

[Date]

Mr. Francesco Milleri, CEO
EssilorLuxottica
1-6 rue Paul Cézanne, 75008
Paris, France

Re: OECD Guidelines for Multinational Enterprises complaint against EssilorLuxottica by Labor Unions

Dear Mr. Milleri:

We, the undersigned investors, representing over \$XX in assets under management, are writing to request that EssilorLuxottica engage constructively and in good faith with the National Contact Point grievance mechanism provided by the OECD Guidelines for Multinational Enterprises (the “OECD Guidelines”) to resolve a specific instance complaint that was filed by the labor organizations Communications Workers of America, the AFL-CIO, IndustriALL, and UNI regarding the alleged violation of workers’ rights to freedom of association at Luxottica’s McDonough, Georgia facility.

The complaint filed with the National Contact Points of France, Italy, and the United States by the labor organizations alleges that EssilorLuxottica is acting in violation of its international and social responsibilities as an employer under the OECD Guidelines. Our concern is prompted by a Reuters article from July 15, 2021 (“[Ray-Ban maker Luxottica accused of anti-union behaviour at U.S. Georgia plant](#)”), which reports that EssilorLuxottica is seeking to prevent 2,000 employees at the McDonough, Georgia facility from unionizing via “aggressive and fear-inducing” interference tactics, including:

- The company’s usage of a COVID-19 employee communications app to disseminate information about the alleged risks of joining a labor union, such as lost pay and benefits.
- The creation of and encouraging of employees to reference an anti-union website, <https://luxfacts.com>.
- The hiring of Labor Relations Institute, a consultancy that specializes in preventing successful unionizations.
- The requirement of employees to attend anti-union captive audience meetings.

As investors, we believe that EssilorLuxottica should abide by its own commitments to comply with international standards and best practices and engage in good faith with workers to maintain positive labor relations. Effective human capital management is a key performance indicator that a growing number of investors prioritize. Partnerships between companies and labor unions is a time-tested method that can have positive human capital impacts. By giving workers independent channels to communicate with management regarding suggestions, concerns, and requests without fear of retaliation, unions foster more effective workplace feedback loops.

The ability of workers to influence their workplaces through labor unions leads to higher worker well-being and satisfaction with working conditions, which reduces turnover costs for corporations. Workers with longer tenure also allow companies to retain firm-specific skills and knowledge, leading to gains in productivity and innovation. Labor-management partnerships create and preserve long-term shareholder value, and thus labor unions are not threats but potential assets that can improve top-line growth. (See e.g., [Businesses and Communities Benefit When Workers Have Unions](#), American Rights at

Work, 2010; [Working with Trade Unions to Improve Working Conditions: The Benefits for Retailers and Suppliers](#), Ethical Trading Initiative, May 2010.)

The formation of labor unions is also a fundamental human right recognized under international law. Employees exercising their right to form unions is recognized by the following international institutions:

- **The OECD Guidelines for Multinational Enterprises, Section IV. Human Rights:**
“Enterprises should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:
 - 1. Respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
 - 5. Carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.
 - In all cases and irrespective of the country or specific context of enterprises’ operations, reference should be made at a minimum to the internationally recognised human rights expressed in the International Bill of Human Rights, consisting of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, and to the principles concerning fundamental rights set out in the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work.”
- **The OECD Guidelines for Multinational Enterprises, Section V. Employment and Industrial Relations:** “Enterprises should, within the framework of applicable law, regulations and prevailing labour relations and employment practices and applicable international labour standards:
 - 1. a) Respect the right of workers employed by the multinational enterprise to establish or join trade unions and representative organisations of their own choosing.
 - 4. a) Observe standards of employment and industrial relations not less favourable than those observed by comparable employers in the host country.”
- **The Universal Declaration of Human Rights, Article 23.4:** “Everyone has the right to form and to join trade unions for the protection of his interests.”
- **The United Nations Guiding Principles on Business and Human Rights:** “The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.”
- **International Labour Organization:**
 - Freedom of Association and Protection of the Right to Organise Convention (No. 87): “Workers’ and employers’ organizations shall organize freely and not be liable to be dissolved or suspended by administrative authority...”
 - Right to Organise and Collective Bargaining Convention (No. 98): “Workers’ and employers’ organizations shall enjoy adequate protection against any acts of interference by each other...”

EssilorLuxottica itself acknowledges these responsibilities in the company's [2020 Sustainability Report](#):
“The Company abides by the ILO Conventions and the United Nations Global Compact Principles on Human Rights and requests its suppliers to adhere to international standards in the areas of ethics, labor, health, safety and the environment,” as well as, “...the development in recent years of international standards such as the United Nations Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises, has informed the Company’s approach.”

The ability of workers to organize, act concertedly, and engage in collective bargaining is an important human right that can be a net positive for companies and investors, and good for society. In contrast, allegations that EssilorLuxottica is not respecting its workers’ rights to exercise their freedom to organize raises reputational and legal risks for investors. We therefore urge EssilorLuxottica to fully observe its obligations to respect workers’ rights under international law by engaging constructively and in good faith with the National Contact Point grievance mechanism under the OECD Guidelines.

Sincerely,