

2008 COMMUNICATION ON PROGRESS

GLOBAL COMPACT

As a signatory to the United Nations Global Compact in 2003, LVMH is committed to respecting and promoting all ten principles on human rights, labour practices, environment standards and the fight against corruption in all its business activities.

In 2008, LVMH continued with measures and initiatives in line with the Global Compact's principles. As regards social responsibility, the Group took steps aimed at **combating all forms of discrimination and promoting equal opportunities**.

Support and training for individuals from differing backgrounds

- LVMH is one of the first partners in the organisation to promote equal opportunities, "*Nos Quartiers ont des Talents*", which arranges sponsorship for young graduates from underprivileged urban areas by experienced managers within the Group with the aim of giving them the "leg up" they need to get a first job. At this time, 65 managers in the Group are sponsoring or have sponsored some one hundred young graduates from such areas. The sponsors and beneficiaries met up in the function room in the "Jardin d'Acclimatation" (Paris), in April 2009 to discuss their experiences, an event also attended by several members of the LVMH executive committee and some subsidiary company Presidents.
- Moreover, under the Priority Education Agreements, LVMH has developed a partnership with the "Sciences Po" institute of political studies. Group managers are consequently members of the admission juries for young people from schools in "sensitive" areas, and the Group is funding second-year placements abroad for young people from underprivileged urban areas through the French apprenticeship tax. Still with the aim of encouraging entry into the company on the basis solely of skill and commitment, LVMH is a member of and contributes to the French national network of companies for equal opportunity in education. This non-profit organisation encourages company involvement in schools in sensitive areas and welcomes trainees from such educational establishments.

Welcoming the disabled

Through the creation of *Mission Handicap*, combining 31 major French and Swiss companies in the Group, LVMH has developed significant and innovative methods for encouraging employment of people with disabilities.

- Several in-house work-and-training measures have been developed for the disabled on jobs in sales and office administration. Since 2008, four intakes comprising applicants with disabilities have been recruited on twelve-month work-and-training contracts in sales positions or as office assistants. Employees benefit from a system of personalised mentoring. Selected on the basis of their motivation and sense of customer service, with no qualification or professional experience requirements, 70% of the employees that followed this path are today in employment, within the Group or elsewhere.
- On the initiative of LVMH *Mission Handicap*, Parfums Christian Dior, Parfums Givenchy, Guerlain and Kenzo Parfums have led unusual sensory workshops in total darkness. All attendees, guided by a visually impaired individual, consequently shared "a different view" of visual disability. Furthermore, following an accessibility assessment, Guerlain offered practical training on playing host to disabled customers so that staff are aware of customers' specific needs, irrespective of their disability (sensorial, motor, a disabling illness, mental/psychological). This measure was recognised in 2009, securing the special award from the jury for the "Economic stakeholders and disability" prize [from the OCIRP welfare/incapacity providers' organisation].

Staff awareness and training in diversity management

- LVMH has developed a certain number of tools and processes to guard against discrimination in recruitment, ranging from training to careful and factual drafting of job descriptions or the removal of certain items from the Group's recruitment website. Permanent "self-testing" of recruitment adverts appearing on the LVMH website has been set up by the Group with help from two independent consultancies which test responses to applicants subject to discrimination.

The Group has also offered training sessions dedicated to dealing with social issues, e.g. preventing stress and bullying, managing the over 50s, and recruiting and managing disabled employees. By way of example, on the initiative of LVMH *Mission Handicap*, in March 2009, trainers from Parfums Christian Dior, Parfums Givenchy, Guerlain and Kenzo Parfums led unusual sensory workshops in total darkness. All attendees actively participated, guided by visually-impaired individuals. An opportunity to share "a different view" of visual disability. Furthermore, following an accessibility assessment, Guerlain offered practical training on playing host to disabled customers so that staff are attentive to customers' specific needs, irrespective of their disability (sensorial, motor, a disabling illness, mental/psychological).

- In 2008, LVMH put “LVMH Mind” online on the social responsibility intranet, which is a something of a culmination of this unified approach to diversity. It is a shop window on the Group’s actions, and importantly a forum for swapping expertise and experience, allowing each company to share its best practices and to save the others time. This website was developed in line with the W3C accessibility standards.

Concrete results

- **11 company agreements on diversity topics** (the disabled, equality in the workplace, the over 50s) covering 70% of the LVMH workforce.
- **645 managers are sponsoring and/or mentoring** a young person or employee undergoing vocational retraining.
- In 2008, **14 training or awareness sessions** were organised by the Group on one or more diversity topics, attended by a total of 380 managers.
- **The “New Managers” seminar** (two days) taken by all new starters at managerial grades within the Group has included a social responsibility module since 2007.
- The proportion of disabled employees rose from **1.6% to 2.8%** from 2007 to 2008.
- 35 disabled employees were recruited to the Group in 2008, being a 45% increase compared with 2007. Speed recruitment interviews lasting 45 minutes and video CVs (with collective debriefing of recruiters) were used.
- 30 disabled employees have been recruited under work-and-training contracts since 2008.
- 30 job hunters were welcomed across France during the country’s Disabled Employment Week in 2008.
- 20% (on average) of customers have a disability at Spa Guerlain, with the same very high quality of service as able-bodied customers.
- 30% of the young people from "difficult" areas sponsored by a LVMH manager find a job in under 6 months.
- 80 Group managers including several executive committee members and subsidiary Presidents were actively involved in the “*Nos Quartiers ont des Talents*” event in April 2009.
- **One in two managers at LVMH is female.** Women form 28% of management committees, and seven companies within the Group have a female President.
- **71% of the employees promoted in 2008 were women.**

- Since 2007, LVMH has had indicators monitoring female career development in place in order to prevent any disparities in remuneration and pay increases, access to training, or promotion. These indicators are presented annually during HR Dept committee meetings.
- The HR Depts for the 15 companies in the Group have been trained in workplace psychosocial risks, covering 50% of LVMH's workforce.
- In one year and on a voluntary basis, 90% of Hennessy employees took the stress barometer survey.
- The results of the testing asked for in 2008 are expected before the end of 2009.

The Global Compact's ten principles will continue to play a major role in the daily practice of our business operations and will strengthen LVMH commitment for sustainable development.


Documents:

The Sustainable Development chapter of the 2008 Annual Report describes our commitments, initiatives and actions that illustrate the progress the company has made in implementing and supporting the Global Compact principles.

http://www.lvmh.com/comfi/pdf_gbr/LVMH2008-SustainableDevelopment.pdf

The Environment Report 2008 describes our principal commitments, initiatives and actions that illustrate the progress of the company and the brands have made in preserving environment and implementing environmental best practices in all our business activities.

http://www.lvmh.com/groupe/Donnee_env_2008_gbr3.pdf



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