

# EssilorLuxottica

**EssilorLuxottica Australia**  
Modern Slavery Statement  
Year 2022



## **ABOUT THIS STATEMENT**

This Modern Slavery Statement (the 'Statement') has been prepared and submitted in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (Modern Slavery Act) and sets out the steps the EssilorLuxottica Australian Companies take to identify, mitigate, and manage the risks of modern slavery in its operations and supply chains for the year ended 31<sup>st</sup> December 2022.

This statement is submitted as a joint statement on behalf of all reporting entities (Page 4).



**Our statement is structured across seven sections to meet the seven mandatory reporting criteria.**

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# INTRODUCTION

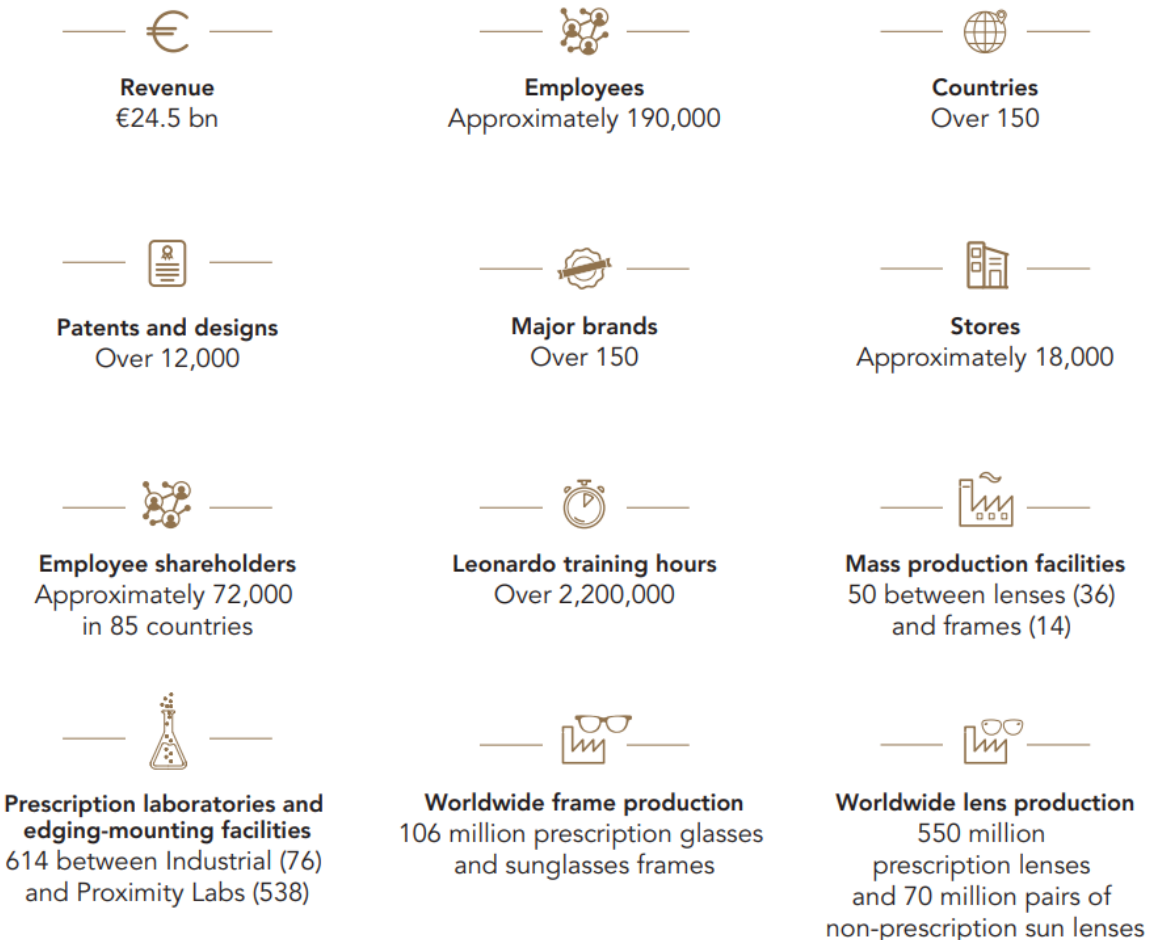
## Background

EssilorLuxottica S.A., within this document referred to as “EssilorLuxottica”, “the Group” or “headquarters”, is a French joint-stock company who is a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. Established in 2018, its Mission is to help people around the world "see more and be more" by addressing their vision needs and style aspirations while creating value for employees and communities.

The Group brings together the complementary expertise of two industry pioneers, one in advanced lens technology and the other in the craftsmanship of iconic eyewear, to create a vertically integrated business that is uniquely positioned to address the world’s evolving vision needs. The innovation, design and quality of EssilorLuxottica’s products and its strong, well-balanced brand portfolio allow the Company to respond to the global demand of a growing industry.

EssilorLuxottica is home to some of the most loved and well-recognized eyecare and eyewear brands in the world. With a portfolio of proprietary and licensed brands that cover a wide range of market segments, the Company taps into the needs and desires of consumers, offering a strong pipeline of innovation to deliver superior quality products that raise the standard of excellence across the industry.

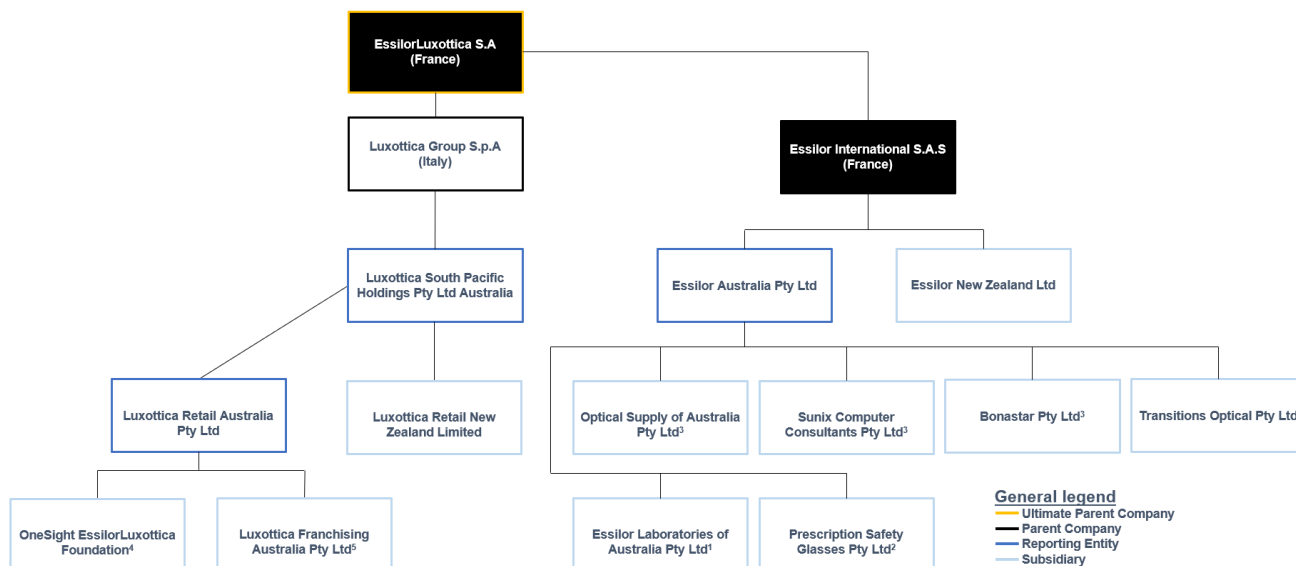
## Group Key Figures



# STRUCTURE, OPERATIONS AND SUPPLY CHAIN

## Structure

This joint statement has been prepared covering Luxottica South Pacific Holdings Pty Ltd (LSPH), Luxottica Retail Australia Pty Ltd (LRA) and Essilor Australia Pty Ltd., all reporting entities for the calendar year ending 31 December 2022. All entities together are referred to throughout this statement as “EssilorLuxottica Australia” or “the Company”.



EssilorLuxottica Australia is part of the multinational EssilorLuxottica S.A. A French joint-stock company registered with the Trade and Companies Registry (Registre du Commerce et des Sociétés) of Créteil under number 712 049 618 (EssilorLuxottica).

The headquarters of EssilorLuxottica Australia are in Sydney and it has approximately 5,300 talented employees across Australia committed to providing primarily vision care and eyewear products that meet the individual needs and style aspirations of every consumer.

In Australia, EssilorLuxottica operates two business segments: Direct to Consumer–Retail and Eyecare Technology–Wholesale. Both are run by separate management located in Australia.

This statement follows on from our parent company EssilorLuxottica’s commitments to ethics, governance and sustainability on a global scale, as outlined in our 2022 Universal Registration Document (including the Annual Financial Report) issued in French, filed on 10 March 2023 with the Autorité des Marchés Financiers (AMF). A non-certified translation into English of the Universal Registration Document (including the Annual Financial Report) issued in French, can be found following this [link](#).

1. Essilor Laboratories of Australia Pty Ltd exited the EssilorLuxottica structure on 30 December 2022.
2. Prescription Safety Glasses Pty Ltd exited the EssilorLuxottica structure on 7 December 2022.
3. Optical Supply of Australia Pty Ltd, Sunix Computer Consultants Pty Ltd and Bonastar Pty Ltd, have just come under the control of EssilorLuxottica Australia in mid-2022; hence, EssilorLuxottica Australia will work towards assessing their supply chain and operations.
4. In May 2022, EssilorLuxottica created the OneSight EssilorLuxottica Foundation.
5. EssilorLuxottica Australia has limited operational control and access to information from the franchise partners.

## STRUCTURE, OPERATIONS AND SUPPLY CHAIN (CONTINUED)

### Global Operations

EssilorLuxottica delivers on its Mission through a vertically integrated business model covering every single step of the value creation process, with a strong focus on manufacturing excellence, service and a geographically diversified footprint. This offers greater efficiency, flexibility and speed in product design, engineering, manufacturing, supply chain and logistics as well as uncompromised quality.

EssilorLuxottica has two key business, eyecare and eyewear. EssilorLuxottica also designs, develops, markets and maintains a range of optical instruments in two main specialty segments: (i) lens edging and mounting instruments for opticians and prescription laboratories, and (ii) optometry instruments for eyecare professionals, schools, occupational medicine centres, the military and other institutions.

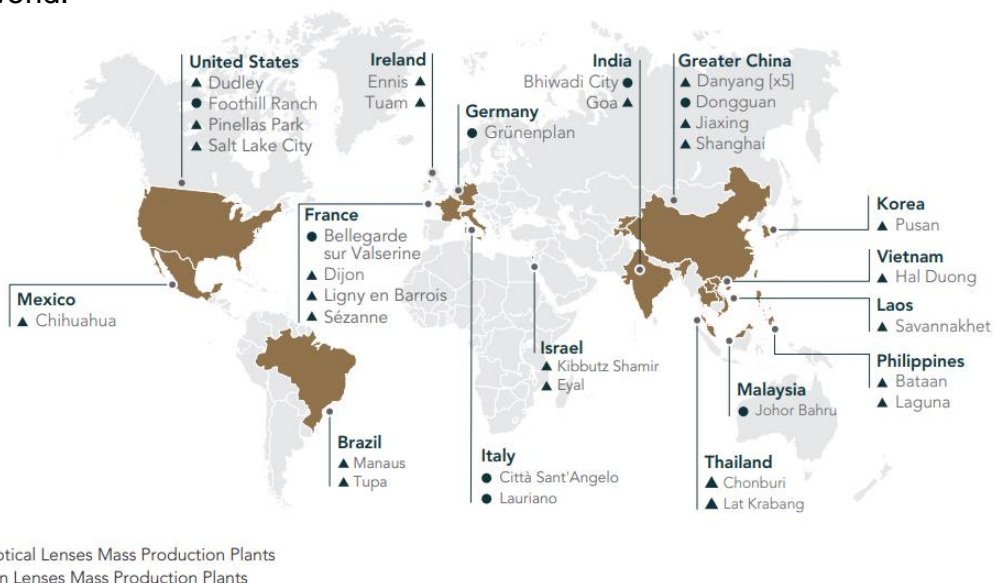
In addition to these businesses, EssilorLuxottica operations also include other categories: apparel, footwear and accessories (AFA) for both Oakley and Costa as well as specific accessories related to the Group's Direct to Consumer network; point-of-purchase (POP) material, including marketing material and advertising to be used in both the Group's retail stores and by professional solutions partners; and store-specific furniture. EssilorLuxottica designs, develops, sources, procures and manages distribution for these categories, whereas manufacturing is outsourced to third parties.

In 2022, with the acquisition of Giorgio Fedon & Figli S.p.A., a leading company in the production and distribution of eyeglass cases and accessories for eyewear, EssilorLuxottica entered the packaging and eyeglass cases business. Headquartered in Alpago (Italy), the company owns three main production sites in Italy (Belluno), Romania (Lugoj) and Greater China (Shenzhen).

EssilorLuxottica has a global network of 57 distribution centres for lenses, eyewear and contact lenses. For lens distribution, the Group's supply chain covers all product and lens flows across the world, from production plants to central logistics hubs and prescription labs through to brick-and-mortar locations.

### Global EssilorLuxottica Operations: Eyecare network

As of December 31, 2022, EssilorLuxottica and its partners operated 36 production facilities across the world.



## STRUCTURE, OPERATIONS AND SUPPLY CHAIN (CONTINUED)

### Global EssilorLuxottica Operations: Eyewear network

Frame design, development and manufacturing take place in EssilorLuxottica's 15 production sites throughout the world.



EssilorLuxottica Australia procures the majority of finished and semi-finished goods from these global sites as needed.

### Local Operations

#### **Direct to Consumer – Retail**

EssilorLuxottica Australia's Direct to Consumer network includes approximately 583 stores and 31 franchised locations that offer consumers high-quality vision care and best-in-class shopping experiences, from digital eye exam technology to the latest eyewear trends curated for every style preference.

The widespread brick-and-mortar retail network includes banners such as OPSM and Laubman & Pank, as well as global banners such as Sunglass Hut, Ray-Ban and Oakley. This network is complemented by leading e-commerce platforms including Ray-Ban.com, Oakley.com, SunglassHut.com and Costadelmar.com.

#### **Eyecare Technology – Wholesale**

Today, EssilorLuxottica Australia's unparalleled portfolio includes globally respected lens brands such as Essilor, Varilux, Crizal, Eyezen, Stellest, Xperio, Transitions, Ray-Ban, Oakley, among others, allowing it to distribute specialized technologies to best serve specific consumer eyecare needs.

EssilorLuxottica Australia also offers leading vision equipment and solutions –mainly procured within the group– used by opticians, optometrists, ophthalmologists and optical manufacturing labs. This includes lens surfacing and coating equipment as well as instruments for refraction, diagnostics, imaging, measurement, edging and mounting.

## STRUCTURE, OPERATIONS AND SUPPLY CHAIN (CONTINUED)



There are approximately 5,300 talented employees employed by EssilorLuxottica Australia. Each of them a custodian of competences, information, and experiences. EssilorLuxottica strives to maintain a culture of learning, diversity and safety among its employees, with zero tolerance towards any form of discrimination, intimidation or harassment.

Positions within the Company are usually filled with highly skilled employees, often professionally qualified individuals. There are also certain types of checks that may include the verification of working rights, education and previous employment. All in compliance with the Australian workplace laws.

Employment conditions at EssilorLuxottica Australia are equal and fair for all employees. Everyone is remunerated in accordance with their position, relevant skills, experience and requirements, most well above minimum wage. Great majority of employees are employed on full-time contracts, and for those on contract engagement, the Company ensures that the third-party recruitment and/or labour agency engaged, complies with all Australian workplace laws. The portion of people who are in contract engagement, they are employed on an Enterprise Agreement, which is negotiated with the relevant unions. Currently, there is minimum to null engagement of third-party agencies for manual labour or low skilled work.

### **Supply Chain**

EssilorLuxottica operates a vertically integrated business model directly covering every single step of the value creation process, from product development and manufacturing to end-consumer sale. Balancing speed, efficiency and proximity, the Company manages a global supply chain based on centralization for frames, and on a capillary network for lens finishing and prescription laboratories.

EssilorLuxottica Australia acquires more than 95% of the finished products for the Retail business segment, through EssilorLuxottica's global supply chain (refer to Global EssilorLuxottica Operations maps above for our locations). This facilitates business continuity and contributing to timely manufacture and delivery of products and services to its customers. The other 5% of the product portfolio is sourced from third party suppliers – generally large medical device companies that import goods into Australia and are sold in stores as items and accessories.

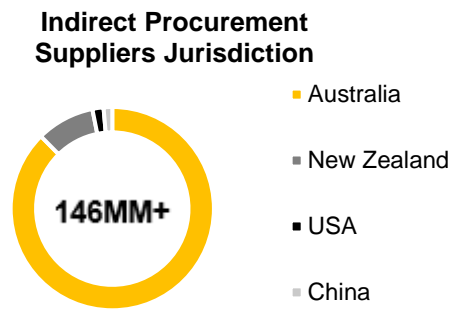


## STRUCTURE, OPERATIONS AND SUPPLY CHAIN (CONTINUED)

Similar approach is taken for the Wholesale business segment, where EssilorLuxottica Australia procures 90% of its finished goods (i.e., lenses) from EssilorLuxottica's global supply chain (refer to Global\_EssilorLuxottica Operations maps above for our locations). The remaining 10% is produced locally. Furthermore, the vast majority of the local production is performed by using semi-finished raw material coming from other EssilorLuxottica entities within the Group.

To maintain and develop its operations, EssilorLuxottica Australia has a relevant spend associated to indirect procurement. The considerable majority of spend is domestic and concentrated primarily in store design and construction, consulting services (i.e., Marketing, IT and Legal), IT software and facilities maintenance. EssilorLuxottica Australia has assessed further and identified the jurisdiction of these suppliers.

When engaging with suppliers, EssilorLuxottica Australia aims to maintain a collaborative, open and trusting relationship.



The indirect procurement statistics don't include those entities that have recently come under the scope of EssilorLuxottica Australia. Operation and supply chain's control on these entities is expected to happen between 2023 and 2024. Hence, EssilorLuxottica Australia will continue working with them to create awareness of Modern Slavery risks within their operations and supply chain.



## MODERN SLAVERY RISKS WITHIN OUR SUPPLY CHAINS

EssilorLuxottica Australia recognises modern slavery as a severe violation of human rights, and it is committed to respecting and promoting human rights across its entire business and value chain.

The term ‘modern slavery’ is an umbrella term used to describe situations where coercion, threats or deception are used to exploit people and deprive them of their freedom, and it includes:

- Slavery
- Servitude
- Forced labour
- Deceptive recruiting for labour or services
- Forced marriage
- Trafficking in persons
- Domestic trafficking
- Child trafficking
- Organ trafficking
- Debt bondage

EssilorLuxottica Australia acknowledges that modern slavery practices are likely to be present somewhere within its supply chain and operations, and that there may be a key source of complexity in identifying and managing some of these risks. Some of these risks are influenced by a range of factors, including geographic, sector, and product specific factors.

Geographic Risks	Sector Risks	Products and Services Risks	Risk Indices
<ul style="list-style-type: none"><li>• Higher-risk countries where modern slavery may be prevalent.</li></ul>	<ul style="list-style-type: none"><li>• Higher-risk sectors such as manufacturing, textiles, cleaning, etc.</li></ul>	<ul style="list-style-type: none"><li>• Products and services may involve reliance on low skill and migrant workers.</li></ul>	<ul style="list-style-type: none"><li>• External risk trends with suppliers risks.</li></ul>

### **Identified Risk**

With the Company’s extended operational footprint, its third parties may be located in multiple regions, with different, complex and multifaceted patterns in terms of human rights impacts. EssilorLuxottica Australia can build business relationships with suppliers based in regions where the application of human rights legislations may be limited or fall below Company or international standards. Reputational, legal and compliance risks may negatively have an impact due to non-responsible behaviours throughout the supply chain.

From the information gathered from our discussions with high-risk suppliers and some modern slavery questionnaires, the two main areas of risks within EssilorLuxottica Australia’s supply chain have been identified.

## MODERN SLAVERY RISKS WITHIN OUR SUPPLY CHAINS (CONTINUED)

1

May have been directly linked to modern slavery through procurement of goods for resale in the retail and wholesale channels.

5% of the total procurement spend relates to goods for resale in the bricks-and-mortar and e-commerce channels, including products such as optical accessories and textile products.

While EssilorLuxottica Australia undertakes certain due diligence on some of its high-risk suppliers, it recognises that it might be challenging to identify and address modern slavery risks in some of them due to the complexity of their supply chains.

2

May have been directly linked to modern slavery through procurement of goods and services not for resale in general operations.

EssilorLuxottica Australia procures a range of goods and services to support its operations, including store design and construction, office furniture, IT hardware, facilities maintenance and cleaning, and office stationery. They are equivalent to approximately 35% of the total procurement spend.

Despite assessment and limited red flags, some of the goods and services mentioned above may be the product of modern slavery.

Considering some of the types of products and services that EssilorLuxottica Australia procures from various suppliers in high-risk geographical locations and sectors, the most relevant types of adverse human rights impacts that may exist in our supply chains include:



To address any challenges and evolving conditions related to modern slavery risks within the supply chain and operations, EssilorLuxottica Australia continuously adapts from its parent company ethical sourcing programs and supporting governance practices. This approach allows it to identify, assess and address modern slavery risks by considering multiple factors and focus on key elements.

In 2022 there was limited visibility on the entities that came under the control of EssilorLuxottica Australia in mid-2022. Those entities are Optical Supply of Australia Pty Ltd, Sunix Computer Consultants Pty Ltd and Bonastar Pty Ltd. EssilorLuxottica Australia will work towards creating further awareness on their supply chain and operations throughout 2023 and 2024.



## MODERN SLAVERY ASSESSMENT AND OUR PROCESSES

EssilorLuxottica places elevated importance on human rights, along with the applicable laws and regulations and international standards such as the United Nations Guiding Principles for Business and Human Rights and The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. And it also abides by the International Labour Organization (ILO) Conventions and the ten principles of the United Nations Global Compact relating to human rights, labour law and the fight against corruption.

EssilorLuxottica Australia seeks to identify, assess and address potential modern slavery risks in its supply chain and operations through the ongoing implementation of responsible sourcing procedures, policies, trainings and grievances mechanisms, as set out below, in addition to group-wide controls in place to manage the risk within our related-entity suppliers:



### **Policies**

- Code of Ethics: Sets forth the principles that apply to all EssilorLuxottica employees, contractors, vendors and suppliers, and govern daily business activities.
- Modern Slavery Policy: Establishes expectations for all stakeholders to respect internationally recognised human rights and applicable modern slavery legislations.



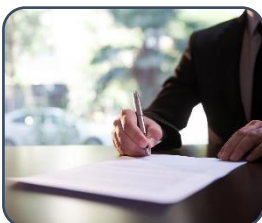
### **Training**

- Online and face-to-face training sessions targetting key stakeholders to explain the relevance of combating modern slavery and applicable legislations.
- Awareness programs assisting with the identification of modern slavery risks and how to approach them.



### **Grievance mechanism**

- Encouragement to employees and other stakeholders to report suspected wrongdoings as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that confidentiality will be respected. There is a strict non-retaliation policy.



### **Supplier engagement requirements**

- Set of contractual clauses within standard contract templates and purchase orders. They may include termination clauses for non compliance with laws and/or compliance with company policies.
- A modern slavery questionnaire developed for high-risk suppliers to complete; through discussion seek to better understand their supply chain and operations, and categorise their modern slavery risk accordingly.

## **ASSESSING THE EFFECTIVENESS OF OUR ACTIONS**

EssilorLuxottica Australia is committed to making continuous progress and is aware that its human rights approach requires ongoing monitoring, review and regular improvement to ensure that it continues to identify risks, to mitigate any potential risk within its supply chain and operations. Some of the actions performed throughout the year include, but may not be limited to:

### **Development of risk assessment processes**

Internal stakeholder discussions regarding pertinent modern slavery risks and how EssilorLuxottica Australia, as an organisation, can be better equipped to assesses and manage those risks.

### **Training**

Training employees within the procurement function to identify modern slavery red flags and to know how to escalate concerns is an important part of our risk mitigation framework. Hence, a series of face-to-face training sessions were facilitated to procurement stakeholders and reference material has been made available.

### **Procurement**

Procurement measures included targeted the inclusion of standard provisions in contracts and purchase orders to require suppliers to assess and address modern slavery risks in their operations and supply chains. Suppliers are required to comply with all applicable modern slavery laws and ensure that all persons within the supply chain do not use modern slavery including by implementing appropriate due diligence procedures and using reasonable endeavours to obtain and exercise audit rights with respect to its vendors and subcontractors.

## **CONSULTATION PROCESS**

During the reporting period this statement covers, there was active engagement and consultation with all EssilorLuxottica Australian companies in the development of this statement (entities outlined in page 4). Further discussion on Modern Slavery Act 2018's reporting requirements were held to inform of the compliance requirements, the initiatives in place and ongoing ones to be implemented.

## OTHER RELEVANT INFORMATION

### Future plans

Living up to the responsibility as an eyecare and eyewear market leader, EssilorLuxottica Australia will continue supporting the creation of a more sustainable future and strive to mitigate the risks of modern slavery in its supply chain and operations.

The below are some initiatives that will require ongoing development:



Investing in technologies that will allow the Company to methodically assess the risks of modern slavery in supply chains.



Bringing up to speed recently acquired subsidiaries to adopt our standards regarding supply chain and operations.



Engaging with suppliers by reference to responses to our questionnaire to ascertain further information in relation to their supply chain risks and how they go about mitigating and addressing them.



Adding standing items within senior management meetings to discuss modern slavery related issues.



Continuous review of our integrated whistleblowing system, enabling the reporting of compliance and other violations of laws.



Developing learning activities to create awareness of modern slavery risks within our supply chain and operations.

### One Sight EssilorLuxottica Foundation

On 25 May 2022, EssilorLuxottica announced the launch of the OneSight EssilorLuxottica Foundation, marking a new chapter in the Group's journey to achieve its unique Mission to help everyone in the world "see more and be more". This comes as a major pillar in EssilorLuxottica's sustainability strategy and supports its commitment to advocate for good vision as a basic human right.

In Australia, the OneSight EssilorLuxottica Foundation focuses on partnering with governments, Non-Profit Organizations and like-minded private organizations to create sustainable access to vision care, provide free eye exams and glasses for the people most in need, fund local vision care programs and raise awareness of poor vision among policy makers and at a community level. All to contribute realizing the United Nations' resolution, "Vision for All", and support eliminating uncorrected poor vision in a generation.

The OneSight EssilorLuxottica Foundation vision is "We See A Bright Future". A world where everyone can see more and be more. Good vision has the power to unleash our full potential to help us learn better, keep us safe and promote a more inclusive society. Click [here](#) to learn more.

## APPROVAL

This statement was approved by the board of the three reporting entities covered by this statement.

The board of Luxottica South Pacific Holdings Pty Ltd Australia and Luxottica Retail Australia Pty Ltd approved this statement on 29 June 2023.

The board of Essilor Australia Pty Ltd approved this statement on 29 June 2023.

On behalf of the board of directors:



**Matteo Accornero**

Director – Retail

Luxottica South Pacific Holdings Pty Ltd

Luxottica Retail Australia Pty Limited

29 June 2023



**Marco Caccini**

Director – Wholesale

Essilor Australia Pty Limited

29 June 2023

