



## WBCM COMPLIANCE REPORTING PROCEDURE

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### *Global Human Resources*

#### *Responsibility*

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# 1 Context

## 1.1 Objective

The aim of this procedure is to provide the intended audience with a uniform mechanism for reporting, investigating and managing suspected or alleged violations of Purpose Values Principles & Competencies as defined in our policies (“PVPC”), our other policies or the law (with the national limitations referred to under Section 2 below) while safeguarding, via appropriate criteria and internal management and communication procedures as per below (in addition to the general “Information Security Policy”), the reporter identity and working conditions as well as the confidential nature of the reported information.

The procedure is also an instrument to support the Organizational Management and Control Model aimed at safeguarding Safilo Group against possible corporate liability pursuant to Italian Legislative Decree N° 231 of 2001 and other similar local national instruments and the Regulations on the Corporate Reporting Control System.

## 1.2 Scope

This procedure applies to the Group and its subsidiaries worldwide within the restraints of the local legislation and regulations. Without prejudice to their decision-making independence, the parent company Safilo Group S.p.A. will manage the procedure, subject to the terms and conditions below and, due to its role for coordination and organization in the fields of Internal Audit and Human Resources at Group level, also in the interest of the other Group Companies. Other Group Companies shall promptly adopt in compliance with the applicable laws this procedure and possible complementary rules of a merely organizational nature, by giving notice thereof to Safilo Group S.p.A.

## 1.3 Intended audience

The intended audience of this policy is all stakeholders of all Group Companies including, without limitation, employees, other Safilo personnel, clients, suppliers and other Business Partners.

## 1.4 Reference

### External regulation reference:

- Local laws
- General Data Protection Regulation (GDPR) – Regulation (EU) 2016/679

### Internal regulation reference:

- PVPC
- Worldwide Business Conduct Manual - WBCM

## 1.5 Definitions

Term	Definition
Anonymous reporting	An anonymous report does not contain any details that allow the person making the report to be identified with certainty, even indirectly. In some countries this is not permitted by law.
Good faith reporting	The person filing the report has a reasonable belief based on fact circumstances that there is cause for concern.
Bad faith reporting	The person files an intentionally or grossly negligent, false or malicious report.
OdV	The Supervisory body in charge of the Organizational Management and Control Model pursuant to Italian Legislative Decree N° 231 of 2001
Retaliation	Adverse action or reprisal of any kind.
Assessment Committee	The Assessment Committee consists of the Head of Global Internal Audit, the Head of Global Human Resources, the Head of the Legal Department of Safilo Group, such staff being bound by specific written commitments to confidentiality.
Group	The group of companies directly or indirectly controlled by Safilo Group.
Group Company/ies	One or more local subsidiary/ies of Safilo Group
Safilo Group	Safilo Group S.p.A.

## 2 Raising concerns

Any employee or other personnel that has concerns about suspected or alleged violations (of any nature, including omissions) of PVPC, the WBCM, our policies or the law (with the national limitations referred to below) may (and is strongly encouraged to, although with no consequences in case he/she decides to refrain) voice its concern. To this purpose, he/she can contact his/her immediate line manager or the next level manager.

Customers, suppliers and employees/other personnel that do not feel comfortable approaching their line manager or are not satisfied with the response, as well as directors and members of other corporate bodies of Safilo Group or Group Companies, can contact one of the following verbally (in person or by telephone) or by letter (external or internal email):

- The Ethics Hotline & Website (if available in the area, please check on the website), [www.safilogroup.ethicspoint.com](http://www.safilogroup.ethicspoint.com), is managed by an external provider, GCS Compliance Services Europe Ltd, which receives and properly forwards concern reports<sup>1</sup> on behalf of Group Companies in compliance with applicable laws and subject to their instructions, having been duly appointed as data processor.<sup>2</sup> The reporter will be provided by the provider with an access code which allows him/her, together with a password chosen by the latter, subsequent access to the reporting system in order to allow the reporter: (i) to receive a feedback on the status of its report follow up under this procedure; (ii) to supply further information; (iii) to receive communications from Safilo Group. The reporter is advised to access the system for the above purposes already 10 days after submitting the report and to keep the above access rights confidential
- The Global Internal Audit email [ethicsandcompliance@safilo.com](mailto:ethicsandcompliance@safilo.com)\*

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<sup>1</sup> In addition, the provider is able to rapidly warn the Group when a report is deemed to be critical, in such event the pre-approved escalation set up by the Group is enforced. If an immediate or imminent threat to person or property exists, in addition and before activating this procedure you are required to call the local emergency number (Italy: 112; France: 17; Germany: 112; United Kingdom: 999; Spain: 091; Portugal: 115; USA: 911)

<sup>2</sup> The provider is an internationally renowned, leading company controlled by Navex Global Inc. (<http://www.navexglobal.com>), and is able to process reports in the languages of all different countries where the Group operates.

Relevant data reported shall be used solely for the purpose of enforcing this procedure.

The statement of the reporter shall be of an objective nature and shall include the subject matter of the suspected violation, the relevant suspected violation, the specific fact and time circumstances, the person whom the facts described in the report are referred to, the relevant supporting evidence, its nature and possible other sources which may confirm the report.

With regard to concerns relating to possible breaches of the Organizational Management and Control Model pursuant to Italian Legislative Decree N° 231 of 2001 and other similar national instruments, the chance for any subject to reach out to Safilo Group's OdV or any Group Company Supervisory Committee via the [ODV@safilo.com](mailto:ODV@safilo.com) e mail address (especially when the Ethics hotline & website are not available in the area) remains unaffected.\*

\* Please note that anonymous reporting is never possible when using this email address, whichever is the country where the reporter operates or the reported facts happened.

**The OdV and the bodies administering this procedure shall interface so as to ensure that each may correctly carry out its duties.**

***! Complaints should not be made to any party that has a potential conflict of interest with the alleged topic.***

For a specific list of reportable concerns (including attempts to conceal such kinds of behavior) for each country, please see the relevant country page on [www.safilogroup.ethicspoint.com](http://www.safilogroup.ethicspoint.com).<sup>3</sup>

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<sup>3</sup> Reporting is not admitted in issues concerning breach of non-smoking rule. Report is admitted in issues concerning private life in so far as they have an impact on compliance with the Worldwide Business Conduct Manual, or allegation of harassment in so far as also in such cases no sensitive data is part of the report. Also commercial concerns (such as those relating to product quality or possible contract breach) shall not be covered from this procedure as they need to be dealt with from the specifically competent Group Company bodies.

Anonymous reporting is allowed where permitted by local law, but is discouraged by the Group Companies as it may be difficult or impossible to thoroughly investigate reports that are made anonymously and grant protection against retaliation in the working environment of the anonymous reporter.

In accordance with public interest and in order to further diminish any chance of (not admitted within the Group, see Section 4 below) retaliation, for all reports every reasonable caution will be taken to ensure the identity of the person reporting the concern is kept confidential inside and outside the Group, in compliance with the boundaries of applicable law, unless the report is a bad faith report (which may involve disciplinary and/or judicial actions).

Please note that a concern under this policy is different from a grievance concerning the normal management of the employee's position and which is not of general interest.

### 3 Investigations

Anyone that receives a report should manage it on a strictly confidential basis and forward its original as soon as is reasonably possible, together with any supporting documentation, to the Head of Global Internal Audit. Failure to report a concern received, constitutes a violation of this procedure and PVPC and may result in disciplinary action.

The investigation process takes place in different phases (management of the report and its preliminary review, investigation, assessment and decision from the Assessment Committee, adoption of post-decision corrective measures, reporting, final information management) as per below:

1) The Head of Global Internal Audit:

- performs a preliminary review of the objective and subjective issues raised,<sup>4</sup>
- where an accurate investigation is deemed appropriate because the report sets out reasonably sufficient quantitative and/or qualitative fact elements, is not manifestly ungrounded, out of

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<sup>4</sup> If the report is manifestly ungrounded, out of scope or irrelevant according to this procedure and/or the applicable laws, the report shall be immediately deleted unless the Assessment Committee, informed as per below, disagrees with the Head of Global Internal Audit's preliminary review in this regard and requests a full investigation.

scope or irrelevant according to this procedure and/or the applicable laws, and adequate discovery activities may be carried out,<sup>5</sup> involves the relevant party as follows:

- investigations directly related to employee relations and employment matters are led by Global Human Resources, which will act with procedures based on the same principles and standards set out herein, with the investigation report as per point 2) below to be submitted to the Head of Global Internal Audit;
- other investigations which have a merely local relevance are led locally by the designated Group Company body as identified by the Head of Global Internal Audit for decision from the relevant Group Company Auditors or other corporate body in compliance with applicable laws and regulations, with quarterly report to be submitted to the Head of Global Internal Audit;
- all other investigations which may have in any event significant relevance at Group level or involve a member of the Board of Directors or of any other statutory/by-laws body of any Group Company or in any event have a significant impact on the Group control system are led directly by Global Internal Audit, unless is statutorily required otherwise;
- consequently informs the investigated person(s) about the data processing and his/her rights to access data, comment thereupon and request rectification or erasure thereof, oppose the processing or obtain restriction thereof pending safeguard of his/her rights via the same above reporting system, as soon as practically possible<sup>6</sup> in so far as no substantial risk exists in the specific case that such a notification could effectively impair the investigation ability to gather evidence;<sup>7</sup>

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<sup>5</sup> Where judicial investigations or proceedings on the same matter are pending, the Head of Global Internal Audit shall also verify with the Head of the Legal Department of Safilo Group whether an internal investigation is appropriate for the time being and how to handle the possible outcome in what concerns the relationship with judicial authorities.

<sup>6</sup> Employees who are being investigated will in any event have an opportunity to be heard prior to any final decision hereunder.

<sup>7</sup> In this phase transfer of reported person's personal data outside the European Economic Area (EEA) may take place if he/she is an employee of an extra-EEA Group Company in compliance with the applicable law, under Section 49.1, letter d), GDPR and with appropriate intra-group guarantees.



- when informing the Assessment Committee about the report (as necessary in any event for possible follow on to its preliminary review), reports also about the investigation launch and the reasons therefor;
- where the report concerns any of the crimes considered in the Organizational Management and Control Model pursuant to Italian Legislative Decree N° 231 of 2001, or other similar national instruments, immediately reports the OdV or corresponding Supervisory Body, without disclosing the reporter's identity, about the report contents and ensures the subsequent necessary coordination at any time for the fulfillments of the respective duties;
- immediately reports the relevant Group Company's Auditors or other relevant Supervisory Body, without disclosing the reporter's identity, about the report contents;
- assess the possible need for a spot audit and, in case, provides for it to be carried out in compliance with terms and modalities of this procedure;
- where strictly necessary in order to acquire adequately independent evidence from the affected line structures as part of the investigation (e.g., HSE for environmental issues), directly interacts with function Leaders personally disclosing (preferably on an oral basis, and in any event by adopting the necessary cautions in order to safeguard confidentiality) report contents on a strict "need to know" principle basis (without disclosing the reporter's identity), binding them in writing to confidentiality on the matter disclosed;
- in any event, personally manages the relationship with the reporter via the provider system or other appropriate modalities and discloses the reporter's identity only within the investigating team (which is bound by specific written commitments to confidentiality) on a strict "need to know" principle basis, ensuring in any event that it is safeguarded;
- When the reporter contacts directly its immediate line manager, the confidentiality rules set out in the previous paragraphs and the applicable rules will similarly apply also in such a case. Specifically, any communication regarding the procedure outside the provider's system shall be on a confidential basis, preferably orally or by making use of encryption technology. Print-outs with the relevant information shall be circulated only in sealed envelopes, saved under lock and

personally destroyed by the information addressee through shredding machines as soon as they are not necessary anymore for its functions fulfilments.

***! In no event a function may manage the investigation related to allegations about itself and, for such a purpose, the provider system is structured so as to send reports involving the Global Internal Audit staff directly to the Legal department which will inform the Safilo Group Board Internal Control & Risk Committee, without involving the Head of Global Internal Audit. Similarly, the provider system is structured so as to send reports for investigations which have to be statutorily led directly by Group Companies directly to the competent Group Company body as preliminarily identified. The Legal Department and the above competent Group Company bodies will act in compliance with applicable laws and with procedures based on the same principles and standards set out herein and in the Regulation of the Operational Procedure of the Process of WBCM Compliance Reporting Investigation.<sup>8</sup>***

- 2) Designated members of the above relevant teams adequately selected and specifically trained independently perform the investigation, according to settled internal procedures and in full respect of involved parties, their dignity and the proportionality principle, *inter alia* directly acquiring relevant evidence, reviewing significant documents and processing necessary and relevant personal data, conducting interviews with a variety of stakeholders and formally recording details of the person interviewed and the key elements that emerged during the interview. The Legal Department (the Head / person in charge of this procedure) or external experts (such as lawyers, financial experts) may be consulted (without disclosing the reporter's identity) when necessary. An investigation report is produced.
- 3) The Head of the Global Internal Audit (or, in the case foreseen under point 1, last paragraph, above, the Head of the Legal Department) reviews the investigation report and (without disclosing the reporter's identity) presents it to the Assessment Committee for assessment and (subject to possible request from the Committee for further investigation on specific matters) an adequately motivated decision

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<sup>8</sup> Reporting of the Legal Department will be with the Safilo Group Board Internal Control & Risk Committee as appropriate, reporting of the competent Group Company bodies with the corresponding bodies provided by local laws as appropriate.

resolution, including the possible archival of the report in case it is found from the Assessment Committee to be groundless.

- 4) The Assessment Committee final decision is immediately transmitted by the Head of Global Internal Audit to Safilo Group OdV and, where necessary and/or appropriate, to the relevant Group Company CEO, Auditors and Supervisory Bodies (or corresponding bodies) for their respective statutory and discretionary evaluations, including the adoption of possible corrective measures from the competent business lines (with report to Global Internal Audit) under the control of Safilo Group Board Internal Control & Risk Committee. The Head of Global Internal Audit (or, in the case foreseen under point 1, last paragraph, above, the Head of the Legal Department) shall also take care of informing the reporter via the Ethics website about the outcome of the report.
- 5) The investigation process as overseen above shall be concluded within 2 months of the receipt of the report. Subject to the specific features of the case at issue, the overall procedure shall be concluded within the same term or, otherwise, within 3 months from the receipt of the report.
- 6) Monitoring is performed regularly from the Head of Internal Audit to (i) supervise on behalf of the Safilo Group Board Internal Control & Risk Committee corrective actions as designed from the relevant management and (ii) ensure no retaliation is carried out.
- 7) The investigation may be suspended or interrupted at any time if the report is found meanwhile to be groundless.

## 4 Consequences of violations

Without prejudice to obligations possibly imposed upon the Group Companies from applicable laws and regulations, if investigations confirm that individuals have failed to comply with PVPC, our policies or the law, which were the subject of an allowable report the Global Human Resources Department will evaluate, following the decision on the report or (in case where urgent reasons so require) pending the investigation, whether to promptly request the relevant Group Company for appropriate disciplinary action up to and including dismissal,

depending on the nature and severity of the violations.<sup>9</sup> All disciplinary actions will be applied by the relevant Group Company in a fair manner consistent with local law.

No retaliation will be permitted against an employee who in good faith reports what he/she believes to be a violation. In addition, in some countries retaliation against individuals that make a report is forbidden by law.

However, Group Companies will punish bad faith reporting and protect the reported person (who is in any event always informed as per above, as soon as legally and practically possible and without prejudice to the safeguard of reporter's identity confidentiality, about the alleged facts raised against him/her in order to safeguard his/her defense rights) against it. Therefore, in cases where reports are proven to be bad faith reporting, the matter will be submitted to Global Human Resources for any disciplinary action as per above and the identity of the reporter could be disclosed to the reported person if so required under the applicable laws and regulations.

## 5 Reporting

Without prejudice to other reporting duties as per above, the Head of Global Internal Audit reports on a six-monthly basis via secure channels an overview of activities under this procedure (reports received, pending investigations, decisions adopted from the Assessment Committee) to:

- Safilo Group CEO
- Safilo Group Chairman
- members of Safilo Group Board Internal Control & Risk Committee
- Safilo Group Auditors, and other Group Company/ies Auditors
- members of Safilo Group OdV
- Safilo Group Head of Human Resources
- Safilo Group Head of Legal Department

and, for the relevant parts, to the involved Group Companies' CEOs and Supervisory Bodies

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<sup>9</sup> In this phase transfer of reported person's personal data outside the European Economic Area (EEA) may take place if he/she is an employee of an extra-EEA Group Company, in compliance with applicable law, under Section 49.1, letter d), GDPR and with appropriate intra-group guarantees.

## 6 Information retention/erasure

Once the decision of the Assessment Committee is adopted (or, following the preliminary review and related reporting to the Assessment Committee, the report is found to be manifestly ungrounded, out of scope or irrelevant according to this procedure and/or the applicable laws), personal data shall be deleted within two months and only anonymous information is maintained in the provider system, so far as possible in view of legal constraints (*e.g.*, safeguard of the reporter against retaliation, other pending judicial and/or disciplinary proceedings, adoption and implementation of corrective actions, reported person rights). When appropriate, the Head of Global Internal Audit (or, in the case foreseen under Section 3, point 1, last paragraph, above, the Head of the Legal Department) may delete the entire file. In any event, access to the file by any above staff also subsequent to the decision is electronically tracked from the system.

## 7 Dissemination procedure

In addition to being posted on corporate documentation systems, this procedure shall be distributed to any member of the Board, the OdV and the Auditors of Safilo Group and the other Group Companies respectively from the Head of Global Internal Audit and the CEO of the relevant Group Company. Global Human Resources will ensure that it is delivered either in hard or in electronic copy to any new employee or other personnel working within the Group, with read-receipt request. The Legal Department will ensure that it is delivered either in hard or in electronic copy to any other intended audience, with adequate evidence of the receipt. For foreign subsidiaries, the distributed procedure shall be previously translated in the local language.

## Attachments

Attachment N.	Attachment Name	Description
1	Worldwide Business Conduct Manual	

## Document changes

### Revision History

Author	Rev.	Changes	Proposed by:	Reviewed by:	Approved by:	Approval date: