



Press release

## **LUXOTTICA: the Trade Union Agreement for the Company Welfare System has been renewed**

*The Luxottica Welfare System, established with the 2009 Agreement Protocol, naturally evolves into the new agreement, which is the result of mutually beneficial industrial relations between the company and the Trade Union Organisations*

**Milan, 5 June 2013** – Luxottica (MTA: LUX; NYSE: LUX), a leader in the design, manufacture and distribution of fashion, luxury and sports eyewear, announced today that it reached and signed the agreement, having the validity of a Trade Union Agreement, which governs the Luxottica Welfare System applied to the approximately 8,000 employees of the seven Italian manufacturing plants and Milan office.

With over 70,000 employees worldwide, Luxottica has long been committed to the issues of corporate responsibility towards society, the environment and people. In Italy, the focus on Luxottica's human resources has resulted in an extensive and innovative corporate welfare programme, marked by a deeply-rooted bond with the local territory and the desire to involve employees and trade union representatives. More specifically, Luxottica's corporate welfare is the result of the Trade Union Agreement of December 2009, after a long process of negotiations with the trade unions.

Piergiorgio Angeli, Luxottica's Human Resources Operations and Industrial Relations Manager, stated: *"The agreement approved today represents another important step towards the adoption of innovative and flexible methodologies for workers' protection. When a company and the Trade Union Organisations jointly undertake to improve the quality of life and work in the interest of employees and the company, it is always possible to find the right compromise."*

*"The Luxottica Welfare draws inspiration from the 'quality culture' shared by management and employees who, by cutting down on waste and adhering to the rules of production, are able to earn a surplus which is then reinvested in welfare."* Piergiorgio Angeli added: *"A virtuous circle that encourages employees to be more actively involved in elevating quality and organisational standards, thereby cutting down on production costs in order to obtain the resources destined to corporate welfare. An economically sustainable practice that also represents an incentive system linked to quality indicators that are updated from year to year."*

Sergio Spiller FEMCA – CISL Supplementary general national secretary, stated: *"The renewal of the Luxottica company welfare agreement, with the addition of further services, is a very important event because it shows that it is possible to manage trade union relations in a positive manner without neglecting supplementary bargaining which is actually enhanced and enriched in terms of its content. The welfare agreement confirms its nature as a very flexible tool capable of adapting the scope of actions to the changes in requirements. It is a testament to the participative method and the possibility of reconciling the improvement of company processes with some good results for employees as well."*

Giuseppe Colferai, FILCTEM – CGIL provincial Secretary stated: *"This second phase of the Luxottica welfare system sets out to address the observations emerged from the questionnaire in an attempt to respond to the employees' and the company's requirements. Furthermore, the governance committee is exercising its best endeavours to return part of the company resources to the territory. This is an example of the way in which employees' issues can be addressed if all parties are willing to do so."*

Paolo Da Lan, UILTEC – UIL provincial Secretary stated: *"This agreement is proof that the bilaterality put in place in the work places brings excellent results for the people we represent. I am confident that the Committee does not represent solely the evident needs of the employees, but also addresses the issues that are not immediately visible, but do however still have an impact on people."*



## **The origins of the Luxottica Welfare programme**

In February 2009, with the signature of the agreement protocol, Luxottica proposed to the trade union organisations to implement a company welfare Programme addressed to blue-collar and white-collar workers, for a total of over 8,000 recipients. The contents of the proposal preceded at least three defining moments for the formalisation of the renewed centrality of the “second welfare” in Italy: the National multi-industry agreement of 15 April 2009, the white paper of the Welfare Ministry of May 2009, the national collective labour agreement for workers from the food sector (July), metalworking and mechanical engineering industry (September), chemical sector (December). In addition, March 2009 saw the start of the meetings with the trade union organisations of the manufacturing plants, meetings between the company and trade union representatives to discuss the issue of a joint Governance system between companies and trade unions, which marked the most important new milestone in the Luxottica company welfare system.

The company and the trade union organisations jointly prepared a survey on the income and buying power of employees and their households, thereby identifying needs and possible areas for intervention. The Trade Union Agreements signed in April and December 2009, in recognising the immediate need to offer concrete support to employees' buying power with non-monetary forms of remuneration to supplement the traditional forms of monetary remuneration (salaries and production bonuses), set up the Governance Committee, thereby regulating its structure and duties. A bilateral company and trade union representative body tasked with studying and proposing company welfare projects with the aid of a Technical-Scientific Committee of experts. The Governance Committee is also in charge of analysing and supporting the management actions required to obtain increasingly high quality standards and determining the allocation of the financial resources destined to employee initiatives.

## **The innovations introduced with the 2013 Trade Union Agreement**

Four years on from the launch of the first initiatives in 2009, the Governance Committee acknowledges the full satisfaction of the results achieved thus far. The effectiveness of the actions promoted is confirmed both by the employees' participation in the individual initiatives and by the management results achieved by Luxottica in the Italian industrial and distribution facilities where the Welfare System was fully implemented.

At the same time, the Governance Committee, with the support of the Technical-Scientific Committee detected the emergence of new and crucial social and welfare needs, also highlighted by the opinion surveys conducted among employees, which it intends to address with the launch of new initiatives that will enrich and extend the scope of action of the Luxottica Welfare System.

To this end, the following priority areas were identified in addition to the opportunities already provided to date:

- SUPPORT FOR YOUNG PEOPLE
- HEALTH CARE SUPPORT
- LISTENING AND COUNSELLING
- SOLIDARITY MICROFINANCE

### **SUPPORT FOR YOUNG PEOPLE**

professional/educational guidance:

to benefit all young people in territories where Luxottica operates, events and programmes centred on educational and professional guidance will be promoted to define the best future opportunities to enter the labour market. The programmes will be established and managed by fully cooperating with public and private educational facilities that are present in the territory.

a reward for merit and excellence:

scholarships (for all workers and their children): the number of scholarships will be doubled (from the current 185 to 370). The average amount allocated for scholarships in 2013 will be increased by about 60%;



university fees will be refunded (to all workers and their children): university fees will be totally refunded to all university students with average grades of 29/30 or more who have taken all examinations listed in their yearly Study Plan.

prevent dropouts and support education:

alternate schooling and work: paid work experiences will be offered to students attending professional schools, specifically the children of Luxottica employees, starting from the third year and on condition that they complete their studies; work experience opportunities will be offered both inside the Group and in Luxottica's partner companies;

remedial courses: the Company will promote and financially support remedial courses for all students attending schools situated in the territory. Lessons in mathematics and foreign languages will be given priority. The courses will be organised through an agreement with local educational facilities to make the most of the skills of qualified non-regular teachers.

internationalisation:

children of employees will be given the opportunity to stay abroad in summer with the families of Luxottica employees.

#### HEALTH CARE SUPPORT

Insurance coverage will be further extended to diagnostic and specialist consultation expenses that are currently not covered by the Integrative Health Care Plan.

#### LISTENING AND COUNSELLING

Luxottica will partner the internal Occupational Medicine Department in offering a listening and counselling service for employees and their families to improve the quality of work, family and social relations and to help them face moments of psychological and financial uncertainty and difficulty.

#### SOLIDARITY MICROFINANCE

Initiatives centred on providing financial support to employees who find it difficult to access ordinary bank loans will be assessed and tested in order to help these employees face expenses that cannot be postponed, especially medical, educational for children and caregiving for the elderly.

#### **Additional initiatives in Luxottica's Welfare Programme from 2009 to date**

Other initiatives envisaged by Luxottica's Welfare Programme that have already been implemented since 2009 concern the following intervention areas: health care, education, food prosperity, social mobility, welfare as described below:

- income support (Shopping Card): all employees of Italian Luxottica factories will be given a Shopping Card with market value of about euro 110 to purchase food products manufactured by leading Italian brands;
- income support and educational support (refund for school and university textbooks): employees will be directly refunded the purchase of textbooks envisaged by the school curriculum or by university examinations;
- provide educational support and promote merit-based results (scholarships): award merit-based scholarships to the children of employees and to employed students who are attending lower secondary school, upper secondary school, university and Master's Degree courses;
- health protection (health care fund): it covers all expenses incurred by Luxottica employees and their families for various health care procedures.

Moreover, in May 2013 Luxottica partnered Trade Union Representatives in launching an experimental collective public transport service to and from the workplace in order to reduce the inconvenience for employees on a flexible work schedule at the Agordo facility. The parties plan on extending said service to other facilities too. The service for paying yearly bus passes in instalments was launched in the course of



2013. Said service requires Luxottica to pay the yearly bus passes of its employees to the transport company in advance.

### **Work-life balance: projects and tools**

Several management tools have been added to the company's last Integrative Social Contract (2011), or said tools have been strengthened in the Contract to meet the need for flexible working hours, also based on the need to reconcile personal life and work:

- Time Bank: increase the number of total yearly hours to 120 per person (this improves the opportunity to reconcile the time dedicated to personal life and work);
- Time Bank to Support Future Maternity/Paternity: this initiative can be activated on request of the individual employees concerned (without limitations on the total number of hours) to enhance focus on the need to reconcile both the family and occupational frameworks of employees and to support the role of parents;
- Part-time: more part-time contracts will be authorised, not only for mothers with children but also for employees who provide care to elderly relations who are not self-sufficient;
- Job sharing in the family: this project may concern the employee and his or her spouse who is either unemployed or receiving Extraordinary Unemployment Benefits, the employed parent and the child who is completing or has completed the study track, the employee and an unemployed family member. This initiative is designed to maintain the earned income capacity of the family and to encourage the training of children. It issues from the intention to protect the families of employees in areas that are most affected by the economic crisis in terms of employment.

### **Luxottica Group – Contacts**

Cristina Parenti  
Group Corporate Communication and Public  
Relations Director  
Tel.: +39 (02) 8633 4683  
Email: [cristina.parenti@luxottica.com](mailto:cristina.parenti@luxottica.com)

Ana Iris Reece  
Group Financial and Corporate Press Office Manager  
Tel.: +39 (02) 8633 4912  
Email: [anairis.reece@luxottica.com](mailto:anairis.reece@luxottica.com)

**[www.luxottica.com](http://www.luxottica.com)**

### **Luxottica Group S.p.A.**

Luxottica Group is a leader in premium, luxury and sports eyewear with approximately 7,000 optical and sun retail stores in North America, Asia-Pacific, China, South Africa, Latin America and Europe, and a strong, well-balanced brand portfolio. House brands include Ray-Ban, the world's most famous sun eyewear brand, Oakley, Vogue Eyewear, Persol, Oliver Peoples, Alain Mikli, Arnette and REVO, while licensed brands include Giorgio Armani, Bvlgari, Burberry, Chanel, Coach, Dolce & Gabbana, Donna Karan, Polo Ralph Lauren, Prada, Starck Eyes, Tiffany and Versace. In addition to a global wholesale network involving 130 different countries, the Group manages leading retail chains in major markets, including LensCrafters, Pearle Vision and ILORI in North America, OPSM and Laubman & Pank in Asia-Pacific, LensCrafters in China, GMO in Latin America and Sunglass Hut worldwide. The Group's products are designed and manufactured at its six manufacturing plants in Italy, two wholly owned plants in the People's Republic of China, one plant in Brazil and one plant in the United States devoted to the



production of sports eyewear. In 2012, Luxottica Group posted net sales of more than €7.0 billion. Additional information on the Group is available at [www.luxottica.com](http://www.luxottica.com)

### **Safe Harbor Statement**

Certain statements in this press release may constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, the ability to manage the effects of the current uncertain international economic outlook, the ability to successfully acquire and integrate new businesses, the ability to predict future economic conditions and changes to consumer preferences, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to achieve and manage growth, the ability to negotiate and maintain favorable license agreements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, the ability to protect intellectual property, the ability to maintain relations with those hosting our stores, computer system problems, inventory-related risks, credit and insurance risks, changes to tax regimes as well as other political, economic and technological factors and other risks and uncertainties referred to in Luxottica Group’s filings with the U.S. Securities and Exchange Commission. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.