



## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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### *Responsibility*

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# 1 Introduction

The Safilo Group is a multinational group of companies that carries out its activities in different countries and jurisdictions ("**Safilo**"). Therefore, it must abide by all applicable laws and regulations in the many jurisdictions in which it operates, including anti-bribery and corruption laws.

Over recent years, the implementation and enforcement of anti-bribery and corruption laws has intensified in all countries and the sanctions applied have become more severe. Violations by natural persons and legal entities of applicable anti-bribery and corruption laws can lead everywhere to significant fines and natural persons may be sentenced to prison or be subject to other penalties. Further consequences may also include, but are not limited to, a ban on contracting with public entities, seizure of profit made or claim for damages. Furthermore, such events can compromise Safilo's reputation.

This Policy aims to:

- clearly state Safilo's commitment to "zero tolerance" of bribery and corruption, in compliance with locally applicable anti-bribery laws;
- define principles which serve to detect and prevent potential bribery and corruption acts; and
- ensure the effective application of Safilo's "zero tolerance" approach.

## 1.1 Intended Audience

This Policy applies to members of the corporate bodies of all companies of the Group, their employees, agents and independent contractors who, for any reason and regardless of the type of contractual relationship, whether oral or written, act in the name and on behalf of the companies of the Group.

# 2 General Principles

**Corruption and bribery: Giving, offering, promising, receiving, accepting, demanding or soliciting, directly or indirectly, of monetary or non-monetary, tangible or intangible benefits in order to obtain or retain an undue advantage in the course of business activities, irrespective of:**

- the amount or value of the benefit;
- whether the recipient of bribery and corruption is a domestic or a foreign, public official or a private subject;
- the place where bribery and corruption is committed;
- whether the result of such bribery and corruption entails an actual undue advantage or the illegal performance of a function or activity;
- whether the corruption or bribery is aimed to favour Safilo or to gain personal advantages;

- **whether the bribe and corruption is successful (as the offering or requesting of it is enough to amount to a criminal offence).**

Safilo has zero tolerance towards acts of bribery and corruption and is committed to comply with applicable anti-corruption laws in all countries in which it conducts business.

The provisions and guidelines contained in this Policy are inspired by company culture and the behavioural principles set out in Safilo's Worldwide Business Conduct Manual (the "**WBCM**") and have been developed analysing the potential activities that can expose the Group to the risk of corruption. They promote the highest standards of behaviour in all of our business dealings, with the aim of fostering the conduction of activities with loyalty, fairness, transparency, honesty and integrity.

Safilo firmly believes that acting in accordance with principles detailed in the WBCM and this Policy, as well as in the applicable laws and regulations, will prevent cases of corruption and will contribute to protect ethical and responsible business conduct.

As general principles, in order to prevent and monitor breaches in applicable anti-corruption laws and regulations, Safilo requires its people involved in Group's daily business activities, whenever possible and applicable, to:

- ❖ avoid assigning the responsibility of completing one task/activity to a unique process owner (Segregation of Duties principle);
- ❖ respect the Group Delegation of Authority;
- ❖ guarantee the formalization and traceability of the decision-making process;
- ❖ comply with locally applicable policies and procedures in place;
- ❖ guarantee accuracy, correctness and completeness of accounting records of each business transaction;
- ❖ avoid situations where the parties involved in the transactions are in a conflict of interest, with special reference to personal or family interests that could influence judgement or interfere with the ability to make impartial decisions in the best interest of the companies of the Group.

This Policy does not address every situation you may encounter in day-to-day working life. For this reason, in case of doubts about how to behave please remember the Group's values and act in compliance with them. Please also make reference to the Risks Indicators listed in Annex 1.

If seeking advice, please contact:

- Legal and Corporate Affairs Department.
- Internal Audit Function

## 3 Principles and Rules of Conduct

### 3.1 Relations with Third Parties

#### 3.1.1 Suppliers, Professionals and Consultants

The general principle which Safilo follows in the purchase activities of goods and services necessary to carry out the business activity is that they must be managed with loyalty, fairness and impartiality.

No under-the-counter cash or gifts, favour or other benefit may be given to or accepted from suppliers with the objective of improperly influencing negotiations. In particular, it is forbidden to give a supplier side cash or other benefit in order to obtain an undue advantage (such as a certain discount); it is likewise forbidden to accept side cash or other benefit in exchange for granting certain terms in the stipulation of the supply agreement.

When purchasing goods and services, suppliers must be generally selected through a competitive selection process amongst counterparties offering proven quality, integrity, reliability and cost-effectiveness, unless a direct engagement is best suited due to clear peculiarities of the goods or services themselves or due to high specialization reasons. Notably:

- the selection process must be transparent and, within the limits set by internal procedures, provide for competitive bidding among different counterparties;
- the selections must be documented and the documents proving compliance with internal procedures and the purposes of the purchase must be filed properly;
- internal standard purchasing procedure must be followed at all times;
- the stipulation or continuation of any contract must be suspended if corrupt conduct is observed or suspected, pending the investigation.

Purchasing of goods and services must be carried out by the authorized parties according to the spending powers assigned and within the spending limits provided.

For each purchase, the following must be verified and appropriately documented:

- that the goods/services provided by the supplier and/or consultant correspond to those requested and/or agreed;

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- that the price paid to the supplier and/or consultant is in line with market prices and/or is justifiable in the light of the services provided and the specific skills required.

No payments may be made to or accepted from suppliers and/or consultants unless they are adequately justified in the context of the contractual relationship with those parties.

### **3.1.2 Customers and Distributors**

Safilo treats customers and distributors in an equitable manner and is committed to having business relationships with partners that demonstrate their integrity in business.

No under-the-counter cash or gifts, favour or other benefit may be given to or accepted from customers and/or distributors with the objective of improperly influencing negotiations. In particular, it is forbidden to give a customer/distributor side cash or other benefit in order to apply conditions not justified by the contractual relationship, as well as to facilitate irregularities or fraud (for example it is forbidden to give a customer/distributor side cash or other benefit in order to encourage him to make purchases and/or to accept certain prices); it is likewise forbidden to accept side cash or other benefit in exchange for granting certain discounts to the customer/distributor.

Price lists, discounts and promotions to customers and/or distributors must be applied in accordance with internal procedures, including the Group Delegation of Authority, with special reference to their approval and documentation.

No payments may be made to customers and/or distributors unless they are adequately justified in the context of the contractual relationship with those parties.

### **3.1.3 Agents and Intermediaries**

Agents and intermediaries shall operate in compliance with all local laws in the country in which they operate, acting with integrity, honesty and transparency.

The relationships with agents and intermediaries shall be transparent, fair and regulated by a formal written agreement to be signed by people with adequate powers of attorney.

The remuneration scheme/economic conditions shall be adequate, fair and aligned to market value; business activities performed by agents and intermediaries on Safilo behalf shall be traceable.

Everyone shall monitor and report any action performed by an agent or by an intermediary that can be classified as unlawful or that does not comply with Safilo's WBCM and this Policy.

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## 3.2 Public Authorities

### 3.2.1 Relations with Public Authorities

The relations with parties representing the public administration, public officials or parties in charge of public services must be based on the principles of fairness, loyalty and the utmost transparency and must comply with the applicable legal and regulatory provisions. Any kind of action aimed at undermining public institutions representatives' integrity or reputation is not tolerated.

In the context of relations with the public administration, public officials or parties in charge of public service, it is strictly prohibited to seek or initiate relationships involving collusion, influence or interference for the purpose of influencing, directly or indirectly, the activities.

All the relationships with public institutions representatives shall be managed by the competent Manager and/or Officer responsible for the subject matter, who should operate according to established procedures, ensuring traceability and correct archiving of the related documentation, and shall be documented with reports/notes providing a complete and exhaustive representation of the event, including:

- the public administrations involved;
- the motivation for the visit/contact/request;
- a brief description of the verification activities carried out;
- a list and electronic copy of the documentation received/delivered.

### 3.2.2. Facilitation Payments

Facilitation payments are small sums paid to government officials to expedite or facilitate non-discretionary actions or services, such as obtaining a license, a certification, a permit or other types of authorization.

Facilitation payments are a type of bribe. It is therefore illegal, and as a consequence prohibited by Safilo, to make any sort of payment or give anything of value to a public official where this is to obtain or retain business or some other commercial advantage for Safilo.

In some countries, it may be customary for public officials to request facilitation payments. However, facilitation payments made anywhere in the world are prohibited by Safilo and it will be a breach of this Policy to make such payments regardless of local custom.

### 3.3 Managing Human Resources

Human resources must be managed according to criteria of impartiality, transparency and independent judgement and in line with internal procedures. Notably:

- ❖ decisions concerning recruitment, selection processes, remuneration, career advancement and performance bonuses shall be based on objective and unbiased factors such as performance evaluation and technical professional competences;
- ❖ no employees may be hired, nor a career advancement or salary increase can be recognized, on the basis of recommendations by third parties (including public officials) in exchange for favours, rewards or other advantages for oneself and/or for Safilo;
- ❖ all the processes shall be traceable, the decisions formalized and the documentation complete and correct.

Employees' travel expenses are refunded within the limits and in compliance with the Global Travel Policy that specifies the types of expenses allowed and the refund limits.

### 3.4 Gifts and Business Hospitality

Although as a general rule the Group does not give gifts, it recognizes that in some circumstances modest gifts (including both Group products and other goods) and hospitality (including meals and recreational activities such as tickets or invitation to sports, cultural or similar events) are a legitimate contribution to building or maintaining good business relationships. However, caution is required at all times as offering or receiving gifts or hospitality may appear to limit the Group's ability to make objective business decisions or may be viewed as an attempt to influence a business decision.

Gifts or hospitality may be given and received, as part of courtesy, only if they comply with the Group procedures.

In order to avoid the risk of being perceived as bribery, the following principles are followed by the Group:

- gifts or business hospitality should be exclusively aimed at promoting, maintaining and strengthening the overall business relationship or expressing appreciation, as better clarified below;
- gift or business hospitality given or received to obtain an undue advantage or preferential treatment, or motivated by the desire to influence independent judgement, are strictly prohibited;
- gifts or business hospitality may not be given or received where they could be considered as placing an obligation or undue influence on the recipient;



- every gift or business hospitality shall be in compliance with laws and regulations of countries local to both giver (host, inviter) and recipient (guest, invitee).

No gifts and hospitality may be offered to parties representing the public administration, public officials or parties in charge of public services without the prior approval of the Chief Executive Officer of Safilo Group S.p.A., after consulting with the Legal and Corporate Affairs Department.

### 3.4.1 Gifts

In some circumstances it may be permissible to exchange appropriate and authorized business gifts that contribute to building or maintaining good business relationships, provided the gifts:

- are not lavish or extravagant;
- have a legitimate business purpose;
- are infrequent;
- comply with anti-bribery and other local laws;
- are not related to personal services;
- are not accepted in return for doing, or promising to do anything for a customer or supplier;
- do not give rise to any conflict of interest.

All gifts given or received require prior authorization of a member of the Global Leadership Team (“GLT”), or the Chief Executive Officer of Safilo Group S.p.A. if the recipient/donor is a GLT member).

You may never give or accept (and a GLT member or the Chief Executive Officer of Safilo Group S.p.A. may not authorise) a gift of cash or cash equivalent (such as gift vouchers), regardless of the value.

### 3.4.2. Business Hospitality

Business meals may be offered in compliance with the Global Travel Policy.

Business meals may be accepted from customers, suppliers or other external parties if they:

- are offered voluntarily,
- have a legitimate business purpose,
- are an integral part of the work agenda;
- are not likely to be perceived as an attempt to improperly influence business decisions.

Entertainment tickets may be accepted where the giver is attending with you, provided that the tickets given are:

- generally available to the public,
- occasional,
- unsolicited,
- in good taste, and

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- taking place at a business appropriate venue.

If the giver is not attending with the recipient, the ticket should be considered a gift and the principles under 3.4.1. above should be followed.

### 3.5 Sponsorships and Donations

All sponsorships, in the form of cash or gifts of products, and donation activities are done in good faith and are not aimed to gain any business or other advantage that may be considered improper.

Sponsorships must be in line with the approved annual budget and duly authorised according to the internal procedures and the purposes thereof and recipients must be unequivocally identified.

All donations must be authorized by the Chief Executive Officer of Safilo Group S.p.A.

Any cash contributions must be made through banks/authorised financial intermediaries to ensure their traceability.

Sponsorships and donations should not be offered or awarded if they could be interpreted as meaning to influence independent judgement or obtain preferential treatment or an undue advantage.

Any and all forms of payments to political parties or organization or representatives of the same are not admitted.

### 3.6 Books, Accounts and Financial Flows

Each employee or other party that operates in the name or on behalf of the companies of the Group, within his/her area of competence and in regard to the tasks assigned, must provide the highest degree of co-operation to ensure that operations are represented correctly and promptly in the books, records and accounts and must store all supporting documentation in a way that it may be easily found and consulted by the parties in charge of control.

False, misleading, incomplete, inaccurate or artificial entries in the books, records and accounts of Safilo are strictly prohibited.

All financial transactions and all incoming and outgoing cash transactions must be carried out by parties vested with such powers, authorised in advance, justified, documented and recorded.

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## 4 Implementation

The Board of Directors of Safilo Group S.p.A., the Chief Executive Officer as well as the GLT members of Safilo are responsible for creating a general culture of legality in the organization and ensuring the oversight of the desired conduct. In this regard, they play an active role in enforcing the standards described in this Policy.

The Board of Directors of each company of the Group is in charge of the implementation and dissemination of this Policy at local level, while the local F&A Managers are in charge of monitoring locally applicable anti-corruption requirements. In case local legal requirements are more restrictive than the principles of this Policy, the more restrictive requirements of local laws in force are to be adopted by the respective companies of the Group.

## 5 Whistleblowing and Reporting

Safilo is eager to be aware of any potential or actual misconduct which might lead or has led to anti-corruption breaches. Should anyone have reasonable belief that a behaviour might be at risk of violating, or has violated, the law, the Group principles or this Policy, he/she should promptly report the issue through the available whistleblowing channels (Please refer to the Safilo “WBCM Compliance Reporting Procedure” for further details).

In the handling of the reports, maximum confidentiality is guaranteed to the source, to the extent permitted by local laws. Safilo shall not retaliate (with disciplinary sanctions, demotion, suspension, firing or termination of contract) or discriminate in any way employees who:

- ✓ have taken action, in good faith, to report events or situations relative to compliance with this Policy or applicable anti-corruption laws in force;
- ✓ have refused to take action that goes against this Policy or applicable anti-corruption laws, even if this refusal results in negative consequences for the Group’s business.

## 6 Compliance Audit

The Internal Audit Department is in charge of carrying out compliance audits with specific reference to anti-corruption.

Periodic auditing activities are conducted in order to verify (i) compliance with this Policy, (ii) whether measures to prevent corruption risks are adequately designed and work effectively, and (iii) non-compliance notifications received.

## 7 Training and Awareness

Communication and training activities are necessary in order to reinforce Safilo compliance culture and specifically to enhance the understanding and awareness of anti-corruption laws and the content of this Policy. For this purpose, on a regular basis Safilo develops training and awareness material and activities enhancing the understanding of anti-corruption requirements, risks and expected behaviour.

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, agents, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## 8 Disciplinary Measures

Safilo pursues any corruptive practice with the utmost severity.

Failure to comply by employees may result in disciplinary actions and penalties, varying according to the severity and within the limits of the current regulatory framework, to the extent of termination of employment.

Failure to comply by the members of the corporate bodies of the companies of the Group's may result in the termination of or removal from office.

Failure to comply by external parties may result in the termination of the contract, engagement or general relationship in effect with the companies of the Group, as well as claims for damages if the conditions are present.

Where a case is referred to the police or other law enforcement agency, Safilo will co-operate fully with the criminal investigation which could lead to employees and third parties being prosecuted.

## ANNEX 1

### RISKS INDICATORS

As part of the relations and the carrying on of the activities mentioned in this Policy, particular attention must be paid to some facts or circumstances that constitute alarm signals in relation to the risk of corruption (the “**Risk Indicators**”). Such indicators exist whenever a fact or circumstance suggests that the particular operation, relation or commitment involves a probable risk of corruption.

A list showing merely an example of possible Risk Indicators, in the presence of which the reports and/or measures referred to in the Policy must be activated, is set out below:

- payments offered or made in cash;
- payments made in countries known as “tax havens”;
- extravagant or luxury gifts or entertainment;
- inadequately documented payments or expenses;
- over-invoicing or failure to invoice services;
- operations with third parties using non-traceable payment methods;
- request for structuring the commercial operation in such a way as to circumvent the applicable regulations;
- relations with consultants/suppliers/contractors/agents/intermediaries who are not checked or do not have the experience, organisation and resources required to render the services for which they have been engaged;
- third parties, whether a company newly set-up or characterized by lack of transparency of the shareholding structure or of which historical information cannot be found, or whether it has been involved in previous cases of corruption or other violations of law;
- the third party requires contractual terms or unusual methods of payment in accordance with applicable regulations in the countries where the Group carries on its business (for example: payment in the currency of a different country, payment in/from a country other than that in which the third party has its operating office, registered office or a factory directly involved in the provision of the activity for which it was engaged; payment to or by third parties that are not related in any way to the commercial transaction (triangulations); advance payments);
- the fees agreed or the expenses incurred by the third parties exceed the current amount for similar operations carried out in the same geographical area or exceed in an unreasonable way the amounts paid by the Group companies in relation to similar operations in a different geographical area.

# Document changes

## Revision History

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