Guidelines to prevent bribery and corruption

Unusual Requests
Facilitation Payments
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Group Compliance Department

MAY 2018
A message from the Chairman

The Essilor Group, a leader and reference in its field, has experienced strong international growth over the years. With a significant presence on all continents, we are facing new challenges that imply new compliance responsibilities, particularly in terms of preventing corruption.

In the spirit of Essilor’s Principles and Values, which remind us of the necessity to respect laws, notably in terms of financial legislation, and in keeping with our adherence to the United Nations Global Compact, we must pay particular attention to this issue. We are determined to adopt a “zero tolerance” policy as far as corruption is concerned.

This guide is intended for those who manage relationships with administrations, supervisory or regulatory authorities, clients and other third parties on behalf of Essilor. Its aim is to detail the applicable rules and best practices towards preventing corruption. It also recaps the principles to be respected by subsidiaries, partners and all executives, managers and employees within the Group.

We want to grow our business through the quality of our products and services - without ever seeking to illegitimately influence third parties. We believe in the effectiveness of our model, based on entrepreneurial spirit, and we want it to be applied in the strictest compliance with the law and with the ethics we hold dear. This is how we must act to develop our business and accomplish our mission of improving lives around the world by improving sight.

Hubert SAGNIÈRES
Chairman & CEO
EXECUTIVE SUMMARY

Essilor’s detailed requirements and international best practices are described throughout these Guidelines to prevent Bribery and Corruption: we hope you will find it informative.

Corruption, which consists into illicitly influencing a third party in Essilor’s favour, must be taken in a fairly broad sense. In the first instance, it refers to the payment of bribes, but it frequently takes very different and more subtle forms. This is why you will find indications regarding various transactions that are considered risky, such as facilitation payments, gifts and invitations, clients promotional trips, donations, political contributions and sponsoring.

Be particularly vigilant with regard to these different transactions and even more so if they involve public officials. Be very careful when referencing third parties, in particular when in relation to operations taking place in countries considered to be at risk.

In this context, here is a reminder of some key principles that are valid in all circumstances:

**LEGAL COMPLIANCE**
For each project, you should systematically know about the applicable laws and regulations, in the different countries of operation.

**PREPARATION AND RESPECT OF DEADLINES**
Plan your projects: try and identify in advance any difficulties (for example administrative, with customs or cultural) that you will need to solve and allow sufficient time to do so. Avoid creating stress for yourself and respect all applicable procedures so as to prevent potential situations involving extortion.

**THE PRINCIPLE OF DUE DILIGENCE**
Check who the final beneficiaries for your projects (partners and clients) are. Ensure that they enjoy a good reputation and that they undertake to respect Essilor’s Principles and Values and to comply with all applicable regulations, particularly in terms of preventing corruption.
THE PRINCIPLE OF “ZERO TOLERANCE”
Do not leave the door open to negotiations; do not accept a favour for which you would feel indebted; do not condone a modest sum, even on a one-off basis. You would be beginning a dangerous process whereby demands would only grow. You would be exposing yourself personally, while exposing as well your managers and Essilor.

These Guidelines constitute a Group policy and apply to all countries and/or jurisdiction in which Essilor operates and extends to any additional countries and/or jurisdiction where Essilor commences operations.

This document will be reviewed regularly to ensure it is up to date and aligned with applicable laws and regulations. In case of translation, it must be true to the original version in English. In case of differences in interpretation, the English version will apply.

It applies to all Essilor employees, acting in any capacity, Directors, Officers, contractors, authorised representatives and consultants, in all Essilor businesses and subsidiaries.

“Essilor” in this document is to be understood as meaning all Group related companies, i.e. fully owned subsidiaries as well as all joint ventures in which we participate.
These questions will often help you identify situations that might expose you:

- Do I have doubts about the legality of this action?
- Am I uncomfortable with the request made to me?
- Do I feel that my hand is twisted or that the expectations are not very clear?
- Are all the parties involved in the transaction transparent and known to all?
- Would I be embarrassed if my manager, my colleagues or my competitors learned of my decision?
# Summary

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Essilor has a “zero tolerance” policy with regards to bribery and corruption.

Essilor condemns all forms of bribery and corruption, whether direct or indirect.

Facilitation payments are forbidden, as are any other forms of bribery and corruption.
Corruption is characterized by the act of directly or indirectly offering, receiving, promising or granting an undue advantage to/from a third party in order to have them or you, perform, delay, or neglect to perform an act that is directly or indirectly part of their or your duties.

Corruption can be active (giving an undue advantage) or passive (receiving an undue advantage). It can also be private (influence of a private agent) or public (influence of a public agent), direct or indirect (via third parties).

Any failure to abide by anti-bribery and anti-corruption laws and regulations is likely to carry extremely detrimental consequences for the Group.

**PRINCIPLES**

- **Bribery and corruption, in all their forms, are forbidden.**
- Employees should **neither commit acts of bribery and corruption nor respond to undue requests.**
- Employees must **not use intermediaries**, such as agents, consultants, advisors, distributors or any other business partner with the intention of committing such acts (active or passive).
- When it comes to bribery and corruption, Essilor makes no distinction between public officials and private sector employees and companies. Nevertheless, it is important to remember that public officials are often bound by specific laws and regulations. **Any dealings with a public official must comply strictly with the rules that govern them.**
- Situations involving extortion can lead to possible **prosecution** under the laws and regulations that prohibit bribery and corruption.
Besides local legislation concerning the corruption of national and foreign public officials, certain laws, such as the Foreign Corrupt Practices Act (USA), the UK Bribery Act 2010 (UK) and the «Loi Sapin 2» (France) have an extraterritorial reach. They can apply to foreign companies that have ties with the USA, the UK or France (subsidiaries, business partners, or sometimes even just services that transit via the USA, such as data transiting via servers located in the USA).

These laws apply to Essilor. They are particularly stringent and the sanctions imposed on offending companies – including those based in Europe – are very harsh.

IDENTIFY RISKY SITUATIONS

Here are a few examples of typical situations where there is a greater risk of exposure and which require increased vigilance. This list is nonexhaustive:

■ You are dependent on authorisations granted by public officials.

■ You organise or take part in competitive bidding for public procurement contracts.

■ You are involved in business activities in countries with high risks of bribery and corruption.

■ You work with local partners through intermediaries.

■ The commissions paid to these intermediaries vary a lot or are very high compared to the similar assistance that could be provided by a third party.

■ Clearly identified conflict of interest.

IDENTIFY THE PRACTICES THAT ARE FORBIDDEN BY ESSILOR

In no way may you agree to:

■ Make payments without any written agreement to entities that are not your usual and pre-approved partners: associations, foundations, training establishments, hotels (for conventions or meetings), etc.

■ Incur expenses for goods and services that are not directly related to your business: gifts, trips, miscellaneous services, etc.

■ Make payments to tax havens or to countries where Essilor does not operate, except when it concerns a country in which Essilor is contemplating to start operating (e.g. acquisition project, appointment of distributor, charity related activities, etc).
Several tools are at your disposal to identify the countries considered to present the most risk of bribery and corruption and the situations that could expose you and our Essilor entities to undue requests or offers.

Every year, the non-governmental organisation Transparency International publishes on its website an index of countries ranked according to the perceived risk of corruption: http://www.transparency.org/

The http://www.business-anti-corruption.com/ website goes into more detail and allows you to identify risky transactions and administrative procedures for the countries in which you operate.

> Be especially vigilant when working in a country that presents a particularly high risk of corruption.
Apart from the reputational damages, hereafter are examples of sanctions which can be imposed under the FCPA and the UK Bribery Act

**FCPA**

- **Corporations**
  - Criminal Penalty: US$2 million fine per violation or twice the benefit that the offender sought to obtain, disgorgement of profits, and possible suspension and debarment by the U.S. government.
  - Civil Penalty: Disgorgement of profits and a fine of up to US$500,000

  *In practice, fines often reach very significant amounts, up to hundreds of millions or even billions of dollars.*

- **Individuals:**
  - Criminal Penalty: Up to 5 years imprisonment and a US$250,000 fine.
  - Civil Penalty: Fine of up to US$100,000.

**UK Bribery Act (2010)**

- **Corporations:** unlimited fines.
- **Individuals:** imprisonment up to 10 years.

**The French “Sapin 2” law (2016)**

- Adopts and reinforces the most demanding international standards.
- Mandates the setting up of an internal alert system. (Whistleblowing)
- Makes failure to have a bribery and corruption prevention programme a criminal offence.
- Created the AFA (French Anti-Corruption Agency).
In some countries, often though illegal under local law, it is common practice to make small payments to low-level government officials to secure or expedite routine services to which the payer has a legal right (such as for issuing a visa or clearing customs). Such payments are called “facilitation payments”. **While some antibribery and corruption laws provide some justifications for such payments, it is Essilor Group policy not to make such facilitation or “grease” payments.**

**PRINCIPLES**

- Although they are generally for small amounts, **facilitation payments are commonly assimilated to acts of corruption, under most jurisdictions.**

- **As stated above, Essilor Group forbids facilitation payments.** This rule also applies in countries where local laws tolerate such payments as common practice. In the event when, under duress, an Essilor employee or representative is exceptionally induced to make a facilitation payment, he/she must immediately inform his/her direct superior and thoroughly document this demand.

Certain laws such as the **Foreign Corrupt Practices Act (USA)** provide for an exception regarding facilitation payments. However, the majority of the applicable anti-bribery and corruption (“ABC”) laws such as the **UK Bribery Act or the French legislation consider them to be acts of bribery and corruption.**
**Do**

- Plan sufficient time for any requests for authorisation, license applications, or other administrative procedures.

- Familiarise yourself with applicable rules so that you are in a position to fulfil all formal requirements and challenge any unjustified requests.

- Explain that Essilor’s Principles and Values do not allow you to make such payments, and suggest the person speak to your superior if they have questions.

**Don’t**

- Don’t put yourself under time pressure or in a situation where you are not able to manage delays that are outside of your control.

- Don’t be in a situation of lack of information regarding legal provisions and necessary time frames, or submit incomplete paperwork. In short: avoid any situation that could place you at a disadvantage.

- Don’t agree to make undue payments. This is illegal and the best way to receive such requests again in the future.

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**A FEW QUESTIONS TO ASK YOURSELF**

- Is the payment really for an actual service or an official tax?

- Does the requested payment match an official fee pursuant to the official ruling or law applicable to it.

  For example, does the embassy advertise a specific fee for urgent visa requests?

- Is the payment being requested from you in an official and transparent way or in a secretive manner, one to one?

  For example, in the case of a tax adjustment, is it a request from the tax authorities or from the inspector who performed the tax audit?

- Is it possible to obtain an invoice or an official receipt for the requested payment?
Gifts and entertainment are not forbidden as such.

- They must never seek to improperly influence their recipients and should never be in exchange for anything or for favourable treatment.

- They must be of modest value and occasional.
**GIFTS AND ENTERTAINMENT**

A **gift** means anything of value such as a present, a gratuity or an advantage (whether in cash or not), which is given, offered, promised or received, accepted or agreed to be received or accepted. In a business environment, gifts are generally promotional items - lowcost souvenirs bearing the logo or a trademark of the company and handed out on special occasions (such as a site visit, upon the signature of a contract), or for traditional local festive occasions (such as Christmas, Diwali, the Mid-Autumn Festival, Chinese New Year etc).

**Entertainment invitations** refer to any form of social occasion, accommodation or hospitality that is offered, promised, asked for, received, accepted or agreed to be received or accepted. In a business environment, entertainment are usually invitations for meals, hotel accommodation or an offer to pay for travel expenses as well as invitations to sports, cultural and music events, or to any other social events in order to build a closer relationship or to express gratitude.
**PRINCIPLES**

- **It is not forbidden to give or accept gifts or entertainment.** This can be considered as an expression of courtesy between business partners.

- **However, it must not influence** or appear to influence a business decision.

- It must **comply with local regulations and customs**, particularly when public officials are involved, as they can be bound by specific rules.

- **Therefore, gifts or entertainment must be:**
  - modest and reasonable
  - occasional
  - given in a transparent manner
  - recorded as such in the books of the local Essilor entity
  - proportionate to the recipient’s job position
  - not in exchange for any favour or beneficial treatment

- **Expensive gifts and entertainment invitations must be authorised by your line manager.**
### GIFTS

#### Do
- Give gifts on behalf of Essilor and not on your behalf.
- Give preference to: promotional items bearing the company logo; gifts that can be shared by a team (such as chocolates or flowers) or gifts that are thoughtful or creative (such as a book or a CD) rather than having a pecuniary value.
- Always respond firmly but politely to any request or demand for a gift or entertainment to make it clear that it will not be provided unless the gift or entertainment requested is in line with the requirements stated in this Guide (modest value, occasional and not in exchange of any favour or beneficial treatment).
- Opt preferably for gifts that are paid for directly by Essilor.

#### Don’t
- Don’t give or receive gifts when taking part in a competitive bidding process, when renewing or entering into a new agreement or during the course of the development of any project (such as M&A project, plant expansion, etc).
- Don’t pay for entertainment or take part in an event that is not connected to a specific business reason or is not allowed under local applicable laws. Don’t pay for something for which there is no justifiable reason (such as paying for a trip of the family of the third party).
- Don’t give (accept) cash, gift vouchers or per diems or any expensive gifts and entertainment.
- Do not buy gifts that you can’t claim back and record as expenses.
A FEW QUESTIONS TO ASK YOURSELF

Do

- Refreshments, coffee, cakes may be given without restriction as a sign of hospitality.
- Try and avoid meals and entertainment that are not related to a business meeting.
- Ensure invitations remain exceptional (their frequency needs to be reasonable), of modest value and are justified.

Don’t

- Don’t extend or accept invitations for entertainment to/from customers or suppliers during a competitive bidding process, when renewing or entering into a new agreement or during the course of the development of any project (such as M&A project, plant expansion, etc).
- Don’t invite family members of any person not connected to the business (except for spouses and partners if the type of event so requires).
- Don’t extend entertainment invitations that could influence the recipient (due to their rarity or price).

Does this gift or entertainment comply with applicable regulations, with Essilor’s Gifts and Hospitality policy as well as with the recipient’s policies and procedures?

Could I be allowed to receive the same gift or entertainment from the recipient?

Could this gift or entertainment potentially damage Essilor’s reputation?

Could the recipient of this gift or entertainment feel like they owe me something in return? Would I feel I owe something in return if I were the recipient?

Would I feel uncomfortable if one of my colleagues, competitors or friends found out that I had offered (received) this gift or extended (benefited from) this entertainment invitation?

Would I accept this gift or entertainment?
BUSINESS PROMOTIONAL TRIPS

Business promotional trips shall mean those which are made by a prospect or customer or a partner and paid for by any Essilor Group legal entity. It means as well trips made by Essilor employees upon the invitation of a third party. Such trips would involve, for example, visiting a production site or the company’s head office. Their main purpose is to demonstrate the quality of the company’s equipment and facilities or more generally its capabilities.

This section mainly covers transport and accommodation costs. Invitations and entertainment are subject to specific recommendations.

PRINCIPLES

- It is sometimes necessary to organise a business promotional trip in order to demonstrate Essilor’s capabilities, experience or references. Organising such trips can also be required as part of inspections or audit requirements. If these trips are not paid for directly by the prospect partner or customer, they must be included in the business agreements, whenever possible, prior to entering into a business relationship.

- There are occasions when Essilor employees might take part to trips organised by a supplier, for reasons similar to the previous point.

- Any exception must be pre-approved in accordance with the Group policy set out in the GSG. Promotional business trips must have a strictly business-related purpose and their value and duration must be of modest and reasonable value and proportional to this purpose (time needed for the visit or inspection, for example).

- They must neither influence nor appear to influence a business decision or be in exchange of any favour or beneficial treatment.

- They must comply with regulations and local customs, particularly when government officials are involved, as the latter are bound by specific rules and “Anti Bribery and Corruption” laws.
### In practice

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<td>- Ensure that the direct superior of the person(s) travelling is informed about the trip and approves of it.</td>
<td>- Never respond to requests for trips that do not have a clear business-related purpose; when being invited, never ask for the invitation to be extended to any of your family members (except when you pay for your family members’ expenses and to the extent it will not interfere with the business purpose of the trip).</td>
</tr>
<tr>
<td>- Prepare the trip and schedule thoroughly so that the parties know exactly what to expect.</td>
<td>- Don’t pay for travel for anyone other than the people directly concerned with the purpose of the trip (in particular do not pay for spouses or family members).</td>
</tr>
<tr>
<td>- Opt for Economy class as a preference. Only pay for Business class fares on longhaul flights and for customers or prospect partners who are senior enough that they would travel in Business class if they held an equivalent position at Essilor and require pre-approval for that.</td>
<td>- Don’t pay for any expenses other than transport, accommodation, hotels and lowcost invitations. In particular, do not give a daily allowance or cover personal purchases.</td>
</tr>
<tr>
<td></td>
<td>- Don’t pay for a trip that is longer than the duration necessary for the purpose of the trip (the customer may stay as long as he or she wants, but must bear the related expenses).</td>
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</table>
A FEW QUESTIONS TO ASK YOURSELF

■ Who requested the trip?

■ Is there a clear business-related purpose?

■ Is there an easier and cheaper way to fulfil the prospect’s, the customer’s or the supplier’s need? (e.g.: using another customer as a reference, customer visit, etc.?)

■ Is there a closer destination that would enable us to fulfil the same need at a lower cost? (e.g.: visiting a plant 30 km away instead of one in a foreign country?)

■ Could the destination lead someone to think that the trip is for pleasure rather than business?

■ Does the schedule include inappropriate gifts and entertainment?

■ Can the trip somehow be viewed as lavish, luxurious or inappropriate in any way?

■ Did I get the pre-approval required to offer (or accept) the business trip, especially when a government official is involved and in this case does it comply with the local laws and regulations applicable to the type of trips the involved government official is permitted to accept?
As part of its Corporate Mission or its Marketing and Communication policies, Essilor sometimes makes donations or sponsors projects or programmes.

Such funding must be used only with the intention to contribute to society and never to influence decisions.
DONATIONS

Donations are made to support an association, a nongovernmental organisation or a charity, with no expectation of anything in return. These contributions can be made in kind, or can take the form of products, services or money. They are in line with Essilor’s Corporate Mission policy.

PRINCIPLES

- **Donations contribute to the wellbeing of the communities in which Essilor is active.** They must be aligned with Essilor’s Group Mission policy and ideally be part of projects targeting disadvantaged populations. The aim is to give access to **visual health** through education, screening, eye exams, and ultimately access to equipment.

- Donations cannot be made towards obtaining contracts, supplying products or any other business purpose. **They must neither influence** nor appear to influence a business decision or be in exchange for any beneficial treatment or favour.

- Donations at the Corporate level are managed by the **Essilor Foundation**.

- **Donations** at the local level **must be approved** by the local CEO or by the Country Manager.

- Donations can only be made to **organisations recognised as being of public benefit**.

- They must **comply with laws and regulations**, with Essilor’s procedures, and with local customs.

- **If in doubt**, please contact the **Group Mission** department, the Legal teams or the Group Compliance department.
Follow the Essilor procedures B 13.7 related to "Governance rules for non-profit organisations sponsored by Essilor Group" and B 16.1 related to "Donation to non-profit organisations, such as associations, foundations" as featured in the GSG, to prevent the risk of donations being used improperly.

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<th><strong>Do</strong></th>
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<td>■ Check that the organisation has a good reputation.</td>
<td>■ Don’t accept to make a donation requested by a customer, particularly during a period of business negotiations.</td>
</tr>
<tr>
<td>■ Ensure the recipient signs Essilor’s policy on Conflicts of Interest.</td>
<td>■ Don’t accept to make any donation to any organisation that is not legally organised and has no long term good standing reputation. Don’t make any donation related payment to bank accounts or in cash directly to individuals, officers, managers or any other representative of the organisation.</td>
</tr>
<tr>
<td>■ Request an official receipt for the donation (also useful for tax deduction purposes if relevant).</td>
<td>■ Don’t finance individuals or commercial organisations.</td>
</tr>
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<td>■ Ensure a contract is in place detailing the use of the funds and allowing for verification that these funds are used in the manner intended.</td>
<td>■ Don’t finance an organisation whose members of the board and/or executives are unknown or have any record of wrongdoing or bad reputation in the market.</td>
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<td>■ Don’t finance organisations that indirectly benefit politicians, public officials or their close relations.</td>
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SPONSORSHIP

Sponsorship is a form of marketing through which Essilor contributes to financing a project, a programme, seminars, conferences and congresses, via funds or products. It generates visibility of Essilor’s brands or products. Sponsorship generally involves displaying the Essilor (or Essilor related companies’) name and logo, as well as its trademarks on the sponsored project or programme’s materials. This is part of Essilor’s marketing and communications policy.

PRINCIPLES

- **Sponsorship requests must be approved by the head of the local Essilor entity and by the Group (or Regional) marketing and communications department, to ensure compliance with Group policy.**

- **Sponsorships cannot be agreed to** in exchange for obtaining contracts, supplying products or any other business purpose. **They must neither influence** nor appear to influence a business decision or be in exchange of any beneficial treatment or favour.

- They must comply with laws and regulations, as well as local customs.
In practice

**Do**

- Only sponsor projects and programmes that have a good reputation.
- Choose sponsorship actions that are in line with the Group policy.
- Draft sponsorship contracts.

**Don’t**

- Don’t sponsor a prospect, partner or customer while a business negotiation is underway.
- Don’t sponsor programmes that benefit politicians, public officials or their close relations.
- Don’t agree to sponsorship in exchange for obtaining a contract.
Political contributions participate in the democratic debate via support for political parties. These contributions can take the form of donations or of participation in events that benefit political parties. **It is Essilor’s policy not to allow any contributions to be made to political parties or politicians.** Any exception to that policy, other than the participation to a lunch or dinner as described below, requires beforehand the written approval of the Group Legal Representatives or any person duly authorized by them.

### PRINCIPLES

- The rules regarding political contributions vary greatly from one country to another. While forbidden in France, unlimited donations are allowed, in the United States.

- **Considering the reputational risks associated with such political support, it is Essilor’s policy not to finance** candidates or political parties, even where the law allows it.

- Essilor allows participating to events such as support lunches or dinners, but only when these events are public and the price of attendance is pre-established. Wherever possible, Essilor would then also attend the events of the main opposing parties. The point is not to obtain undue advantages but to forge business ties with the participants. Participation in this type of event requires prior authorisation from the local CEO or Country Manager.

- Essilor only pays membership fees to political parties when this is required by law (for example in China, for certain legal structures).

- Before participating to a political event, you need to familiarize yourself with all applicable legislations and regulations. For example, in the United States, participants to such events must submit a formal declaration. Please refer to local policies when applicable.
The Third Parties Essilor does business with (partners, suppliers, distributors and customers) can expose the Group if they fail to abide by ethical principles as well as by anti-bribery and corruption regulations.

It is crucial for Essilor to deal and do business with only reputable and good standing Third Parties.

It is also important to familiarize these Third Parties with Essilor’s Principles and Values and with these Guidelines.
As part of its development policy or to meet specific needs, Essilor establishes partnerships in order to boost its operational and commercial capabilities. These partnerships are anchored in the Essilor culture which encourages entrepreneurship within the Group’s various entities.

**It is nevertheless essential that Essilor’s partners adopt Essilor’s Principles and Values, Partnership Principles and uphold a “zero tolerance” policy with regards to bribery and corruption. They must also undertake to abide by the Essilor Minimum Control Standards (MCS) and local laws and regulations when doing business.**

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<td>■ If Essilor is a majority shareholder, Essilor’s Principles and Values and the Group’s MCS and internal Compliance Guidelines shall apply.</td>
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<tr>
<td>■ We expect all our partners to act in compliance with the Essilor Principles and Values, the Partnership Principles and the Compliance Guidelines.</td>
</tr>
<tr>
<td>■ If Essilor is a minority shareholder, a clause must be included in the partnership agreement establishing that Essilor’s Principles and Values and the Group’s Financial policies, MCS and Compliance Guidelines shall apply, or that the entity in question must adopt policies of their own that are just as strict and reflect very similar controls and standards, so as to be fully compliant and aligned with Essilor’s.</td>
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<tr>
<td>■ If Essilor is ever uncertain regarding the actions of a partner, the Group may take any relevant measure deemed necessary (such as monitoring, audits, etc.) to ensure commitments in this respect are being honoured.</td>
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</table>
In practice

Do

- Conduct an appropriate due diligence on the third party that we intend to associate with.
- Communicate Essilor’s Principles and Values, the Code of Ethics, the Partnership Principles, these Guidelines to prevent bribery and corruption, as well as the MCS* and the Conflict of Interest Guidelines
- Include contractual clauses regarding the prevention of corruption in partnership agreements.

Don’t

- Don’t allow a partner to act in Essilor’s name without a prior formal agreement or allow to process any payment or enter into a commitment without the formal approvals being granted pursuant to the delegation of authorities stated in our Finance policy.
- Don’t enter into a partnership with an entity that refuses to abide by Essilor’s Principles and Values (or equivalent), and these Anti-bribery and Anti-corruption Guidelines.
- Don’t enter into a partnership with an entity which due diligence reveals a Bribery or Corruption problem (previous conviction for a corruption offence, etc).

*Minimum Controls Standards
### PARTNERS

#### A FEW QUESTIONS TO ASK YOURSELF

<table>
<thead>
<tr>
<th>Question</th>
<th>Additional Information</th>
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<tbody>
<tr>
<td>Is this partnership necessary?</td>
<td></td>
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<tr>
<td>Does the partner meet the optimal technical, human/ethical and financial criteria for the tasks or duties Essilor wishes to assign to them?</td>
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<tr>
<td>Who are this partner’s ultimate shareholders?</td>
<td></td>
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<tr>
<td>Who are this partner’s top executives? Do they have a good reputation?</td>
<td></td>
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<tr>
<td>Does the partner have good references and recommendations?</td>
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<tr>
<td>Have you received independent positive feedback regarding this partner?</td>
<td>(from local trade missions, other companies, or your business network,...)</td>
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<tr>
<td>Has the company been accused of, or convicted for integrity related problems?</td>
<td></td>
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<tr>
<td>Has the company been sanctioned for integrity related problems?</td>
<td></td>
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<tr>
<td>Does the partner have their own integrity policy?</td>
<td></td>
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<tr>
<td>Is the partner prepared to abide by Essilor’s Principles and Values?</td>
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SUPPLIERS

To manufacture, sell, distribute and deliver its products around the world, Essilor relies on a large network of suppliers of goods and services. These partners are essential to enable Essilor’s technological development, responsiveness and service quality.

Essilor’s choice of suppliers contributes to the Group’s trustworthiness and reputation.

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<th>PRINCIPLES</th>
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- Suppliers of goods and services must undergo a strict and fair selection process.

- Suppliers must be selected for their technical and operational capabilities, but also for their reputation and willingness to abide by any applicable regulations, including those relating to the prevention of bribery and corruption.

- Suppliers must be regularly assessed to ensure their credibility over time is relevant (e.g. no prosecution pending).
### Do

- Check the trustworthiness and integrity of a supplier via a proper and fair selection process before hiring them.
- Whenever possible, choose suppliers who are already referenced by the Group procurement department. Search for feedback of any prior experience within the Group.
- In line with the Group sourcing policy, choose your suppliers through a competitive bidding process where, whenever possible three different bids are put forward.
- Implement segregation of duties, whereby the person who needs the product or service is different from the person who approves its order. Check for any potential conflict of interest risk.

### Don’t

- Don’t work with suppliers that haven’t undergone a strict and fair selection process. Please refer to the GSG for further details.
- Don’t enter into a relationship and commercial discussions with a supplier that refuses to abide by Essilor’s Principles and Values (or equivalent) and by these Guidelines to prevent Bribery and Corruption. Please refer to the Essilor Supplier Charter for more details.
- Don’t select a single contractor or supplier or rely on a single contractor/supplier unless unavoidable. In such a case, a proper and justifiable reason shall be submitted to Sourcing & Procurement for approval.
- Don’t buy from a person or company based solely on mutual acquaintances, recommendations or previous experiences. As a matter of fact, you should regularly have your suppliers bid against competitors.
- Don’t accept gifts, entertainment invitations or any other advantage that could create an obligation towards the supplier or could be viewed as such.
Certain contractors pose a high risk in terms of potential exposure to situations of bribery and corruption.

In particular, any person acting on behalf of Essilor in dealings with government officials – such as freight agents, customs brokers, or business development consultants – must undergo preliminary, thorough due diligence and agree to be bound by very strict anti-bribery and corruption clauses.

Due to the level of risk that these contractors represent for Essilor – particularly when they are performing their duties in countries considered high-risk - they must be approved by the entity’s managing director or by the Country Manager. Furthermore, a proper contract validated and approved by Legal, needs to be in place.

If in doubt, it can be useful to request an external due diligence before working with this type of contractor. Don’t hesitate to contact your local Legal Department for assistance with your due diligence procedures.
**DISTRIBUTORS**

In order to enable it to develop its business as close as possible to consumers, Essilor relies on a network of authorised distributors around the world. *These resellers are tied with Essilor’s image. Therefore, their requirements in terms of quality of service, but also integrity, need to match Essilor’s.* Essilor’s choice of distributors contributes to the Group’s trustworthiness and reputation.

<table>
<thead>
<tr>
<th><strong>PRINCIPLES</strong></th>
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<tr>
<td>■ Distributors and resellers must undergo a strict and fair selection process.</td>
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<tr>
<td>■ They must be selected based on their technical and operational capabilities. They must also agree to abide by Essilor’s Principles and Values as well as to these anti-bribery and corruption Guidelines.</td>
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<tr>
<td>■ Distributors must be regularly assessed to ensure their credibility over time is relevant (e.g. no prosecution pending).</td>
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### Do
- Check the trustworthiness and integrity of a distributor via a strict and fair selection process.
- Communicate Essilor’s Principles and Values, the Code of Ethics, as well as these Guidelines to prevent bribery and corruption.
- Include contractual clauses regarding the prevention of bribery and corruption in distribution contracts.

### Don’t
- Don’t assume that the distributors alone are responsible for their actions.
- Don’t enter into commercial discussions with a distributor that refuses to abide by Essilor’s Principles and Values (or equivalent) and these Guidelines to prevent Bribery and Corruption.
- Don’t enter into a contract with a distributor if the reputation inquiry revealed any ABC laws breach.
Abiding by anti-bribery and anti-corruption laws and regulations, and more broadly to integrity in business implies that Essilor’s customers are trading partners with a good reputation.

In particular, Essilor does not deal with customers who have a proven track record of criminal behaviour. In cases of customers who have been convicted in the past of any wrongdoing, it is the responsibility of the Country Manager to determine whether trading with such a partner is worth the potential reputational risk.
Acts of bribery or corruption generally involve other offences, especially document falsification, in order to hide any trace of inappropriate or illegal payments.

Such offences are firmly condemned by the law and by Essilor.

Essilor prohibits all forms of fraud.
Fraud is understood as bein any action which deliberately aims to deceive for unlawful gain, at the detriment of a third party, by violating laws and regulations. In law, it is characterised by the means used (such as forgery, use or production of counterfeit money or goods, concealment of income, concealment of evidence, abuse of trust) or by the nature of the fraud itself (for example: asset misappropriation, insider trading, theft, scams, tax fraud, social security fraud, and corruption).

In a business environment, the most common type of fraud is the falsification of documents or the production of false accounting information which leads to embezzlement, fraudulent use of equipment, or undue advantages such as a tax cut.

**PRINCIPLES**

- Essilor condemns all forms of fraud, whether the company is a victim of it or would stand to benefit from it.

- Acting with professionalism, in accordance with applicable rules and regulations, with Essilor’s Principles and Values and applying the MCS and other internal policies and procedures enables us to prevent fraud.

- Managers must, in particular, guarantee the quality of the information and data they consolidate and report to Corporate, even when this information comes from their teams.

- Essilor and all its related companies must maintain controls to ensure that company assets are properly controlled and protected, that transactions are executed only with the proper authorisation, and that transactions are properly recorded.
In practice

**Do**

- Be familiar with the laws, regulations and internal rules related to your activities, so you can ensure they are being followed.
- Act transparently and document your decisions and actions.
- Check information before you validate, communicate and consolidate it.
- Tell your superior or ACS or Compliance department about your difficulties and any problems encountered rather than hiding them and placing yourself in an unlawful situation.

**Don’t**

- Don’t conceal information.
- Don’t falsify information or documents.
- Don’t put yourself in a situation where you cannot tell your superior, your HR department or the finance, legal / compliance, or audit and internal control departments about a decision or action of yours.
From the moment personal interests have improperly influenced a professional decision, a conflict of interest may become bribery and corruption.

The Essilor Group asks all employees who make decisions binding on the Group to make a declaration of interests.
A conflict of interest arises when the personal interests of a Group employee can influence or appear to influence his judgement and his professional decisions. A conflict of interest arises every time a person subject to the Group's prevention policy leaves open the possibility of their personal interests influencing in an inappropriate way the choices that they might make as part of their duties.
Your conflict of interest declaration is a prevention tool: in it you declare the existence of personal interests. It will allow your superiors to avoid entrusting you with assignments that would put you in delicate or ambiguous situations, and to assist you in certain decisions as part of the performance of your current duties or even to relieve you from them.

You can therefore declare:

- That you do not identify any conflict of interest, even latent: this information is in itself useful,
- That you identify a latent conflict, i.e. that you have personal or family interests, direct and indirect, that may conflict with the affairs of the Essilor Group,
- That you are currently in a manifest conflict and ask to be assisted to remove any ambiguity.

Make a new conflict of interest declaration whenever changes in your personal or work situation demand it.
4 questions you must ask yourself when completing your conflict of interest declaration.

1 - Which “interests” do I have to declare?

You must declare the material “interests” (proprietary, financial etc.) or interests relating to extra-professional commitments (associations, sports clubs, foundations, charities or humanitarian organizations etc.)

2 - What are “personal” interests?

Personal interests are not limited to your individual interests. They may also be the interests of your family, including your parents, spouse or children.

3 - What is a “conflict”?

In the case of a conflict of interest, a “conflict” is either a contradiction, an opposition, an antagonism or a strong convergence between the interests of the Group you oversee and your private interests.
No, a conflict of interest can have 3 increasing levels of intensity.

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<tr>
<th>Intensity</th>
<th>Definition</th>
<th>Exemples</th>
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| Latent    | ➤ A conflict is ‘latent’ or potential when an employee’s private interests may conflict with the interests for which they are responsible.  
➤ A conflict does not exist at present, but could occur for example in the event of a job change or transfer. | ➢ A salesperson from a family of opticians located in another region.                                                                       |
| Manifest  | ➤ A conflict of interest is manifest when an employee is in the situation of having to make a professional decision that has an impact on their personal interests.  
The ambiguity resulting from such a situation creates a danger, as any decision could be suspected, rightly or wrongly, of bias. | ➢ The same salesperson transferred in the region.                                                                                         
➢ A buyer is in a position to negotiate a contract with their spouse.                                                                 |
| Real      | ➤ The conflict of interest is “Real” when, placed in a situation of manifest conflict of interest, the employee has taken a decision alone, i.e. without informing his superiors of the situation.  
This situation is unacceptable, and the entire prevention mechanism aims to prevent it.                                              | ➢ The salesperson granting discounts to their family members.                                                                              
➢ A branch manager sponsors a charity of which he is also treasurer.                                                                        |
Ethics Line is Essilor’s prevention mechanism whereby you can request assistance or trigger alerts.

You can contact Ethics Line via a dedicated website or by phone.

The confidentiality of your question or alert is guaranteed by the Group Compliance Department.

Any deliberately slanderous or defamatory denunciation would be subject to disciplinary sanctions.
Ethics Line is a prevention mechanism designed to protect the Group and its employees from the risks of unethical behaviour and from going against Essilor's Principles and Values, including the obligation of legal compliance.

**Ethics Line has two major missions:**

1 - **To help** employees who need assistance and advice in the areas of ethics and compliance.

2 - **To collect alerts** and following upon them by triggering internal investigations.

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**PRINCIPLES**

- An answer or a follow-up is provided for all cases submitted to it via Ethics Line.

- The person who triggered the alert via Ethics Line **can see what has happened to their alert.**

- The investigation is entrusted to a team of **independent experts** within a maximum of 30 or 90 days, depending on the nature of the alert.

- Without exception all persons involved in handling Ethics Line concerns or questions, are bound by a strong contractual obligation of **confidentiality.**

- All investigations are **reported.**

- An investigation report may contain **recommendations or proposals for action plans and remediation.**

- It may also contain proposals for **disciplinary sanctions** if it turns out that the employee who is the subject of the alert has committed malpractice or misconduct.
8 areas where failures of ethics and legal compliance are unacceptable and for which Ethics Line is at your disposal:

1. Respect and concern for each other
2. Giving and receiving gifts and hospitality, Bribery and Corruption, Fraud
3. Accurate books and records
4. Employee safety and respect for the environment
5. Competition and antitrust
6. Conflicts of interest
7. Using company resources
8. Protecting confidential information

* May differ according to local legislations
How do I contact the Ethics Line?
You can raise your concern:

- **Via a secure website:**
  - www.essilor.group.ethicspoint.com
  - Europe and America
  - Americas and Transitions

- **By phone.** (Free Phone Numbers are available on the website).

Is the Ethics Line the only way to raise a concern?
No! Ethics Line is complementary to the internal or hierarchical channels. Using it is optional.

Do I have to identify myself on Ethics Line?
No, you can choose to remain anonymous provided the law of the country in which you work allows anonymous reporting.

Is the confidentiality of my question or my alert ensured?
Yes! All persons involved in the Ethics Line are bound by a strong contractual obligation of confidentiality. Your identity will never be disclosed without your consent, unless required to do so by law enforcement or judicial authorities.

Will I be informed of the follow-up given to my alert?
Yes. The results of the investigation may be provided to you to the extent that it is appropriate and can be given without infringing legal requirements or other duties of confidentiality.

Can I be punished for raising my concerns?
No, as long as your alert is made in good faith, even if it is determined to be inapplicable. No retaliation will be tolerated. By the same token, any deliberately slanderous or defamatory denunciation would be subject to disciplinary sanctions.
It is recommended to put in place specific procedures within the various Essilor entities you are in charge of, based on these Guidelines, in view of the specific risks you may be exposed to.

If in doubt, reach out to the Group Compliance department.
The principles set out in these Guidelines are binding. All employees must abide by these guidelines and principles in the daily performing of duties. Managers have a particular responsibility in this regard. They must lead by example and need to also spread these rules among their teams, explain them and ensure they are applied.

These principles shall be explained during Essilor’s Principles and Values training session, organised by the HR departments. We recommend they are formulated into procedures in order to cover the specific risks you are exposed to. This is the best way to ensure each employee has thorough knowledge of the validation processes.

If employees have questions about how to behave, they should contact their direct superior, local HR or Group Compliance Department via compliance@essilor.com. They can also seek advice via Ethics Line. When in doubt, it is important to reach out and ask for advice. Employees shall never be criticised for not making a deal if they did so in order to comply with these Guidelines.

Employees with serious and wellfounded suspicions about an infringement of the rules set out in these Guidelines should notify their superiors or Group Compliance Department or via Ethics Line. Such matters shall be kept confidential and no retaliatory measures will be taken. These conditions must be put in place by HR and local managers of each entity of Essilor. An internal investigation shall then be conducted to identify any responsibilities or failures to comply with these Guidelines, by ACS teams. Employees who report information in good faith shall have nothing to worry about.

The application of this guide defined by the Essilor Group is mandatory and binding on all concerned employees.
The Group Compliance Department provides you with a resource and documentation centre on the Intranet.
The **Dedicated Resources Centre** is available on the Group’s Intranet and on the Essilor U platform.

It has been designed to help you find the documents and information you need to help prevent bribery and corruption.

**When you visit this site you will find many documents and practical information, including:**

- An official reference document detailing the “**Group Policy on Gifts and Hospitality**”.
- The **risk map** by country.
- **Due diligence** applicable to third parties.
- The list of **useful contacts by region**.
Guidelines to prevent bribery and corruption

- Unusual Requests
- Facilitation Payments
- Gifts and Entertainment
- Promotional Trips
- Donations
- Sponsorship
- Political Contributions
- Third party Due Diligence
- Fraud
- Conflicts of Interests
- Ethics Line
- Compliance Website