

LUXOTTICA RETAIL UK LIMITED

Modern Slavery Statement for Financial Year ending 31 December 2017 on behalf of Luxottica Retail UK Limited in operating the business of Luxottica Group S.p.A in the UK

1. INTRODUCTION FROM RICHARD PECK, MANAGING DIRECTOR

The UK Modern Slavery Act 2015 (MSA) is designed to tackle slavery and for organisations to ensure that modern slavery does not take place within their businesses. The MSA also requires commercial organisations which carry on a business, or part of a business, in the UK and which have a global turnover above £36 million to publish a slavery and human trafficking statement each financial year, setting out the steps taken to ensure there is no slavery or human trafficking in their business or supply chains.

We are proud of the steps we have taken to combat slavery and human trafficking.

We are committed to protecting the mental and physical well-being of our people, pursuing a balance between work demands and personal requirements and by forbidding behaviour that is physically or emotionally harmful to any individual. Our suppliers are carefully selected in a fair and transparent manner, guided by criteria of fair competition, impartiality, compliance with laws, equity in pricing and quality of goods and/or services.

This statement sets out our policies and practices on behalf of Luxottica Retail UK Limited in respect of our ethical business practices and ethos, the steps we have taken in the financial year ended 31 December 2017 and the Code of Ethics we adhere to as part of the Luxottica Group of companies.

2. ORGANISATION'S STRUCTURE

Luxottica Retail UK Limited is part of the group of companies controlled by Luxottica Group S.p.A. (**Luxottica Group**). The Group has its head office in Italy.

The Group has over 85,000 employees worldwide and operates in 130 countries with 18 distribution centres worldwide, 12 product design, development and manufacturing facilities and around 9,000 retail stores, including a wholesale and distribution network.

The Group had a global turnover in 2017 of £8.0 billion.

Luxottica Group S.p.A. is a company listed on Borsa Italiana. It has a traditional management and control system. The Group's governance is established in compliance with the provisions of Borsa Italiana and Consob, according to the highest standards of corporate governance.

The Group implements its business strategies through the presence of subsidiary companies in the various countries in which it operates.

The principles on which the corporate governance system of our parent company is founded are also applicable to all the companies belonging to the entire Luxottica Group, namely:

- a) defined, acknowledged and shared values, which are set out in our Code of Ethics;

- b) the central role of the Board of Directors;
- c) the effectiveness and transparency of management decisions;
- d) the adoption of an adequate internal control system;
- e) the adoption of proper and transparent rules regarding transactions carried out by related parties and the processing of confidential information;
- f) a proactive risk management system; and
- g) a remuneration and general incentive system for managers linked to the creation of sustainable value over time.

3. **OUR CODE OF ETHICS AND CODE OF CONDUCT**

Our Code of Ethics applies to the activities of all Group companies, at all levels of the organization, and everywhere Luxottica operates.

The values established in the Code of Ethics of the Luxottica Group bind all employees to ensure that the activities of the Group are performed in compliance with applicable law, in the context of fair competition, with honesty, integrity and fairness, respecting the legitimate interests of stockholders, employees, clients, suppliers, business and financial partners, as well as of the societies of the countries in which the Luxottica Group operates.

The Group's Code of Ethics can be found at www.luxottica.com at:

http://www.luxottica.com/sites/luxottica.com/files/low_420x297codice_etico_luxottica_uk_compressed_1.pdf

Within the Luxottica Group, responsibility for defining, applying and maintaining our Code of Ethics lies with top management team, Human Resources and the Group's internal audit and legal/compliance teams.

The Luxottica Group has adopted both a Code of Conduct and a Code of Ethics, with which employees, business partners and suppliers are expected to comply. Luxottica produces the vast majority of its products at facilities that it owns and where it controls hiring and employment practices. The Codes require that all associated with Luxottica behave ethically and within the bounds of the law, respect the rights of people's dignity, health and safety, and denounce the use of child labour. Luxottica promotes the safeguarding of workers' rights, trade union freedom and freedom of association in general.

4. **OUR BUSINESS**

Luxottica is a global leader in the design, manufacture and distribution of fashion, luxury and sports eyewear with high technical and stylistic quality.

Among our core strengths, a strong and well-balanced brand portfolio includes iconic proprietary brands such as Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples and Alain Mikli, as well as highly attractive and prestigious licenses including Giorgio Armani, Burberry, Bulgari, Chanel, Dolce & Gabbana, Michael Kors, Prada, Ralph Lauren, Tiffany & Co., Versace and Valentino.

The Group is also home to Sunglass Hut, the largest retailer of premium sunglasses in North America, Latin America, Asia-Pacific, South Africa, Europe and the Middle East with

concessions in all major UK department stores and airports. Luxottica also operates David Clulow, the premium optical retailer in the United Kingdom and Ireland.

5. **OUR SUPPLY CHAINS**

The supply chains of Luxottica Retail UK Limited include suppliers of spectacle lenses, contact lenses, software/IT services, frames, shop fit out services, video screens, marketing services, sight test equipment, stationery supplies, telephone systems, optical accessories, professional services and property providers, amongst others.

The Luxottica Group seeks suppliers whose operational practices comply with applicable laws and regulations and, more generally, that protect the dignity of human beings, the health and safety of workers and the environment at large. Luxottica ensures its principles are respected by suppliers by conducting on-site audits and by putting compliance with applicable laws ahead of continuing the business relationship.

Our ultimate parent company Luxottica Group S.p.A, which is subject to the highest standards of corporate governance, is the main supplier to Luxottica Retail UK Limited providing approximately 80% of the supplies of optical and sunglass frames to the UK business.

As part of our commitment to combat the risk of modern slavery and human trafficking within our supply chains, and in addition to the principles set out in our Code of Ethics concerning our relationships with suppliers, Luxottica's procurement model and policies also require the highest ethical standards to be maintained. This includes the requirement that suppliers are compliant with Luxottica's main principles and guidelines, which include but are not limited to compliance with the laws, regulations and social customs of the countries and regions in which our suppliers operate and declaring that they do not use child and forced labour and do not undertake any kind of discrimination.

6. **DUE DILIGENCE PROCESSES**

We continue to keep under review our UK based recruitment policies, contracts of employment and associated employment policies and handbooks to ensure these reflect current applicable laws.

We have in place policies to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Promote and support equal opportunities
- Protect whistleblowers.
- Support our zero-tolerance approach to bribery and corruption through our anti-bribery and corruption policy.

Luxottica ensures equal opportunities to support the entry, the professional growth and development for all within its organizations worldwide and, therefore, it does not tolerate

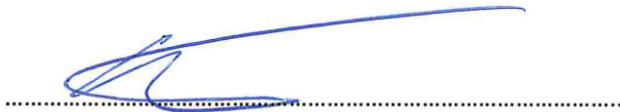
discrimination of any kind including for reasons of gender, disability, age, marital status, ethnic or social origin, faith, sexual or political orientation.

7. **FURTHER STEPS**

We are committed to continuing and improving our practices to combat modern slavery and human trafficking and will continue to review and update our policies and practices, and to ensure that those working with us adhere to our values and commitment to conducting our business with integrity and fairness at all time in line with our Code of Ethics.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for Luxottica Retail UK Limited for the financial year ending 31 December 2017.

Approved by the Board of Directors on 18 June 2018



Richard Peck, Managing Director

On behalf of Luxottica Retail UK Limited

Date: 18 June 2018