



ORDINE DEI
DOTTORI COMMERCIALISTI E DEGLI
ESPERTI CONTABILI

M I L A N O

S.A.F.
SCUOLA DI ALTA FORMAZIONE LUIGI MARTINO

Il Disegno di Legge in materia di segnalazioni di reati o irregolarità nel lavoro pubblico o privato (C.D. Whistleblowing)

IL PROCESSO DI WHISTLEBLOWING IN LUXOTTICA

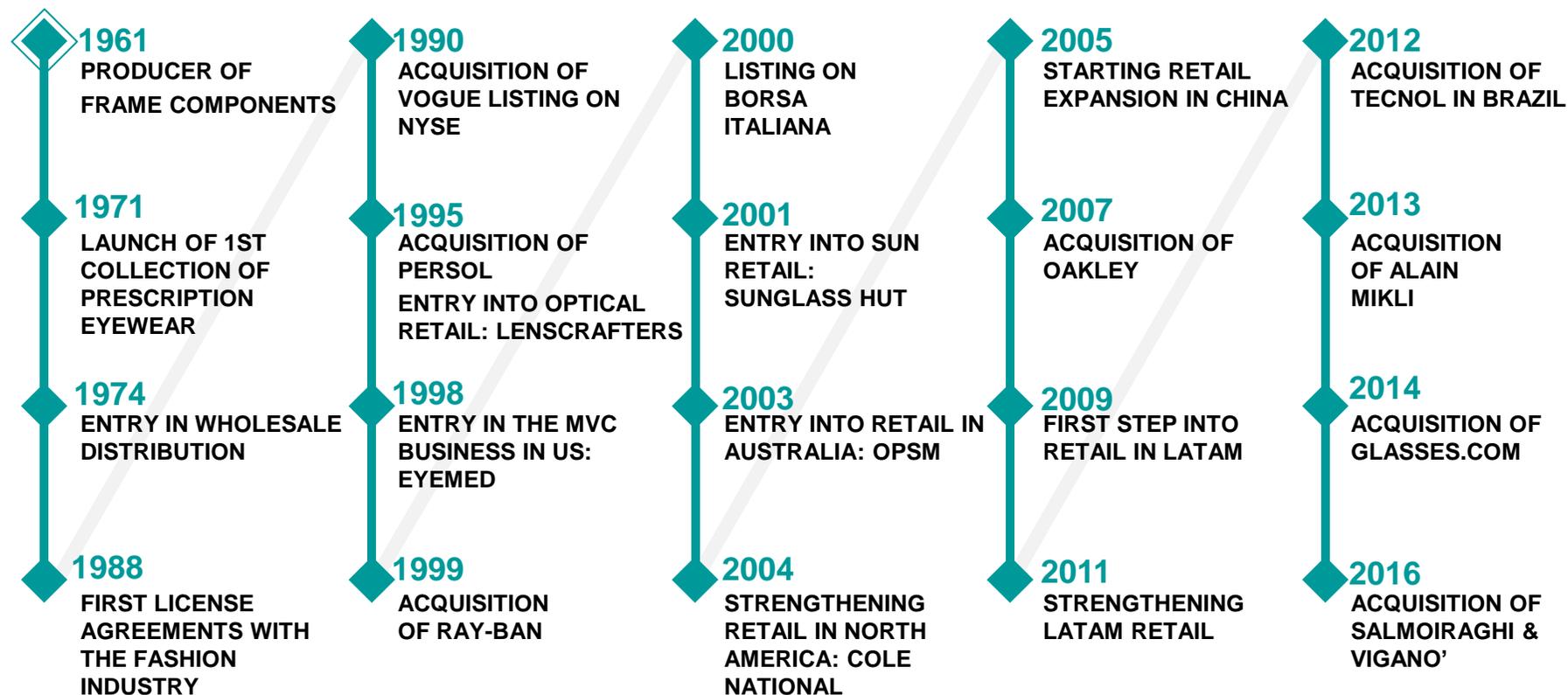
Stefano Russo

(Group Internal Auditor Director – *Luxottica Group S.p.A.*)

Milano 5 ottobre 2017

LUXOTTICA GROUP OVERVIEW

OVER 50 YEARS OF CAREFULLY PLANNED GROWTH



LUXOTTICA GROUP OVERVIEW

2016 HIGHLIGHTS

>40

EYEWEAR AND
RETAIL BRANDS

12

MANUFACTURING
PLANTS

4

MAIN
LOGISTICS
HUBS

~93mn

PRESCRIPTION
FRAMES AND
SUNGLASSES

~150,000

DOORS

>150

COUNTRIES

~8,000

RETAIL
STORES

> 80,000

LUXOTTICANS

>9bn

GROUP
NET SALES



THE CULTURE OF COMPLIANCE

THE ADOPTION OF THE CODE OF ETHICS IN 2004

CODE OF ETHICS

- Applied globally
- Adopted the first time in 2004 and then updated several times
- Last update approved by the BoD in January 2016

WE ARE GLOBAL

Luxottica has entered new **markets**, new **geographies**, and has become a bigger **Community** (+30,000 people in the past 10 years): we need that all Luxotticans adhere to the Code of Ethics.

WE TAKE CARE OF OUR REPUTATION

We need aware and committed people to preserve and improve **Company's reputation and credibility** all around the world.

WE WANT TO BE COMPLIANT

Regulatory principles demand an increased attention to the **ethical aspects and compliance**.

INCIDENT MANAGEMENT PROCESS

UNTIL NOVEMBER 2014

MULTIPLE COMMUNICATION CHANNELS

- Dedicated e-mail address of the Guarantor of the Code of Ethics
- Hot Lines: organized by Country / Business
- Internal Audit monitoring activities
- Assets Protection monitoring activities
- HR & Legal (direct complaints to management)

MULTIPLE INCIDENTS CLASSIFICATIONS

The incidents refer to several categories of misconduct not always aligned:

- 231 law violations
- Group Code of Ethics violations
- Frauds
- Illegal Acts
- Misconducts vs. Luxottica procedures and local habits

MULTIPLE REPOSITORIES

The incidents are also collected by different functions:

- The Guarantor of the Code of Ethics
- Hotlines
- Assets protection (dedicated system)
- Local and Corporate Departments

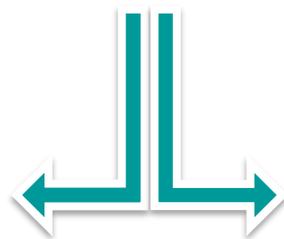
INCIDENT MANAGEMENT PROCESS

NEW PROCESS IMPLEMENTED IN DECEMBER 2014

INCIDENT MANAGEMENT PROCEDURE

- Applied globally
- Adopted the first time in December 2014

«Luxottica is committed to maintaining an **honest, open and equitable atmosphere** within the Group. Luxottica is also committed to the **elimination of misconduct** and **to the rigorous investigation** of any such cases arising».



TO SPREAD THE CODE OF ETHICS
CONTENTS, PRINCIPLES AND VALUES

TO REPORT AND MANAGE ALLEGED
VIOLATIONS

INCIDENT MANAGEMENT PROCESS

Incident classifications & significance ranking

Incident investigation & reporting

Incident database management

Incident definition & classification (5 macrocategories)

1. **Asset Misappropriation**
2. **Fraudulent Financial Statement**
3. **Corruption and Bribery**
4. **Illegal Acts**
5. **Other Misbehaviours**

Incident significance scoring depending on the following elements

- a) **Involvement of Senior Management**
- b) **Repeated nature**
- c) **Reputational harm and financial impact**



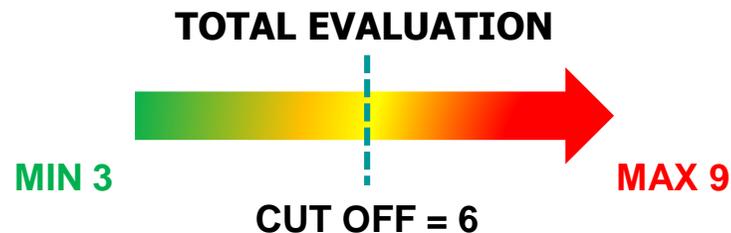
a)	Involvement of people in a non managerial position or NO involvement of Luxottica's People	"Second line" manager/individuals with responsibility over a specific cost center or vendor involvement	"First Line" manager or individuals reporting solid or dotted line to regional or Corporate Functions
b)	1 time	2-5 times	More than 5 times
c)	Impact can be managed Internally (no disclosure needed) and at local level	Impact can surely be managed locally (no disclosure), but would generate minor external local attention	Impact will likely overcome local management capabilities (disclosure or losses Higher than 10.000 €) and will generate moderate to high external attention (media and or authorities)
	1	2	3

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INVESTIGATION AT LOCAL LEVEL

Prior authorization in the following cases:

- incident involves one (or more) country manager(s) or individual(s) having similar role(s);
- incident involves one (or more) employee(s) having a hierarchical/functional reporting to a Corporate function;
- incident to be further investigated with invasive actions (e.g. forensic analyses);
- incident classified in the Fraudulent Financial Statement macrocategory.

IMMEDIATE NOTIFICATION TO THE GROUP INTERNAL AUDIT DEPARTMENT

Investigation performed directly by Internal Audit Dept.

Investigation performed by Asset Protection Dept.

Investigation performed by local Management

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DIRECT REPORTING TO THE
CODE OF ETHICS GUARANTOR

HR & LEGAL

ASSET PROTECTION

HOT LINES

GLOBAL
INCIDENT
DATABASE

On a **quarterly basis**, the incident database is updated.

Twice a year, the reporting is prepared for the Control Bodies.

At least **once a year**, an analysis of the incidents is performed to identify trends and evaluate additional investigations or action plans.