



“IT'S QUALITY WITH NO COMPROMISE”

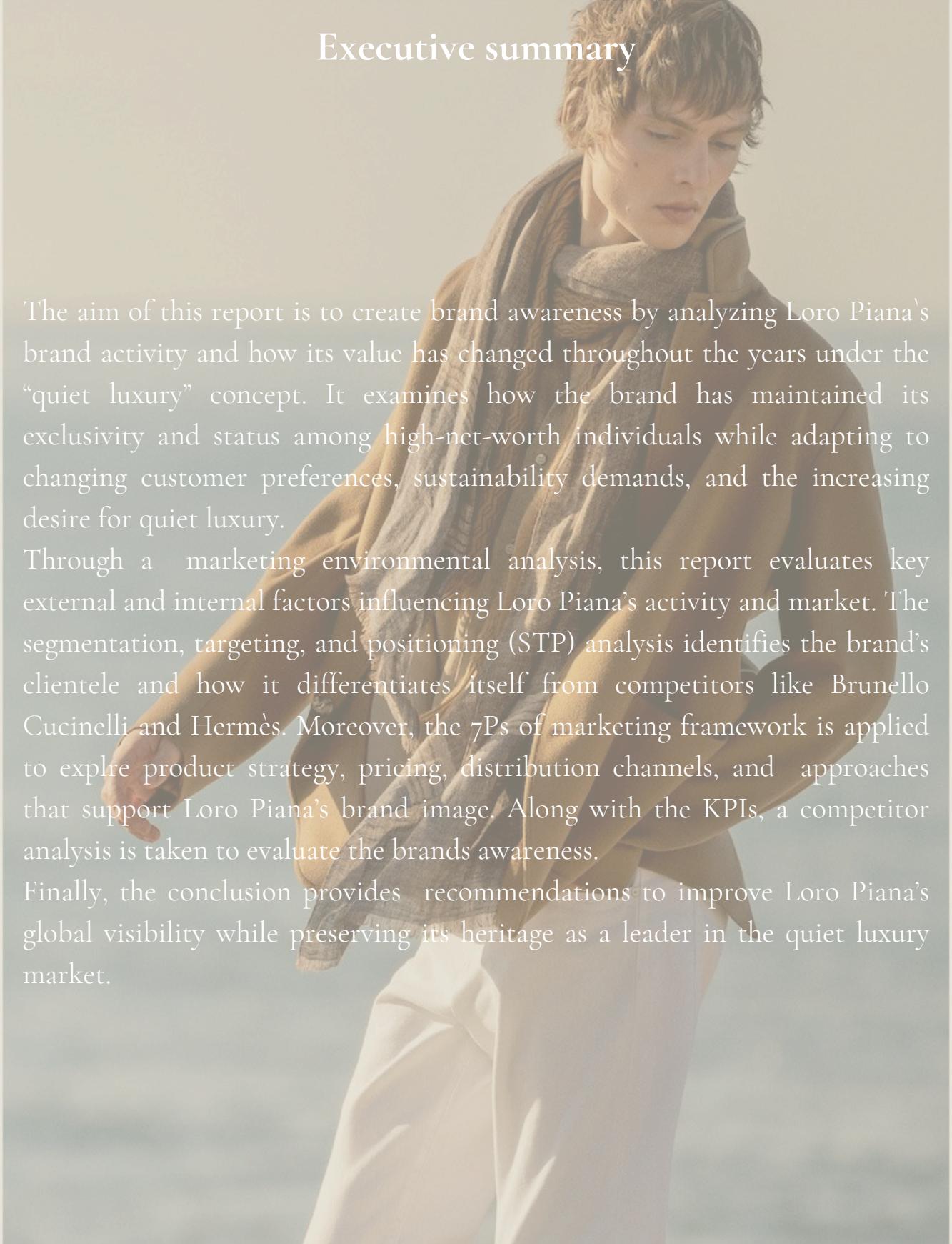
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Principles of Fashion Marketing year 1

Individual marketing report

I acknowledge the use of AI tools or technologies in the process of working on this assessment, however, I confirm the work submitted is my own and is not generated by any AI tools or technologies. I have kept a log of the use of AI for this assessment and I will share and demonstrate it with my tutor when required.”



Executive summary

The aim of this report is to create brand awareness by analyzing Loro Piana's brand activity and how its value has changed throughout the years under the "quiet luxury" concept. It examines how the brand has maintained its exclusivity and status among high-net-worth individuals while adapting to changing customer preferences, sustainability demands, and the increasing desire for quiet luxury.

Through a marketing environmental analysis, this report evaluates key external and internal factors influencing Loro Piana's activity and market. The segmentation, targeting, and positioning (STP) analysis identifies the brand's clientele and how it differentiates itself from competitors like Brunello Cucinelli and Hermès. Moreover, the 7Ps of marketing framework is applied to explore product strategy, pricing, distribution channels, and approaches that support Loro Piana's brand image. Along with the KPIs, a competitor analysis is taken to evaluate the brand's awareness.

Finally, the conclusion provides recommendations to improve Loro Piana's global visibility while preserving its heritage as a leader in the quiet luxury market.

(Loro Piana summer, 2024)



Loro Piana

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INTRODUCTION

Loro Piana is an Italian luxury brand specializing in craftsmanship with unique materials to produce textiles made by some of Italy's most skillful artisans. Their mission is to "create quality with no compromise" and commit to preserving wildlife. (Loro piana, 2025)

Loro Piana started by offering men's collection only but later on expanded to women's, including jewelry, candles and even house interiors.

The marketing plan is intended to outline how brand awareness will increase with more activity on social media and more sustainable approach as a brand.

TABLE 1: SWOT ANALYSIS FOR LORO PIANA

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Loro piana has a strong market position as it is aimed towards affluent customers willing to pay for high prices which has led the brand to increase market share within the luxury clothing market. LVMH is Loro Piana's parent company and it provides support, such as financial assistance and brand recognition that helps the brand grow. The use of fine materials such as wools, cashmere and suede complements the own brand image of luxury. 	<ul style="list-style-type: none"> As they offer premium prices, it can limit market growth for audiences with shorter budgets, which means they rely on the wealthy customers for a high demand. Due to their high-quality products made out of expensive-sourced materials such as merino wool, goats cashmere and lotus flower fibre, production is expensive and can lead to small profit margins. (LVMH for Loro Piana, 2022)
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <u>New markets:</u> The opportunity to expand to different markets geographically. (south america, or Asia) and risk spread by not relying heavily on Europe. Loro Piana has been selling in China, moving beyond men's clothing to introducing new categories such as scented candles which increases demand in the chinese market (Germano, 2024) <u>Expand within the brand:</u> Launch complementary lines such as homeware, self care (fragrances) or jewelry 	<ul style="list-style-type: none"> <u>New entrants into the luxury clothing market:</u> Or existing competitors such as Brunello Cuchinelli threat their market share and Loro Piana will be forced to develop new products and a new USP. <u>Economic uncertainty</u> The brand can face the fluctuation of production costs and prices when established in a country. for example, in UK after brexit brands are suffering due to high costs to import and export goods.

TABLE 2: PESTLE ANALYSIS FOR LORO PIANA

Political	economic
<p>Impact of trade regulations can affect profit margins- Brexit in UK imposed tariffs on imports, so it will be more expensive to sell in London and prices will increase for customers which might decrease revenue. Political instability will also affect consumer spending and will not be very profitable for the brand to sell there.</p>	<p>The cashmere global clothing market is projected to grow at a CAGR of 6.2% during the forecast period. (Polaris Market Research, 2022). This growth means Loro Piana has opportunity to expand its market share as people are increasingly consuming cashmere.</p>
<p>Consumer preferences for luxury clothing will increase brand popularity. If Loro Piana rises in popularity, they might develop trending products, such as the summer walk loafers which are now seen lately on social media and celebrities, increasing its popularity.</p>	<p>The increasing use of e-commerce facilitates the brand to sell to anyone from anywhere at any time of the day. This makes the brand more accessible which is good but can also be bad because all growth can be bad for a brand which wants to stay exclusive and lowkey, such as Loro Piana.</p>
<p>Regulations are needed to operate as a legal brand. Loro Piana has established an Organisation and Control Model pursuant to Italian Legislative Decree 231/2001, demonstrating its commitment to legal compliance and ethical operations. (Loro piana Organisation, management and control model, 2017) - see appendix 2</p>	<p>The increasing awareness of eco-friendly materials pressure Loro Piana to become more sustainable, especially if their materials are sourced from animals - such as wool.</p>

TABLE 3: PORTERS FIVE FORCES LORO PIANA WORLDWIDE

<p>1. Threat of New Entrants: low risk</p>	<p>The luxury fashion industry is very competitive but it takes long to develop a business plan to maintain competitive advantage. Loro Piana has a historical brand heritage from since when the brand was created which is not easy to replicate for new brands, along with their parent company LVMH that provides financial help to sustain its exclusivity.</p>
<p>2. Bargaining Power of Buyers: low risk</p>	<p>Consumers Are Price-Insensitive as they are willing to pay high prices for the exceptional quality offered - they prioritize heritage and good customer service over price. That means their demand will stay strong regardless of the prices, as customers are from a high-income background and will afford the high prices anyway.</p>
<p>3. Bargaining Power of Suppliers: moderate risk</p>	<p>Loro Piana doesn't rely on third-party suppliers because it owns its sourcing operations (Vicuña farms in Peru, Mongolian cashmere partnerships), which reduces supplier leverage. However, Loro Piana's direct ownership and long-term contracts mitigate supplier power.</p>
<p>4. Threat of Substitute Products/Services: high risk</p>	<p>Loro Piana has direct competitors such as Hermès and Brunello Cucinelli which could become substitutes. This is because they also offer the same quiet luxury products and high quality garments. However, Loro Piana customer are seen as loyal towards the brand as it is a "if you know, you know" brand, which Hermes is not as niche and exclusive as them. Loro Piana will have to provide exceptional customer service to avoid substitutes to outgrow them.</p>
<p>5. Rivalry Among Existing Competitors</p>	<p>The preferences for eco-friendly fashion (e.g., Stella McCartney's sustainable luxury) could be a risk for Loro Piana if they don't evolve its sourcing practices towards sustainability.</p>

USP

Loro Pianas' unique selling point is the exceptional quality of the garments made with the finest materials. The brand sources from the rarest materials such as the Lotus Flower Fabric, made from an aquatic plant in Myanmar, and merino wool from baby goats. These make all the products last more time which justifies the high prices for customers. As well as selling high quality, they also sell status and promote a lifestyle. Loro Piana customers identify with quiet luxury and prioritize quality rather than just fashion trends and labels. The message of "quiet luxury" that Loro Piana promotes, is a lifestyle that many people are going for, which allows them to wear understated luxury that certain people know about.

Their biggest competitor is Brunello Cucinelli, (Italian brand too) as they target the same market (see figure 5 page 06) and what makes Loro Piana stand out from them is the lifestyle they promote for their customers, rather than just selling products.

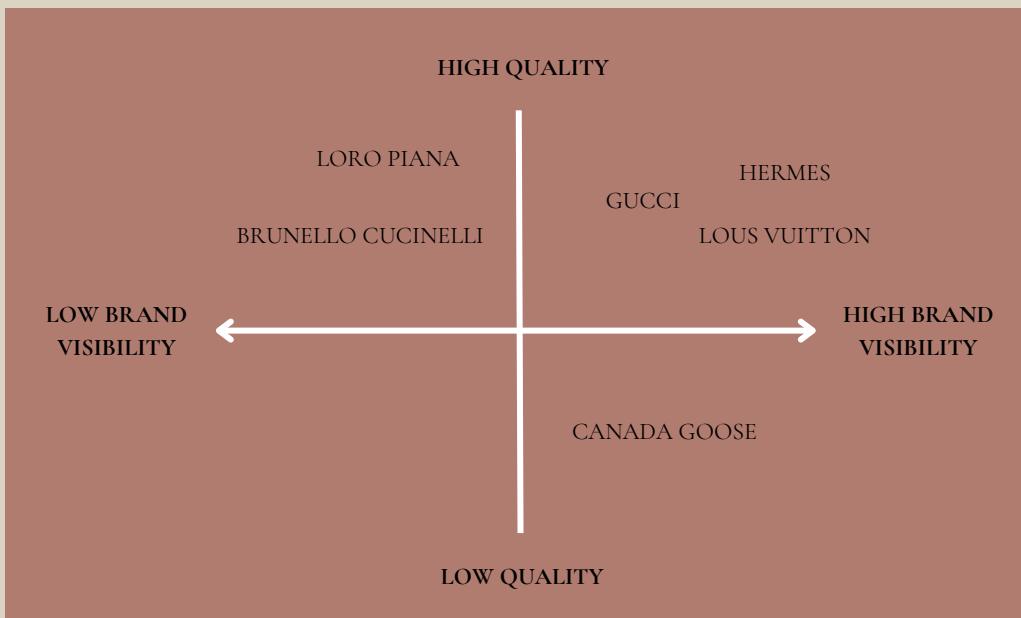
This is seen on social media by influencer Gstaad Guy, when he defines Loro Piana style as the "stealth wealth" for young people, by also mocking millionaires who are seen wearing the brand. This content on social media makes customers connect more with the brand while increasing brand awareness.



(Francescocartesi, 2021)

COMPETITIVE ENVIRONMENT

FIGURE 5: POSITIONING MAP



(By author, 2025)

As seen on the map, Brunello Cucinelli and Loro Piana compete on the same market environment as they both have a low brand visibility (due to exclusivity) as they try to maintain a niche market, but high quality with premium prices. Loro Piana has a competitive advantage due to how active the brand is on social media campaigns, which targets the younger audiences and will increase brand awareness amongst the young. Brunello is more targeted for old customers if they don't create more engagement with other creators.

On Instagram, @GstaadGuy makes collaborations with Loro Piana by showing the brand as a lifestyle rather than just a label. He plays the character named 'Constance' who is a forty year-old dressed head-to-toe in Loro Piana, and lives in Gstaad. (Constance, 2024)



(Gstaad Guy on Instagram, 2023)

Gstaad Guy has achieved to target the young audience Loro Piana is looking for: wealthy who like the lavish lifestyle and are willing to spend money on luxury items. This type of content on socials make the



(Dan Burn-Forti, 2024)

brand connect with the youngsters and have advantage over competitors like Brunello, who are mainly focusing on existing customers and are not expanding their market quickly towards a younger audience.

MARKETING MIX- 7PS

PRICE:

PREMIUM PRICING WITH NO DISCOUNTS DEFINES THE EXCLUSIVITY OF THE BRAND AND REINFORCES LUXURY. HOWEVER, PERSONAL DISCOUNTS COULD BUILD CUSTOMER LOYALTY TOWARDS THE BRAND AS THEY WOULD FEEL SPECIAL.

PRODUCT:

HANDMADE, CASHMERE AND WOOLS (USP) MANTAIN THE BRAND REPUTATION FOR CRAFTMANSHIP, HOWEVER, VEGAN MOVEMENTS CAN PUT PRESSURE ON THE BRAND AS THEY OFFER ANIMAL BASED MATERIAL PRODUCTS.

Originally, Loro Piana used to avoid placing logos on its products to pursue the quiet luxury idea and keep their exclusive clientele by building the message: "if you know the brand, you know it" and that it doesn't have to be shown on the clothes. Now, there is more logos on the items. For example, on the recent autumn collection both male and female jackets include "LP" on the side and it is developing into a logo for people to see where the items are from. This might damage the brand identity as it is not quiet anymore, but it also could increase brand awareness for those who are not customers but want to know the brand.



(Loro Piana Ready to wear women, 2025)



(Loro Piana ready to wear men, 2025)

PLACE:

DISTRIBUTION FROM EXCLUSIVE RETAIL SHOPS (HARRODS, SELFRIDGES) AND FLAGSHIP STORES IN BIG CITIES (MILAN, PARIS, LONDON AND NY) WHICH ATTRACTS AFFLUENT CUSTOMERS LIVING IN THOSE CITIES.

PROMOTION:

LORO PIANA SHOULD PRESERVE ITS EXCLUSIVE MARKETING WHILE SUBTLY INTEGRATING INFLUENCER COLLABORATIONS AS THEY DO NOW WITH GSTAAD GUY.

PEOPLE:

WEALTHY CUSTOMERS WITH PERSONALIZED SERVICE. THEY OFFER APPOINTMENT-SHOPPING FOR ELITE CLIENTELE.

PROCESS:

CUSTOMERS EXPECT GOOD SERVICE AND EXCEPTIONAL QUALITY FROM ITS PRODUCTS, ESPECIALLY WITH THE PRICES THEY PAY.

DIGITAL CUSTOMIZATION ON SOCIAL MEDIA CAN ENHANCE CUSTOMER SERVICE AND IT CAN KEEP CUSTOMERS ANYWHERE UP-TO-DATE WITH BRAND NEWS.

PHYSICAL EVIDENCE:

PACKAGING MANTAINS A DISCREET BRANDING WITH BEIGE BOXES AND MINIMALISTIC PRESENTATION INCLUDING THE SMALL LORO PIANA LOGO ON THE FRONT OF THE BAG AND BOX. THE SHOPS NEVER HAVE A BIG SIGN OUTSIDE, WITH WARM INTERIORS. (SEE APPENDIX 1 FOR SHOP DETAILS)

If you know, you know.



Quintessential quality is no mean feat, but at Loro Piana we've always taken a stand for excellence. Take our iconic White Soles for example; by using only the finest, buttery suede with premium rubber, we

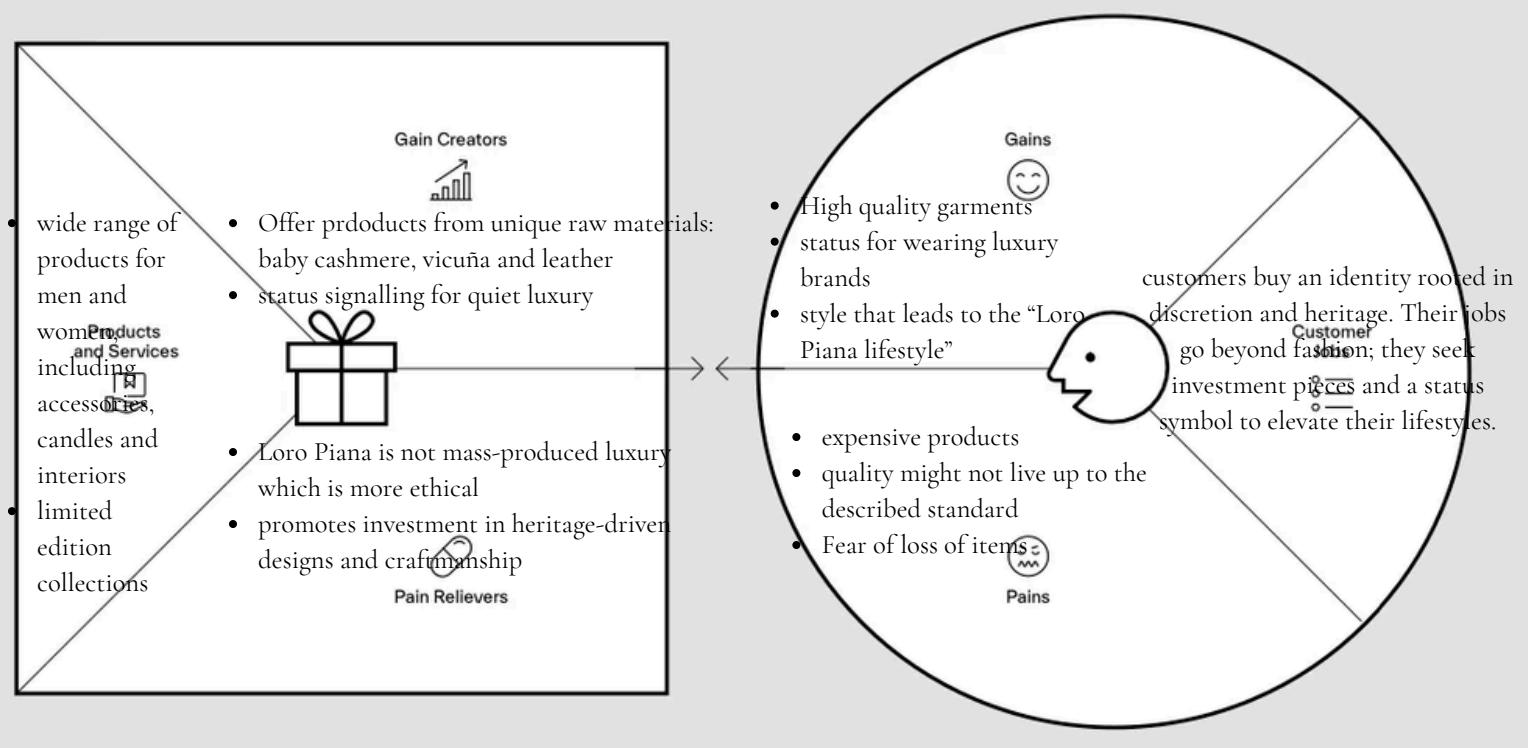


offer you a comfortable, lightweight shoe that's designed to distinguish the discreet. Instantly recognisable, and ultimately inimitable. These are shoes with more soul. So, would you settle for anything less?

LORO PIANA, THE INIMITABLE WHITE SOLE SINCE 2005.

(Loro Piana the patron saint of 'If you Know, you Know' fashion, 2024)

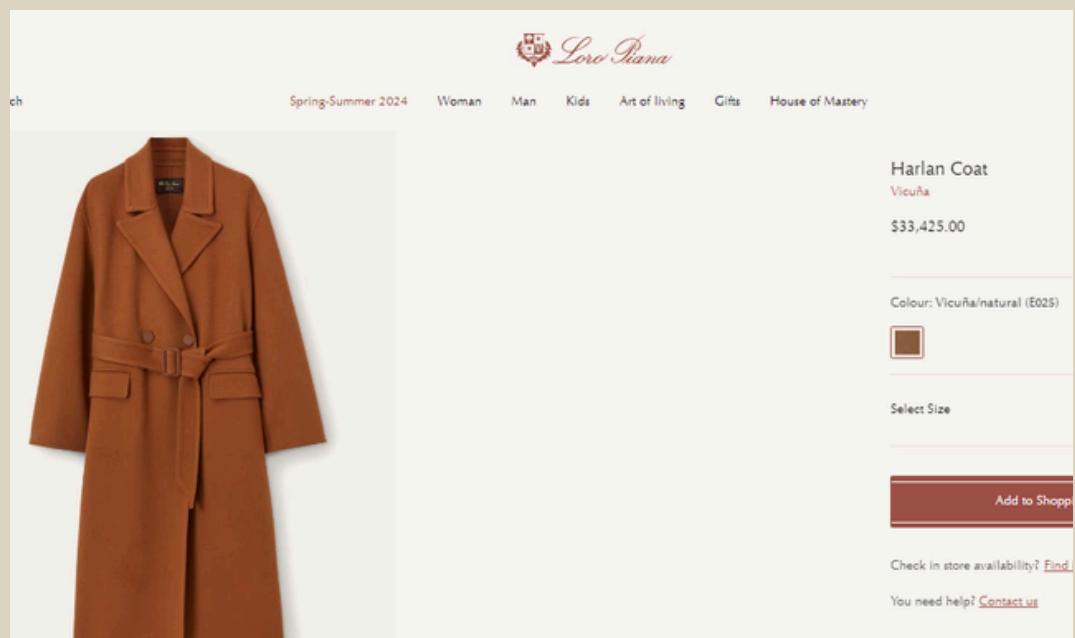
FIGURE 4: VALUE POSITIONING MAP



SUSTAINABLE PRACTICES

Loro Piana started implementing vicuña fiber into its products to use as a substitute for cashmere. Vicuña comes from Peru, and it is one of the most expensive wools in the world due to how hard it is to get the Vicuña animal. Vicuña is now an endangered species and it is under some controlled conditions from the Peruvian government (Twardzik, 2023). Loro Piana is one of the brands which is mainly protecting vicuña because it is better than cashmere and using these types of unique materials is what makes the brand stand out.

While a Loro Piana coat is \$33,425, the price per kilo of vicuña wool is on average USD \$280 (National Forestry and Wildlife Service of Peru), so they are boosting their prices by a high mark-up to ensure high profit margins.



(Harlan Coat Loro Piana, 2025)

According to a Bloomberg Businessweek report, indigenous Peruvians supplying Loro Piana sometimes didn't get paid for their work bringing the vicuña fibre. Critics have called it "exploitation," while Loro Piana says it pays local communities who then determine how they distribute payments (FashionNetwork.com WW, 2024). That is damaging the brand reputation for sustainability and might turn eco conscious customers away. In 1992, the Fujimori Government decided to resume marketing with vicuña fiber. He explored international interest, offering as a prize a monopoly on the vicuña market for the next decade. Loro Piana emerged as the main investor in 1994. (Twardzik, 2023)

There has been regulations to establish standards of the legal market for vicuña fiber. It dictated that the income derived from shearing the animal should be "an alternative economic production for the benefit of the Andean population." This is because vicuñas were previously hunted almost to the point of extinction in the 20th century, by hunters who shot them for their fur instead of shearing them alive. (Silent luxury materials, 2024)



(Silent luxury materials, 2024)

Loro Piana must provide a transparency report stating that they use materials of vicuña which is an endangered species and therefore root for more sustainable practices. Consumers will be more loyal once they can see more into the brand. With more social media interaction with customers and a more sustainable approach (such as providing transparent reports), loyalty will increase and Loro Piana will gain competitive advantage.



PEN PORTRAIT

EXAMPLE CUSTOMER



Age: 32
Gender: Male
Nationality: Swiss
Annual Income: \$2M+
Fashion Budget: \$700-1700 per item
Location: Geneva
Occupation: Entrepreneur, Finance Field
Goals: Grow Business, build luxury lifestyle, values ethical practices.
Lifestyle: owns properties, prefers quality clothing than trendy, passionate about art, cars and wines.

Motivations of purchase:

Quality

Price

Ethics

Look/style

Motivations of purchase:

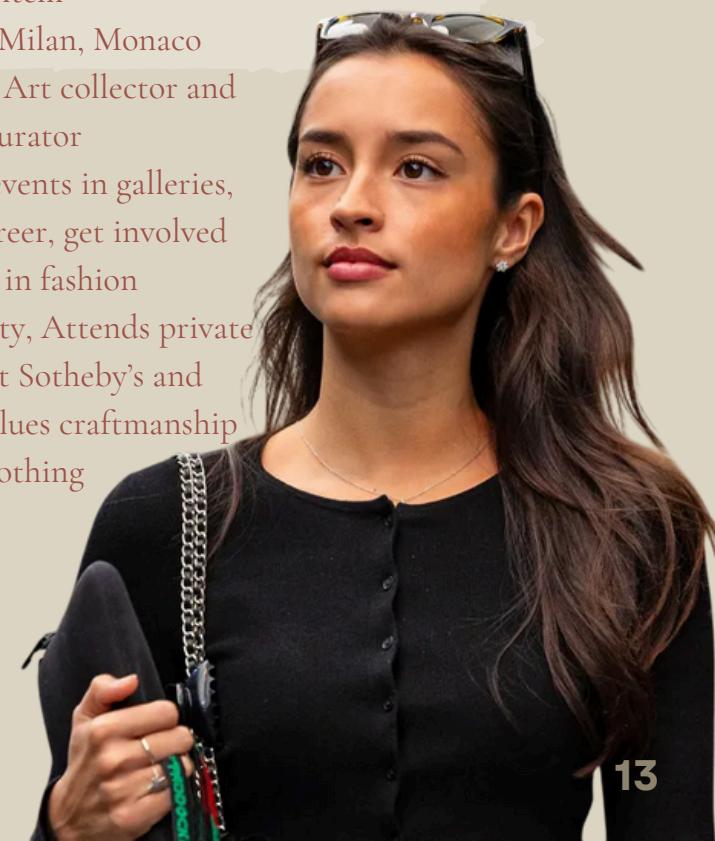
Quality

Price

Ethics

Look/style

Age: 28
Gender: Female
Nationality: Italian
Annual Income: \$700k+
Fashion Budget: \$400-\$1500 per item
Location: Milan, Monaco
Occupation: Art collector and curator
Goals: host events in galleries, grow her career, get involved more in fashion
Lifestyle: sporty, Attends private auctions at Sotheby's and Christie's, values craftsmanship clothing



METRICS AND KPIs

As an ultra-luxury brand, Loro Piana's success is not measured only by sales growth or profit but by quality, popularity, and customer loyalty. The key performance indicators (KPIs) determine how valuable customer engagement is, alongside production efficiency or any brand other performance.

Financial Performance Metrics:

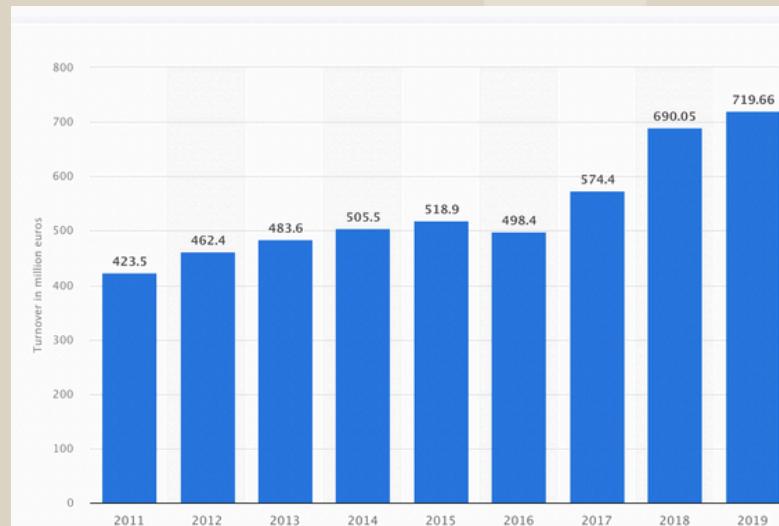
Revenue per Customer: Since Loro Piana targets high-net-worth individuals, measuring average spending per customer is more relevant than unit sales. If one single customer spends more than \$4000, that customer is more valuable than a customer spending \$700 only. The marketing strategy needed in that case is to increase loyalty such as coupons or personal discounts to the customers spending more money. A higher RPC indicates stronger brand loyalty and increased penetration into elite markets.

- Gross Margin: Loro Piana maintains premium pricing. A gross margin above 60% reflects the success of its pricing power and supply chain efficiency.
- Store Revenue per Square Foot: With flagship stores in fashion capitals (London, NYC, Milan), revenue per square foot is likely to be high since people have more disposable income in those cities, but it is still crucial to measure this and ensure each boutique maximizes profitability.

Brand KPIs

goal: to increase brand awareness by interacting with customers more on social media

- Product Scarcity Index: Measures the number of sold and produced pieces and orders sold relative to the total inventory. A good KPI indicator is when there is a product scarcity as it enhances exclusivity.
- Price Premium Index: Evaluates Loro Piana's ability to keep up with price changes without impacting demand, which means the brand's products are price inelastic.
- Social Media Engagement Quality KPI: As part of the marketing plan involves more engagement on social media, it should only be with niche influencers who know what their target audience is. Otherwise, the exclusivity of Loro Piana can be lost if they start launching mass campaigns with many influencers. If successful, a positive KPI is proven.
- Customer Experience & Retention Metrics
- Repeat Purchase Rate to track the frequency with which customers shop, which indicates loyalty and consumer satisfaction with products.



(Loro Piana: turnover in 2019 statista, 2023)

QUARTERLY PROGRESSION: PLAN

objective: introduce more sustainable practices, improve brand marketing

Q1- Jan-Mar:

- Conduct a sustainability audit across the supply chain and involve suppliers(raw material sourcing, shippings and production).
- Optimize retail by paying more to the staff so they are motivated.

Q2-Apr-June:

- Develop new textile technologies for production (e.g., slower cashmere processing, sustainable alternatives) and looking for eco-friendly suppliers.
- Publish an annual sustainability report to reinforce Loro Piana's commitment to ethical sourcing.

Q3-June- Oct:

- Expand geographically- open stores in high-net-worth areas (e.g., Dubai or Shanghai).
- Collaboration with luxury brands (e.g., Ferrari, Audemars Piguet) for exclusive products, and launch partnerships with hotels and resorts to offer exclusive Loro Piana experiences.

Q4-Oct-Dec:

- Promote the new brand collaborations on social media (instagram, facebook) to create awareness or via media placements in luxury publications (e.g., Robb Report, Monocle, Financial Times).
- Improve boutique experiences for customers to improve customer loyalty.

Tasmanian. È difficile rinunciare
al vizio di un buon Loro Piana.

PIRELLA GOTTSCHE LOWE



Tasmanian® Loro Piana è distribuito anche nelle migliori sartorie.

Indossare un Tasmanian® Loro Piana è un'aspirazione legittima. Ma una volta soddisfatta, diventa subito un piacevole vizio quotidiano. Perché è difficile rinunciare ad un tessuto così fresco, così confortevole, così raffinato.

Il Tasmanian® Loro Piana, infatti, nasce da



lane finissime, lavorate con l'esperienza e la tecnologia che solo Loro Piana possiede. Il risultato è un tessuto assolutamente unico, che molti hanno cercato di copiare.

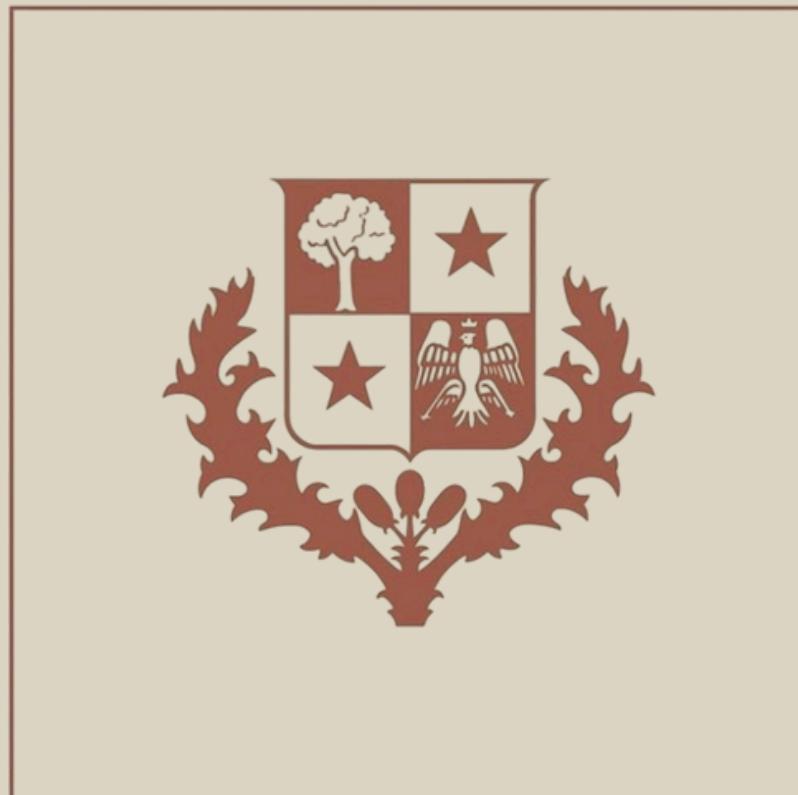
Ma senza fortuna: un Tasmanian® Loro Piana è inimitabile. E va gustato lentamente, nella massima tranquillità.

Tasmanian® è solo Loro Piana.

(Loro piana vintage, no date)

CONCLUSION

Loro Piana's USP and brand identity are all about the lifestyle they promote rather than just selling their products. Creating more brand awareness on social media will increase the targeted audience (including young people) by collaborating with influencers with followers from the clientele of Loro Piana (such as the Gstaad guy) so that these content creators spread awareness of the brand and not other big influencers that can damage its exclusivity by promoting it massively. Furthermore, with a yearly sustainable transparency brand report, eco-conscious customers will feel more comfortable shopping with the brand. They will increase brand loyalty (especially since Loro Piana utilizes materials from endangered species that must be addressed to consumers).



(Loro piana , 2025)

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APPENDIX I: LORO PIANA NEW BOND STREET, LONDON.



(LVMH, 2024)



(Alex Upton, 2024)



(Maisey, 2023)

The shop features a warm-toned natural stone and expansive glass windows. Inside, the atmosphere is calm, with soft lighting and nude colours, cashmere-covered sofas, and displays of the top products—loafers, bags and glasses.

Loro Piana's boutique in London is minimalist with refined façade, a Small-sized logo compared to the massive shops next to it, like Hermes which is bigger as they want to attract more customers.

APPENDIX 3: LORO PIANA CONTROL MANAGEMENT



Our history has always enshrined values such as quality, authenticity, rectitude and excellence. Ideals that bestow uniqueness and exclusiveness on our products which are a paradigm of our passion and steadfastness towards the community where we have operated, over generations.

Building upon the bedrock of our past, we would now like to take a step forward and firmly design our actions based on a Code of Ethics which represents a guarantee and also an acknowledgement of our beliefs. The goal is to inspire our conduct, describe the principles that are the drivers of our daily work, reaffirm the culture and set of values which all of us, as a business, identify ourselves. "Equally important for our long-term success is our unyielding commitment to strong values in terms of ethics, social responsibility and respect for the environment. As actors in economic and social life, we are held to the highest standards of integrity, respect and responsibility in our behaviour, every day and everywhere" (B. Arnault).

Loro Piana and the LVMH Group hold a common conviction that a clear and well-defined ethical approach is the fundamental engine of a company's success, today more than ever before. We also believe in the imperative that business goals must be accomplished by expressing values and responsibility clearly, aware of our role in the economic and social context.

On these grounds, I am glad to announce that, starting today, Loro Piana has officially adopted the LVMH Code of Conduct as the Code of Ethics (*) for its own business, fully integrating its contents and principles. Such tenets govern the rules of behaviour of all people who work, collaborate or interact, for a variety of

reasons, with Loro Piana (**). It's only through a distinct definition of the ethical boundaries of our profession - pursuant to the precepts of respect, rectitude and transparency - that we can provide clear indications amidst an array of complex situations where we are required to operate. Likewise, we must instil awareness both within our company in general and in each of our employees in particular, relating to the precept of responsibility (**).

In the belief that such edicts can only help enhance our sense of belonging and compliance with its provisions, I kindly request you to read and consult our Code of Ethics.

Our mission on the path of excellence and value creation for the company depends on our individual ability in supporting these assumptions in our daily activities, knowing well that our reputation and the sustainability of our success will stem from the ethical way we do business.

LORO PIANA

LVMH – CODE OF CONDUCT

FOREWORD

A VOCATION

The LVMH Group ("LVMH") aims to be the undisputed leader of the luxury goods sector. Its growth and long-term future are based on values and principles which are part of its culture and which should inspire and guide everyone's actions.

This ambition is backed up by the five fundamental values shared by everyone involved in LVMH:

- **Innovation and creativity:** because our future success will come from the renewal of our product offering while respecting the roots of our Houses.
- **Excellence of products and services:** because we embody what is most noble and accomplished in the artisan world.
- **Brand image enhancement:** because our brands represent an extraordinary asset, a source of dreams and ambitions.
- **Entrepreneurship:** because this guarantees our ability to react and our motivation to create and seize opportunities.
- **Leadership—Be the best:** because it is through continually excelling that we accomplish the best and achieve the best results.

A GALAXY OF BRANDS

First and foremost LVMH is a galaxy of brands which share the same culture of excellence and creative spirit, serving the aspirations of our customers.

The brands are structured around larger entities, category business groups, where a spirit of friendly competition fosters an exchange of ideas and experiences. In accordance with the principle of subsidiarity, LVMH asserts the primary position of the brands in the organisation and recognizes the richness and diversity of the models developed by each of them. It respects their unique character and lines of development, and acts as the leader of a creative community where knowledge is shared.

The principles set out in the following Code of Conduct constitute an ethical and practical framework within which LVMH employees are invited to act and exchange in order to realize the passion that binds them.

Respect for national and international laws, regulations and rulings, notably in the area of social and environmental legislation, is a prerequisite for the credibility of our procedures. LVMH invites its employees to use in a responsible way, the values and principles hereby stated.

This Code of Conduct is inspired by the Group's values as well as the principles of the Universal Declaration of Human Rights, the Global Compact and the OECD Guidelines for Multinational Enterprises.

It provides the foundation on which our approach is based. More specific areas are covered in the Environmental Charter and the Suppliers' Code of Conduct. Finally, this Code of Conduct does not aim to replace pre-existing ethical documents at the brand or business group level, but sets out to serve as a common base and source of inspiration. It unites the fundamental principles which represent our shared commitment and serves as a guide for our professional conduct on a daily basis. It evokes the principles of conduct that drive us.

Bernard Arnault

Successful companies stand the test of time. LVMH knows this well. Our companies excel in nurturing the value of their brands, continually heightening their power to attract consumers with audacity and respect for a prestigious heritage.

Equally important for long-term success is our unyielding commitment to strong values in terms of ethics, social responsibility and respect for the environment. As actors in economic and social life, we are called to the highest standards of integrity, respect and engagement in our behaviours, everyday, everywhere.

This conviction is not new for us. We adopted an Environmental Charter in 2001. In 2003 we signed the United Nations Global Compact. And in 2008, we introduced a Suppliers' Code of Conduct to ensure that best practices are applied throughout the entire sourcing chain.

Today, we have taken another important step forward. The Code of Conduct we are officially adopting provides a set of simple principles and behaviours that should guide the Group and each of us in the everyday conduct of business.

LVMH has a global dimension and the world in which we do business is changing at a rapid pace. In the context of this continually evolving business environment, this Code of Conduct constitutes a common benchmark to guide individual initiatives and ensure greater consistency in practices across the Group's companies and geographies.

My expectation is that all of our companies and people will embrace this Code of Conduct as the best way to support our business and fulfill our sustainable development responsibilities.

LVMH complies with national regulations and legislation in the area of employment for the disabled and participates in initiatives which encourage their integration into the workplace.

RESPECTING FUNDAMENTAL RIGHTS AND PRINCIPLES IN THE WORKPLACE

LVMH respects and defends the principles of the Global Compact in relation to fundamental rights and principles in the workplace, namely:

- elimination of professional and employment discrimination;
- freedom of association and effective recognition of the right to collective bargaining;
- elimination of any form of forced or bonded labour;
- effective abolition of child labour.

PROMOTING DIALOGUE WITH EMPLOYEE REPRESENTATIVES

LVMH encourages quality dialogue and consultation with employee representatives as well as the respect and consideration for employee representatives in each of the countries where it has a presence.

LOOKING AFTER HEALTH AND SAFETY IN THE WORKPLACE

LVMH cares about the health and safety of all its employees, makes sure that all its activities respect current health and safety legislation and regulations and pays particular attention to implement best practice with regard to safety in the workplace.

2 WINNING THE TRUST OF CUSTOMERS

SUSTAINING THE QUALITY AND SAFETY OF PRODUCTS

LVMH is continuously looking to offer its customers products of the highest quality, through improvement and innovation and the highest of standards in the selection of materials and the implementation of expertise in its activities.

LVMH cares about the health and safety of its customers, notably in accordance with the precautionary principle, in the design and manufacture of its products.

RESPECTING CUSTOMERS

LVMH is committed to supplying its customers with sincere and clear information and to not making any misleading statements concerning its products and their methods of production.

LVMH is careful that personal information submitted by its customers is treated with confidentiality.

RESPONSIBLE COMMUNICATION

LVMH is aware of the impact on society of its products and their image. LVMH is therefore committed to the highest levels of vigilance in the advertising of its brands by implementing responsible communication which encourages its customers to use its products in an appropriate and reasonable manner.

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FIGHTING AGAINST CORRUPTION

LVMH prohibits any form of corruption. Any payment must reflect a service and legitimate price as described in the contracts and agreements.

LVMH only authorises gifts and invitations in the usual social and commercial situations.

LVMH is committed to operating independently in public life. LVMH prohibits the payment of money to political parties, trade unions or cultural organisations in an attempt to promote a particular interest or obtain or maintain an advantage.

RESPECTING COMPETITION

LVMH is concerned about preserving fair competition respecting laws and practices in force, without any interference with competition rules.

LVMH prohibits any unlawful agreements, notably through understandings, projects, arrangements or behaviours which have been coordinated between competitors concerning prices, territories, market shares or customers.

PREVENTING CONFLICTS OF INTEREST

All employees can find themselves confronted with situations in which their personal interest, or that of private individuals or corporations with whom they are linked or close to, can come into conflict with the interests of the Group. Employees must, when taking stakes in other companies and in their activities outside the Group, do everything possible to avoid finding themselves in situations of conflicting interests with LVMH or any other linked company.

In this matter, it will be the employee's responsibility to determine a course of action in all honesty and taking into account their duty of loyalty towards LVMH, and if in doubt to consult their line manager. The employee must notify all conflicts of interest in writing.

5 ACTING AS A SOCIALLY AWARE COMPANY

LVMH adheres to the principles of the Global Compact and supports the Millennium Development Objectives. LVMH believes that in order to succeed a company must show responsibility in relation to the major challenges of its human environment and must translate this success into useful and constructive commitments.

RESPECTING AND SUPPORTING HUMAN RIGHTS

LVMH respects and promotes human rights and makes sure that its activities do not encourage human rights abuses. LVMH intends to reflect its attachment to human rights through exemplary behaviour in the operation of its business and to encourage, within its sphere of influence, the improvement of social conditions which constitute an essential factor in economic development.

3 COMMITMENT TO THE PRESERVATION OF THE ENVIRONMENT

LVMH acts to protect the environment, fighting climate change and preserving resources. LVMH wants dynamic and continuous improvement of the environment for the benefit of its customers, employees and society in general. In this perspective, the "Environmental Charter" was introduced in 2001.

It is always LVMH's ambition to go beyond regulatory prescriptions, responding to society's concerns, investing the necessary human and financial resources. In all countries, the brands propose measures which aim to protect the environment in accordance with international standards in force and the best practice of the sector.

PROMOTING COLLECTIVE COMMITMENT

LVMH, through all of its brands, employees and partners, is committed to continuously improving its practices with a view to maintaining the highest level of environmental performance.

LVMH develops, with its partners, a spirit of cooperation in the face of environmental problems. It participates with third parties in the production of studies and initiatives to develop innovative solutions.

PRESERVING NATURAL RESOURCES AND INTEGRATING THE ENVIRONMENTAL DIMENSION INTO PRODUCTS

LVMH recognises that the long-term future of its brands and products is based on a constant desire to preserve and respect natural resources, the main raw materials of a large number of its products.

LVMH develops manufacturing processes which consume fewer natural resources and less energy throughout the product life cycle.

In addition to an ambitious greenhouse gas reduction target, LVMH encourages the use of renewable energies.

ANTICIPATING ENVIRONMENTAL RISKS

Through scrupulous monitoring and the application of the precautionary approach, LVMH is careful to manage its environmental risks through strict respect of the best practices.

4 IMPLEMENTING AND PROMOTING A RESPONSIBLE APPROACH

RESPONSIBLE BEHAVIOUR TOWARDS PARTNERS

LVMH is committed to maintaining equitable and loyal relationships with its partners (suppliers, distributors, subcontractors, etc.).

LVMH will inform all of its commercial partners of its ethical principles and expectations. LVMH asks its suppliers to comply with the principles set out in the Suppliers' Code of Conduct. This code specifies the demands in the areas of social issues (forced labour, child labour, harassment, discrimination, pay, working time, freedom of unions, and health and safety), environmental and operational issues (legality, custom tariffs, safety, subcontracting and corruption).

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ENHANCING THE LOCAL ECONOMIC FABRIC

LVMH is committed to participating, through the location of its production sites, in the economic and social dynamics of regions. LVMH notably contributes to the development of employment in the regions where the Group has a presence.

DEMONSTRATING ACTIVE SOLIDARITY

LVMH's behaviour respects the cultures of all the countries in which the Group has a presence. LVMH is keen to promote the best of local culture and creativity.

LVMH leads youth-centred initiatives, notably to facilitate access to the richness of the world's cultural heritage and to encourage the emergence of tomorrow's talent.

LVMH demonstrates active solidarity with humanitarian and social causes and also provides continuous support for medical research on public health challenges in France and the rest of the world.

LVMH also builds its commitment to society through sponsorship programmes which reflect its historical and artistic heritage and its contemporary creativity which is the basis of its success.

6 WINNING THE TRUST OF SHAREHOLDERS

RESPECTING SHAREHOLDERS

The rights of LVMH shareholders are protected by law and the principles of corporate governance which govern the way the Group operates.

The LVMH Board of Directors has a Charter which specifies, among other things, its composition, missions, operations and responsibilities.

Two Committees, whose composition, role and missions are defined by internal regulation, exist within the LVMH Board of Directors:

- The Performance Audit Committee ensures that the Group's accounting principles comply with the standards in force, reviews the corporate and consolidated financial statements and monitors effective implementation of the Group's internal control.

- The Nomination and Compensation Committee proposes the remuneration of directors and provides advice on candidates and remuneration for key positions of the Group respecting applicable legislation and governance principles.

ENSURING THE TRANSPARENCY OF FINANCIAL INFORMATION

LVMH is committed to ensuring the simultaneous, effective and complete dissemination of financial information which is relevant, accurate, true and fair, disseminated in a timely fashion, and consistent with previous publications.

Only designated personnel are authorised to give information to the financial market.

LVMH is committed to accurately reflect its operations in its accounts.

APPENDIX 3: LORO PIANA MARKETING STRATEGY CANVAS

Marketing Strategy Canvas

PROJECTED FOR:	PROJECTED BY:	DATE:
Loro Piana	Paloma Barroso	13th January 2025
PRODUCT Which product is being analyzed? Which attributes are important? What should be changed in the product, packaging or aggregated services?	POSITIONING Describe how your product should be perceived by the market. How do we want to be recognized? Does this perception make us unique? Does this perception add value to the customer? All the products of Loro Piana are already aimed towards the wealthy customer audience who can afford them. The bag should be perceived as rather than just expensive, it should be seen as a statement piece that everyone can have, regardless of background, ethnicity or religion, people can buy this as a piece that will boost an outfit completely. The charms on the bag make the brand more discreet, as it is not the logo that shows off, but its up to people who know the brand to recognize where its from and add value to customers who wear it.	MESSAGE Define your value statement and the motto of your communication campaigns. What's the main concept of our communication? What is the campaign slogan or motto? Which benefit or concept should be reinforced? The "quiet luxury" message of the brand is by not having big logos on the items. The slogan : "It's quality with no compromise". Their message revolves around its heritage of crafting luxury from the finest materials such as merino wool, cashmere and vicuña , with a deep commitment to sustainability. The concept of sustainable use of clothing should be reinforced to the audience so eco-conscious consumers can resonate with the brand more , as it is an increasingly growing issue.
DIFFERENTIAL Define the characteristics that differentiate your product from the others. What attributes are unique in our product? Why does the customer prefer to buy from us? For what benefit or advantage are we recognized?	COMPETITORS Identify the main competitors and their strengths. Also consider potential substitutes and other customer alternatives. What is the positioning of the main competitors? How are competitors competing? Which substitute products can affect our business? Brunello Cucinelli is considered a direct competitor, as they have similarities on their product portfolio and focuses on ethical luxury, offering understated designs with high-quality materials, such as cashmere and bags that look like the extra pocket L27. Brands like Brunello Cucinelli and Zegna are integrating more casual and lifestyle-oriented pieces to attract younger, affluent consumers while also using social media. A substitute can be premium cheaper brands like Theory or Vince that offer cashmere garments at lower price points, targeting price-sensitive consumers.	COMUNICATI ON Define which media will be used to communicate with the audience. Including marketing using celebrities or influencers to post content can help reach a larger audience to spot, mostly young people using social media. e.g. Gstaad guy promoting Loro Piana clothing to his followers. However, this might get too intense and out of reach so the brand may start to lose its authenticity. Thats why only small amounts of content should be posted.
MARKETING OBJECTIVES Increase brand awareness among new markets (Especially between young people), target luxury buyers by improving shopping experience with relationships with customers and personalized suggestions. The timeline of this plan is for the next whole year 2025 and include seasonal ads. It supports Loro Piana's long-term strategy to remain a leader in discreet luxury, craftsmanship, and sustainability.	METRICS sales metrics. achieve an increase in monthly revenue. Tracking the average spend per customer helps determinate disposable income in certain areas. Ensure that 80% of surveyed customers associate Loro Piana with ethical and sustainable practices. More Followers on social media - sign the brand is growing.	PRICING Define the pricing strategy, discount policies and promotions. If necessary, include negotiation strategies and actions to increase value perception. Loro Piana's pricing strategy is premium pricing. Their prices are justified through quality and exclusivity and it aligns with the brand's focus on affluent customers who value timeless elegance. The offering of VIP sales to private clients makes the customer service much more personalized therefore customers will keep buying and revenue will increase.
SEGMENTS Define which segments and customers will be the target of communication campaigns.	BRANDING Define the characteristics and concepts that must be present in your brand. Include the tagline, colors, shapes, etc. What is the central concept of the brand? Is it necessary to modify any attributes? What perceptions should the brand provoke? The concept of the brand is elegant in a minimalist way. The logo is a white symbol and the colour palette of the brand is a wine red, beige, dark blue and greys. The brand's focus on timeless designs may not fully resonate with younger, affluent consumers seeking contemporary luxury, they could introduce limited-edition collaborations that maintain Loro Piana's ethos while appealing to a younger demographic (such as launching sneakers or jackets with a collab)	DISTRIBUTION Define the channels and the main strategies for generating value through the distribution chain. Boutiques in big fashion capitals (London, New York) , online, partnerships with high-end department stores such as Selfridges and Saks Fifth Avenue. They should open new boutiques across America and highlight the brand sustainability every time someone purchases so they shop again.
CONSUMER BEHAVIOR Define the main characteristics of the customer's behavior, pains, etc.	BUDGETS Define the resources needed to implement the plan. Include people, time, know-how, funds and budgets. marketing professionals- campaigns, social media managers, website developers to improve e-commerce experience. estimated budget: €3,200,000. goals to achieve: Increase sales of the Pocket L27 bag by 20% or 30%. Achieve a boost in website visitors sales revenue.	

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