – to criminal sanctions. In addition to possible legal proceedings, employees who fail to respect these internal rules and guidelines are subject to disciplinary sanctions.

FIGHTING AGAINST ALL FORMS OF CORRUPTION

The concept of “act of corruption” – the legal definition of which varies depending upon the applicable legal framework – generally includes any act through which a person (“the corrupted”) solicits or accepts a gift, a promise or any type of benefit for themselves or for a third party in exchange for performing, failing to perform or delaying the performance of an action within the scope of their responsibilities, duties or mandates, to the benefit of a third party (“the corruptor”).

Gifts, promises or any type of benefit may consist of direct benefits – payment of cash, provision of goods or services, discounts, free execution of work, etc. – or indirect benefits such as hiring a relative or friend, paying a debt for someone, etc.

Corruption may involve a person acting in a private capacity (private corruption) or in a public capacity (public corruption).

There is active corruption when the corruptor initiates the corrupt act. There is passive corruption when the corrupt act is performed at the initiative of the corrupted person.

As for the concept of influence peddling, it applies to a situation in which a person illicitly uses their real or supposed influence in order to obtain certifications, employment, contracts or any other favorable decision for a third party from a public authority or administrative office in exchange for a benefit.

Influence peddling is also qualified as “active” or “passive” depending upon who initiates the action.

LVMH applies a zero-tolerance policy concerning corruption and influence peddling and implements measures to prevent, identify and sanction any instances of corruption or influence peddling within the scope of its activities.

Internal guidelines communicated to employees precisely illustrate the types of behavior that are strictly prohibited and which may be characterized as corruption or influence peddling. For example, they include:

- paying or accepting bribes or hidden commissions, regardless of whether they are paid directly or indirectly;
- facilitating payments (payment of small sums to public officials in order to speed or guarantee the execution of an action as part of the normal conduct of business).

More broadly, any payment to a third party must be in exchange for a service and correspond to a legitimate price agreed with this third party.

PREVENTING AND MANAGING CONFLICTS OF INTEREST

Conflicts of interest may arise when the personal interests of an employee or those of third parties (private individuals or companies) with which the employee has a close relationship conflict or could potentially conflict with the interests of LVMH and could compromise or give the appearance that this relationship might compromise the impartial and objective exercise of the employee's responsibilities.

LVMH Group employees who could potentially find themselves in situations such as this are required to report potential conflicts of interest as soon as they are identified.

In addition to immediately reporting potential conflicts of interest, employees whose positions and responsibilities render them particularly exposed to possible conflicts of interest are required to periodically report the absence of any conflicts of interest or report any potential conflicts of interest that have been identified.

The Group has established specific internal guidelines designed to avoid and manage conflicts of interest; employees are expected to act in accordance with these guidelines.

ADOPTING A REASONABLE POLICY CONCERNING GIFTS AND INVITATIONS

LVMH has established internal guidelines concerning gifts and invitations with which all employees are expected to comply.

Moreover, practices to be respected in this area are governed by laws and normal practice that vary according to countries, professions and the status of the persons involved. The LVMH Group does not tolerate any violation of applicable laws and regulations and takes measures to ensure that all employees comply with these rules.

PROTECTING CONFIDENTIALITY

LVMH employees are committed to protecting the confidentiality and integrity of internal information that has not been made public.

This information may in particular concern financial data, information on strategy, employees or clientele, product collections and launches, potential acquisitions or commercial initiatives designed to bring the Group a competitive advantage.

As a general rule, discretion is essential in order to maintain trust within the Group and within the framework of relationships established with customers and partners. LVMH is committed to ensuring the protection of all confidential information entrusted to the Group by external

sources and to using this information only for the purposes authorized, taking necessary precautions.

Employees agree to refrain from divulging, whether directly or indirectly, any internal or external confidential information in their possession to both persons outside the Group and to other LVMH employees whose responsibilities do not require knowledge of this information.

RESPECTING COMPETITORS

LVMH believes in maintaining an open and fair competitive environment that respects applicable laws and practices and does not violate competition rules.

LVMH's commitment to respecting competition has been formalized in the adoption of the internal Competition Law Compliance Charter, which has been prepared to foster a robust culture of compliance with competition law throughout the Group.

This Charter explains the main rules governing day-to-day commercial relationships with which employees are expected to be conversant, and provides pragmatic standards of conduct that employees are expected to respect. For example, LVMH prohibits any abuse of dominant position, concerted practice or unlawful agreement through understandings, plans,

arrangements or coordinated behavior between competitors, in particular concerning prices, markets, market shares or customers.

FIGHTING MONEY-LAUNDERING

Money-laundering involves the investment of funds derived from criminal activities in legitimate economic activities in order to conceal the illegal origin of these funds.

LVMH takes appropriate measures designed to avoid its activities being used as a vehicle for money-laundering, an illegal activity that might in particular involve the payments in cash or other bearer instruments.

LVMH has established internal guidelines and procedures to fight money-laundering, in particular by limiting or establishing rules for cash payments and requires that its employees and partners be especially vigilant in this regard.

RESPECTING TRADE RESTRICTIONS AND INTERNATIONAL SANCTION PROGRAMS

LVMH attaches great importance to respect for international agreements, as well as laws and regulations concerning export controls, financial sanctions and international trade restrictions for countries where the Group and its Maisons do business, taking into account changes in these measures.

No transactions with direct or indirect links to states, entities, organizations or persons subject to international sanctions, regardless of their size, may be executed if they fail to respect existing sanctions programs, and without prior approval from the LVMH Finance and Legal departments.

LVMH prohibits any payment to political parties or organizations or labor unions.

LVMH prohibits the awarding of any mandate or compensation, either permanent or temporary, to any member of a national or European parliament during their term of office.

ACTING IN A LOYAL AND RESPONSIBLE MANNER IN PUBLIC LIFE

In a spirit of dialogue and cooperation with public authorities and decision leaders, LVMH contributes to public discussions in countries where this is authorized and relevant for its businesses.

The Group's involvement in public life is governed by respect for the laws and rules specific to the institutions and organizations concerned, as well as those set out in this Code of Conduct. LVMH places great importance on the accuracy of information provided to third parties and is registered as a lobbyist where required by its activities. Outside service providers under contract with the Group are required to respect these same principles.

Implementation AND COMPLIANCE

Scope of application

This Code of Conduct aims to ensure the integrity of LVMH's operations. This Code is shared with all LVMH Group companies and consistently applied in all LVMH Maisons.

All LVMH Group employees must respect the principles set out in this Code of Conduct.

Dissemination of the Code of Conduct

This Code of Conduct is available on the LVMH website and is also available and can be downloaded in several languages on the Group's intranet.

This Code of Conduct is given to all new employees.

The LVMH Group has also established resources to support good

governance by its Maisons in the following areas:

- environment;
- relationships with suppliers;
- recruitment;
- information systems security;
- fighting corruption, in particular to address some specific geographical areas;
- compliance with competition law;
- advertising;
- other issues and areas covered by this Code of Conduct for which the Group has established internal guidelines.

Employees who fail to respect the principles set out in this Code of Conduct and in internal guidelines are liable to appropriate disciplinary measures proportionate to the seriousness of the infraction, in compliance with the Internal Regulations (or any equivalent document) of the company that employs them and to applicable laws and regulations.

The principles of this Code of Conduct may be detailed by each Maison to reflect its business sector or geographic location. In addition, local codes of conduct or charters may be applied when necessary to conform to local legislation and regulations.

Governance

To ensure effective dissemination and respect for the principles and values set out in this Code of Conduct, LVMH has established corporate governance aligned with the profile of the Group and its operational realities.

This organization is based on:

- a **Board of Directors' Ethics and Sustainable Development Committee** whose duties are: to contribute to the definition of rules of conduct inspiring the Group's executives and employees in the areas of ethics, corporate

.

*This Code of Conduct aims to ensure
the integrity of LVMH's operations.
This Code is shared with all LVMH Group
companies. It must be consistently
applied in all LVMH Maisons.*

.

social and environmental responsibility; to ensure the respect of these rules; to review the Group's strategy and reports in these areas;

— an **Ethics and Compliance Director**, reporting to the Group Managing Director, and an **Ethics and Compliance Commission** comprising representatives of different LVMH corporate departments (human resources, finance, operations, purchasing, audit and internal control, environment, legal and communications). This Commission is specifically responsible for promoting the principles set out in the Code of Conduct, for driving the development of best practices in these areas, ensuring compliance with the Code, analyzing and ranking the seriousness of risks identified via a regularly reviewed mapping, contributing to compliance and due diligence audits of partners and managing the functioning and tracking of the alert procedures put in place

within the LVMH Group. In this respect, an annual report on implementation of the principles of the Code of Conduct will be submitted to the Ethics and Sustainable Development Committee;

— a **network of Ethics and Compliance correspondents** appointed at each Maison to encourage experience sharing, sharing of best practices and consistent and uniform application of the principles and values promoted by the Code of Conduct.

The governance structure also includes:

— a **network of Social Responsibility correspondents** appointed within the Maisons, which meets several times each year to structure initiatives to be taken and allow the Maisons to adopt and adapt these initiatives to reflect their specific values, business environment and the expectations of their employees and customers;

— an **Environment Committee** comprising environment correspondents from the Maisons, which meets several times each year. This Committee provides a forum for exchanges of ideas and discussion of environmental performance opportunities and issues, as well as the LIFE program;

— a **Supplier Sustainability Day**, which each year brings together purchasing, branch managers and managers responsible for supplier relations from the Maisons. These meetings review priority issues, launch new initiatives and cascade best practices within the Group;

— a **network of Internal Control correspondents** headed by the Audit and Internal Control department, responsible for coordinating implementation of internal control and risk management procedures. Within the different Maisons, these correspondents are responsible both for ensuring compliance with the Group's internal control procedures and for carrying out internal

controls of their businesses and functions.

Support resources

— **Mapping of risks** - Risk mapping identifies and when possible ranks the seriousness of risks to which the Group and its Maisons are exposed against all types of behaviors that are non-compliant with this Code of Conduct, particularly external attempts at corruption and serious violations of human rights, fundamental freedoms, the health and safety of individuals and the environment. These risks are assessed in particular in relation to partners, geographies and business sectors. This mapping is regularly reviewed to take into account the changing environments in which the Maisons conduct their businesses. Based on the risks identified, procedures for evaluation of partners (suppliers, intermediar-

ies, etc.) are included in this mapping. Each Maison must adapt its internal codes of conduct and procedures to reflect their specific risks in this mapping.

— **Internal control and assessment** - Control of compliance with the Code of Conduct is part of existing LVMH internal control procedures and is carried out in compliance with the procedure applied by the Group. Internal and external accounting control procedures implemented by LVMH are designed in particular to ensure that the accounts are not used to mask instances of corruption or influence peddling, and to assess due diligence measures taken to prevent and fight against all forms of corruption and influence peddling.

— **Training** - The LVMH Group deploys a range of effective training resources. The content of these programs and choice of staff who benefit from them are based on the risk mapping (in

terms of job profile, geography and business). Training is regularly provided for Group managers and employees who are most exposed to risks of corruption, influence peddling and money-laundering. Social responsibility training focused on preventing discrimination is provided for recruiters, executives and managers, and continual monitoring of recruitment practices is carried out through discrimination test campaigns conducted by an independent firm.

— **Audits and due diligence** - The Group performs audits and due diligence of stakeholders to better identify, assess and anticipate risks and opportunities for improvement and to ensure in-depth knowledge of its partners. These procedures allow the Group to verify that the performance of its partners is aligned with its requirements and respects the best practices detailed in this Code of Conduct, in particular in terms of

ethics, social and environmental issues and respect for human rights. Through these controls, the Group can also help its partners implement and apply best practices to resolve minor non-conformities. These measures and compliance with them, are stipulated in agreements between the Group and its partners.

— **Disciplinary sanctions** – Failure by employees to respect the rules set out by the Code of Conduct, specific codes of conduct, charters, and internal policies, guidelines and Internal Regulations (or any equivalent document) of the Maisons that employ them may be considered as misconduct. In such cases, the Group may take appropriate and necessary measures in order to terminate the misconduct identified, including appropriate disciplinary sanctions proportionate to the seriousness of the violation, according to the measures stipulated in the Internal Regulations (or any equivalent

document) and applicable laws and regulations.

— **Alert procedures** – All employees who have questions about the appropriate behavior to be adopted or the interpretation of the principles set out in this Code of Conduct, or those who become directly or indirectly aware of violations of this Code of Conduct, are invited to contact their manager, Ethics and Compliance correspondent, human resources manager, the Group's Ethics and Compliance Director or any other authorized persons.

The LVMH Group has established an internal alert procedure enabling reporting and processing of alerts raised by employees regarding violations or risks of violation of the measures set out in this Code of Conduct.

This alert procedure is available to all employees. In compliance with applicable regulations, this procedure guarantees confidentiality

for the person raising the alert to the extent reasonably possible and unless otherwise required by law (in particular in France with the conditions stipulated by the French Data Protection Authority Cnil single authorization No. AU-004).

Retaliations are prohibited against people who use this procedure in good faith even when the suspicions at the origin of the alert prove groundless.

LVMH - 22, avenue Montaigne - 75008 Paris - France

Tel.: 33 (0)1 44 13 22 22 - www.lvmh.com

© LVMH 2017

This document was printed on paper from sustainably managed forests.

