

## Executive Corporate Officers' compensation

**Charenton-le-Pont, France (March 22, 2022)** – On March 10, 2022, on the recommendation of the Nomination and Compensation Committee, the Board of Directors approved:

1. the 2021 bonus of Francesco Milleri and Paul du Saillant
2. the 2022 compensation policy for corporate officers

### **1. 2021 bonus of Francesco Milleri and Paul du Saillant**

The Board of Directors approved a bonus of **€2,773,639** for Francesco Milleri and **€2,472,500** for Paul du Saillant, corresponding to an achievement rate of 197.8%, reflecting the Company's excellent results.

Detailed calculations are provided in Appendix 1.

Payment of the variable component due for the fiscal year 2021 is subject to the approval of the Annual Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2021.

As a reminder, the achievement rate of the annual variable portion of the Executive Corporate Officers' compensation over the last two years was 0% for 2019<sup>1</sup> and 22.9% for 2020.

### **2. 2022 compensation policy for corporate officers**

#### 2022 compensation

The Board of Directors approved the 2022 compensation policy for corporate officers. Compensation levels for 2022 will remain strictly identical to those applicable since the Annual Shareholders' Meeting of May 21, 2021.

The correlation between compensation and the Company's sustainable performance in the interest of shareholders and all stakeholders remains the fundamental principle on which this policy is based.

Separate resolutions on the compensation policy applicable to each category of corporate officer will be proposed for approval at the Annual Shareholders' Meeting approving the financial statements for the 2021 fiscal year:

1. Three resolutions dealing respectively with the compensation policy applicable to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer;
2. One resolution dealing with the compensation policy applicable to the members of the Board of Directors.

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<sup>1</sup> Following the fraud at an Essilor plant in Thailand

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	Fixed compensation	Annual variable compensation	Long-term incentive
<b>Leonardo Del Vecchio</b> Chairman of the Board of Directors	€500,000	None, in line with the AFEP-MEDEF Code.	None, in line with the AFEP-MEDEF Code.
<b>Francesco Milleri</b> Chief Executive Officer	€1,500,000	Target: <b>100% of fixed compensation</b> Maximum: <b>200% of fixed compensation</b>	<b>Max. 50,000 performance shares</b>
<b>Paul du Saillant</b> Deputy Chief Executive Officer	€1,250,000	Target: <b>100% of fixed compensation</b> Maximum: <b>200% of fixed compensation</b>	<b>Max. 35,000 performance shares</b>

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer are eligible for compensation for their duties as Directors.

## 2022 bonus

The Board of Directors approved a variable component based exclusively on quantifiable objectives, including 90% of financial objectives and 10% related to corporate social responsibility.

Objectives	Weighting
Group <sup>2</sup> adjusted <sup>3</sup> Earnings per share (EPS) growth	40%
Revenue growth (at constant exchange rates, excluding strategic acquisitions)	20%
Adjusted <sup>3</sup> Operating profit as a percentage of revenue	20%
Control of General and administrative expenses <sup>3</sup>	10%
Corporate social responsibility	10%

As the amount of synergies to be achieved is included in the 2022 budget, this criterion was not retained in 2022. Two new financial criteria are proposed: adjusted<sup>3</sup> Operating profit as a percentage of revenue and control of General and administrative expenses<sup>3</sup>.

<sup>2</sup> Calculated on Group Net Profit, i.e. Net Profit after minorities.

<sup>3</sup> Adjusted measures or figures: adjusted from the expenses or income related to the combination of Essilor and Luxottica, the acquisition of GrandVision and other transactions that are unusual, infrequent or unrelated to the normal course of business as the impact of these events might affect the understanding of the Group's performance.

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In 2022, this corporate social responsibility objective reflects EssilorLuxottica fight against climate change in line with the first public commitments taken through the “Eyes on the Planet” sustainability program on:

1. Carbon neutrality: a reduction in greenhouse gas emissions (Scope 1 & 2) target has been set for 2022 fiscal year, which is in line with carbon neutrality objective to be reached in direct operations from 2023 in Europe and by 2025 for the entire Group.
2. Circular economy: a target for valorized waste has been set for 2022 fiscal year, reflecting the Group's determination to move towards a circular economy, by leveraging efforts on waste valorization.

As in 2021, the variable component includes a "clawback" clause.

The targets decided by the Board of Directors for each criterion are not disclosed for confidentiality reasons. However, the achievement rate will be disclosed ex-post.

Pursuant to Article L. 22-10-8 of the French Commercial Code (*Code de commerce*), the corporate officer compensation policy will be submitted for approval at the 2022 Annual Shareholders' Meeting. It will be presented in the Universal Registration Document, which will be published on the Group's website as from March 25, 2022, in section 3.3 "Compensation of corporate officers" of Chapter 3 "Report on Corporate Governance".

## Long-term compensation

On the recommendation of the Nomination and Compensation Committee, the Board of Directors approved an award in October 2022 to the Executive Corporate Officers identical to that of 2021, namely:

- maximum 50,000 performance shares to the Chief Executive Officer;
- maximum 35,000 performance shares to the Deputy Chief Executive Officer.

The vesting of the performance shares will be wholly subject to the achievement of two performance conditions, each measured over a period of three years.

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Objectives	Rationale
<b>Main criterion: annualized growth in the share price</b>	EssilorLuxottica's growth strategy must create shareholder value in the medium to long term.  Performance shares must therefore vest in direct proportion to the growth in the share price and the gain that this represents for shareholders.
<b>Penalty in the event of underperformance compared with the EuroStoxx 50 index</b>	If the EssilorLuxottica share price grows but underperforms the EuroStoxx 50 index, a penalty is applied with respect to the number of shares that actually vest.

The limits applicable to the awards to corporate officers are unchanged from the 2021 compensation policy.

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## Appendix 1: 2021 bonus of Francesco Milleri and Paul du Saillant

Weighting	Description	% achievement from 0% to 200% of the target	Weighted achievement %
<b>W</b>		<b>A</b>	<b>W x A</b>
50%	Group <sup>4</sup> adjusted <sup>5</sup> Earnings per share (EPS) growth	200%	100%
20%	Revenue growth (at constant exchange rates, excluding strategic acquisitions)	200%	40%
20%	Unlocking of synergies	200%	40%
10%	Corporate social responsibility	178%	17.8%
<b>100%</b>			<b>197.8%</b>

## Analysis of 2021 performance

### Financial Performance

2021 was marked by an exceptional performance. The Company's extraordinary recovery in 2021, where each quarter beat the previous one in terms of revenue growth, [at current exchange rates]. Rising COVID vaccination levels, the restoring macro-economic environment and the Company's improved governance and better execution of its strategy underpinned the rampant growth trajectory.

Revenue growth translated into a material increase in margins during the year, thanks to the operating leverage which typically characterizes the Company's vertically-integrated business model, as well as the extraordinary cost containment measures put in place during COVID-19, which were gradually removed as the business recovered.

In light of the sound performance of the second and third quarters, EssilorLuxottica upgraded twice its full year 2021 guidance, once in July 2021 and then in October 2021.

The three financial objectives have been each met at 200%.

<sup>4</sup> Calculated on Group Net Profit, i.e. Net Profit after minorities.

<sup>5</sup> Adjusted measures or figures: adjusted from the expenses or income related to the combination of Essilor and Luxottica, the acquisition of GrandVision and other transactions that are unusual, infrequent or unrelated to the normal course of business as the impact of these events might affect the understanding of the Group's performance.

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## Corporate social responsibility

The Corporate social and environmental responsibility objective reflects EssilorLuxottica's fight against climate change and its commitment to achieve carbon neutrality across our direct operations by 2025, starting in Europe by 2023.

The objective for 2021 was related to the reduction in greenhouse gas emissions<sup>6</sup>.

Throughout 2021, the Group:

- Invested in renewable energy;
- Funded initiatives to protect and restore natural ecosystems and promote the well-being of local communities: forestation projects in Agordo and in Jiangxi Province in China;
- Improved the energy efficiency of manufacturing processes and existing buildings.

All these actions have resulted in a 178% achievement rate for this criterion.

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### About EssilorLuxottica

EssilorLuxottica is a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. Formed in 2018, its mission is to help people around the world to see more and be more by addressing their evolving vision needs and personal style aspirations. The Company brings together the complementary expertise of two industry pioneers, one in advanced lens technology and the other in the craftsmanship of iconic eyewear, to set new industry standards for vision care and the consumer experience around it. Influential eyewear brands including Ray-Ban and Oakley, lens technology brands including Varilux and Transitions, and world-class retail brands including Sunglass Hut, LensCrafters, Salmoiraghi & Viganò and GrandVision are part of the EssilorLuxottica family. EssilorLuxottica has approximately 180,000 employees. In 2021, the Company generated consolidated pro forma revenue of Euro 21.5 billion. The EssilorLuxottica share trades on the Euronext Paris market and is included in the Euro Stoxx 50 and CAC 40 indices. Codes and symbols: ISIN: FR0000121667; Reuters: ESLX.PA; Bloomberg: EL:FP. For more information, please visit [www.essilorluxottica.com](http://www.essilorluxottica.com)

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<sup>6</sup> Measured in kt CO<sub>2</sub>.