



## Modern Slavery Act 2018 (Cth)

### Luxottica Australia 2020

#### Introduction

Luxottica Group is a global leader in the design, manufacture and distribution of fashion, luxury and sports eyewear. Luxottica also produces sun and ophthalmic lenses. Through international expansion, Luxottica Group has developed its geographic footprint worldwide.

In Australia, Luxottica operates under Luxottica South Pacific Holdings Pty Ltd (LSPH) and Luxottica Retail Australia Pty Ltd (LRA) and trades through a number of brands, including OPSM, Sunglass Hut, Laubman & Pank, Ray-Ban and Oakley (together, Luxottica Australia).

LSPH has two wholly owned subsidiaries - LRA and Luxottica Retail New Zealand Ltd. LRA has two wholly owned subsidiaries - Luxottica Franchising Australia Pty Ltd and SGH Optics Malaysia Sdn Bhd. During the reporting period, LRA also held an interest, but not a controlling interest, in Eyebiz Laboratories Pty Ltd.

LSPH is ultimately owned by EssilorLuxottica S.A, a company headquartered in Europe, and publicly listed on Euronext.

#### Modern Slavery Statement

This modern slavery statement is made jointly by LSPH and LRA pursuant to the *Modern Slavery Act 2018 (Cth)*.

Luxottica Group is committed to making continuous improvements to workers' employment and workplace conditions, including the prevention of modern slavery. This is supported by Luxottica's policies and a range of initiatives.

This statement sets out the steps Luxottica Australia has taken to minimise the risk of modern slavery taking place in our supply chains and within our business. It constitutes our modern slavery statement for the financial year ending 31 December 2020.

#### Our business and supply chains

Luxottica Group operates under a vertically integrated business model. This means that the entire value chain - design, product development, manufacturing, logistics and distribution for our core products, is conducted within the Luxottica Group. This provides us with a high degree of control and visibility over our entire production process, including the management of risks associated with modern slavery.

The in-house product design, development and manufacturing of Luxottica Australia eyewear products take place in Luxottica Group's production facilities located in Italy, China and the United States. Luxottica Australia is aware of the risk of forced labour and labour trafficking in China but because of our vertically integrated business model and high level of transparency, we consider the risk of this in our supply chain to be low.



Luxottica Group has engaged independent third parties to conduct audits of its production facilities since 2015 with a focus on business ethics, labor conditions, human rights, safety and the environment as set out in its Code of Ethics and in compliance with local laws and regulations.

Luxottica Australia also sources services and products from third party suppliers. We are aware that some of these third party suppliers operate from at-risk locations. For the current reporting period, a modern slavery questionnaire has been issued to selected Luxottica Australia suppliers identified as having a high inherent modern slavery risk either because of their geographical location or the labour related nature of the services provided by the supplier. The modern slavery questionnaire pertained to the suppliers' compliance with modern slavery related laws. As part of our commitment to the ongoing review of our supply chains, any suppliers identified as presenting a modern slavery risk may be required to undergo further assessments and ongoing monitoring, proportionate to their level of risk.

### **Luxottica's policies**

Sustainability in its wider meaning - covering environmental, social and economic factors - is a principle which is deeply rooted in the Luxottica Group and is one that has evolved over the years to become part of the fabric of the Group.

For this reason, we are committed to taking measures to combat modern slavery in our supply chains and in all parts of our business. The commitment of the Group is concretely expressed by a system of codes and policies developed by the Group, such as Luxottica's Code of Ethics and the Luxottica Responsible Sourcing and Manufacturing (LRSM) Principles. In addition, Luxottica Australia's Modern Slavery Policy specifically sets out Luxottica Australia's commitment to combating modern slavery as follows:

- **Luxottica Australia's Modern Slavery and Whistleblowing Policy:** Luxottica Australia's personnel are required to comply with its Modern Slavery Policy which outlines its commitment to respect and promote human rights and address modern slavery risks in its operations and supply chains. We recognise the importance of providing opportunities to all our personnel to report instances of any actual or suspected modern slavery issues. This is made available to employees pursuant to Luxottica Australia's Modern Slavery and Whistleblowing Policies. Luxottica Australia's Whistleblowing Policy is independently operated and allows for employees to remain anonymous when reporting any concerns. All reports of a breach of law or regulation are taken seriously and investigated accordingly.
- **Code of Ethics:** Luxottica Australia adopts and is required to comply with all Luxottica Group's policies including the Group's Code of Ethics which sets out the principles and fundamental values that inspire the ethical and responsible enterprise culture and conduct of Luxottica. It seeks to ensure that integrity, respect, transparency and fairness guide transactions and the way of doing business, both inside and outside the company, including embracing a wider set of values and behaviour to safeguard human safety, freedom and dignity. It expresses our commitment to comply with national laws and regulations which apply in the different territories in which Luxottica operates. The Code of Ethics applies to all stakeholders with direct relations with the Group's business, including all employees, collaborators and suppliers. We expect our suppliers to adhere to Luxottica's Code of Ethics which forms part of our suppliers' contractual obligations with Luxottica Australia. Luxottica Group provides opportunities to all employees, collaborators and suppliers to report instances of actual or suspected breaches of the Code of Ethics, by way of signed or anonymous letter or email to the Head of Internal Audit, or to





[codeofethicsguarantor@luxottica.com](mailto:codeofethicsguarantor@luxottica.com).

- **Luxottica Responsible Sourcing and Manufacturing (LRSM) Principles:** For Luxottica Group, its supply chain is fundamental to ensuring the consistent high quality of its products and services. Luxottica Responsible Sourcing and Manufacturing (LRSM) is the global program of Luxottica Group that aims to continuously improve the Group's supply base, including with respect to environmental, health & safety and labour performance. Luxottica Australia is committed to the LRSM Program and Principles (inspired by international standards such as the United Nation's Global Compact) which describe:
  - I. Luxottica's vision in terms of sustainability; and
  - II. the standard that Luxottica uses to select and evaluate its suppliers' performance with respect to ethical, labour, human rights, safety and environmental aspects.

Freely chosen employment is a key principle of the LRSM Program which clearly specifies that suppliers must not use forced labour, whether in the form of prison labour, indentured labour, bonded labour or any other form of forced labour.

Luxottica Australia takes these principles into account as part of the selection and monitoring process of the suppliers in its supply chain. By requiring compliance with these codes and policies, Luxottica Australia requires that all suppliers operate in line with current law and, more generally, with a commitment to safeguarding employees' dignity, health and safety.

Together, these policies help Luxottica Australia address and deliver our obligations under the law, and safeguard against modern slavery within our business.

In the event Luxottica Australia were to become aware of an incident of modern slavery in its operations or supply chains it would investigate the incident and, together with any relevant supplier, determine what needs to be done to cease the relevant practice to mitigate the risk of the incident occurring again.

## Employees

As part of their employment conditions, all Luxottica Australia employees must agree to uphold Luxottica's Code of Ethics which is provided to all employees as part of the on-boarding process. Training is provided regularly on topics relating to business ethics on Luxottica University, Luxottica's training platform.

On a regular basis, ethical topics for training purposes are identified. Such requirements are cascaded through Luxottica for active participation by Luxottica personnel. Such topics have included fighting bribery and corruption, conflict of interest and ethical decision-making.

## Continuous improvement

Luxottica Australia will continue to review and improve the effectiveness of its systems and processes to manage modern slavery risk in its supply chain. Our proposed actions for the future include:

- integrating a risk identification and assessment step into our procurement selection

process which enables the assessment of a prospective supplier's modern slavery risk profile;

- continuing to assess and engage with existing suppliers (prioritising those with the highest level of inherent modern slavery risk) based on Luxottica Australia's modern slavery questionnaire and the supplier's responses. Luxottica Australia will take appropriate action depending on the circumstances, including, for example, working with the supplier to develop an improvement plan or corrective action to mitigate any modern slavery risks;
- incorporating modern slavery provisions into our standard contractual agreements with new suppliers, and as current supply contracts are renewed;
- conducting training for relevant business teams to enhance their awareness of modern slavery risks; and
- expanding the application of our Modern Slavery Policy so that it applies to external suppliers, as well as to employees.

## Consultation

The reporting entities and their subsidiaries share the policies and procedures referred to in the statement as well as resources such as legal, human resources and procurement. This ensures that all areas of the Luxottica Australia business understand modern slavery risks and the actions the Group is taking as a whole to assess and address those risks.

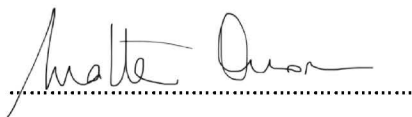
The terms of this statement were developed in a collaborative exercise across the Luxottica Group including by representatives of LSPH and LRA.

## Approval

This statement has been approved by all of the entities owned and controlled by LSPH and LRA.

This statement was approved by the Board of Directors of Luxottica South Pacific Holdings Pty Ltd on 23 June 2021.

This statement was approved by the Board of Directors of Luxottica Retail Australia Pty Ltd on 23 June 2021.



Matteo Accornero

Director, Luxottica South Pacific Holdings Pty Ltd

Director, Luxottica Retail Australia Pty Ltd

23 June 2021