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1. Introduction

Luxottica Responsible Sourcing & Manufacturing (LRSM) is the global program of Luxottica Group that aims to achieve full alignment with Luxottica's and international standards in terms of ethics, labor and human rights, health and safety and environment. The program applies to the Group manufacturing plants and supply base.

The present document describes:

- Luxottica's vision of sustainability;
- the standards to which Luxottica refers to in terms of ethics, labor, health & safety and environment in its entire value chain;
- The Governance and processes that Luxottica puts in place to monitor compliance with LRSM standards.

2. Luxottica's vision of sustainability

To see the beauty of life. This is the vision that inspires Luxottica's sustainable business approach and is an integral part of the Group's strategy. It stems from a notion of universal beauty that comes to life at the intersection of personal well-being, respect for the environment, ethics and the transparency of relations.

Luxottica's vision of sustainability is founded on four pillars that correspond to specific commitments and concrete initiatives¹.

- *Commitment to excellence*: In its continuous quest for excellence, its ability to reinvent itself and innovate is part of the story of Luxottica and characteristic of the Group's business approach. This commitment can be seen everywhere and it shapes Luxottica's long-term goals and success.
- *Visual well-being*: Luxottica promotes the well-being and health of the eyes through the excellence of its products and its world-class customer service in stores and online.
- *Social impact*: Since the outset Luxottica has stood out for being a socially responsible Company, ready to respond to changes and the emergence of new requirements with innovative solutions. This is a role it will play in an increasingly insightful manner to promote well-being and social equality in the countries where it operates, as well as the professional and personal growth, health and safety of its employees.

¹ To learn more about Luxottica Group environmental and social responsibility efforts, activities and achievements, please, see www.luxottica.com/en/toseethebeautyoflife

- *Protecting the environment*: Luxottica environmental sustainability is rooted in its bond with the communities where it operates. This is an important responsibility that involves the entire organization in its various business areas and locations. Technological innovation and the ongoing investments aimed at improving activities and processes make the entire value chain increasingly sustainable.

Luxottica is committed to ensure that those pillars apply at all levels, both internally and within the supply chain, which is fundamental for guaranteeing the high quality of its products and services.

The Group asks its suppliers to be collaborative in this approach, granting free access for audits and concretely committing to continuous improvement.

3. Reference standards

Luxottica's relationships with its suppliers go far beyond the commercial sphere: they also share the same values of social and environmental responsibility. The selection criteria used for suppliers is based on the SA8000 certification and in the Global Compact specifications, which are adopted for both Company-owned and licensed brands.

The relationship between Luxottica and its suppliers is based on the same principles that govern Luxottica plants and that are outlined in the Group's Code of Ethics, available on Luxottica website.

The Code of Ethics sets out the principles and values that inspire the conduct, and the ethical and responsible enterprise culture of Luxottica. It seeks to ensure that propriety, fairness, integrity, loyalty and professional rigor guide transactions and the way of doing business both inside and outside the Company. It focuses on the respect for the laws and regulations in the countries in which Luxottica Group operates, as well as respect for Company procedures, at the centre of attention.

The Code of Ethics applies to all companies, geographies, functions and plants of the Group, and must be adopted by all stakeholders with direct relations with the Group's business, including all employees, collaborators and suppliers.

3.1 Local law

As clearly stated in the Code of Ethics, suppliers must operate in full compliance with the applicable law, rules and regulations including those related to ethics, labor and human rights, health and safety and environment.

3.2 LRSM Principles

Notwithstanding the requirement of compliance with regulation, the following Luxottica Responsible Sourcing & Manufacturing principles explicit Luxottica standards of ethics, labor and human rights, health and safety and environment that suppliers are required to comply with. These principles, already applied to Luxottica plants, could be more stringent than local laws.

Ethics/Governance

Luxottica openly fights against corruption and all attempts at improper influence; in all business dealings, Luxottica strives for the utmost integrity and transparency and corruption of any party is expressly prohibited. Please refer to Luxottica's Anti-Corruption program available on Luxottica website.

Luxottica does not tolerate any form of retaliation by any party against whoever reports in good faith a potentially unlawful activity, or a breach or violation of principle of Luxottica.

Luxottica takes the utmost care to protect its know-how and intellectual property rights, in particular with regards to trademarks, product design and innovative solutions in both materials and components. The same care is directed towards the rights of third parties for which it acts as licensee. Luxottica does not allow the use of any protected third-party rights without proper authorization or in violation of any prior approval. Luxottica expressly rejects any kind of counterfeiting and is committed at promoting respect for the law and at fighting against any initiative intended to manufacture and sell counterfeited products.

Labour and Human Rights

It must be avoided the use of **child labor**. Specifically, it must be ensured that none of the workers are younger than the age for completing compulsory education and for working.

Wherever the age limit is greater than 16 years, that age limit has to be considered.

On the contrary, or in case there is no specific indication about age limits, 16 years of age is the limit: under no reason anyone under the age of 16 must be employed.

With reference to **working hours**, Luxottica applies local law; in any case, the normal work week shall not exceed 48 hours and overtime must be voluntary. Young workers (between 16 and 18) must not exceed 8 hours per day nor work during the night shift.

Employees must have at least 1 rest day within every seven-day period and must receive some type of paid annual leave.

Wages must equal or exceed the minimum wage required by local law or the prevailing industry wage, whichever is higher. Employees must be compensated for overtime hours at a premium rate.

No labor-only contracting arrangements, consecutive short-term contracts and false apprenticeship schemes shall be used.

In addition, it must be recognized and respected the **right** of employees **to join and organize associations** of their own choosing and to bargain collectively. It must be ensured effective communication with employees and their representatives, including confidential means for all personnel to express their concerns about work and workplace conditions. A system for resolving industrial disputes should be in place.

Employment must be **freely chosen**: it must not be forced labor, whether in the form of prison labor, indentured labor, bonded labor or any other form of forced labor. The company cannot require workers to pay deposits nor transfer their identification papers nor any other fundamental document (e.g. work or residence permit, travel documents) to the company.

Personnel must have the right to leave the workplace premises after completing their workday as well as to terminate their employment provided that they give a notice to the employer (number of days of notice depending on the country's legislation).

There must not be **discrimination** in hiring, remuneration, training, promotions, bonuses and termination on the basis of elements such as race, national origin, caste, gender, religion, age, disability, marital status, parental status, association membership, sexual orientation, family responsibilities, union membership, or political opinion. No behavior that is threatening, abusive, exploitative or sexually coercive shall be tolerated.

All personnel must be treated with **dignity and respect**. The use of corporal punishment, mental or physical coercion, verbal abuse nor fines or penalties as disciplinary measures shall not be tolerated.

Health and safety

A safe and healthy working environment must be provided, and occupational health and safety practices which prevent accidents and injury must be promoted. This includes protection from mechanical hazard, chemical hazard and fire.

Accidents and injuries must be reported, recorded and monitored. Medical devices and first aid service must be provided.

Lighting, heating and ventilation systems must be adequate.

Employees must have access at all times to sanitary facilities which should be adequate and clean.

There must be health and safety policies clearly communicated to employees.

Where residential facilities are provided to employees, the same standards shall be applicable.

Environment

Suppliers and Luxottica's own plants must comply with legislation and progressively improve environmental performance in their operations.

3.3 Luxottica “zero tolerance” mechanism

In addition to the above-mentioned compliance scheme (local laws and LRSM principles), topics of quintessential relevance are evaluated according to a “zero tolerance” rule.

Zero tolerance criteria are outlined as follows:

- Employment of children under 16 years of age
- Life-threatening health and safety condition
- Severe impact on the environment
- Use of forced labor, undeclared labor (work off the books), prisoner labor
- Corruption actions (including but not limited to bribery, money laundering, illegal trade)
- Denial of access to the site and/or do not allow the auditors to perform the audit

The “zero tolerance” mechanism requires immediate action to comply with the rule; if the request is ignored and/or the issue is persistent, the supplier will be phased out.

4. LRSM Governance

LRSM program involves the Operations Sourcing, Risk Management, Compliance, Asset Protection, Manufacturing and Internal Audit departments, with the following objectives:

- guarantee the respect of the Code of Ethics and the regulatory compliance of the entire value chain on labor and human rights, health and safety, environment
- promote the mitigation of reputational and business continuity risks
- respect global trade laws including conflict minerals, sanction countries and individuals and money laundering.

A LRSM Steering Committee, composed by representatives of Operations Sourcing, Internal Audit, Manufacturing, Quality, Risk Management & Compliance and Sustainability teams, periodically evaluates the status of the program and discusses on further steps to take.

5. Engagement and support to suppliers for improvement

All Luxottica’s stakeholders are introduced to the Code of Ethic, the LRSM Principles and the sustainability program, available on the Company website. Promoting awareness and compliance with the Code of Ethics and LRSM principles is a fundamental corporate governance initiative for Luxottica. Luxottica is committed to the widest possible dissemination of the Code of Ethics and LRSM principles, particularly to employees, as well as the promotion of specific training and communication activities aimed at bringing the Code and the principles into the context of everyday life at Luxottica. The same effort is directed towards external stakeholders and suppliers, with the promotion of awareness and training initiatives.

Luxottica will continue to assess its business and supply chains to identify potential risks and to then target those areas with policies, procedures and training to ensure it maintains appropriate safeguards with respect to ethics, employees' rights and environmental responsibility, within its own business and supply chains.