

AFFLELOU

SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY REPORT

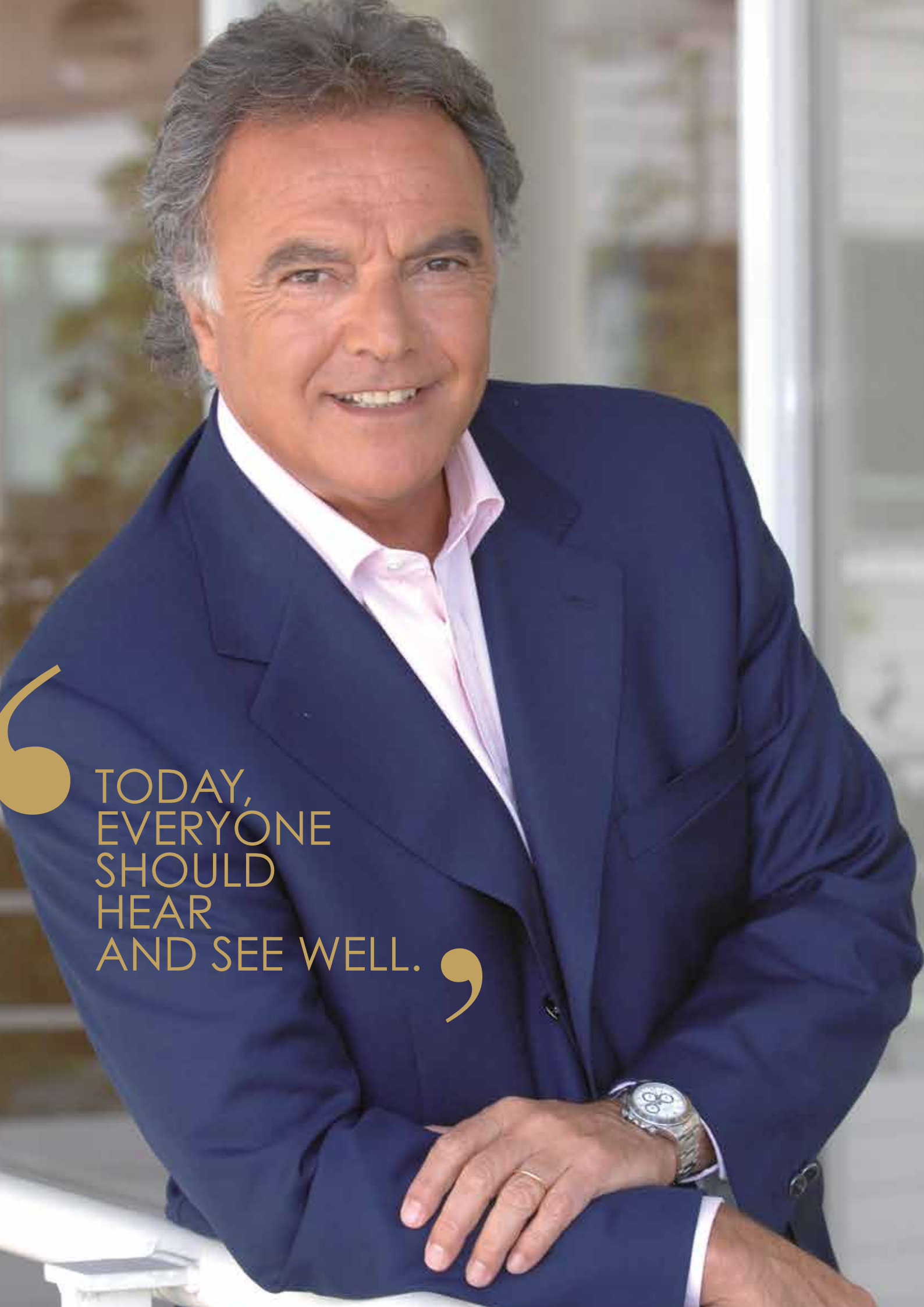


#2021



SUMMARY

FOREWORD FROM OUR FOUNDER	4
ABOUT THIS REPORT	6
1) OUR IDENTITY	8
2) SUSTAINABILITY AT AFFLELOU	22
3) ENHANCING OUR CLIENTS' EXPERIENCE & WELL-BEING	36
4) MANAGING SUPPLY CHAIN & PRODUCT FOOTPRINT	52
5) TAKING CARE OF OUR TEAMS	58
6) REDUCING OUR DIRECT ENVIRONMENTAL IMPACTS	72
7) GENERATING VALUABLE SOCIO-ECONOMIC IMPACTS & SUPPORTING COMMUNITIES	76
METHODOLOGICAL NOTE	86



TODAY,
EVERYONE
SHOULD
HEAR
AND SEE WELL.

FOREWORD FROM OUR FOUNDER

For some years now, there has been an increasing general awareness regarding the importance of being sustainable and ethical towards the environment.

The act of changing mindsets goes beyond individual approaches: societal and environmental issues are now integrated into the overall strategy of brands and companies.

The Afflelou Group did not wait for this progress to launch initiatives aimed at helping others and preserving the planet.

For 15 years now, the ALAIN AFFLELOU foundation has provided vision tests to low-income visually impaired people and has offered them glasses. The team organises visual assessments every year in schools to enhance children's vision and thus combat poor performance at school. These events take place mainly in Spain, and the Maghreb countries, and thousands of pairs of glasses are given out each year to adults or children suffering from impaired vision.

On another note, with the help of our industrial partners, we have been making eyewear from plastic bottles collected from the seas and oceans. We have recycled more than 50,000 bottles since the launch of this collection in 2020, a significant number that encourages us to continue pursuing this approach. We have also designed and produced a range of frames created from castor oil, whose cases and corrective lenses are fully biodegradable.

Having been an Optician and Audiologist for 50 years, my main concern is serving people who have visual and hearing disorders by providing them with access to care.

Around us and across the five continents, the thousands of people who work with us share the same values. Our opticians, hearing aid professionals, employees and suppliers work on a daily basis to provide well-being and comfort for the visually and hearing impaired.

Our values guide us, and it is in this same spirit that we see our involvement, humble and modest, in the preservation of the planet.

Alain Afflelou





ABOUT THIS REPORT

EMBODYING THE AFFLELOU GROUP'S COMMITMENTS

For almost 50 years, we have facilitated access to products and services improving people's visual & hearing comfort and health, in order to enhance their daily lives and help them live in freedom. We are committed to conducting our activities while taking care of our teams and business partners (franchisees & end customers), respecting the environment in which we operate and live, complying with ethical practices and behaviours, as well as by supporting local communities.

At AFFLELOU, we want to focus on who we are, how we do things and where we are going. In this context, this 2021 Sustainability & Corporate Social Responsibility Report ("the Report") – the first voluntary report disclosed by the Group – describes our overall strategy and the different Corporate Social Responsibility (CSR)-related projects and initiatives carried out by our different entities and teams, as well as our main results in terms of achievements, when available.

For more details about the Report's methodology, the scope of the information or other reporting-related aspects, please refer to the methodological section at the end of the document.

For 50 years, we have facilitated access to products and services improving people's visual and hearing health and comfort, in order to enhance their daily lives and help them live in freedom.

A CONTINUOUS IMPROVEMENT APPROACH

As a first step towards a Sustainability approach that is further integrated into our Group's strategy and activities, the Report allows us to provide all our stakeholders with information about CSR-related actions and the progress achieved. Based on the prior identification of relevant and priority CSR issues linked to our activities, this exercise allowed us to disclose an in-depth assessment of the AFFLELOU Group's overall performance.

As part of a continuous improvement approach, this document will be updated and improved on a regular basis. The Report will also form the basis of our future commitments and objectives regarding environmental, social and societal topics in the coming years.



OUR IDENTITY

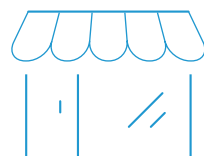
Founded in France in 1972 by Mr Alain Afflelou, the AFFLELOU Group is today a leading European optical and hearing aid franchisor.

Operating in 19 countries, our network encompasses 1,445 owned* and franchised stores around the world.

AFFLELOU's teams are composed of more than 1,200 qualified women and men (headquarters & owned stores), working together with more than 700 franchise owners.



19 COUNTRIES



1,445

(owned & franchised)
STORES

700

FRANCHISE OWNERS
REPRESENTING,
together with our Group,

5,000+ EMPLOYEES
in the whole network



300+

PERMANENT
COLLABORATORS
AT HEADQUARTERS

900+

COLLABORATORS
IN DIRECTLY OWNED STORES



Approx. €1 bn

TOTAL SALES,
incl. VAT, in the network

ENTREPRENEURSHIP & INNOVATION

Innovation has always been at the core of the Group's identity. Inspired by our founder, we are passionate about challenging ourselves and exploring new ways to improve at all levels. As entrepreneurship is part of our DNA, we also do everything we can to attract new talent to become our future collaborators and/or franchisees.

Each innovation – product, offer and/or concept – is designed to respond to needs and issues faced by our clients. We fervently focus our research to obtain the optimal combination of new technologies, quality of materials, comfort, design and accessible prices. Observation and the collection of information on people's needs has always been at the heart of the Group's DNA.

ENTREPRENEURSHIP IS A PILLAR
OF THE AFFLELOU GROUP,
COMBINING THE GROUP'S INNOVATION
WITH OUR FRANCHISEES' DAY-TO-DAY MINDSET.

VISION, MISSION & VALUES



VISION

We strive to build a world without barriers to make people enjoy every moment of their lives and feel good, a world in which our clients are fully integrated and emancipate themselves from prejudices and complications. We also aim to be a Company that spearheads innovation in the fields of vision and hearing. Everything we do at AFFLELOU aims to support our teams and improve our customers' well-being.

We aim to be acknowledged as an inspiring and useful brand that makes a real difference to consumers' daily lives. The AFFLELOU Group is anchored in society and plays an important role in terms of both personal (health, well-being, leisure, etc.) and collective (economy, well-being at work) benefits.



VALUES

From its foundation, the core values of AFFLELOU Group have never changed:

Innovation: achieving progress and reinventing ourselves every day to bring the best solutions to our clients.

Dynamism: strengthening our expertise, as well as being agile and flexible in a changing world.

Leadership: consolidating our position and giving the best of ourselves by creating close-knit, fulfilled and customer-oriented teams.

Commitment: being involved on a daily basis, taking care of our clients, respecting our partners and ensuring the development of our teams.

Trust: being a trustworthy and reliable partner for all our stakeholders.



MISSION

Wearing glasses and/or hearing aids should not be a problem. Everyone has the right to be able to see and hear well today. As a provider of optical and hearing aid devices, our purpose is to always offer the best solution and address the diverse needs of our clients. We believe that – whatever your sight or hearing issue may be – you deserve to live your life in freedom.

Our mission is to facilitate access to products and services that improve people's visual and hearing health and comfort. Our teams continue to reinvent themselves every day and look for new ways to further improve people's well-being and comfort, in a financially accessible way.

"EVERYONE HAS THE RIGHT
TO SEE AND HEAR WELL"

"FACILITATING ACCESS
TO PRODUCTS AND SERVICES
THAT IMPROVE PEOPLE'S VISUAL
AND HEARING HEALTH AND COMFORT"



BEHAVIOURS

Arising from our corporate values, we have identified core behaviours that we actively promote internally and share with our business partners:

- We are fully committed to the company's priorities
- We create an environment based on partnership and trust
- We like to talk, facilitate dialogue and listen
- We look for easy, original and quality solutions to support our clients' needs

- Where others may see problems, we see opportunities to innovate, implementing new technologies and ways of working
- We constantly evolve our technological knowledge
- We adapt quickly to changes and demands in our business environment
- We are consistent: we say what we will do, and we do it



DISCOVERING OUR ACTIVITIES, PRODUCTS & SERVICES

TAKING CARE OF PEOPLE'S HEALTH THROUGH A DOUBLE VISION & HEARING OFFER

ALAIN AFFLELOU

The AFFLELOU Group provides services to more than 2 million glasses wearers each year, through its ALAIN AFFLELOU OPTICIEN branches. We offer collections using our know-how and expertise as an optician and frame maker. Our primary objective is to create products that meet people's health needs and provide maximum comfort to glasses wearers, thanks to the quality of the materials used and our innovative processes.

Our product range comprises frames, lenses, sunglasses, contact lenses and eye care products. We also provide our clients with professional advice for their sight health and comfort, as well as a large range of related services (please refer to the "Facilitating access to products & services" section for more details).



Frames



Lenses



Sunglasses



Contact lenses



Care products



Related services & advice



Created in 1995, OPTICAL DISCOUNT aims to provide products at discount prices and various promotions throughout the year. Integrated into the AFFLELOU Group in 2015, its main objective is to make the major glasses brands and the advice of optical professionals accessible to as many people as possible. In the current economic context, OPTICAL DISCOUNT thus provides our clients with quality products at the lowest possible price, accompanied by personalised services.

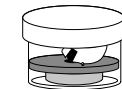
ALAIN AFFLELOU
Acousticien

Since 2012, the AFFLELOU Group has also helped people to improve their hearing through hearing aid trials, follow-up after fitting, equipment cleaning, adjustments and renewal of hearing aids. Our clients can make an appointment with our state-qualified hearing care professionals at one of the ALAIN AFFLELOU ACOUSTICIEN centres in order to test their hearing for free (please refer to the "Facilitating access to products & services" section for more details).

Our product range includes hearing aid devices and related care products. We also provide our clients with professional advice for their hearing health and comfort, as well as a large range of services (please refer to the "Facilitating access to products & services" section for more details).



Hearing aids



Care products



Related services & advice



OUR TEAMS ARE COMPOSED OF HEALTH PROFESSIONALS, WHO ARE EXPERTS IN VISION AND HEARING CARE AND HELP PEOPLE TO TREAT THEIR VISION OR HEARING DISORDERS. WE ARE COMMITTED TO HELPING OUR CLIENTS REGAIN THEIR WELL-BEING AND COMFORT. TO DO THIS, WE ACCOMPANY THEM THROUGHOUT THEIR JOURNEY TOWARDS BETTER SIGHT AND/OR BETTER HEARING.

FRANCHISING MODEL & OWNED STORES

In order to deliver products, services and professional advice to its clients, the AFFLELOU Group has developed two structures within its network, comprising both directly owned stores operated by AFFLELOU's teams and franchised stores managed by independent franchisees. Store teams are in direct contact with end customers.

Created in 1978, AFFLELOU's franchising model relies on agreements between the Group (as the franchisor) and franchisees (independent retailers), combining the know-how of the franchising optician with the professionalism and local dynamism of each franchisee, who is responsible for his or her own business. At the end of 2021, franchised stores represented around 90% of the total number of stores, representing approx. 700 franchisees, employing approx. 4,000 people.

The AFFLELOU Group provides ongoing support to its franchisees throughout the life cycle of their stores – from store opening (store design, choice of location, co-financing, etc.) and day-to-day support (training, Human Resources, digital tools, etc.), to ad-hoc support (e.g., network adhesion, certifications, transitioning, etc.).

Teams belonging to the franchisor division (the Group's headquarters) provide central support to franchisees in the following areas:

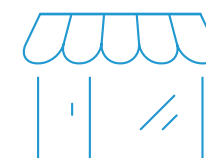
- Store design and merchandising
- Sales force and commercial support
- Financing and legal advice
- Brand awareness, communication and marketing strategy (national & local levels)
- Recruiting and continuous training of teams
- Support for institutional relations
- Central referencing and payment system for procurement
- Digital tools (e.g., online appointment system, etc.)
- Etc.

In AFFLELOU's network, franchisees own two stores on average. In the hearing segment, hearing care professionals typically have one dedicated store and also operate two or three hearing care sections within opticians. Franchisees can come from both outside (external shopkeepers) or inside (employees at headquarters or from the franchiser division, employees of franchisees already within the Group) the Group. Collaborators or people from owned stores' teams who would like to become a franchisee are supported and trained by the AFFLELOU Group.

IN ADDITION TO FRANCHISED STORES,
THE GROUP HAS A STRUCTURE FOR DIRECTLY
OWNED STORES, REPRESENTING 157 STORES
(OF 1,445) AS OF 31 DECEMBER 2020.

Because franchisees are the key business partners of the AFFLELOU Group, we strive to establish proximity and trustworthy relationships with them from the beginning of our collaboration. We aim to be available, give reliable information and provide useful support at every stage.

ALAIN AFFLELOU



1,278
FRANCHISED
STORES



700+
FRANCHISE
OWNERS



151
OWNED
STORES



900+
COLLABORATORS
IN OWNED STORES

ALAIN AFFLELOU-BRANDED PRODUCTS & LICENCE AGREEMENTS

Products offered by the Group can be divided into **two main categories: ALAIN AFFLELOU-branded products and the rest of the product ranges.** Branded products are the ones bearing the "ALAIN AFFLELOU" label, whereas the others are managed through operating licence agreements with diversified external brands (e.g., Calvin Klein, Tag Heuer, etc.).

ALAIN AFFLELOU-branded products are exclusively distributed in AFFLELOU's stores (frames, sunglasses, contact lenses, hearing aids). **Between 2.5 and 3 million ALAIN AFFLELOU-branded frames and pairs of sunglasses are marketed every year**, representing around 250 SKUs in stores.

AFFLELOU's shops and points of sale can be found in city centres, shopping centres and retail parks. Our network relies on a multi-channel model with both physical retail stores and online selling platforms (Alain Afflelou, Optical Discount, malentille.com), including a "click and collect" system.



ALMOST 50 YEARS OF KNOW-HOW

**MR ALAIN AFFLELOU,
OUR GROUP'S FOUNDER**

Our Group's history is deeply linked to the story and professional path of its founder, Mr Alain Afflelou. In June 1962, Alain Afflelou left his native Algeria for France at the age of 14. After his first year of school in Marseille, he moved to Bordeaux and obtained his bachelor's degree in 1967. After three years of study at the Paris Optical School, he obtained his diploma as an optician and enrolled at the *Faculty of Medicine* in Bordeaux, from which he graduated in 1971 as a hearing aid specialist.

Alain Afflelou opened his first vision and hearing shop on 3 March 1972 in a suburb of Bordeaux. He quickly realised that glasses were considered a burden by French people. By the early 1970s, glasses were already considered too expensive and were poorly reimbursed. In 1978, Alain Afflelou launched his first revolutionary commercial offer of "half-price frames on all brands", with a price that remained the same for both corrective lenses and contact lenses. The same year, the franchising model was launched with the opening of the first three shops.

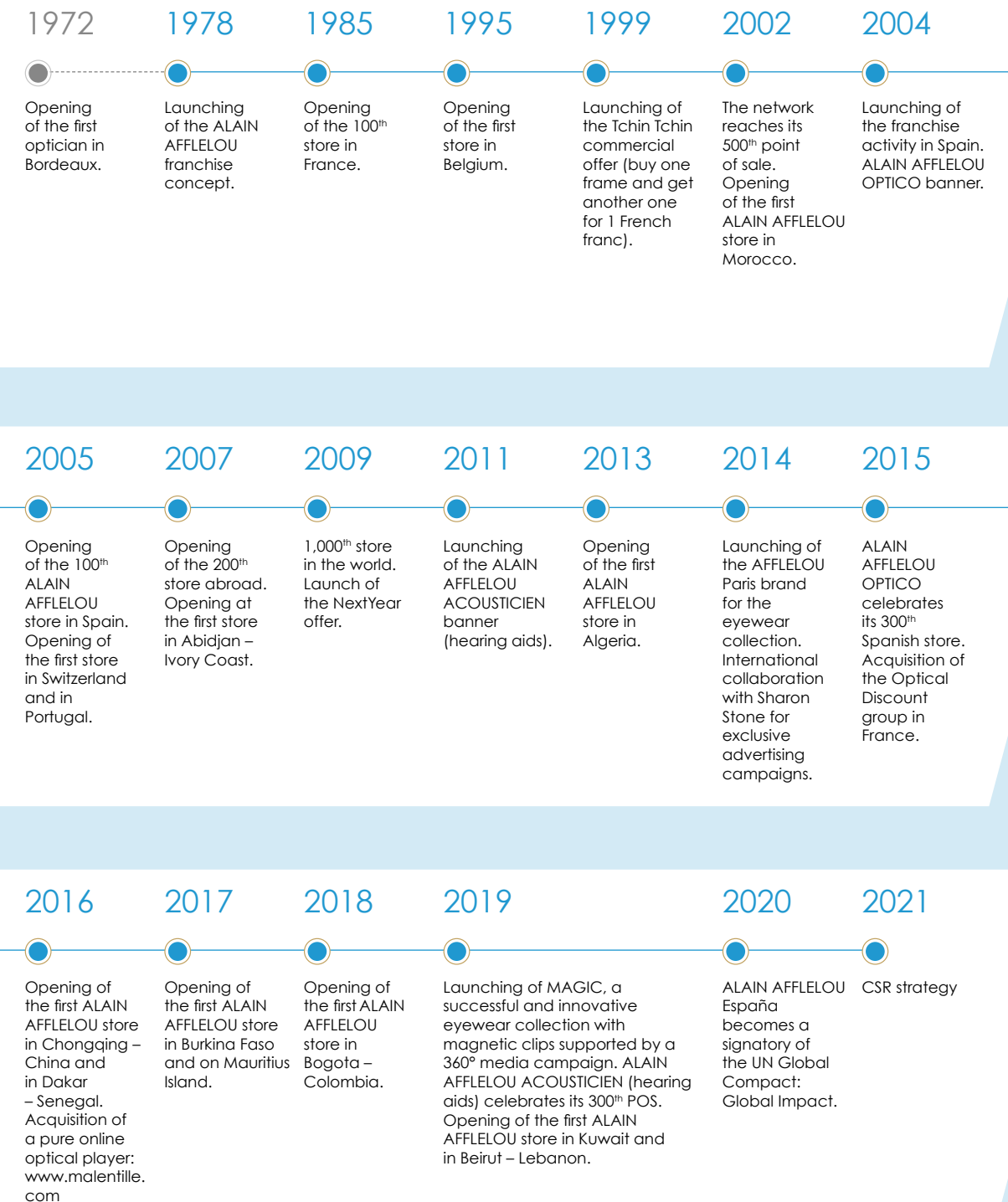
50 years after the creation of the brand, Alain Afflelou is still French people's favourite entrepreneur. In 2018, the Group was chosen as *"The most important brand in the lives of the French and the most trusted in the optical sector"*¹. In 2020, Mr Alain Afflelou was also awarded as the second most admired business leader by French people, with a positive assessment rate of 62%².

¹ Meaningful Brands, 2017-2018 study

² Source: ADVENT CAPITAL survey conducted from 21 to 24 August, 2020 among a representative sample of 1,003 French people aged 18 and over – using the quota method and Scan Leader, Advent's tool for measuring the marketing capital of French and international executives.



KEY MILESTONES



GLOBAL PRESENCE & NETWORK

COUNTRIES OF OPERATION

From its historical presence in France, the AFFLELOU Group is today a leading optical and hearing franchise network in Europe, with 1,445 optical & hearing stores in 19 countries. As of 31 December 2021, 67% of (franchised and owned) stores were located in France and 23% in Spain, which is the country in which the Group has the second largest number of shops worldwide. Owned stores were located only in France and Spain at the end of 2021.

NUMBER OF STORES ³	FRANCE ⁴	SPAIN	OTHER EUROPEAN COUNTRIES	OTHER NON-EUROPEAN COUNTRIES	TOTAL
FRANCHISED STORES	895	260	100	44	1,299
OWNED STORES	71	75	0	-	146
TOTAL	966	335	100	44	1,445

In Europe, the AFFLELOU Group operates in the following six countries: France, Spain, Belgium, Luxembourg, Switzerland and Portugal. The AFFLELOU Group has also expanded its international presence across the five continents and today operates in the following countries through franchised stores: Andorra, Africa (Algeria, Ivory Coast, Morocco, Senegal, Togo, Tunisia), the Middle East (Lebanon, Kuwait), South America (Columbia, French Guinea), Asia (China, Hong Kong, Vietnam) and Australia (New Caledonia).



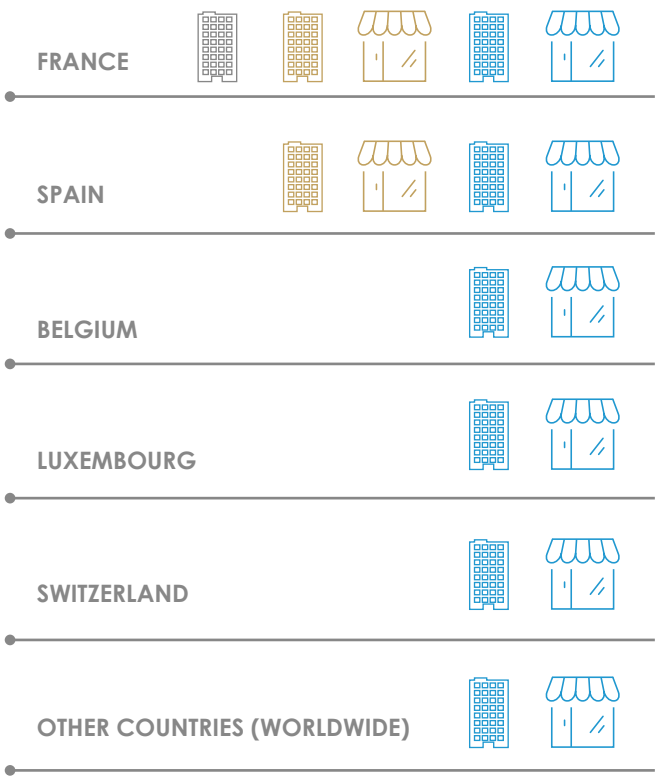
³ Including ALAIN AFFLELOU OPTICIEN, ALAIN AFFLELOU ACOUSTICIEN & OPTICAL DISCOUNT
⁴ Including stores in overseas departments and territories of France.

Benefiting from a historical presence in France and Spain, the AFFLELOU Group is today recognised as the:

- No. 1 optical retail chain franchise network in France (in number of stores and revenue)
- No. 1 optical franchisor banner in Spain (in number of stores)
- No. 1 in terms of brand awareness in France and Spain for optical retailers

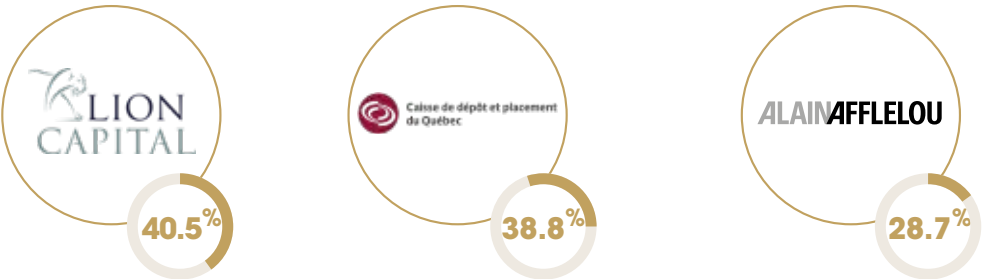


THE GROUP'S GLOBAL ORGANISATION



CORPORATE GOVERNANCE

THE GROUP’S OWNERSHIP STRUCTURE



The Group’s Executive Committee (EXCO) is composed of the following **12 members**:

Alain POURCELOT The Group’s Chief Executive Officer (CEO)	Jacques-Denis LATOURNERIE Human Resources & Internal Communication Director	Eva IVARS Spain Owned Stores & Franchise Networks’ Director & Innovation Director	Olivier HENRY Owned Stores & Franchise Networks’ Director
Bénédicte CHALUMEAU VIGNON Communication Director	Laurent AFFLELOU Development Director	Lionel AFFLELOU Product Director	Loïc BOCHER Digital Director
Anthony AFFLELOU Marketing & Communication Director	Frédéric FRANCESCHI Director, Legal	André VERNEYRE Director, Financing and Investor Relations	Laurent DUQUESNE Financial Director

THE AFFLELOU GROUP ALSO IMPLEMENTED AN AUDIT COMMITTEE AND A COMPENSATION COMMITTEE.



SUSTAINABILITY AT AFFLELOU

SUSTAINABILITY GOVERNANCE

We consider Sustainability a universal matter that should be spread across and integrated into the different AFFLELOU Group activities and its global strategy. In this context, the different CSR-related topics are managed by each key function and/or department of the Group on a daily basis (Human Resources, Product Development, Marketing & Communication, etc.).

A dedicated Sustainability Steering Committee was appointed in February 2021 in order to monitor the completion of this first Sustainability & Corporate Social Responsibility Report, gathering nine members from the Group's different departments: the Chief Executive Officer (CEO), the Group's Human Resources & Internal Communication Director, the Spain Networks & Innovation Director, the Spain Human Resources & Internal Communication Director, the Group's Communication Director, the Group's Product Director, the Group's Marketing Director, the Financial Operations Director and the Group's Development Director. The Sustainability Steering Committee will spearhead future improvements and updates to the Report, as well as major upcoming CSR projects, and future commitments and objectives undertaken by the Group.

Among all the entities and subsidiaries of the Group, our Spanish entity has taken the lead on Sustainability projects and initiatives for the past several years. Some actions undertaken by the Spanish teams have also been deployed in France and other European countries. Further alignment of practices and a Group-level approach will be implemented in the coming years.

DIALOGUE WITH OUR STAKEHOLDERS

STAKEHOLDER MAPPING

Stakeholders play a fundamental role in the development of a more sustainable offering of products and services, improvements to our decision-making processes and implementation of more ethical practices. Identifying the stakeholders involved through our activities and sphere of influence, and understanding their interests and expectations, as well as maintaining an active dialogue with them, is essential to the running of our activities and to continue strengthening AFFLELOU's sustainability approach.

In this context, we have identified the main categories of both internal and external stakeholders, based on the AFFLELOU Group's various activities, the types of relationships established with them and in accordance with our dependence and influence criteria.

Main stakeholders of the AFFLELOU Group



STAKEHOLDERS' VIEWS ON SUSTAINABILITY

A consultation on sustainability-related aspects was carried out in Spain during 2020 with a panel of Spanish employees* (headquarters and owned stores), franchisees and clients (12,800+ respondents). Several questions related to global trends in society, sustainability at AFFLELOU, and other potential interests of stakeholders.

Among the consulted panel, 82% of employees and franchisees, as well as 88% of clients, were extremely and/or very concerned about respect for the environment and society (e.g., recycling, care for disadvantaged people, fair working conditions, etc.)⁵. Sustainability was also considered a top priority during the purchasing process by 36% of consulted clients (equal to the trusted company criteria at 36% and before the pricing criteria at 26%)². More than 2,000 clients also provided ideas and suggestions on sustainability-related

topics, such as product recycling, use of sustainable materials for products, reduction of plastic use, and product quality and price².

The 2020 results have been carefully considered in order to identify the AFFLELOU Group's priority CSR issues and related initiatives to implement. Stakeholders' expectations and interests are fundamental to implementing more responsible practices and running activities in a more sustainable way. Other stakeholder consultation campaigns are being considered for the coming years, in order to further understand our stakeholders' needs and extend the consultation process to all stakeholder families.

At the end of the 2020 study, a giveaway was organised to offer one pair of sunglasses from the *H₂O by Afflelou* collection to winners (drawn at random) (please refer to the "Use of more sustainable materials" section for more details about the *H₂O by Afflelou* collection).

⁵ Source: consultation performed by ALAIN AFFLELOU España in 2020, with a panel of 12,800+ Spanish employees (headquarters and affiliates), franchisees and clients.

ESTABLISHING EXEMPLARY GOVERNANCE

REGULATORY CONTEXT & COMPLIANCE MANAGEMENT

A comprehensive compliance management system is in place at AFFLELOU Group, comprising a set of procedures and practices in order to identify and classify operational and legal risks; to establish internal mechanisms for prevention, management, control and response to said risks; and to establish measures to ensure the ethical and legal conduct of the Group, including its executive bodies and all employees. Active monitoring is performed internally by the Group's Legal Department.

In 2020, a dedicated system for criminal and legal compliance was established and a Compliance Committee was appointed at ALAIN AFFLELOU España. A detailed map of compliance and legal risks is in place, comprising risk classification and recommendations on procedures to implement. Interviews of teams allow procedures and protocols to be assessed, and identify inherent risks. Classification of risks is based on the impact level (e.g., sanctions, reputational damage, loss of trust, etc.) and probability of occurrence (e.g., likelihood of occurrence, frequency, etc.), allowing the risk score to be calculated. In order to review the degree of compliance, the legal team follows the PDCA continuous improvement method or Deming cycle (ISO 9001) used for quality management systems (QMS), information security management

systems (ISMS) and the structure of high-level standards such as ISO 19600, ISO 37001 and UNE 19601. This methodology is also applied to criminal risk management, where potential criminal risks that apply to the AFFLELOU Group are identified, assessing both their likelihood of occurring and their impact, thus obtaining the Group's inherent criminal risk report. Some policies and procedures for risk mitigation have also been prepared.

In 2020, two cases of whistleblowing were reported and processed in Spain, without any further impacts on the Group.

BUSINESS ETHICS

Enacted in June 2017 in France, the Bill on *transparency, the fight against corruption and the modernisation of the economy*, also called the Sapin II law, aims to bring French legislation into line with the best European and international standards in the fight against corruption. In order to further implement anti-corruption policies and procedures, the Sapin II law details eight measures to be implemented as part of the obligation of vigilance (code of conduct, internal whistleblowing system, risk mapping, evaluation procedures, accounting control procedures, training system, disciplinary system, internal control and assessment system of implemented measures).

Potential ethical risks have been determined and mapped at Group

level, considering all activities and existing operational transactions. Professions and functions – at both corporate and network levels – that could be more at risk have been identified, such as procurement, supplier referencing functions and network developers seeking store locations.

An internal Sapin II Charter has been shared with all employees, together with dedicated training and awareness sessions on the topic. Systematic presentation of Sapin II regulations and its operational applications within the Group is performed for all newcomers to corporate franchisor and/or owned store teams. Each new manager also receives an additional, more in-depth awareness session. The French data protection officer (DPO), together with the French Human Resources Director, are identified as the main points of contact for these subjects.

Originally implemented in France by the French franchisor entity, the Sapin II mechanism is gradually being extended to the other countries where the Group operates with similar practices and procedures. With regard to the European regulatory context and the limited number of active employees outside Europe, no potential significant additional risks have been identified.

An internal Code of Conduct is also currently being drafted by the Spanish entity.



OUR PRIORITY CSR ISSUES

METHODOLOGICAL PRINCIPLES

In order to identify the AFFLELOU Group's priority issues, several interviews were conducted with internal directors and managers from various departments and teams. Interviewees were consulted on a predefined list of stakes and had the possibility to provide additional suggestions. The interview process comprised an in-depth review of existing practices and initiatives, as well as a detailed benchmark assessment of peers and competitors, and companies working with a franchising model.

The Sustainability Steering Committee was responsible for leading the project and supervising work. The Committee was helped by an external consultancy firm to carry out this work at the beginning of 2021. The AFFLELOU Group's priority CSR issues were validated by the Sustainability Steering Committee in March 2021.

In order to dive deeper into identifying priority CSR issues and integrating stakeholders' views, the AFFLELOU Group is currently considering developing a global Materiality Matrix in the coming years.



AFFLELOU GROUP'S PRIORITY CSR ISSUES

	PRIORITY CSR ISSUES	CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)
ENHANCING CLIENTS' EXPERIENCE & WELL-BEING	<ul style="list-style-type: none"> • Implementing more digital tools such as online meetings with an optician • Developing more services such as "the valet service" to allow access to visual and hearing care • Digitisation of quotes, etc. 	
MANAGING SUPPLY CHAIN & PRODUCTS' FOOTPRINT	<ul style="list-style-type: none"> • Environmental & social impacts of product manufacturing • Use of more sustainable materials for branded product manufacturing • Reducing production volumes & product stocks • Transportation & logistics • Product end-of-life 	
TAKING CARE OF OUR TEAMS	<ul style="list-style-type: none"> • Safety & security • Employees' health & well-being • Social dialogue & collective agreements • Skills development & career path management • Talent acquisition & retention • Diversity & equal opportunities • Support for franchisees & their teams 	
REDUCING OUR DIRECT ENVIRONMENTAL IMPACTS	<ul style="list-style-type: none"> • Energy consumption • Fight against climate change • Water consumption and management • Waste management 	
GENERATING VALUABLE SOCIO-ECONOMIC IMPACTS & SUPPORTING LOCAL COMMUNITIES	<ul style="list-style-type: none"> • Awareness & education • Inclusion • Recycling 	

To facilitate understanding, this Report is structured in such a way as to reflect the Group's identified priority CSR issues, which are then divided into specific sustainability topics identified as relevant and significant both for the AFFLELOU Group's activities and for its stakeholders.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

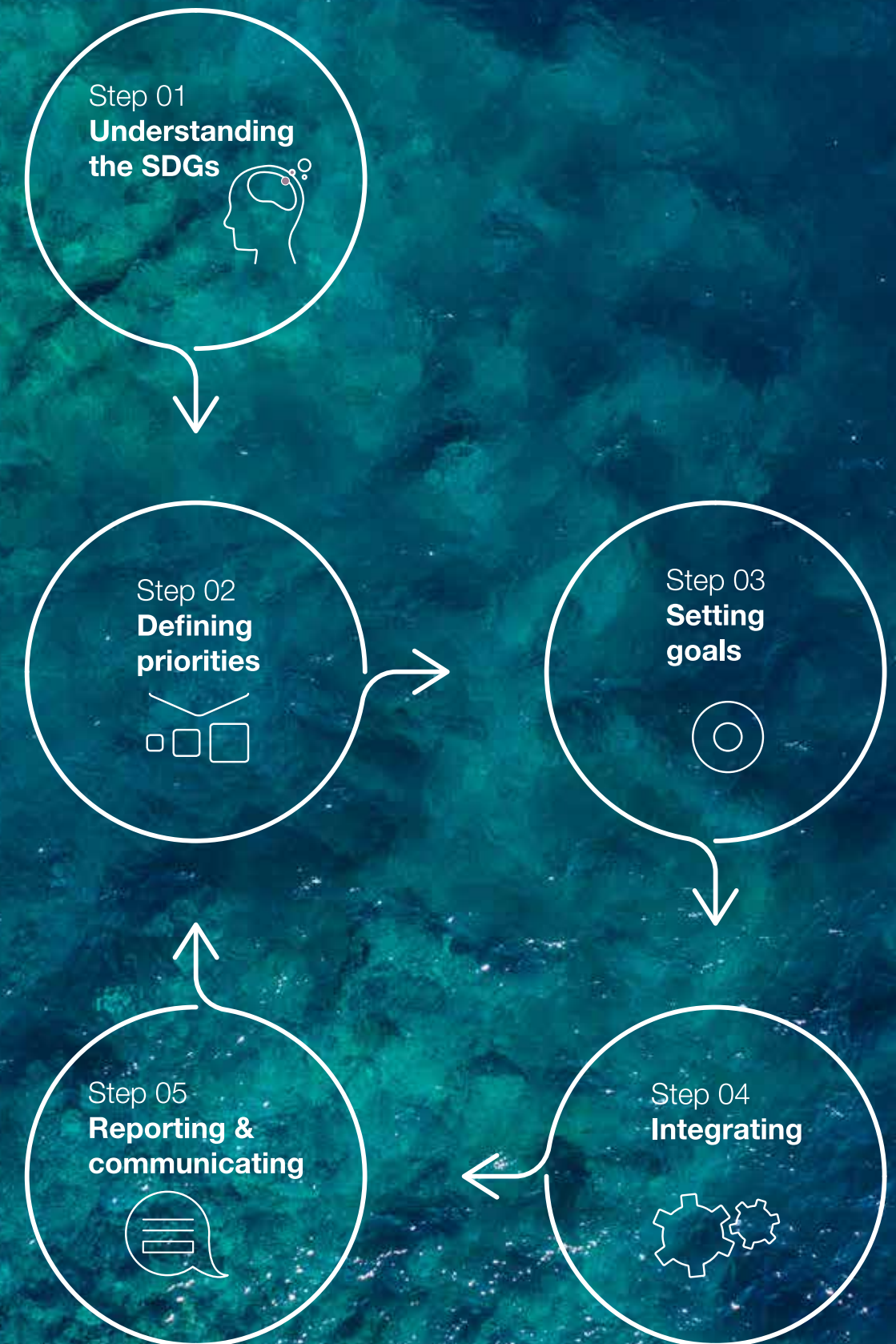
The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At the heart of this Agenda stand the 17 Sustainable Development Goals (SDGs), which are an urgent call for action from all developed and developing countries in a global partnership.

The adoption of the 17 SDGs by all UN Member States is a universal call to action to end poverty and other deprivation that goes hand-in-hand with strategies to improve health and education, reduce inequality, and stimulate economic growth – all while tackling climate change and working to preserve our oceans and forests. The 2030 Agenda for Sustainable Development also sets out a 15-year plan to achieve these Goals.



Lead by the Spanish entity, the AFFLELOU Group carried out specific work in 2020 to determine its priority SDGs, which are the Goals to which the Group can contribute through its business, values and aspirations as a company, also taking into account the expectations of its stakeholders.

In order to identify the SDGs to which AFFLELOU can contribute more, we have followed the guidelines provided by the SDG Compass methodology, developed by the Global Reporting Initiative (GRI), the United Nations (UN) Global Compact and the World Business Council for Sustainable Development (WBCSD). The SDG Compass provides guidance for companies on how they can align their strategies with the SDGs, as well as measure and manage their contribution to their realisation. The guide was developed with a focus on large multinational enterprises, but small and medium enterprises such as the AFFLELOU Group are also encouraged to use it as a source of inspiration.



“THE SPANISH EXECUTIVE COMMITTEE AND THE GROUP'S BOARD OF DIRECTORS WERE TRAINED ON SUSTAINABILITY-RELATED CONCEPTS AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) IN 2020.”



Training sessions were provided in 2021 to all employees and franchisees in Spain.

The consultation⁶ performed by ALAIN AFFLELOU España in 2020 included a specific question to identify the consulted stakeholders' expectations for the SDGs to which they would like the AFFLELOU Group to contribute. Results³ show that employees, franchisees and clients expect the Group to contribute more to the following Goals:

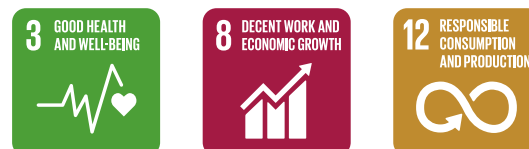
No. 3
Good health and well-being,

No. 8
Decent work & economic growth,

No. 12
Responsible consumption & production.

A market analysis was also carried out to find out which SDGs are the most commonly addressed by players in the AFFLELOU Group's sector. A life cycle analysis of AFFLELOU's Spanish entity's activities was finally performed (from raw material supply and product manufacturing up to product end-of-life and services offered in the shops) in order to map major negative and positive impacts throughout the value chain.

Based on this work, the Spanish Executive Committee validated the following **three priority Sustainable Development Goals** to which the Group contributes most through its activities across its value chain:



⁶ Consultation performed by ALAIN AFFLELOU España in 2020, with a panel of +12,800 Spanish employees (headquarters and affiliates), franchisees and clients.

ALAIN AFFLELOU España is currently working on setting specific measurable and time-bound sustainability goals in relation to each of the priority SDGs, with the purpose of making positive contributions to the SDGs, as well as reducing current and potential negative impacts. The Group plans to approve these objectives during 2021.



In 2020, the Spanish Global Compact Network, together with the Secretary of State for the 2030 Agenda, under the Spanish Ministry of Social Rights & the 2030 Agenda, carried out a comprehensive consultation with the Spanish business sector, with the aim of contributing to the next 2030 Sustainable Development Strategy.

This will be the framework for action over the next 10 years to implement the Sustainable Development Goals (SDGs) of the UN 2030 Agenda in Spain. ALAIN AFFLELOU España actively participated in the different workshops of this process. As a result, in 2020, the Spanish Global Compact Network produced a Report of Conclusions that compiles the main contributions of the Spanish business sector to the 2030 Sustainable Development Strategy and also analyses the state of implementation of the 2030 Agenda across companies in the country.

On 2 March 2021, the Council of Ministers of Spain approved the *General Guidelines of the Sustainable Development Strategy*, a document that contains the core of the future strategy, which will be approved in the coming months. The Sustainable Development Strategy will be the tool used by the Spanish Government to ensure that Spain complies with the 2030 Agenda.



SIGNATORY OF THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a voluntary initiative encouraging businesses and firms worldwide to adopt more sustainable and socially responsible policies and practices, as well as to report on their implementation through an annual Communication on Progress (COP) report.



The UN Global Compact forms a principle-based framework for companies, stating the following 10 principles in the areas of human rights, labour, anti-corruption and the environment:

No. 1 Businesses should support and respect the protection of internationally proclaimed human rights.

No. 2 Businesses should make sure that they are not complicit in human rights abuses.

No. 3 Businesses should uphold the right to freedom of association and effectively recognise the right to collective bargaining.

No. 4 Businesses should support the elimination of all forms of forced and compulsory labour.

No. 5 Businesses should support the effective abolition of child labour.

No. 6 Businesses should eliminate discrimination with respect to employment and occupation.

No. 7 Businesses should support a precautionary approach to environmental challenges.

No. 8 Businesses should undertake initiatives to promote greater environmental responsibility.

No. 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.

No. 10 Businesses should work against corruption in all its forms, including extortion and bribery.

The 10 principles are derived from the Universal Declaration of Human Rights, the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*, the *Rio Declaration on Environment and Development*, and the *United Nations Convention Against Corruption*. By incorporating the 10 principles into their strategies, policies and procedures, as well as establishing a culture of integrity, signatory companies uphold their responsibilities to people and the planet with a long-term vision and strive to build partnerships in support of UN goals.

ALAIN AFFLELOU ESPAÑA SIGNED
THE UNITED NATIONS GLOBAL COMPACT
IN MAY 2020. THE ENTITY WILL PUBLISH
ITS FIRST COP LATER IN 2021.
BY JOINING THE UN GLOBAL COMPACT,
ALAIN AFFLELOU ESPAÑA IS ALSO
COMMITTED TO INTEGRATING THE SDGs
INTO THE COMPANY'S STRATEGY.

OTHER MEMBERSHIPS & PARTNERSHIPS

PLEDGE ON THE OCCASION OF THE UN'S 75TH ANNIVERSARY

The 75th anniversary of the United Nations comes at a time of unprecedented disruption and global transformation, serving as a stark reminder that international cooperation must be mobilised across borders, sectors and generations to adapt to changing circumstances.

As part of the official UN75 commemorations, more than 1,000 corporate CEOs from over 100 countries have demonstrated their support for the United Nations and inclusive multilateralism by signing an ambitious declaration for renewed global cooperation.

The declaration includes the signatures of some of the world's leading companies, along with hundreds of companies of all sizes and sectors that are signatories of the UN Global Compact. 17% of the 183 signatories are Spanish companies, making Spain the leading country in terms of CEOs adhering to the declaration. ALAIN AFFLELOU España is proud to be one of the Spanish signatories of *the Statement from Business Leaders for Renewed Global Cooperation*.

PARTNERSHIPS
WITH THE RESEARCH
& ACADEMIC SPHERES

In Spain, the AFFLELOU Group is also involved in the following partnerships and memberships:

- Trustee of the *University of Terrassa* (Spain), with an annual financial contribution and active participation in projects for the development of the optician profession;
- Participant in the research project conducted by the *European University of Madrid* in 2018 on the prevalence of refractive errors in children aged 5 to 7 years. Data from Spanish AFFLELOU's shops have been collected in order to further understand this issue and the impacts of electronic device usage

on children. Based on a sample of 3,541 children, this study especially shows that myopia tends to become more acute as the child grows older and is related to the misuse of digital devices. Participation in this project has also resulted in two articles being published in international indexed journals and several communications being made at conferences.

- Together with *Mark'ennovy* and the *Complutense University of Madrid*, the Group participates in the *European Young Eye (EYE)* project, which has been funded by the *European Commission through the HORIZON 2020 programme*. In this project, five researchers will carry out their doctoral theses working on new solutions to compensate for presbyopia with contact lenses. In particular, the Group provides specialised training courses and hosts secondments in the network stores, as well as working with the *University Complutense of Madrid* on technological tools' project management.

- In 2021, ALAIN AFFLELOU España will also be collaborating with the *International University of La Rioja (UNIR)* as tutors for a dedicated optics degree.

PARTICIPATION
IN WORKING GROUPS

In Spain, ALAIN AFFLELOU España is a member of the CSR working group of the French Chamber of Commerce and Industry (CCI), whose objective is to facilitate the development of business solutions that respond to environmental and social challenges.

ALAIN AFFLELOU España also participates in the *SDG Ambition programme*, which is an initiative led by the UN Global Compact that aims to challenge and support companies in setting ambitious corporate targets and accelerating integration of the Sustainable Development Goals (SDGs) into core business management.

In June 2021, ALAIN AFFLELOU España will participate in the *Climate Ambition Accelerator*, which is a programme led by the UN Global Compact to set science-based emissions reduction targets to achieve net-zero by 2050.

The person responsible for integrating the 2030 Agenda at ALAIN AFFLELOU España participates in the high-level mentoring programme developed by the *Spanish Association of Social Responsibility Executives (DIRSE)*, together with the *EY Foundation* and the *SERES Foundation*, in which, guided by a senior CSR manager, she will develop the strategic plan for *Corporate Social Responsibility* and Sustainability at ALAIN AFFLELOU España.

3

ENHANCING OUR CLIENTS' EXPERIENCE & WELL-BEING



Through our activities, we strive to serve both franchisees within the network and end-customers of products and services at stores in the best possible way. We listen carefully and actively to our clients to find out how we can best help them, both as opticians and audiologists and as experts in the sector. We are committed to helping customers regain their well-being, accompanying them throughout their journey towards better health. Our promise is to help them see and hear better.

THE AFFLELOU GROUP'S PRIORITY IS TO GUARANTEE PRODUCT SAFETY AND QUALITY, AS WELL AS CONTRIBUTING TO CUSTOMERS' HEALTH AND COMFORT. WE ALSO AIM TO FACILITATE ACCESS TO PRODUCTS & SERVICES, ESPECIALLY THROUGH:



Pricing affordability and easy payment options



Multi-ownership scheme with specific commercial offers



Awareness & professional advice

PRODUCT SAFETY & QUALITY

The safety and quality of products is a priority for the AFFLELOU Group and is essential to ensuring the health and safety of end customers. The AFFLELOU Group has established a dedicated safety & quality management system, comprising multiple requirements and processes at all stages of product development, production and life cycle, thus guaranteeing the quality of the medical devices sold by the Group.

Proactive regulatory monitoring is in place, enabling the Group to ensure the conformity of its products, in particular with the CE marking. All new products and processes are approved by the Group's Quality Department before being launched. Orders are also checked by the teams in stores to control the quality of the products received before they are offered to customers. Controls to check the manufacturing quality are performed by an independent laboratory on a regular basis.



END CUSTOMER EXPERIENCE & SATISFACTION

We put end customers' satisfaction at the core of our priorities. The Group's commitment to constantly improving the customer journey and experience is fundamental and strengthens our expertise and know-how every day. The brand's motivation is above all the well-being of its customers, especially since our main area of expertise is visual and hearing health. It is essential to always know how to establish a close, or even intimate, relationship, with each of them in order to meet their needs and expectations.

A dedicated customer service department is in place at Group level, comprising six advisors and two professional opticians, responsible for managing relationships with end customers outside the store after the sale (e.g., information, after-sales service, complaints, etc.).

For optical products, the AFFLELOU Group asks franchised and owned stores to collect end customers' feedback in order to determine the Net Promoter Score (NPS), which measures the purchasing experience and proportion of customers who would recommend the AFFLELOU brand. The NPS is followed in France and Spain, at both store and Group level.

NET PROMOTER SCORE (NPS) End customers – optical products		Unit	2019	2020
FRANCE	Points		60	65
SPAIN	Points		73.0*	77.0

* NPS score was launched in June 2019 in Spain. The 2019 value thus corresponds to 6 months of 2019.

In France and Spain, mystery visits are organised twice a year at both franchised and owned shops, with the help of an external consultancy firm, in order to control Group standards related to end-customer care and relationship management.

In support of (owned and franchised) stores in the network, the customer service department ensures the follow-up and resolution of any complaints, claims and disputes. When necessary, the department also provides a mediation role to solve issues raised by customers. A dedicated community manager from the communication department helps the customer service department to collect and handle all feedback from social networks where the Group has a presence.

At the heart of our business and essential to the challenges of our profession in the future, customer satisfaction is the driving force behind our success. In order to assess end-customer satisfaction, the AFFLELOU Group also relies on several external barometers measuring service quality. We regularly evaluate our brand awareness and our image, either through dedicated studies, or 'off the shelf' ones. The ALAIN AFFLELOU brand ranks highly in its major geographical locations.

As shown below, Alain Afflelou ranks number 1 in France, both in spontaneous and assisted awareness.



	OpinionWay May 2019 Post- campaign survey	OpinionWay February 2020 Post- campaign survey	Galileo October 2020 Consumer survey	Galileo October 2019 Consumer survey	Arcane September 2020 Consumer survey	Arcane July 2018 Consumer survey
TOP OF MIND SPONTANEOUS AWARENESS (RANKING No. AND % OF AWARENESS)	NO. 1 – 63%	NO. 1 – 62%	-	-	-	-
ASSISTED AWARENESS (RANKING No. AND % OF AWARENESS)	NO. 1 – 91%	NO. 1 – 91%	NO. 1 – 88% (among glasses wearers)	NO. 1 – 89% (among glasses wearers)	NO. 1 – 83% (among potential customers)	NO. 1 – 88% (among potential customers)

In Spain, Punto de Fuga ranked the Alain Afflelou banner as the leader in spontaneous brand awareness in a survey conducted in January 2021 and fifth in assisted brand awareness for the same year.

In Switzerland, OpinionWay ranked the Alain Afflelou banner fourth in both assisted and spontaneous brand awareness, with 82% assisted awareness, in a survey conducted in March 2021, among a representative sample of the French-speaking population.

In Belgium, OpinionWay ranked the Alain Afflelou banner second in both assisted and spontaneous brand awareness, with 86% assisted awareness, in Wallonia in a survey conducted in March 2021. The majority of our stores in Belgium are located in this region.

Finally, as shown below, Alain Afflelou Acousticien ranks as a leader among hearing aid specialists in France, both in spontaneous and assisted awareness.

	OpinionWay September 2020	Arcane 2013	Arcane 2016	Arcane February 2019
TOP OF MIND SPONTANEOUS AWARENESS (RANKING No. AND % OF AWARENESS)	No. 2 – 31%	No. 2 – 16%	No. 1 – 24%	No. 1 – 36%
ASSISTED AWARENESS (RANKING No. AND % OF AWARENESS)	No. 3 – 58%	No. 2 – 41%	No. 2 – 51%	No. 2 – 56%

In 2018, the AFFLELOU brand was perceived as a dynamic and modern brand, faithful to its know-how and suitable for the whole family by 88% of surveyed French people⁴. In 2018, the AFFLELOU Group was also the preferred brand of French families in the "Opticians for children's glasses" category. In 2020, ALAIN AFFLELOU OPTICIEN was awarded Customer Service of the Year in France.

In France, the French annual "Customer Service of the Year" study (BVA) assesses overall customer service quality through several parameters, such as answer rate and the quality of the feedback provided by the customer service department. In 2021, the AFFLELOU Group was awarded "Customer Service of the Year" in the "Optician" category for the sixth consecutive year.



FRANCHISEE RELATIONSHIPS & DEDICATED PROGRAMMES

PROXIMITY TO OUR PARTNERS

Because franchisees are key business partners of the AFFLELOU Group, we strive to establish proximity and trustworthy relationships with them from the beginning of our collaboration. We aim to be available, give reliable information and provide useful support at every stage.

Relationships with franchisees are managed on a daily basis by dedicated operational teams in each country where the franchise network is present. At Group level, the Owned Stores & Franchise Networks' Director is in charge of the overall management approach. In France, there is a team of 18 people, including 12 delegates supervised by 3 area managers and a merchandising manager responsible for the opening, closing and renovation of stores.

In order to further support franchisees in their activities and to collect their feedback, questionnaires are sent on a regular basis to gather their perceptions on commercial actions undertaken by the Group. In France and Spain, a dedicated Net Promoter Score (NPS) is also measured for franchisees, allowing the Group to assess their satisfaction regarding integration into the network and comprehensive support from the Group.

Integration days are organised for every new franchisee entering the AFFLELOU network. In particular, the onboarding process comprises meetings with each department with which the franchisee will have a relationship, in order to connect with the teams, further understand their roles and get to know the main contacts.

ADELANTE INTRAPRENEURSHIP PROGRAMME

We often meet excellent professionals who love the AFFLELOU brand and know the products perfectly, but who sometimes, for economic reasons, cannot set up their own structure. The Group has therefore chosen to help them develop their businesses.

Originally created in 2013 for Spanish franchisees and extended to France in 2017, the ADELANTE programme offers financial assistance to future young franchisees (with no prior guarantees required and no procedural fee). In addition to this financial aid, the franchisee benefits from a tailor-made support path with a dedicated coach in order to help young entrepreneurs run their businesses smoothly.

With this programme, the AFFLELOU Group intends to remove the obstacle of financing and capitalise on the talent of the younger generation. Since its creation, many young opticians have benefited from this scheme: between 2013 and 2021, 108 projects have been supported in Spain and almost 40 in France.

100 PROJECTS SUPPORTED IN SPAIN,
AND 40 IN FRANCE



HEALTH-CRISIS-RELATED SUPPORT MEASURES

In order to address the COVID-19 health crisis, the AFFLELOU Group supports its teams in developing in-store practices to guarantee teams' and customers' safety. First of all, sanitary protocols have been developed by the Group, then circulated to all owned and franchised stores and applied points of sale that are still open.

Faced with the closure of our outlets, we have redefined our work processes, organisational plan and our in-store practices in order to adapt to the new circumstances. The digitalisation of administrative processes, such as the use of electronic signatures and documents, has allowed us to adapt practices and tasks in the shop. For instance, online appointment booking and remote assistance allow our customers to continue benefiting from products and services delivered by our teams.

Faced with changing purchasing and consumption patterns, we encourage the development of new skills among our teams and partners to adapt to these new demands. Training hours have been maintained and extended during the pandemic (especially through e-learning), and specific sessions have been provided to strengthen digital skills.

During the pandemic, our franchisees have faced a difficult economic context, especially when mandatory closures happened. The AFFLELOU Group has supported its partners

in adapting practices in-store to guarantee both customer safety and the resilience of the network. We provide our franchisees with information and training on various health-emergency-related issues and the necessary in-store adaptations (e.g., cleaning rules, evolving practices in shops, attitudes and communication towards customers, etc.). Our teams support them during both closing periods and reopening (e.g., closing rules, communication with teams and clients, deployment of partial unemployment, etc.).

We support our franchisees and owned stores at all levels, including with financial and legal aspects, in order to help them during the pandemic and be by their side as much as possible. Weekly support was provided to them through a dedicated hotline and higher vigilance has been placed on more complex situations and/or people with more difficulties.



FACILITATING ACCESS TO PRODUCTS & SERVICES

Because everyone has the right to see and hear well, the mission of the AFFLELOU Group is to increase affordability, as well as facilitating access to products and services that improve people's visual and hearing health. Our teams continue to reinvent themselves every day and look for new ways to further improve your well-being and comfort, in a financially accessible way.

MULTI-OWNERSHIP MODEL

Tchin Tchin

In the early 1990s, trends showed that many people wanted a second pair of glasses, but price was still a major obstacle for the majority of them. As part of its mission to facilitate access to optical products, the AFFLELOU Group launched the innovative TCHIN-TCHIN offer in 1999.

For an extra €1, customers could have access to a second pair of quality glasses. At the very least, a back-up pair of glasses may be very useful for most of our customers, but they become even more crucial for the people with the most significant sight issues.

This second product offer is now available for glasses, sunglasses and hearing aid devices. Having a back-up device, either for sight and/or hearing issues, at a low and accessible price constitutes real security for our customers, guaranteeing their peace of mind and improving their daily well-being.

Supported by numerous advertising campaigns to be rolled out widely, this voluntary scheme is offered to all our customers at every AFFLELOU shop. Today, more than 1.7 million people benefit from the TCHIN-TCHIN offer each year.

1.7 MILLION+
WEARERS
BENEFIT FROM THE TCHIN-TCHIN
OFFER EACH YEAR



PRICING AFFORDABILITY

Nextyear®
D'AFFLELOU

We know that the cost of glasses may remain a barrier to the renewal of optical equipment. The AFFLELOU Group wants to facilitate the acquisition of optical devices through adapted payment schemes with its NEXTYEAR® offer.

Since 2009, the NEXTYEAR® offer has allowed all consumers to pay for their device 1 year after acquiring it, or in 12 payments over 1 year, through a simplified consumer credit system without interest or administration fees. This payment system is now available for glasses, sunglasses, contact lenses, and hearing aid devices, as well as all care products.

We have noticed that the average basket of optical equipment with NEXTYEAR® is almost 50% higher in price than the average basket historically.

1 MILLION+
PEOPLE

BENEFITED FROM THE
NEXTYEAR® OFFER IN 2020

€50

MILLION+
NEXTYEAR®-RELATED PRODUCTS
SOLD IN 2020

1/5 OF 2020 SALES
WITH NEXTYEAR®
IN SPAIN

RENEWAL & REPLACEMENT

KID COOL
BY AFFLELOU

Through its KID COOL offer, the AFFLELOU Group also offers parents a free replacement pair of glasses for their child (under 12 years old) in case of breakage, loss or theft, and within 1 year after acquisition. In Spain, the Group undertakes to change the lenses of children under 12 years old as often as necessary, free of charge, for changes in prescription during the 12 months following purchase.

Regarding the hearing product segment, the ALAIN AFFLELOU ACOUSTICIEN offer includes a free 30-day trial at home before buying the equipment, to help people find the hearing aid that best suits them. During the trial period, customers can meet with the hearing care professionals several times in order to receive advice and adjust the device if needed.

We also continue to offer you our services free of charge for the duration of the warranty period of your hearing aids. For 4 years, your hearing care professional will be available by appointment for any necessary adjustment or cleaning of your hearing aids. This maintenance and follow-up of your hearing aids will ensure the longevity of your hearing comfort.



FREE TESTING & SCREENING

In line with our mission, we want to make optical and hearing tests more widely available. For instance, 10 million people of all ages suffer from a hearing problem in France. However, we know that screening is the first step towards treatment. This is why our customers can receive a free eye and/or hearing test at any AFFLELOU Group store.

As part of the Group's commitment to the prevention of hearing-related issues, teams of hearing aid practitioners offer free hearing testing & screening that can be carried out at any ALAIN AFFLELOU ACOUSTICIEN shop or ALAIN AFFLELOU OPTICIEN shop that has a hearing section.

To carry out this assessment, it is possible to meet a hearing aid specialist or to carry out a hearing test directly at a specialised terminal. The terminal allows each patient's hearing to be assessed by testing reactions to high- and low-pitched sounds. This simple 10-minute test can be carried out throughout the year, with or without an appointment, in equipped shops.

In France, after the test, if a sight and/or hearing issue is detected, people are invited to contact their doctor and to go to a medical centre for a more in-depth diagnosis. In Spain, all customers can access their sight diagnosis directly in-store.



BETTER ACCESS TO HEALTH

In 2021, the AFFLELOU Group launched a telemedicine service that allows patients to consult an ophthalmologist directly in the store. In France, the average time to obtain an appointment with an ophthalmologist varies between 2 and 6 months. With the telemedicine service, patients are guaranteed access to a teleconsultation slot and an eye examination almost immediately without needing to make a specific appointment. The patient then receives a prescription issued by the consulted ophthalmologist, in a secure space.

The teleconsultation is carried out in the optical shop's clean room in order to respect the confidentiality of the examination. Via a terminal, patients first connect directly with an orthoptist and then with an ophthalmologist, who will be able to see and talk to them. The patient will be guided through the examination. Thanks to the remote-controlled devices, refraction examinations will be carried out, as well as screening examinations, such as retinal photos, tonometry or a complete examination of the anterior chamber.

AWARENESS & PROFESSIONAL ADVICE

Besides providing health devices to our customers, we also strive to raise awareness – especially among younger generations – of the value of optical and hearing health and well-being. We believe that prevention is a key step for customers to take care of their sight and hearing health.

Our teams are all qualified health professionals, specialists in optical devices and hearing aids, who work to treat customers' sight and/or hearing loss issues. We are committed to helping people regain their well-being and accompanying them throughout their journey towards better health. We listen to our clients, advise them and make ourselves available in all our stores. In this context, free advice will always be delivered by our teams upon client request at any of our stores.

As awareness regarding vision and hearing is crucial to further address health challenges in society, we offer lots of information and advice on our website. Recommendations are provided on how to take care of your vision and protect your hearing, as well as easy-to-understand explanations on most common sight issues (myopia, astigmatism, hyperopia, presbyopia) and hearing issues (presbycusis, hyperacusis and hypoacusis, tinnitus, etc.). Hearing-related articles written by Mr Alain Afflelou are also displayed on the Group's website, together with multiple Frequently Asked Questions (FAQs). We want to make use of our expertise to further democratise these topics and help customers take care of their health.

Specific awareness and prevention campaign actions are also carried out by the AFFLELOU Group each year.



FOR INSTANCE, FREE EARPLUGS WERE DISTRIBUTED DURING THE 2018 SUMMER PERIOD TO CUSTOMERS OF OPTICAL AND HEARING SHOPS IN FRANCE, TO HELP THEM FULLY ENJOY SUMMER CONCERTS AND SHOWS WITHOUT THE RISK OF DEAFNESS.

ACCESSIBILITY FOR DISABLED PEOPLE

As facilities open to the public and according to applicable regulations, all our stores are designed in order to be accessible to disabled people throughout their lifetimes. Accessibility standards must allow people with disabilities to move around with the greatest possible independence, to access premises and equipment, to use equipment and services, to find their way around and to communicate. Accessibility concerns all types of disability (e.g., motor, visual, hearing, mental, etc.).

Eager to develop the accessibility of its customer service, since 2019, the AFFLELOU Group has been working with a specialised customer relations centre (DEAFI) adapted to the population of the deaf and hard of hearing among our customers, to be as accommodating as possible to their needs. The AFFLELOU Group is the first optical company to offer such a specialised tool, in order to deliver the best possible customer service. This service will be accessible in French Sign Language, in LfPC (French Cued Speech), via accessible chat and simultaneous written transcription. It will mobilise a team of video advisors and French/French Sign Language interpreters, who have been trained on the specificities of the Group and its customers, and who will respond to all deaf and hard-of-hearing customers.



DIGITALISATION OF PROCESSES & SERVICES

In 2018, the AFFLELOU Group implemented a digital transformation plan for its own operations, in-store processes and end-customer-related experiences. Digital availability of services and professional advice makes them more easily accessible and allows for further democratisation.

DIGITALISATION OF SALE POINTS

AFFLELOU's website is accessible 24/7 in four languages. E-commerce is especially used by our end customer for sunglasses, reading glasses, contact lenses and other products that do not require a medical prescription.

The digitalisation of administrative processes, such as the use of electronic signatures and documents, has been implemented in Spain and France.

DIGITALISATION OF THE CUSTOMER JOURNEY

An online appointment booking system with eye and hearing specialists is also available for all owned and franchised stores.

Customers can also access a virtual glasses fitting, allowing them to try their selection directly from home, ask their friends for their opinion, find glasses models that they may not find in their nearest shop, and save time on their next visit to the store. Virtual fittings can be carried out online through the AFFLELOU Group's website, but also thanks to dedicated digital screens present in 150 stores.

No. 1



FIND YOUR
FRAME

No. 2



AUTHORISE
WEBCAM

No. 3



TRY THEM
ON YOUR
FACE

No. 4



OR TRY THEM
ON A PIC YOU
UPLOAD

DATA PRIVACY & PROTECTION

Data privacy & protection is an essential issue for the AFFLELOU Group, which continuously ensures that health data are handled and processed at store level.

The franchisor entities, however, do not have direct access to customers' health information or other personal data.

Data and information systems are managed by the corporate Information Systems Division (ISD) of the AFFLELOU Group.

Since May 2018, the Group has strengthened its data privacy and protection systems & related procedures, following the application of the General Data Protection Regulation (GDPR).

THE GENERAL DATA PROTECTION REGULATION (GDPR)

Designed to adapt and modernise the legal framework, the GDPR is the reference framework for data protection at a European level, aiming to give citizens back control over their personal data while simplifying the regulatory environment for businesses. Applicable to the processing of personal data (whether automated or not), the GDPR's objective is to strengthen the framework of practices regarding the collection and use of personal data. Personal data is any information relating to an identified or identifiable physical individual. An individual can be identified by reference to an identifier, such as a name, an email address, an identification number, location data, an online identifier, or to one or more factors specific to his or her physical, physiological, genetic, mental, economic, cultural or social identity.

In accordance with the GDPR requirements, several Data Protection Officers (DPOs) in charge of personal data protection have been appointed to cover all countries where the Group operates. A data protection management unit has been set up with the DPOs, an internal legal expert specialised in GDPR-related issues and the internal ISD Department, with help from external consultancy firms when required. This management unit is mostly responsible for defining and implementing internal procedures to be followed (e.g., management rules, protocols, insurance, mandatory declarations, etc.). An internal GDPR Committee has also been appointed, with members from the Group's Legal Department and internal ISD Department, to monitor GDPR-related procedures, practices and on-going work within the Group. The local DPO and the local Human Resources Director are identified as the key points of contact on these subjects.

GDPR regulations and operational applications within the Group are presented to all newcomers to corporate franchisor store teams and/or owned stores' teams. A dedicated IT Charter for the use of IT tools has been deployed, as well as a comprehensive list of Frequently Asked Questions (FAQ) on GDPR-related topics (e.g., internal transfer of customer files, etc.).

A dedicated toolkit is provided to the relevant internal departments, allowing teams to identify their exposure and related potential risk areas regarding the collection and processing of personal data. The toolkit also includes good practices related to GDPR requirements, data privacy and protection, as well as IT security.

An important information and awareness campaign has been carried out across internal teams and networks since 2018. Dedicated (classroom and e-learning) training has also been provided within the Group, and several additional more in-depth modules have targeted teams and departments identified as being potentially more affected.

The franchise contract template, which forms the basis of AFFLELOU's relationships with its franchisees, has been enhanced to meet the GDPR's requirements. The consent of all customers for the collection and usage of their personal data is systematically requested in-store. Customer consent is provided and validated through the electronic signature system implemented at Group level. A specific GDPR clause is also now systematically included in supplier contracts.

CYBERSECURITY

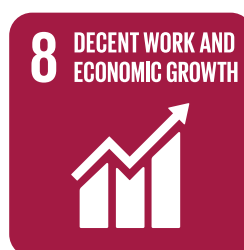
Through its activities and increasing digitalisation of its processes and services, the AFFLELOU Group may be exposed cyber-attacks targeting its internal systems and information, as well as customer data. For several years, the Group's ISD has strengthened its internal IT systems and work with external specialised consultancies and experts to reinforce its protections and guarantees (e.g., security audits, fraud against the President related procedure, etc.).

Information notes are distributed to employees on cyber-attacks and fishing to enhance internal prevention on these subjects. Regular awareness-raising sessions are also organised to further discuss specific topics internally.



4

MANAGING SUPPLY CHAIN & PRODUCT FOOTPRINT



The AFFLELOU Group strives to manage its supply chain in terms of both ethical and social aspects, as well as to reduce the environmental impacts of its procurement practices. Through its contractual relationships with its suppliers and manufacturers,

the AFFLELOU Group aims to work on ecodesign and integrate principles of circular economy into the design, development and life cycle of products.

In this context, two main areas should be considered: procurement performed by owned stores and franchisees for products sold in stores, and purchases performed to meet the needs of corporate and network teams (e.g., electricity, paper, consumables, etc.). As it represents the largest part of AFFLELOU's overall supply chain footprint, initiatives carried out by the Group first target procurement practices performed by owned stores and franchisees for products sold in stores.



2.7 MILLION+

FRAMES AND PAIRS OF SUNGLASSES SOLD IN 2021

600+

REFERENCES

~250 SKUs IN STORES AT ANY GIVEN TIME

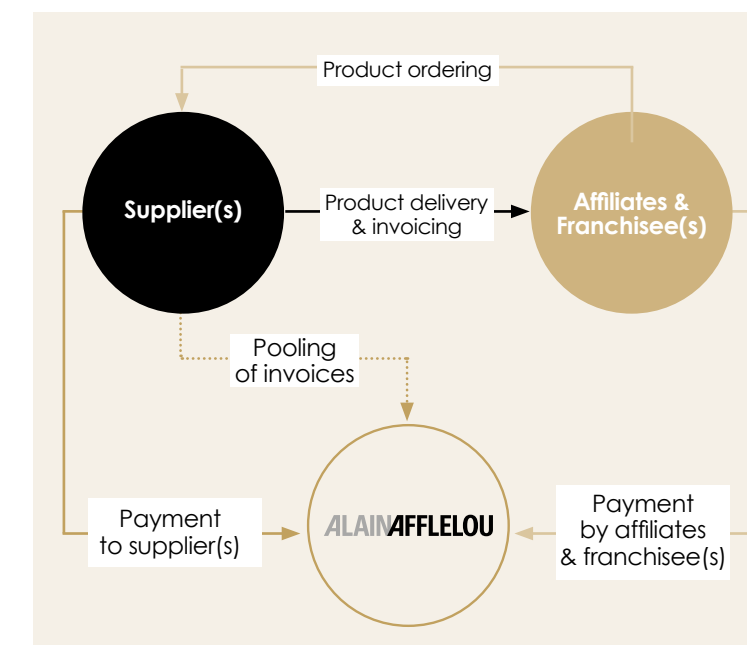
INTRODUCING THE CENTRAL PURCHASING MODEL

CENTRAL REFERENCING SYSTEM

In order to facilitate procurement and purchasing for its owned stores and franchisees, the AFFLELOU Group has developed an internal referencing and payment circuit. Suppliers are referenced through a specific referencing agreement with the franchisor managing AFFLELOU's central referencing tool. A dedicated Group procurement and supplier referencing department is responsible for supplier referencing, establishment of supply conditions and negotiation of procurement contracts.

Owned stores and franchisees should only work with and order products from referenced suppliers and providers. Owned stores and franchisees address their product orders directly to the supplier, listed in the central referencing system. The supplier delivers products and invoices the affiliate or franchisee directly. Each month, the supplier delivers a statement of all invoices to the AFFLELOU Group, which directly issues payment to suppliers. Through this tripartite relationship and global framework, the AFFLELOU Group ensures the quality of products and procurement conditions (e.g., after-sales service, financial conditions, etc.) for its network by acting as an intermediary. The central referencing system is established for both non-branded products (predominantly) and ALAIN AFFLELOU-branded products.

150+ REFERENCED SUPPLIERS



The majority of suppliers and manufacturers we work with have been our partners for a long time. As there is not a significant renewal of suppliers across the year, we have established long-term and trustworthy relationships with them. The AFFLELOU Group works closely with its partners on product design, development and manufacturing.

WHOLESALE ROLE FOR ALAIN AFFLELOU-BRANDED PRODUCTS

ALAIN AFFLELOU-branded products are produced by long-term partner manufacturers. On behalf of owned stores and franchisees, the AFFLELOU Group purchases products directly from these manufacturers, acting as a wholesaler. Products are stored at a central warehouse before being distributed to the various stores of the Group.

ALAIN AFFLELOU-BRANDED PRODUCTS (AA-BRANDED PRODUCTS)

In 2020, ALAIN AFFLELOU-branded products represented 30% of purchases made by the Group's franchised and owned stores and around 25% of annual volumes sold across the network.

DESIGN & DEVELOPMENT

Located in Geneva (Switzerland), the AFFLELOU Group's design & development division is responsible for the development of all ALAIN AFFLELOU-branded products. The team is composed of the Group's Product Director and five product managers. The Group also works on product design with its suppliers when they have an internal design function. The creation of prototypes and sample testing are always performed by manufacturers.

ENVIRONMENTAL & SOCIAL IMPACT OF AA-BRANDED PRODUCT MANUFACTURING

The manufacturing of AA-branded products is fully subcontracted to exclusive and long-term partner manufacturers, mostly located in Asia. The two major manufacturers are situated in China (for frames) and Japan (for lenses), representing more than 4/5 of annual AA-branded production. In 2020, the manufacturing network was composed of 40 plants.

The manufacturing of AA-branded products is defined through production requirements and specifications, implemented by the Group within the business contracts. The Chinese manufacturer also has a Code of Conduct, including principles

and commitments on ethical and responsible behaviours, respect for human rights (e.g., forced labour, child labour, discrimination, harassment and abuse, health and safety), the establishment of proper working conditions (e.g., working hours, wages and benefits, freedom of association), as well as respect for the environment.

Since early 2020, the Group has been working on software that assesses the ethical practices of suppliers, especially in the context of the duty of care required by the GDPR process.



THE USE OF MORE SUSTAINABLE MATERIALS

The AFFLELOU Group is striving to tackle the environmental challenge by integrating more sustainable materials into collections, following three main axes:

No. 1

RECYCLED MATERIALS

Recycled PET (rPET) is a raw material made from recycled plastic bottles, collected from public waste bins and/or volumes withdrawn from the seas by specialised companies.

Launched in August 2020, the H2O by Afflelou collection is the first eco-friendly sunglasses collection. Frames are made with recycled plastic bottles and come with biodegradable lenses. The case is also made with recycled materials. One pair is made from five recycled plastic bottles. The recycling process for water bottles is certified by Global Recycled Standard (GRS) 4.0.

4,000 MARKETED FRAMES
FOR THE H2O COLLECTION

50,000 RECYCLED BOTTLES
TRANSFORMED INTO FRAMES

50,000 CASES MADE OF
RECYCLED MATERIALS



No. 2

BIODEGRADABLE MATERIALS



BD8 is a biodegradable plastic raw material. All demonstration and presentation lenses exhibited in stores are made from this biodegradable material. Moreover, all AA-branded products are packaged in biodegradable protective plastic bags.

2.5 MILLION+

BIODEGRADABLE PLASTIC BAGS
(100% OF BRANDED PRODUCTS)

13,000+ TCHIN-TCHIN SUNGLASSES
FRAMES MADE OF BD8

No. 3

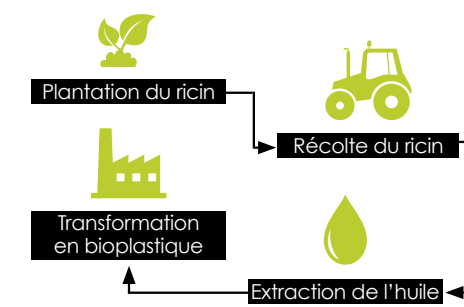
NATURAL MATERIALS

G850 is a vegetable raw material made from castor oil produced in France. Launched in November 2020, the Eco-Friendly Magic collection integrates the G850 raw material into its frames and comes with biodegradable lenses.

80,000+ MARKETED

FRAMES FOR THE ECO-FRIENDLY
MAGIC COLLECTION

PROCESSUS DE FABRICATION



AVANTAGES

- Ne conduit pas à la déforestation
- Ressource renouvelable qui peut-être cultivée en zone semi-aride
- N'occupe pas de terres agricoles utiles pour la consommation humaine
- Une plante naturellement résistante cultivée de façon responsable
- Forte tolérance à la sécheresse, faible besoin en eau
- Plusieurs récoltes chaque année

OTHER (NON-BRANDED) PRODUCTS

In 2020, non-branded optical and hearing products represented 70% of purchases made by the Group's franchised and owned stores and more than 70% of annual volumes sold across the network.

The number of referenced suppliers for optical and hearing products is rather limited (approx. 250 suppliers referenced as of the end of 2021, including all the main geographical areas). The lens, frames, sunglasses and contact lens manufacturers are major companies with an international presence, and the majority are committed to a sustainable approach. Within the framework of these CSR approaches, commitments and initiatives are undertaken regarding the environmental and social impacts of product manufacturing. When a supplier has its own Code of Conduct and/or a Code of Ethics, it is systematically attached to the procurement contract signed with the AFFLELOU Group.

REDUCING PRODUCTION VOLUMES & PRODUCT STOCKS

The online and in-store virtual fitting system allows customers to try products that may not be in their closest shop yet and/or that are not yet being produced (e.g., new collections). Hence, by further adapting production volumes to customer demand in real time, this system reduces stocks and potential unsold volumes within the AFFLELOU network.



TRANSPORTATION & LOGISTICS

The logistics of transporting products from manufacturing sites to AFFLELOU's stores is fully subcontracted to external third parties. Previously, frames were delivered to stores from one transportation flow and lenses from a second separate one on a daily basis. Instead of carrying out two separate shipments, a grouped shipping system has been implemented with suppliers in order to reduce the environmental impact of logistics.

PRODUCT END-OF-LIFE

Unsold optical products and stocks are primarily sent to Spain as donations to the ALAIN AFFLELOU Foundation. The equipment will be then reused through initiatives supporting communities and/or people in need (please refer to the "ALAIN AFFLELOU Foundation" section for more details). Hearing aid batteries and systems are also recycled on a case-by-case basis through the network. A recycling process for lenses and blister packs will also be implemented in stores in the coming years; they will be collected to be converted into granules for roads or construction.

If products are not reused through Foundation projects, they are destroyed through specified chains. Only small volumes of products are sent for destruction each year.

Fundación
ALAIN AFFLELOU



OTHER PURCHASES

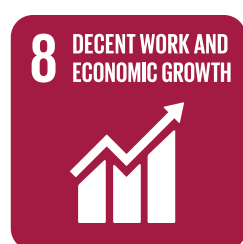
For conducting various store-related works during the opening and/or renovating phase, relationships with local external contractors are fostered. Regional panels of suppliers are maintained in order to engage with local businesses further in future. Certified contractors are also preferred where possible.

At the French headquarters, all plastic cups have been replaced by cardboard cups. All headquarters employees have also been offered an individual water flask with their name on it, in order to encourage them to reduce their reliance on single-use cups.



5

TAKING CARE OF OUR TEAMS



The women and men who make up the AFFLELOU Group are our most precious asset. Our approach aims to preserve their safety and security, improve their well-being at work, and develop their skills and career paths, as well as promoting diversity as a strength for our collective ambitions and goals.

We are deeply convinced that collective success and a sustainable work environment are inseparable. This is the reason why we strive to support our teams (headquarters, branch offices and the network) to achieve their full potential and best possible performance.

THE AFFLELOU GROUP WORKFORCE

As of 31 December 2020, our teams are composed of 1,279 collaborators (headquarters and branch offices), corresponding to a headcount of 1,197 full-time equivalent (FTE) employees.

55% of the workforce is based in France and 40% in Spain.

89% of the total headcount are on permanent contracts.

TOTAL WORKFORCE	FRANCE	SPAIN	PORTUGAL	SWITZERLAND	BELGIUM	LUXEMBOURG	TOTAL
FRANCHISOR HEADQUARTERS	235	104	6	10	6	1	387
OWNED STORES	483	409	25		-		892
TOTAL	718	513	31	10	6	1	1,279

SAFETY & SECURITY

ASSESSING & PREVENTING OCCUPATIONAL ACCIDENTS

In France, potential occupational health and safety risks are assessed for the teams at headquarters' and stores, formalised in an Occupational Risk Assessment Document. Identified risks are ranked according to potential severity, frequency of exposure and existing prevention measures. Action plans are revised every year during the assessment review in order to strengthen initiatives already in place.

In store, most significant potential risks of accident are related to the workshop zone where lenses are cut and shaped to make glasses. Glass and plastic (polycarbonate) dust may be emitted from the grinding machine when a collaborator is shaping the lenses, and accidents could happen when using work equipment (e.g., screwdrivers, pliers, etc.).

In order to prevent these risks, lenses are always automatically cut by the grinding machines, limiting hand operations. A protective cover is integrated onto the machine and product emissions are captured by a specific system, in addition to active ventilation of the premises. The cutting of lenses is only performed by a single trained collaborator. Dedicated training on the operation of the grinding machine is provided to teams in store. Personal protective equipment (PPE) is always available in stores (e.g., protective eyewear, gloves).

	Unit	2019	2020
LOST-TIME ACCIDENTS (LTA)	Number	21	16
NON-LOST TIME ACCIDENTS (NLTA)	Number	12	6
TOTAL NUMBER OF ACCIDENTS	Number	33	22
FREQUENCY RATE (LTA)*	Number	1.48	1.22
SEVERITY RATE (LTA)**	Number	0.06	0.06

* Frequency rate = total number of lost-time accidents (LTA) x 1,000,000/total worked hours

** Gravity rate = total days of absence related to lost-time accidents x 1,000/total worked hours

No major occupational accident risks have been identified for AFFLELOU Group headquarters and administrative teams at work premises. The majority of reported accidents are related to travel.

HEALTH-CRISIS-RELATED MEASURES

In order to address the COVID-19 health crisis, the AFFLELOU Group has adapted its practices in order to secure teams' safety. Sanitary protocols have been developed by the Group and widely circulated to all teams, including at owned and franchised stores, regarding good practices on-site (e.g., mask wearing, usage of hydro-alcoholic gel, etc.). Measures have also been taken at our various facilities that are still open in order to guarantee safety for all (e.g., cleaning rules, social distancing, etc.). Information related to the various aspects of the health crisis is also provided to teams through a dedicated internal online channel. Working from home is also allowed and encouraged, where possible, especially for headquarters and branch offices.

During the pandemic, we have been doing our utmost to maintain the link between the Group and its collaborators, but also between the different teams. The Group's Human Resources Department has worked to preserve mental health, team life and a good atmosphere among employees, in particular through various remote internal events, discussions and times to exchange. For instance, a dedicated hotline has been set up with the French insurance organisation, including specific psychological support which is free for all employees. In France, an employment protection plan and partial unemployment were also deployed during 2020 to face store closures and a reduction in activity.

The Occupational Risk Assessment Documents have been updated and revised in order to integrate potential risks linked to the COVID-19 health crisis. Action plans, including sanitary protocols and on-site measures, have been developed and deployed across our teams. A COVID-19 contact person has been appointed from among the headquarters team in order to coordinate initiatives and action plans across stores, as well as to control safety measures undertaken on site.

EMPLOYEES' HEALTH & WELL-BEING

Because our teams are our most valuable asset, we are concerned about their health and well-being at work every day. Various initiatives are undertaken through our branches, offices and owned stores in order to ensure a sustainable working environment and good quality of life at work.

Taking into account technological advances in communication and the new dimensions of work organisation, in 2019, the AFFLELOU Group established a Charter on remote work in France and Spain, for franchisor headquarters and branch offices. In Spain, collaborators can spend up to 36 days a year working from home. Remote work has been extended during the pandemic crisis, where possible, in order to preserve employees' health and adapt our activities to official recommendations.

Since 2019, a Charter on the right to digital disconnection has been in place within the Group, and is applicable to all employees. Digital disconnection in the context of work is understood as the right for collaborators to not receive requests or be required for any task, either through e-mails, messages or any other tool that would allow them to be contacted remotely, or telephone calls outside their regular working hours (including holidays and authorised leave). Excessive professional connectedness can lead to issues regarding work-life balance, and therefore personal life, physical and mental health, as well as psychological balance, for any employee. Through this policy, the AFFLELOU Group reaffirms the importance of the correct use of digital tools for the necessary respect of free time, leave and holidays, periods of justified absence, as well as the balance between private/family life and work life. In conjunction with the Charter, a specific training course and awareness-raising campaign were provided for all employees in 2019, in order to inform them about the risks, potential issues and good practices related to the use of digital tools, as well as the correct and reasonable use of digital tools and monitoring of devices. Training and awareness-raising actions for digital disconnection will be further integrated into the Group's training portfolio.

	Unit	2019	2020
DAYS OF ABSENCE DUE TO ILLNESS	Days	12,349	16,653
DAYS OF ABSENCE DUE TO WORK-RELATED ACCIDENTS	Days	916	824
OTHER DAYS OF ABSENCE	Days	500	16,822
TOTAL DAYS OF ABSENCE	Days	13,765	34,299
TOTAL WORKED HOURS	Hours	14,157,771	13,089,299
ABSENTEEISM RATE*	%	0.68	1.83

* Absenteeism rate = 100 x (total days of absence/total worked hours)

For headquarters employees in France and Spain, flexible working hours have been introduced. In France, working hours may also be adapted during back-to-school seasons (flexible working schedules) and/or if employees' children are sick (2 paid working days per year). In some owned shops, a 4-day week has been established through a specific agreement (e.g., Champs Élysées, Les Halles, etc.).

Health insurance coverage is provided for the teams at headquarters, branch offices' and owned stores, fully borne by the AFFLELOU Group. A dedicated hotline is also available for all collaborators, set up with the help of the health and life insurance policy provider.

Other initiatives are undertaken in each country where the Group operates by the local HR teams, in order to enhance employee well-being at work. In France, the following actions have been implemented:

- Online sports courses for the teams at headquarters, branch offices and owned stores;
- One day off for the employee's birthday for headquarters teams;
- Creation of a football team and provision of sportswear at the head office (France and Spain).

SOCIAL DIALOGUE & COLLECTIVE AGREEMENTS

In 2020, 506 collaborators from across the Group had an annual interview, representing 40% of the total workforce. Employee representatives are also elected in France and Spain, for both headquarters teams and branch offices, according to national and local legislation.

At the end of 2020, six collective agreements were available within the Group, of which four had been signed during that year: an agreement to set up a health, safety and working conditions committee; an NAO agreement addressing the topics of remuneration and professional equality between men and women, as well as employment and skills planning; a new profit-sharing agreement (franchisor); and new regulations for the Group's Savings Plan.

NUMBER OF COLLECTIVE AGREEMENTS	Unit	Franchisor headquarters	Branch offices
REMUNERATION & WAGES	Number	-	1
PROFIT SHARING	Number	2	-
MANAGEMENT OF EMPLOYMENT & SKILLS	Number	-	1
EMPLOYEE REPRESENTATIVES	Number	-	1
GENDER EQUALITY	Number	-	1
TOTAL	-	2	4

Social dialogue is managed on a daily basis by the Group's Human Resources Department and different local HR teams, as well as by any elected representatives. An internal intranet with different channels of discussion and communication also allows the HR Department to inform and relay various information to collaborators (e.g., social topics, new job opportunities, integration & promotions, birthdays, etc.).

SKILLS DEVELOPMENT & CAREER PATH MANAGEMENT

The AFFLELOU Group strives to maintain an active training policy in order to safeguard and develop skills in line with our professional requirements – especially in terms of quality and safety, innovation and customer satisfaction.

In this context, forward-looking management of employment and skills has been put in place in France and Spain. Its objectives include identifying, organising and optimising collaborators' skills in order to match the strategic needs of the Group, as well as anticipating and dealing with sectoral changes to assess the Group's skills capital.

	Unit	2019	2020
NUMBER OF COLLABORATORS TRAINED	Number	914	391
NUMBER OF TRAINING HOURS	Hours	23,163	7,417
PERCENTAGE OF TRAINING EXPENSES IN THE TOTAL GROUP PAYROLL	%	2.11	2.00

OUR DIFFERENT PROFESSIONS & EXPERTISE

FRAME FITTER & SALESPERSON

The frame fitter and salesperson is responsible for welcoming and selling frames and lenses to customers, while providing technical expertise. He/she assembles glasses in the workshop and participates in the daily management of the shop.

CERTIFIED OPTICIAN

The optician is responsible for welcoming and selling optical equipment to customers and providing technical expertise. He/she assembles glasses in the workshop and participates in the daily management of the shop.

CERTIFIED HEARING CARE PROFESSIONAL

The hearing care professional, upon medical prescription, handles the equipment of deaf or hard-of-hearing people. He/she designs and adapts custom-made hearing aids and checks the effectiveness of devices. He/she explains their operation and maintenance to patients, who are often very handicapped by their deficiency, in an educational manner.

WORKSHOP MANAGER

The workshop manager is responsible for welcoming and selling glasses and lenses to customers, while providing technical expertise. He/she ensures that the workshop runs smoothly on a daily basis in compliance with the objectives (e.g., quality, cost, deadlines, motivation and safety) defined by the Group and manages his/her team.

DEPUTY STORE MANAGER

The deputy store manager is responsible for the proper running and development of his/her shop, in accordance with the directives received from the store manager. He/she represents the AFFLELOU Group in the application of its general policies, manages the shop and supervises his/her team. He/she is responsible for the quality of customer service.

STORE MANAGER

The store manager is responsible for the proper running and development of his/her shop, in accordance with the directives received from the Group. He/she represents the Group in the application of its general policies, manages the shop and supervises his/her team. He/she is responsible for the quality of customer service.

AFFLELOU ACADEMY

In 2013, the Afflelou Academy training school was launched with the aim of supporting our headquarters', and branches' employees, and owned stores' and franchisees' teams in the development of their competencies and skills. The Afflelou Academy particularly supports them in their career path, to best meet the requirements of the optical and hearing aid markets and to optimise customer satisfaction.

In France and Spain, the mission of this school and training centre is to:

- introduce internal employees to the optical and hearing aid professions as part of their integration process, in order to help them better understand the challenges of our activities;
- increase and perfect the commercial, managerial and technical skills of our teams;
- transfer our unique know-how and guarantee both the relevance and consistency of practices within the Group;
- support our talent in adapting to new challenges.

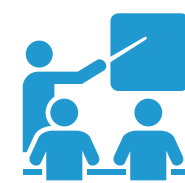
E-learning and classroom training are provided on various topics. The training catalogue comprises modules on the AFFLELOU Group's activities (e.g., visual health, hearing aids, etc.), support for owned stores and franchisees (e.g., sales techniques, operational efficiency, management, labour rights, etc.) and other specific or interdisciplinary competencies (e.g., languages, IT, etc.).

The Afflelou Academy's expert trainers are available for face-to-face training at the Group's headquarters or on-site throughout France and Spain. They can also adapt to specific requests by offering tailor-made training. In France, several internal trainers from the franchisor headquarters and French owned stores' teams also participate in training provided by the Afflelou Academy and/or field training delivered to corporate, owned stores' and franchisees' teams.

The Afflelou Academy also allows people who are not qualified in the optical field and/or following a foundational path to be trained in our professions through a preliminary 2-day training course, before joining a team in-store and starting a new career with the Group. A similar training path is being implemented for the hearing field of activities.



AFFLELOU ACADEMY



1,000+
PEOPLE TRAINED
EACH YEAR
THROUGH THE AFFLELOU ACADEMY



5 INTERNAL
TRAINERS



In 2019, ALAIN AFFLELOU España and CUNIMAD (Centro Universitario Internacional de Madrid – attached to the University of Alcalá de Henares) launched the first optical and optometry degree in Spain with immersive virtual reality. This initiative is part of the Group's commitment to optical talent, innovation and the use of technology in learning methods. Students can also carry out their internships at the AFFLELOU stores closest to their homes with tutors trained and accredited by the University, or at the Talent Centre in Madrid. During the 2020–2021 period, 45 trainees and 19 tutors were involved in 1,700 hours of practical training. In 2020, we enrolled twice as many students as in 2019.



TALENT ATTRACTION & RETENTION

As the qualified professionals that make up our teams are essential to our expertise and know-how, it is crucial for the AFFLELOU Group to recruit talented people and support them in their professional and personal development. We are committed to offering fair and rewarding career paths to our collaborators, in all territories where the Group operates.

RECRUITMENT OF NEW TALENT

The AFFLELOU Group sometimes has difficulty recruiting new talent, especially opticians and hearing care professionals. The sector faces increased competition and the profession has become perceived as more restrictive, especially for younger generations. Different initiatives are being undertaken within the Group to attract talent, such as flexible working hours, easier career progression and attractive compensation.

Given the highly competitive nature of the sector, it is essential for the Group to capitalise on the employer brand, especially when approaching candidates. Some aspects have been identified and strengthened in order to develop our employer brand in the last few years: presence on social networks and dedicated job boards, getting involved at schools and universities, creation of a dedicated career page on our corporate website and a formalised and communicated CSR approach.

In 2020, the AFFLELOU Group recruited 395 new collaborators, of which 43% were at French branch offices and 34% were at Spanish branch offices.

	Unit	2019	2020
RECRUITMENTS	Number	403	395
DEPARTURES	Number	414	362
TURNOVER RATE*	%	33	30

* Turnover rate = $100 \times ((\text{total recruitments, including external growth} + \text{total departures}) / 2) / \text{total workforce as of 31 December}$

In order to strengthen the integration of newcomers within the Group, each new employee participates in an integration session. The AFFLELOU Group also promotes work-study contracts within its teams, allowing for the incorporation of new talents at an early stage and for their recruitment on permanent contracts afterwards. Around 50 work-study contracts are signed each year through the network of owned stores.

In Spain, the "Afflelou Challenge Awards" is an annual initiative launched with Spanish Universities to attract young talent and facilitate the integration of young graduates in optics and optometry into the labour market. Using an innovative and digital experience for candidates, the objective of this initiative is to design an event that will pique the interest of young academic talents. The competition is based on three challenges proposed to young graduates:

- No. 1**
Lead the evacuation of three major cities in the face of a natural disaster,
- No. 2**
A skills based interview with the AFFLELOU Group's HR team,
- No. 3**
Individual project to be defended in front of an evaluation committee.

Economic agreements have been established in Spain with different schools and universities for diplomas in both the optical- and hearing-health-related fields, allowing students to access educational paths at a lower price (e.g., 10% discount on all UNIR qualifications, 40% discount with audiology schools such as Vicente Moya and Mope). Grants and scholarship funds have also been negotiated to encourage young people to get a degree in these sectors.

SUPPORTING TALENTED PEOPLE ON THEIR PROFESSIONAL PATHS

Accompanying employees in their professional and personal development, as well as offering suitable career opportunities in combination with recognising achievements, is key to continuing to develop our talent. At AFFLELOU, we strive to provide our collaborators with opportunities to progress professionally, to increase their employability and to value their talents, even non-professional ones.

As part of the Group's internal mobility policy, internal promotions are carried out each year across teams, referring to organisational movement that involves a change of function and sometimes a change in the level of responsibility. In 2020, 15 collaborators were promoted at branch offices and owned stores. Internal promotion to the store manager position is encouraged through a dedicated programme that includes a testing period of several months for targeted employees. Geographical mobility is also included in the internal mobility policy, allowing our employees to move from one region to another.

Job opportunities are always offered internally first before being opened to external candidates. Opportunities are published in the Group's newsletters, on the intranet and through dedicated internal communication channels.

DIVERSITY & EQUAL OPPORTUNITIES

THE FIGHT AGAINST DISCRIMINATION

The AFFLELOU Group strives to build a diverse workforce which promotes the integration of professionals with diverse profiles, regardless of their gender, sexual orientation, race, nationality, ethnic origin, religion, beliefs, age, disability, or any other personal or social criteria.

The recruitment process at AFFLELOU Group has been built by integrating aspects that allow potential discrimination to be avoided during recruitment. For instance, formalised reminders regarding discrimination risks to be avoided have been integrated into the process. In Spain, a non-discrimination policy and an equal opportunities plan have been deployed across the teams.

IN 2020, ALAIN AFFLELOU ESPAÑA SIGNED THE EUROPEAN DIVERSITY CHARTER FROM THE FUNDACIÓN DIVERSIDAD. COMPANIES THAT VOLUNTARILY BECOME SIGNATORIES OF THE CHARTER RESPECT APPLICABLE REGULATIONS ON EQUAL OPPORTUNITY AND ANTI-DISCRIMINATION MEASURES, AS WELL AS ADOPTING THE FOLLOWING PRINCIPLES:

Raising awareness of the principles of equal opportunity and respect for diversity, including them as company values and disseminating them among their staff;

Advancing in the construction of a diverse workforce, promoting the integration of professionals with diverse profiles, regardless of their gender, sexual orientation, race, nationality, ethnic origin, religion, beliefs, age, disability, or any other personal or social circumstances;

Promoting inclusion, favouring effective integration, avoiding any type of discrimination (direct or indirect) in the workplace;

Considering diversity in all human resources policies, managing diversity in a interdisciplinary manner, as the basis for and principle behind all decisions taken in this area;

Promoting work-life balance by balancing work, family and leisure time, establishing mechanisms that allow for the harmonisation of work, family and personal life for all employees.

Recognising the diversity of their customers, which is also a source of innovation and development;

Extending and communicating this commitment to their staff, sharing and extending to the whole company the responsibility that the organisation has taken on by signing the Diversity Charter;

Spreading this commitment among their supplier companies, inviting them to join the community of companies in Spain that adhere to the voluntary commitment promoted by the Charter;

Transferring this commitment to administrations, business organisations, trade unions and other social actors;

Integrating the results obtained from the implementation of the diversity policies into the company's annual report.

PROMOTING GENDER DIVERSITY

As of 31 December, 2020, the AFFLELOU Group comprises 852 women, representing 67% of the total headcount. Among collaborators at franchisor headquarters, women represent 58% of team members. At branch offices, women represent 70% of the headcount. This representation of women also applies at country level: 59% in France, 77% in Spain, 68% in Portugal. In Spain and France, a gender equality agreement has been established.

In France, companies with at least 50 employees must calculate and publish their Gender Equality Index every year. The Index has been designed as a simple and practical tool to end gender inequality in the workplace. In particular, it allows companies to measure the gender pay gap and highlights areas for improvement when these gaps are unjustified. The index's calculation includes the following aspects: the gender pay gap, individual increase rate gap, promotion rate gap, number of female employees receiving an increase following maternity leave and parity among the 10 highest paid employees.

GENDER EQUALITY INDEX – FRANCE	2019	2020
L'OPTICIEN AFFLELOU	77/100	87/100
ALAIN AFFLELOU FRANCHISORS	78/100	80/100
AFFLELOU	54/100	88/100

In this context, all actions implemented to fight against gender inequalities in France, particularly in terms of the pay gap, resulted in a significant improvement of the Index score between 2019 and 2020 for the relevant subsidiaries.

In 2020, ALAIN AFFLELOU España was awarded for being in the TOP30 Employers in Spain for their Diversity, Inclusion & Equality-related practices (INTRAMA).

EMPLOYMENT OF DISABLED PEOPLE

The AFFLELOU Group, through its activities linked to visual and hearing health, is very sensitive to issues regarding the integration and maintenance of people with disabilities in the employment market.

The AFFLELOU Group opens up all job opportunities to disabled people. At the end of 2020, the Group was employing 22 disabled collaborators in France and Spain.

In France, the Group has been participating in the *European Week for the Employment of People with Disabilities* since 2019 and takes it as an opportunity to examine the various measures put in place to facilitate the professional integration of people with disabilities. It is a moment for discussion and sharing, where everyone can learn about the work of people with disabilities. For one full week, employees can participate in awareness-raising workshops, attend conferences with disabled people talking about their experiences and be introduced to associations.

In Spain, the Group carries out collaborative activities with the *Carmen Pardo-Valcarce Foundation* in support of the most disadvantaged, by means of the employment of people with disabilities through the various centres and establishments of the AAO Óptico subsidiary.

SUPPORTING FRANCHISEES & THEIR TEAMS

Franchisees are provided with comprehensive support for their headquarters teams in the fields of social and human resources management. For instance, a dedicated team from headquarters support them in their recruitment processes when needed and provide them with advice on HR management and legal issues. During the COVID-19 pandemic, a dedicated legal hotline with lawyers has been put in place to answer all questions from franchisees about schemes for which they may be eligible (e.g., partial unemployment, leave, etc.).

The Afflelou Academy also allows franchisees and their teams to be trained on the same courses as the Group's owned stores' teams. Delegates are in daily contact with franchisees in order to collect their feedback and find out their training needs, which are then transmitted to the head office's HR department, which is in charge of putting together appropriate training plans. Facilitator trainers then go on-site to deliver training to franchisees' teams.

Initiatives undertaken for AFFLELOU Group employees and owned stores' teams are usually introduced and proposed to franchisees to be replicated in their own teams. For instance, franchisee teams can benefit from the Group's health coverage.



6

REDUCING OUR DIRECT ENVIRONMENTAL IMPACT



Besides the environmental impacts of product manufacturing, transport, and end-of-life, the most significant environmental impacts linked to the AFFLELOU Group's activities are related to the (owned and franchised) store network's operations.

In this context, the main identified sources of environmental impact are electricity consumption, water consumption and waste generation from activities at the Group's facilities and buildings, as well as at network (owned and franchised) stores.

ENERGY CONSUMPTION

ELECTRICITY CONSUMPTION IN OWNED STORES

ELECTRICITY CONSUMPTION – owned stores	Unit	2019			2020		
		ALAIN AFFLELOU France	ALAIN AFFLELOU España ⁽¹⁾	TOTAL	ALAIN AFFLELOU France	ALAIN AFFLELOU España ⁽¹⁾	TOTAL
ELECTRICITY CONSUMPTION	MWh	2,868	2,182	5,050	2,942	1,501	4,443

⁽¹⁾ AAO OPTICO, ALAIN AFFLELOU ESPAÑA SA, ALAIN AFFLELOU AUDIOLOGO SA.

The electricity consumption of stores has been reduced by the systematic replacement of lamps with LED lightings since 2014 – within both owned and franchised stores. Around 50% of owned stores were equipped with LED lighting at the end of 2020, especially the largest shops. 100% of owned stores should be equipped within 5 years.

A contract for a renewable electricity supply is also currently being tested at several owned stores. Renewable energy is used by some Spanish owned stores (89 MWh in 2020).

Energy can be wasted when computers and other IT equipment at stores (e.g., TVs, light-emitting panels, etc.) are not turned off at the end of the day and/or during closures. There is currently a remote assistance tool implemented within the IT system of our owned stores in order to save energy. Opening- and closing-related information is processed by the tool, which can remotely turn off lights if electricity is still running when the store should be closed.

Tablets used in stores in order to provide virtual glasses fitting to clients is also automatically programmed to be turned on just before opening and turned off just after closing. This automatic system mitigates potential cases where equipment is not turned off.

Air conditioning systems of (owned and franchised) stores are planned in real time, which offers higher efficiency and reduces electricity consumption.

WORK-RELATED TRAVEL

In France, a rental contract for three electric bikes is in place for headquarters employees. Collaborators can use them for work-related travel in the city, for commuting between home and work or at the weekend. An electric car is also available for headquarters employees in France.



THE FIGHT AGAINST CLIMATE CHANGE

Reporting of environmental indicators, including energy consumption and emissions, is still currently being rolled out within the AFFLELOU Group and across its various subsidiaries. Thus, the Group has not yet measured its global carbon footprint as of the end of 2020.

SCOPE 2 EMISSIONS - owned stores	Unit	2019			2020		
		ALAIN AFFLELOU France	ALAIN AFFLELOU España ⁽¹⁾	TOTAL	ALAIN AFFLELOU France	ALAIN AFFLELOU España ⁽¹⁾	TOTAL
SCOPE 2 EMISSIONS	tonnes of CO ₂ eq.	174.1	519.4	693.5	176.2	357.2	533.4

⁽¹⁾ AAO OPTICO, ALAIN AFFLELOU ESPAÑA SA, ALAIN AFFLELOU AUDIOLOGO SA.

The Group will strengthen the environmental reporting system in the coming years, in particular by prioritising the measurement of its Scope 1 and Scope 2 emissions. Measured emissions will form the basis for future commitments and deployed initiatives in order to reduce the Group's footprint.

WATER MANAGEMENT

WATER CONSUMPTION OF GRINDING MACHINES

Operating the grinding machines in workshops uses water. One assembly cycle performed with the machine, corresponding to the shaping of two lenses, currently consumes between 6 and 8 litres of water.

As an average store performs between 50 and 60 assembly cycles per working day, the annual water consumption for the shaping process of one store is estimated to be between 72,000 and 115,000 litres (or between 72 and 115 m³ per year).

A water recovery system is currently being developed and tested in order to recover wastewater from the shaping process. Wastewater will be processed and treated through different filters and then put back into the system, in order for it to operate as a closed system.

This new system would allow stores to significantly reduce their annual water consumption in the coming years, with the objective of reducing the annual water consumption of one store to 200 litres on average. It is being deployed at around 70 owned stores in France.

WASTE MANAGEMENT

As there are no manufacturing activities within the Group, store activities do not generate significant amounts of waste.

PAPERLESS POLICY

Between four and six paper sheets are usually needed for each in-store glasses order (e.g., quote, GDPR check, agreement, health insurance, invoice, etc.). Electronic signatures and documents have been implemented in order to reduce paper consumption at the shop level. This system is being used at all owned stores and in the majority of franchised stores in France and Spain.

The removal of other paper items used in-store (e.g., flyers, notices, posters, etc.) and/or their replacement by other solutions with a reduced environmental impact is being considered.

Paper waste from administrative activities at corporate facilities was fully recycled in 2020.

OFF-CUTS FROM LENS SHAPING

Lenses are received in stores from suppliers in the form of pucks. These pucks are then cut and shaped by the store's team in the workshop corner thanks to a grinding machine. The shaping of the pucks allows us to model and tailor lenses in order to adapt them to the frame and the client's needs.

During the cutting process, small pieces of lens are generated. These off-cuts are collected through specific retention containers placed under the grinding machine. The AFFLELOU Group is currently working on a system to reuse and recycle these collected off-cuts.

STORE OPENING, RENOVATION & MAINTENANCE

Construction materials and furniture represent 25% of the total price for store opening and layout. Stores' furniture is predominantly composed of chipboard and metal.

Construction work, furniture manufacturing and installation, as well as store maintenance, is subcontracted to external contractors – for both owned stores and franchised stores.

When opening and/or renovating a future store, potential demolition waste is always sorted according to the local regulations.

As shop furniture arrives on pallets (already assembled or in kit form), there is very little waste generated at store level.

Cardboard waste from construction work and/or furniture supplies is systematically reused by the store and/or recycled.

Despite the majority of furniture being purchased new, some owned stores buy recycled furniture.

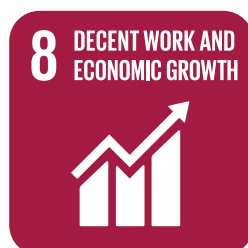
Waste sorting is implemented at our stores in accordance with national and local legislation for packaging and domestic waste.

If a store closes, wooden furniture is always sent to the wood-recycling branch.

ELECTRONIC WASTE

Electronic equipment, both that used by corporate and administrative teams and devices used in stores, is collected and sorted by specialised external contractors.

GENERATING VALUABLE SOCIO-ECONOMIC IMPACTS & SUPPORTING COMMUNITIES



Deeply linked to its vision and mission, the socio-economic contribution of the AFFLELOU Group is a core part of its purpose and complementary to its daily activities in stores. In addition to initiatives aimed at facilitating access to products and services, such as

pricing affordability or free testing (please refer to the "Facilitating access to products & services" section), the Group aims to provide support to people in need and populations in disadvantaged situations or at risk of exclusion in order to contribute to improving their lives and their greater integration into society.

The AFFLELOU Group thus works with different associations and provides support to various communities and initiatives at both local and national levels. Employees, franchisees and their teams are also encouraged to participate in the various actions undertaken. In 2020, more than €106,000 were collected to support various initiatives and projects in France and Spain.

THE ALAIN AFFLELOU FOUNDATION

CORE MISSION

The ALAIN AFFLELOU Foundation ("the Foundation") was founded in Spain in August 2007, thanks to the personal involvement of Mr Alain Afflelou in various past initiatives to promote awareness, prevention and diagnosis related to sight and hearing health. Under the current chairmanship of Mr Alain AFFLELOU himself, the Foundation's core mission is to improve people's daily vision and hearing quality, through various projects and awareness and prevention campaigns related to eye and hearing issues – in Spain and abroad.



Fundación
ALAIN AFFLELOU

The Foundation's multiple initiatives particularly strive to improve quality of life for the following types of people: children, the elderly, people with some kind of disability, and people in disadvantaged situations or at risk of exclusion and who do not have access to adequate treatments and devices. The Foundation also provides scholarships to student opticians with financial difficulties, supporting and welcoming them to their internships in AFFLELOU optical shops.

The ALAIN AFFLELOU Foundation is involved in several scientific research projects and is particularly involved in training eye care professionals (for

more information, please refer to the "Partnerships with the research & academic spheres" section).

Initiatives of the ALAIN AFFLELOU Foundation involve our headquarters' teams, owned stores and franchisees' teams, as well as many partner organisations and institutions. At a local level, we actively encourage AFFLELOU's teams and network to participate in the Foundation's initiatives, as well as to develop or collaborate with association projects. A corporate volunteering group was set up at the end of 2020 with the aim of developing future social action and volunteering projects that benefit people and the planet.

IF YOU WOULD LIKE TO GET IN TOUCH WITH THE FOUNDATION, PLEASE SEND AN EMAIL TO
fundacion@afflelou.es | <https://www.afflelou.es/fundacion/>

AWARENESS & EDUCATION

SCHOOL CAMPAIGN FOR CHILDREN'S EYE HEALTH

During the period when children return to academic activity, and as a result of new habits formed due to digital devices that emit blue light (mobile phones, tablets and computers), the Foundation – as prescribers – wants to raise awareness among parents and teachers of the importance of having children's eyesight checked at least once a year to ensure that no visual problems are affecting their school performance.

As around 80% of learning is obtained through vision, it is essential to have an eye examination at the beginning of school age, and to have regular annual check-ups in order to detect any early visual problems and, consequently, reduce school failure. In Spain, it is estimated that between 15 and 30% of cases of school failure in children are due to visual problems. However, awareness of this issue is not yet widespread, as most children have not yet had their first eye examination by the age of 7.

Every year, between September and October, the aim of the campaign is to detect possible visual problems early in children between the ages of 5 and 7. For those who need it, the Foundation provides free prescription glasses adapted to their eyesight. In the last 12 years, more than 100,000 children have had their eyesight checked and more than 80,000 pairs of glasses have been given away.



"THE 3 RULES OF AFFLELOU"

The Foundation seeks to raise awareness of the importance of healthy eyesight. To this end, it is essential to have regular check-ups to detect potential problems and correct them with appropriate treatment. Poor vision limits our lives, especially those of children who are often unable to meet school requirements due to vision problems. That is why we insist on the importance of early vision screening in childhood.

With the aim of raising awareness among parents and children about the importance of eye care at an early age and mitigating the effects of bad digital habits on children, the Foundation has joined forces with the Myopia.app application to launch "The 3 rules of AFFLELOU". This initiative promotes three fundamental keys to preventing this pathology from childhood: keeping the right distance, maintaining good ambient lighting and reducing exposure time.

DISTANCE

Avoid excessively close viewing.



The closer we are when we use screens, the more work our eyes have to do to see well. The recommended distance depends on the device we are using. When we are viewing something at close range (reading, using a mobile phone, etc.), take short breaks of 20 seconds every 20 minutes, taking advantage of these breaks to look at a distant object (more than 6 metres away).

TIME

Take breaks to rest your eyes.



A greater number of hours dedicated to close-up viewing can favour the onset of myopia. Children under 3 years of age are advised not to use electronic devices, children between 3 and 6 years of age should use them for no more than one hour a day, while children between 6 and 12 years of age should not use them for more than 2 hours.

LIGHT

Control contrasts in ambient light.



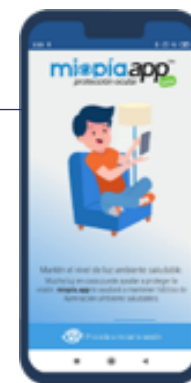
Viewing digital devices in poorly lit environments can favour the development of myopia, so we must use them in a well-lit environment, but avoiding uncomfortable reflections. In addition, it is recommended that children do outdoor activities for at least 2 hours a day and at least 14 hours a week to delay/prevent the onset of myopia.

CHILDREN'S SUN PROTECTION CAMPAIGN



It is very common to see a family in which the parents are wearing sunglasses while the children are not wearing any sun protection. This is more than common because the vast majority are unaware of the negative influence of the sun on children's vision and the potential cumulative effect whose damage may manifest itself in adulthood. Despite the fact that children are a population at high risk of sun damage, only 2% of children wear sunglasses. 90% of the solar radiation that penetrates eyes and can cause damage to vision is received before the age of 18.

One of the Foundation's objectives is to provide information about the damage of solar radiation on children's vision by reaching a greater number of parents and educators. Only information leads to prevention. The aim is that, with this knowledge, parents will be able to protect their children's eyes from an early age. The Children's Sun Protection Campaign is an annual information campaign carried out every summer with the aim of raising awareness regarding the visual problems that the sun can cause in children's eyes. Recommendations on concrete actions to take and help with choosing sunglasses are also provided by our experts during the campaigns.



miopíaapp
protección ocular

Myopia.app is a digital tool that teaches children and their parents healthier digital habits. Every second, the application measures the distance between face and mobile device, ambient light and time spent, then offers healthy tips to help you develop healthy habits. Families can also connect with AFFLELOU's opticians and optometrists, so they can monitor their digital habits remotely and offer personalised information and advice.

INCLUSION

“VOLVIENDO A VER” (“SEEING AGAIN”) INITIATIVE WITH THE RED CROSS



We strive to offer people without resources the tools to eliminate the visual barriers that hinder their insertion into the labour market or society. For this reason, we are always looking for ways to collaborate with institutions or NGOs that can help us make our goal a reality.

“Volviendo a ver” is the result of a collaboration agreement signed between the Red Cross and the ALAIN AFFLELOU Foundation to provide free optical care and prescription glasses to the most socially vulnerable people. This project aims to help the neediest groups, who cannot afford to buy glasses and whose personal and professional quality of life is therefore affected.

Our optician-optometrists are responsible for offering personalised service to these people through a thorough visual check and assessment of whether they need to wear prescription lenses. If so, the Foundation provides them with their prescription glasses. As of 2020, more than 1,500 people in vulnerable situations have benefited from these campaigns.

“EL DESIERTO DE LOS NIÑOS” (“THE CHILDREN'S DESERT”)

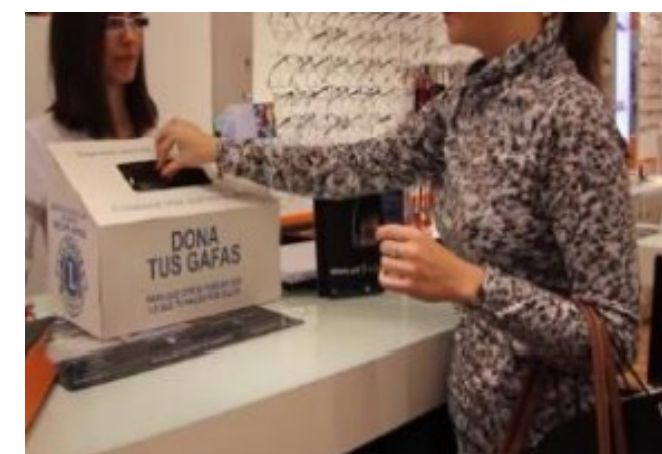
Founded in 2005, this initiative consists of a solidarity caravan that travels to Morocco to provide aid in disadvantaged areas of the desert through providing school materials to villages that lack resources. The Foundation has been involved in this solidarity project since 2012. Volunteers from our shops go to use their expertise to help the inhabitants of Moroccan regions with few resources. There, they carry out visual tests in order to later send personalised prescription glasses and sunglasses, which are so necessary in these areas.

Our mission is of great relevance since, in these places where there is high exposure to the sun, vision problems are frequent. However, the scarcity of resources among these populations makes it impossible to access vision check-ups, much less to acquire prescription glasses or sunglasses. As of 2020, more than 55 of AFFLELOU's opticians have joined the initiative, carrying out 5,700 eye examinations and giving away 2,738 pairs of prescription glasses and 4,200 pairs of sunglasses.

Seeing the possibilities and the success of the idea, it was decided to promote the solidarity aspect, creating the Desierto Niños Association, which more and more companies have joined to collaborate in the project. Today, the Association builds nursery schools in villages in the Moroccan desert and brings basic materials to supply new construction projects through the caravan each year.

RECYCLING

PARTNERSHIP WITH LIONS CLUBS INTERNATIONAL FOR FIGHTING BLINDNESS AND RECYCLING GLASSES



Millions of people in the world lack the necessary means to care for their vision. According to WHO data, approximately 90% of visual disabilities are concentrated in low-income countries. Identified pathologies could be corrected or avoided if the necessary measures were taken.

On the other hand, according to data from the White Book of Vision in Spain, 37% of the population own two pairs of glasses and 5% own three or more. In addition, a recent survey conducted by OpinionWay showed that there are several million pairs of glasses that consumers do not use in France. These data show the importance of promoting actions such as the recycling of glasses and allocating them to people without resources.

In this context, the Foundation has joined forces with Lions Clubs International in the fight against avoidable blindness through its glasses recycling project, to provide this essential health product

to people without resources. The initiative consists of selecting, washing and correcting the unused glasses donated by customers, so that they are in a suitable condition to be handed over. Glasses are then distributed by the Lions Clubs and other NGOs in countries where people need them – mainly in South America and Africa. Each AFFLELOU's store receives a box to collect the glasses (produced directly by the recycling centre), together with information to display to inform customers about the campaign. Prescription glasses, reading glasses and sunglasses are collected through the project.

Since the beginning of the partnership, more than 300 Spanish AFFLELOU's stores have participated and more than 100,000 pairs of glasses have been collected. In 2020, 141 ALAIN AFFLELOU OPTICIEN's stores donated a box and over 14,000 pairs of glasses were donated by our customers.



OTHER COMMUNITY-SUPPORT & INVOLVEMENT INITIATIVES

Through AFFLELOU's French endowment fund, donations are also provided to several selected associations, based on historical partnerships and on a year-to-year basis.

"LES CHIENS GUIDES D'AVEUGLES DE L'OUEST"



LES CHIENS GUIDES D'AVEUGLES DE L'OUEST
Ensemble voyons loin

On the occasion of the European Week for the Employment of Disabled People (from 18 to 24 November 2019), the AFFLELOU Group called on its customers to take part in a major operation of solidarity, with "€1

donated" to the Association Les Chiens Guides d'Aveugles de l'Ouest for each Tchén Tchén frame sold.

Since 1975, the Association Les Chiens Guides d'Aveugles de l'Ouest has been working to support visually impaired people in their daily lives. Each year, the Association accompanies more than 200 blind or partially sighted people in their daily lives, offering them one or more mobility solutions adapted to their needs (locomotion, guide dog, electronic white cane, etc.). The Association provides them with more autonomy, safety and fluidity in their daily movements.

"LA FORTY DU CŒUR BY AFFLELOU"

In France, nearly 600,000 people live in dedicated establishments for the dependent elderly. During the health crisis period, elderly people need to overcome the isolation caused by lockdowns. In 2021, the AFFLELOU Group

wanted to provide support that would allow the elderly to improve their daily lives, and to enjoy themselves without visual problems through reading or any other activity that would give them a sense of well-being. With the Forty du Cœur by Afflelou, opticians of the Group provide four sets of 10 Forty frames for each partner establishment in France. Boxes are accompanied by an easel with a reading test, allowing each resident to test different corrections and choose the one that provides the most visual comfort.

We hope that these sets will enable these elderly people to see well in all situations, maintain social connections, preserve a certain autonomy in their daily lives, keep interacting with other residents, involve themselves in the activities of the establishment (reading, writing, board games, etc.) and avoid the risk of falls.

INVOLVING STORES WITH "AUDITIONSOLIDARITÉ"

Both optical and hearing branches of owned and franchised stores are involved in the different social initiatives and actions carried out in France and Spain on a voluntary basis. For instance, hearing aid audiologists in France can provide financial and/or skills support to the Audition Solidarité association. This association helps disadvantaged people with hearing problems and ensures that hearing aids are recycled.



SPORTS SPONSORING

The AFFLELOU group shares common values with the world of high-level sport: competitiveness, team spirit, dynamism and surpassing oneself. The Group has thus historically been involved in sports sponsorship since the mid-1980s. We have been a partner of major sports clubs and events for many years.

FOOTBALL & RUGBY CLUBS

The long love affair between AFFLELOU and sport began in 1986 with football when the Group became a sponsor of the club AS Monaco. The Group then supported other football clubs such as Olympique de Marseille, Paris Saint-Germain, Bastia, Lorient, Strasbourg and the Girondins de Bordeaux, of which Mr Alain Afflelou was President from 1991 to 1996. The AFFLELOU Group also supports rugby clubs: in 1997 and 1998, it was the official the sponsor of the Stade Français, then of the Aviron Bayonnais from 2007 to 2014. The Group has also been the main sponsor of the Figaro Solo Race for 5 years and was the partner of the French Tennis Federation from 2005 to 2013, while also present on the main courts of the Roland Garros tournament. The AFFLELOU Group (for the ALAIN AFFLELOU ACOUSTICIEN branch) has also been the official partner of the club AS SAINT ETIENNE for the 2019–2020 and 2020–2021 seasons. Finally, ALAIN AFFLELOU ACOUSTICIEN has become an official partner of the Grand Prix de France Roadshow, which combines sports discovery, surpassing oneself and hearing loss prevention.

1986

Cycling: LAURENT FIGNON

1986 | 1988
AS MONACO

1988 | 1989

Women's basketball:
RACING CLUB OLYMPIQUE
DE MARSEILLE

1990

PARIS SAINT-GERMAIN

1991 | 1996

GIRONDINS DE BORDEAUX

1996 | 2002

CLUB DE CRETEIL

1997

STADE Français

2003 | 2004

Athletics

2003 | 2007

LA SOLITAIRE

2005 | 2008

RC STRASBOURG

2006

PARIS SAINT-GERMAIN

2005 | 2013

ROLAND-GARROS

2007

COUPE DAVIS

2007 | 2014

AVIRON BAYONNAIS

2012 | 2013

ESTAC TROYES
SC BASTIA

2012 | 2016

AFFICHAGE LIGUE 1

2014 | 2016

SPONSORING TV CANAL +

2015 | 2016

AS MONACO

2016 | 2017

COUPE DE LA LIGUE

2019 | 2021

SPONSORING L1
AS MONACO
AS SAINT-ETIENNE



ESPORTS

In France, the AFFLELOU Group has been the official supplier of TEAM VITALITY, the number 1 esports team in France and among the European leaders in the esports sector, for 2 years. Through this collaboration, TEAM VITALITY and the AFFLELOU Group have been able to raise awareness of the importance of vision in video games, both in terms of performance for professional players and in terms of public health for casual gamers. A study has also been carried out with a glassmaker partner of the Group in order to develop anti-fatigue lenses adapted to the practice of esports for professional players but also for all their fans or people exposed to screens for long periods of time.

In Spain, the AFFLELOU Group supports Movistar Riders, an esports club created to contribute to the development of video games. As one of the biggest teams in Europe, it owns a high-performance centre for professional players. AFFLELOU Group, with another three companies, is one of the sponsors of this organisation due to the need to disseminate the message of visual health in this segment of the market. By 2022, the partnership will reach an amateur gaming audience of about 18 million people and a professional gamer audience of 6 million people in Spain.



AFFLELOU

METHODOLOGICAL NOTE

INFORMATION INCLUDED IN THIS REPORT

FIRST VOLUNTARY REPORT

The 2021 Sustainability & Corporate Social Responsibility Report ("the Report") is the first voluntary report disclosed by the AFFLELOU Group. It describes the different Corporate Social Responsibility (CSR)-related projects and initiatives carried out by our different entities and teams, as well as the main results in terms of performance achieved by the Group.

Headquartered in France, the AFFLELOU Group is not yet subject to the obligation to disclose a statement on its extra-financial performance, and in particular with regards to the Declaration of Extra-Financial Performance (DEFP) – following the transposition of European Directive 2014/95/EU.

REPORTING SYSTEM

Annual ESG reporting has been implemented by the Group since several years ago for the following entities and subsidiaries: ALAIN AFFLELOU France Franchisor, ALAIN AFFLELOU France Owned Stores, ALAIN AFFLELOU España Corporate, ALAIN AFFLELOU España Owned Stores, ALAIN AFFLELOU Belgium, ALAIN AFFLELOU Portugal, ALAIN AFFLELOU Brands (Switzerland) and ALAIN AFFLELOU International (Luxembourg). The reporting covers +190 indicators on environmental,

social and societal topics, and is tracked through a dedicated online non-financial reporting tool.

Reporting on CSR-related initiatives, as well as extra-financial quantitative information, will be enhanced in the coming years. Improving reporting on data and practices would allow the AFFLELOU Group to achieve greater transparency on its CSR performance.

SCOPE

The Report covers major branches and entities belonging to the AFFLELOU Group as of 31 December, 2020 – especially corporate franchisor and owned store branches in France and Spain. Other countries where the Group operates are not yet included in the Report's scope.

Moreover, franchisees' contribution has been excluded from figures presented in this Report in most cases. The scope of information and data related to social (e.g., workforce, training, collective agreements, etc.) and environmental (e.g., energy consumption, greenhouse gas emissions, waste disposal, etc.) aspects only includes sites, offices and stores that are directly operated by the Group (owned stores). When franchisees' contribution has been included in figures, it has always been clarified in a note.

PERIOD

The qualitative and quantitative information provided in this Report refers to the financial year 2021 (from 1 January 2021 to 31 December, 2021). Specifications will be noted on a case-by-case basis if data refers to previous years and/or to future initiatives to be fully implemented in the coming years.

Where relevant, information is also included about initiatives undertaken in previous years but still applicable in 2021, as well as events of particular interest for 2021 that are already known about at the date of completion of this Report.

CONTENT DEFINITION

The content of the Report was prepared on the basis of results from the assessment of priority CSR issues and our main practices. Carried out in early 2021, this work has been driven by a dedicated Steering Committee and has allowed us to identify the main non-financial issues considered as material both for the Group's activities and teams and for its main stakeholders.

The work has also involved all the key Group functions and departments, which worked in close collaboration and under the coordination of the Sustainability Steering Committee.

TOPICS EXCLUDED

Several extra-financial issues are not considered relevant with respect to the AFFLELOU Group's activities. Therefore, these topics have not been reported in this document:

- Commitments & initiatives related to the fight against food waste
- Commitments & initiatives related to the fight against food insecurity

- Commitments & initiatives related to respecting animal welfare
- Commitments & initiatives related to responsible, fair & sustainable food

APPROVAL

The Report was presented for review and evaluation by the Sustainability Steering Committee, and subsequently approved by the Board of Directors of the AFFLELOU Group.

The information contained in this Report was not submitted to external audit.

GLOSSARY OF TERMS

- CEO** Chief Executive Officer
- COP** Communication on Progress
- CSR** Corporate Social Responsibility
- DEFP** Declaration of Extra-Financial Performance
- DPO** Data Protection Officer
- ESG** Environment, Social & Governance
- EXCO** Executive Committee
- GDPR** General Data Protection Regulation
- GRI** Global Reporting Initiative
- ISMS** Information Security Management System
- IT** Information Technology
- QMS** Quality Management System
- SDG(s)** Sustainable Development Goal(s)
- SKU** Stock Keeping Unit
- UN** United Nations
- WBCSD** World Business Council for Sustainable Development

AFFLELOU

ALAIN AFFLELOU

11, RUE D'ARGENSON | CS 10026 | 75 008 PARIS

www.afflelou.com