

EssilorLuxottica

Forced Labour and Child Labour in Supply Chains Report

Year ended December 31, 2023

1. ABOUT THIS REPORT

This report is made by EssilorLuxottica Canada Inc. (“**EssilorLuxottica**”, the “**Company**”, “**we**”, “**us**” “**our**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ending December 31, 2023.

This report highlights the measures EssilorLuxottica has taken within its previous financial year to prevent and reduce the risk of forced labour or child labour (also known as modern slavery) in its business and supply chains. All the information provided in this report also applies to the activities of Riverside Opticalab Ltd., a former subsidiary that was amalgamated with the Company on January 1, 2024.

2. PREVENTING AND REDUCING RISKS OF FORCED LABOUR AND CHILD LABOUR

At EssilorLuxottica, we recognize our responsibility to respect and protect human rights, particularly in the context of a global supply chain. We are committed to conducting business ethically and responsibly and we do not tolerate the use of forced labour and child labour within our activities and supply chain. As such, we have taken steps to prevent and reduce such risks, as follows:

- We continued to implement our due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and child labour.
- We maintained our anti-forced labour and anti-child labour standards by upholding our code of conduct, code of ethics and contractual clauses against human rights violations are present in sensitive agreements, and continued to require our vendors to certify their compliance with our standards.
- We continued to implement our grievance mechanisms, through the Group’s SpeakUp channel, and provide awareness training programs to our workforce that address the topics covered in our internal policies, including human rights considerations.
- We maintained thorough procedures to gather information on worker recruitment to ensure compliance with applicable laws and regulations.

Details of the above actions are set forth in this report.

3. ABOUT US & OUR SUPPLY CHAIN

Headquartered in Montreal, Québec, EssilorLuxottica is part of the multinational EssilorLuxottica S.A., a French joint-stock company, a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses (referred to as the “**Group**”). In Canada, we have four manufacturing facilities, two in Ontario, one in Québec and one in British Columbia, with a total workforce of about 525 dedicated individuals in operations and an overall workforce across Canada constituted of roughly 3,000 employees.

The Group operates an open, collaborative business model, partnering with key industry players who share its passion for elevating quality vision care through superior products and services. With its vertically integrated business model and a leading presence across all regions, all business segments and trade channels, the Group is uniquely positioned to address the world’s evolving vision needs. The innovation, design and quality of its products and its strong, well-balanced brand portfolio allow the Group to respond to the global demand of a growing industry.

EssilorLuxottica’s legacy is rooted in a commitment to vision care innovation and a deep understanding of the transformative power of good vision. Our groundbreaking products correct, protect, and frame the beauty of the most precious and powerful sensory organ: the eyes. By combining expertise in lens technology and eyewear manufacturing with a portfolio of brands consumers love and global distribution capabilities, EssilorLuxottica enables people everywhere to learn, work, express themselves and fulfil their potential.

Balancing speed, efficiency and proximity, the Group manages a global supply chain based on centralization for frames, and on a capillary network for lens finishing and prescription laboratories, and considering its global footprint, the Group prioritizes local partners having solid business models, dedicated governance and an appropriate level of commitment.

In fact, the majority of the finished products sold in the direct-to-consumer business is managed through the Group’s global supply chain operating in the United States, Brazil, Western Europe and Asia-Pacific. This facilitates business continuity and contributes to timely manufacture and delivery of products and services to our customers.

Operations: Global eyewear network



The remaining part of the Group’s supply is sourced from third-party vendors, generally large companies, whose goods are imported into Canada to be sold in stores as items and accessories.

4. POLICIES AND DUE DILIGENCE PROCESSES

EssilorLuxottica recognizes forced and child labour as a severe violation of human rights, and it is committed to respecting and promoting human rights across its entire business and value chain.

Policies

a. Code of Ethics

EssilorLuxottica adheres to the Group’s code of ethics (the “**Code of Ethics**”) which defines a shared culture and values for all employees. It includes our engagement to promote ethical behaviour, to protect human rights and labour conditions and to ensure our suppliers are supporting such commitments through the implementation of our responsible sourcing program. At EssilorLuxottica, we conduct our business in accordance with applicable laws and regulations, as well as ethical principles, such as the United Nations Guiding Principles for Business and Human Rights, and we expect our workforce, our business partners and other stakeholders to do the same.

As outlined in the Code of Ethics, we attach particular importance to identifying and monitoring risks, as well as preventing and remediating material breaches of human rights and fundamental freedoms, that could arise as a result of our activities and those of our suppliers and subcontractors in the supply chain. To that end, the Code of Ethics provides for three lines of defense to ensure the internal implementation and compliance with its provisions, which mechanisms include periodic audits conducted by the internal audit department.

The Code of Ethics also highlights our engagement to protect the mental and physical well-being of our employees by creating an inclusive and respectful work environment free of any form of discrimination, intimidation or harassment and to apply high occupational, health and safety standards.

In addition to requiring our employees to acknowledge our Code of Ethics, we continue to provide and develop mandatory awareness training programs in connection with the matters outlined in our Code of Ethics, namely human rights considerations. Periodically, using the Group platform e-learning Leonardo®, employees and some contractors have access to regular awareness-raising and training initiatives delivered to employees on human rights and compliance related topics (Code of Ethics, GDPR, health and safety policies etc.).

In addition, employees are remitted policies at hiring that they have to read and acknowledge. Those include a Workplace Violence Policy and a Discrimination, Harassment and Bullying Policy prohibiting such behaviour in order to protect the physical and psychological integrity of individuals in their relationships in the workplace, and safeguard their personal dignity.

b. Code of Conduct

The Group's Business Partners' Code of Conduct (the "**Code of Conduct**") sets out our expectations towards our business partners in terms of business ethics, labour and human rights, fundamental freedom, health and safety, and environment. It is crucial for us to encourage our suppliers to adopt the same ethical, human, social, and environmental standards that we uphold in our own business activities. As such, we require our business partners to:

- adhere to the principles set forth in our Code of Conduct, which complements our Code of Ethics;
- comply with its provisions or the provisions of their own code of conduct;
- ensure that their own stakeholders abide by our Code of Conduct;
- cooperate with us and provide us with information regarding potential impacts and risks; and
- accept to be evaluated or audited on the implementation of such principles by us or a third party.

EssilorLuxottica is dedicated to combatting all forms of human rights violations. We maintain a zero-tolerance stance towards forced labour and child labour, both within our own operations and throughout our supply chain. As a result, our Code of Conduct explicitly forbids such practices.

In the event of potential or confirmed violation of this Code of Conduct, the Group reserves the right to take appropriate measures, which may include requesting remedial actions or improvement plans, or the termination of the contractual relationship.

c. Alert System and Reporting: SpeakUp

Employees and other stakeholders are encouraged to promptly report any suspected wrongdoings, with the assurance that their concerns will be treated seriously, investigated appropriately, and handled confidentially. Additionally, a strict non-retaliation policy is in place. In 2023, the Group launched its internal reporting system, SpeakUp, where both employees and external stakeholders can report potential concerns and violations of the Code of Ethics, the Code of Conduct or legal obligations (including human rights, labour laws and several other matters).

To date, EssilorLuxottica has not received any complaints through the SpeakUp channel.

We are committed to making continuous progress and is aware that its human rights approach requires ongoing monitoring, review and regular improvement to ensure that we continue to identify and mitigate risks within our operations and supply chain.

d. Due Diligence Processes

All suppliers working with our organization are expected to adhere to high human rights standards. Given that the vast majority of our purchases are made through our Group's global supply chain, we rely on the due diligence processes in place at the Group level with respect to the products we source from our affiliated companies.

To ensure responsible sourcing, the Group's Sourcing team conducts several due diligence processes, including risk-based due diligence and background checks on its business partners, the completion of a self-assessment questionnaire, audits and on-site inspections. Similarly, the Group's business partners are expected to perform risk-based due diligence within their own operations and supply chain, which is crucial to preventing, monitoring and mitigating risks associated with human rights considerations.

At the Canadian level, following our last financial year, we have started to assess any gaps that may exist at the local level and are planning on implementing the Responsible Sourcing & Manufacturing Program (the "**Audit Plan**") once launched to our limited importations through third-party suppliers. The Audit Plan aims at verifying the compliance of the Group's value chain to international standards, all applicable laws and regulations and the Code of Ethics, on an annual basis. In collaboration with a qualified and independent third-party auditor, EssilorLuxottica verifies periodically its suppliers and owned manufacturing sites' (plants and laboratories) compliance with regards to the following four pillars: Governance and Ethics, Labour and Human Rights, Occupational Health and Safety and Environment. This includes the audit of employment conditions, child labour, freely chosen employment, discrimination and harassment, and grievance mechanisms.

Pursuant to the Audit Plan, the auditors must evaluate each item on our checklist, categorized by the criticality of the issue, its importance for the business and whether the issue refers to key sustainability areas. Following such review, all results are analyzed based on the severity and the

recurrence of the non-compliance. EssilorLuxottica reserves the right to terminate the business relationship or take any other course of action if the auditees are not compliant with the minimum requirements and do not address the issue with immediate satisfactory action plan, and if they are not showing any improvement across multiple audits.

e. Supplier engagement requirements

We include standard provisions in certain of our contracts and purchase orders to require suppliers to certify compliance with all applicable regulations relating in particular to employment, work conditions, health and safety of their personnel and support to the fight against illegal labour. Additionally, termination clauses may be included for non-compliance with applicable laws or company policies.

f. Recruitment Process

Our thorough recruitment process is compliant with applicable laws and regulations. It involves a series of steps to ensure we collect the most accurate information on our employees and that they are voluntarily recruited. To achieve this, we followed the following steps:

- Prior to recruitment, we seek internal approval to recruit, post the role, and review resumes received.
- As part of the recruitment process, recruiters conduct phone interviews, where the person is asked if they are legally authorized to work in Canada. Such interview is followed by a manager interview (virtual or in person) and background checks for the selected candidate are conducted (criminal, references).
- In the context of hiring, an offer letter is prepared and presented to the candidate. After the candidate has signed the offer letter, documents are sent to the candidate by email to gather personal information: including address, date of birth, SIN, work permit information if applicable. If the employee had a work permit, talent acquisition conducts the necessary validations with our legal department to ensure the person was authorized to work for the Company under the parameters defined in the offer letter. Personal information provided is added in the employee file and sent to payroll for employee file creation in the payroll system. The review of identification, age, work permits is completed when the candidate fills the additional information forms once they have been selected for a role.

5. RISK ASSESSMENT & REMEDIATION MEASURES

EssilorLuxottica direct operations are located in Canada, where we believe the risk of forced labour or child labour is limited, our operations being conducted in strict compliance with applicable laws and regulations.

As a large retailer sourcing goods globally from an important number of direct and indirect vendors, EssilorLuxottica is aware that its broad supply chain may present human rights risks. While we have greater visibility of our direct vendors, we know that the risks of forced labour and child labour extend beyond these suppliers and at various stages of production. Identifying such risks for suppliers further down our supply chain and over which we have less control is more complex.

Our Group's primary focus is on the identification, monitoring and prevention of risks, as well the resolution of human rights violations that may arise from our activities and those of our business partners. This is why our Audit Plan includes a risk assessment of our vendors, identifying country risk and sustainability key risks and ensuring that our business partners are in compliance with our requirements. It also provides a clear action plan for the Company to follow in case of violations.

Given that EssilorLuxottica has not identified any instances of forced labour or child labour in both its activities and those of its supply chains during the last financial year, our organization has not taken any measures to remediate such occurrences or any loss of income in the most vulnerable families resulting from any such measures. However, if we become aware of any cases of modern slavery, whether in our business or supply chains, we are dedicated to collaborate and adopt an adequate approach to remediate such situation.

6. ASSESSING THE EFFECTIVENESS

For the purpose of assessing the effectiveness of our processes taken to ensure that forced and child labour are not being used in our supply chains, we regularly review our Code of Conduct, allowing us to enhance our practices as necessary.

The Company also relies on grievance mechanisms, which allows our employees, vendors and stakeholders, including workers from our supply chain, to confidentially report concerns about any ethical issue. We monitor these grievance mechanisms to assess the effectiveness of our risk mitigation strategy and we review any complaints received through our SpeakUp internal reporting system. So far, EssilorLuxottica has not been made aware of any incidents through our reporting mechanisms.

7. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of EssilorLuxottica Canada Inc. as of May 31, 2024 pursuant to paragraph 11(4)(a) of the Act and constitutes EssilorLuxottica's report for the financial year ending December 31, 2023.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the

report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind EssilorLuxottica Canada Inc.

DocuSigned by:

Bruce Miles

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Bruce Miles

General Manager & Director

May 31, 2024