

2022 CSR REPORT

Corporate social responsibility report



AFFLELOU

www.afflelou.com

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OUR MISSION,
AS BOTH AN OPTICIAN
AND ACOUSTICIAN,
HAS ALWAYS BEEN
TO FACILITATE ACCESS
TO VISION AND HEARING
HEALTH.

FOREWORD BY

OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Our mission, as both an optician and acoustician, has always been to facilitate access to vision and hearing health. Beyond selling glasses and hearing aids, our role is also to promote prevention and facilitate access to these essential products. Our CSR approach is inherent in this mission.

We want to give meaning to what we do, in this dynamic of sustainable transition. Because these issues are more than ever at the heart of society's concerns, and therefore of our customers, the users of optical and hearing solutions.

Our ALAIN AFFLELOU Foundation in Spain, created 15 years ago, gives substance to our approach as a responsible stakeholder. One of our flagship projects, «Children's desert», enables Afflelou opticians and optometrists to travel to Morocco each year in order to carry out eye screenings and to provide sunglasses to children and families in need.

Our CSR vision permeates everything we do: it is an integral part of the Group strategy, which has been constantly transforming and innovating for 50 years, thanks to the commitment of our employees, franchisees, customers and suppliers.

As proof of our commitment, we have joined the United Nations Global Compact, a voluntary initiative encouraging companies around the world to adopt more sustainable and socially responsible policies and practices.

Today, our CSR Roadmap is clear and covers the Group's priority issues through 6 strategic pillars: governance and ethics, employees, franchisees, customers and society, environment, suppliers and products. These six pillars are broken down into commitments and objectives to be achieved.

In this context, the AFFLELOU Group plans to carry out a carbon assessment in the near future, to identify ways of reducing its carbon footprint throughout its value chain and to implement appropriate initiatives.

This CSR approach drives our Group with the aim of continuous improvement, by involving our employees, our partners and our customers.





“
IN 2022, WE HAVE DECIDED TO
ACCELERATE THE INTEGRATION
CSR WITHIN THE GROUP
AND OUR STRATEGY
OVERALL.
”

EMBODYING AFFLELOU Group's commitments

For more than 50 years, we have been facilitating access to products and services that improve vision and hearing health and comfort, in order to improve daily lives of people. We are committed to conducting our business in a way that cares for our people and our business partners (franchisees, suppliers and end customers), respects the environment in which we operate, and complies with ethical practices and behaviour.

This second CSR Report describes the integration of Corporate Social Responsibility (CSR) into the AFFLELOU Group's global strategy, the main CSR projects and initiatives being carried out in 2022 by the various entities and teams, as well as achieved performance.

Its aim is to provide all our stakeholders with information on our CSR actions and progress. Our intention is to be transparent, not only about how we are pursuing our objectives, but also about the challenges we face in achieving them.

In 2022, we have decided to accelerate the integration of CSR within the Group and our global strategy by drawing up our CSR roadmap, which takes into account the expectations of internal and external stakeholders, as well as the dual impact: the impact of society and the environment on our activities and the impact of our activities on society and the environment - according to the principle of double materiality. We have therefore identified several pillars and commitments around which this CSR Report is structured.

Through continuous improvement, this CSR report will be regularly updated and expanded. It is also the basis for our future commitments and objectives related to priority environmental, social and societal issues. Some of the performance indicators and targets set out in our CSR roadmap are still in the process of being structured, and their operational monitoring will be put in place over the next financial years.

For more details on the report's methodology, please refer to the «Methodological note» at the end of the document.



OUR MISSION,

FACILITATE ACCESS TO PRODUCTS AND SERVICES THAT IMPROVE VISION AND HEARING HEALTH AND COMFORT

Wearing glasses or a hearing aid should not be an obstacle. Everyone has the right to see and hear well. As a distributor of optical products and hearing aids as well as a service provider (eye and hearing tests), our aim is to systematically offer the best solution at the best price and to meet the multiple needs of our customers. We believe that, whatever your sight or hearing problem, everyone should be able to enjoy their daily lives in complete freedom. Our mission is to facilitate access to products and services that improve vision and hearing health and comfort.



OVER 50 YEARS OF EXPERTISE

Mr. Alain Afflelou, founder of our Group

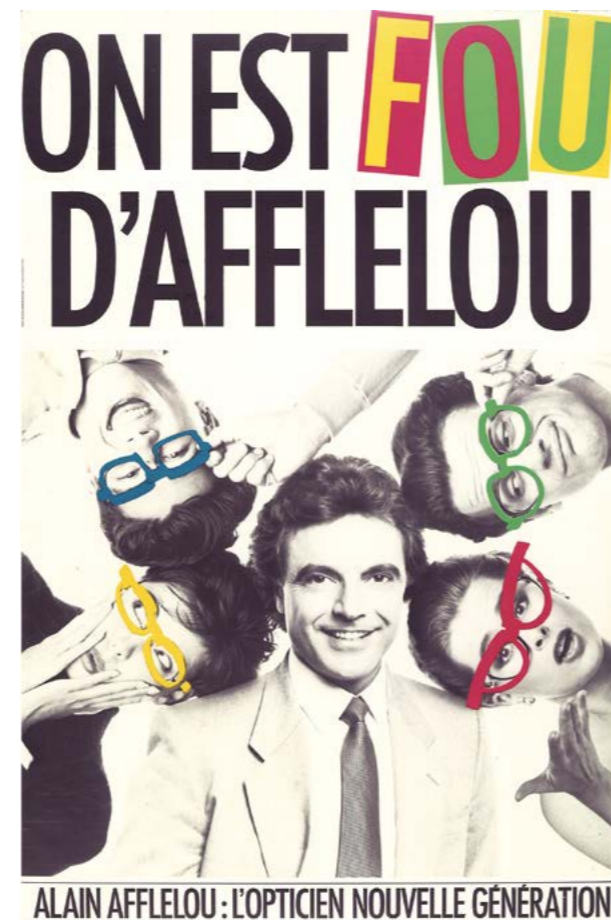
The history of our Group is deeply linked to the professional career of its founder, Mr. Alain Afflelou. In June 1962, Alain Afflelou left his native Algeria for France at the age of 14. After a first year at school in Marseille, he moved to Bordeaux, where he obtained his French baccalauréat in 1967. Then, in 1971, at the age of 23, he obtained a double diploma as an optician and audioprothesist.

Alain Afflelou opened his first optical store in 1972 in Le Bouscat, a suburb of Bordeaux. He quickly realised that glasses were considered as a burden by French people. In the early 1970s, glasses were already considered too expensive and were poorly reimbursed.

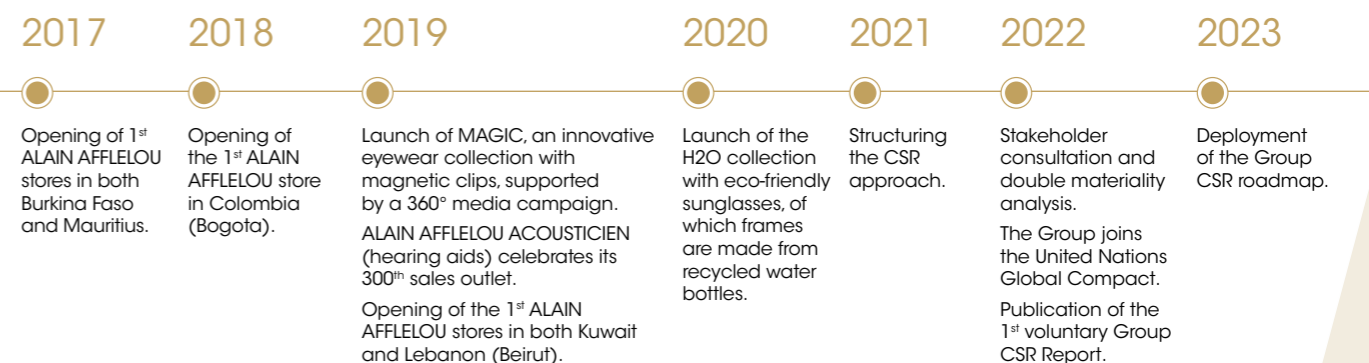
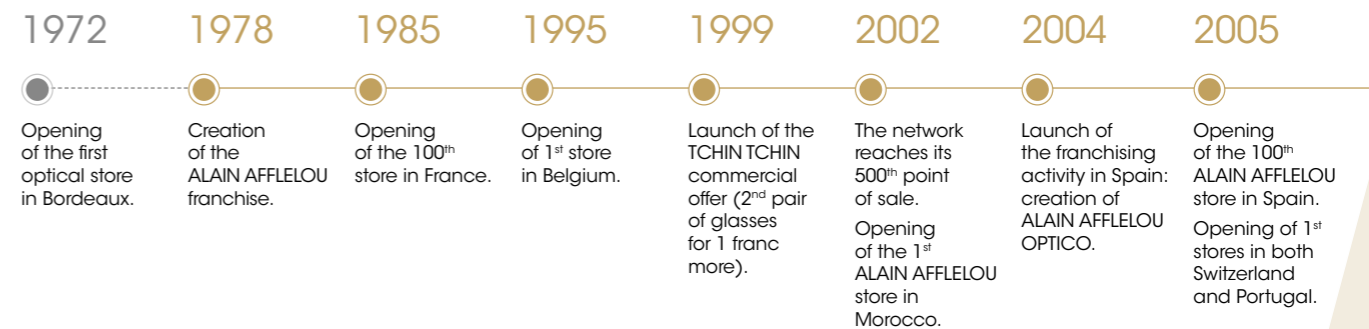
In 1978, he launched his first revolutionary commercial offer: half-price frames for all brands, with the same price for corrective lenses and contact lenses. The same year, Alain Afflelou launched his franchise development with the opening of the first three stores.

50 years after the company's inception, Alain Afflelou remains one of French people's favourite entrepreneurs. In 2018, the Group was chosen as "the most important brand in the lives of French people and the most reliable one in the optical sector". In 2021, Alain Afflelou was also elected by Forbes magazine as the third favourite business leader of French people. According to the same survey, Alain Afflelou symbolises success and puts needs of his customers first.

In June 2022, a new chapter begins for the AFFLELOU Group with the appointment of Anthony Afflelou as Chief Executive Officer. His various experiences and learnings within different Group entities and departments (project manager for internal communications, international development manager, digital transformation manager, marketing director, managing director for marketing and communication) give him a strategic vision of optical and audio markets, which is essential for understanding and analysing customer needs.



KEY MILESTONES



¹ Source: Forbes survey, published in Forbes magazine No. 14 - 2021.



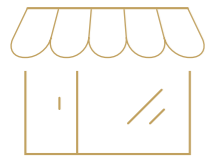
OUR IDENTITY

At ALAIN AFFLELOU, our purpose is to build a world without barriers where people feel and look good. It is with this pledge that we have been revolutionising the world of optics for 50 years. Since then, we have championed two ideas we firmly believe in: wearing glasses or hearing aids should not be a problem, and everyone deserves the freedom to enjoy their daily lives.

Founded in France by Mr. Alain Afflelou in 1972, the AFFLELOU Group is now the European leader in optician and acoustician franchising. Operating in 20 countries, our network totals 1,461 stores worldwide. The AFFLELOU Group teams are made up of nearly 1,200 qualified men and women (head offices & branch stores), working hand in hand with around 800 franchise owners.



20 COUNTRIES



1,461 STORES
(branches & franchises)
NEARLY 800

STORE OWNERS REPRESENTING,
WITH OUR GROUP,

NEARLY 5,000 EMPLOYEES
THROUGHOUT THE NETWORK



≈ €1 BN TOTAL NET SALES
WITHIN THE NETWORK



+ 350
PERMANENT STAFF
IN OUR OFFICES

+ 800
EMPLOYEES
IN OUR BRANCHES

Innovation has always been at the heart of the AFFLELOU Group's identity. Inspired by our founder, we are passionate about challenging ourselves and exploring new ways of doing things to improve at every level. As entrepreneurship is part of our DNA, we also do everything we can to attract new talents who will become our future employees and/or franchisees.

Each innovation - product, offering or concept - is designed to meet the needs and problems encountered by our end customers. We focus our research on finding the optimum combination of new technologies, quality and durability of materials, comfort, design and affordability. Observing and gathering information about people's needs has always been at the heart of our approach.

OUR VISION AND VALUES



OUR VISION

«Contribute to a world without barriers so that we can enjoy every moment of life»

We strive to build a world without barriers so that people can enjoy every moment of their lives and feel good. A world in which our customers are fully involved and emancipated from prejudices and complications. We also want to be a company at the forefront of innovation in both sight and hearing specialties. Everything we do at AFFLELOU is aimed at supporting our teams and improving the well-being of our customers.

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



OUR VALUES

The fundamental values of the AFFLELOU Group are:

Innovation: moving forward and reinventing ourselves to provide our customers with the best solutions on the market..

Dynamism: strengthening our expertise and being agile in a fast-changing world.

Leadership: consolidating our position and bringing out our best, supported by close-knit and fulfilled teams focused on customer service.

Commitment: getting involved on a daily basis, paying attention to our customers, respecting our partners and looking after our employees' growth.

Trust: to be trustworthy and to be trusted.



OUR BEHAVIOUR

Based on our values, we have identified fundamental behaviours that we actively promote internally and share with our business partners:

- We are fully committed to the company's priorities
- We demonstrate ethics, integrity and respect, as well as commitment and daily improvement - all of which help strengthening our public image and reputation
- We create an environment based on partnership and trust; the franchise organisation is based on a partnership of trust between two entrepreneurs, the franchisor and the franchisee
- We like to talk, share and listen
- We are looking for agile, original and high-quality solutions to meet our customers' needs
- Where others see problems, we see opportunities to innovate as well as implement new technologies and new ways of working
- We adapt quickly to the changes and demands of our professional environment • Nous sommes cohérents : nous annonçons ce que nous
- We are consistent: we announce what we are doing or are going to do and we do it.

MISSION

Facilitate access to products and services that improve vision and hearing health and comfort

PILLARS

«Everyone has the right to see and hear clearly»

«It's not about being the best, it's about doing your best»

«Know-how is just as important as making it known»

VISION

To build a world without barriers, so that we can enjoy every moment of life and feel good, in which our customers are fully involved and free from prejudices and complexes.



A WELL-ESTABLISHED NETWORK WITH A GLOBAL PRESENCE

From its historic base in France, the AFFLELOU Group has today become a leading network of franchised opticians and acousticians in Europe, with 1,461 optical and acoustic stores in 20 countries. On July 31st 2022, 66% of stores (branches and franchises) were located in France and 24% in Spain, the second country where the Group has its largest number of sales points. The proportion of stores (branches and franchises) in the rest of the world is 10%. Branch stores are only located in France, Spain and Portugal at the end of July 2022.

NUMBER OF STORES ²	FRANCE ³	SPAIN	OTHER EUROPEAN COUNTRIES	OTHER NON-EUROPEAN COUNTRIES	TOTAL
FRANCHISED STORES	867	270	100	41	1,278
BRANCH STORES	93	84	6	-	183
TOTAL	960	354	106	41	1,461

In Europe, the AFFLELOU Group operates in the following countries: France, Spain, Andorra, Belgium, Luxembourg, Switzerland and Portugal. The AFFLELOU Group has also extended its international presence to five continents and now operates in the following countries through franchised stores: Africa (Algeria, Burkina Faso, Ivory Coast, Mauritius, Morocco, Senegal, Togo, Tunisia), Middle East (Georgia, Kuwait, Lebanon), South America (Colombia) and Asia (Vietnam).



With a long-standing presence in France and Spain, the AFFLELOU Group is now recognised as:

- The 1st optical products franchise network in France (by number of stores and total turnover)
- The 1st optical and audio franchise chain in Spain (by number of stores)
- The 1st optician in France and 2nd in Spain in terms of brand awareness



20 COUNTRIES



1,461 STORES
branches & franchises

87% of which are franchises
and **13%** branch stores

² Including ALAIN AFFLELOU OPTICIEN, ALAIN AFFLELOU ACOUSTICIEN and OPTICAL DISCOUNT.
³ Including stores in French overseas departments and territories.

OUR ACTIVITIES, PRODUCTS AND SERVICES

Taking care of people's health with a dual optical and hearing offer

ALAIN AFFLELOU

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

Our product range includes frames, lenses, sunglasses, contact lenses and eye care products. We also provide our customers with professional advice on sight health and comfort, as well as a wide range of related services (please refer to "Offer innovative products and services that are accessible to as many people as possible" and "Limiting the environmental impact of our products and packaging over the entire life cycle" sections for more details).



Frames



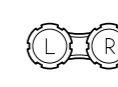
Lenses



Sunglasses



Contact lenses



Care products



Related services & advice



Hearing aids



ALAIN AFFLELOU

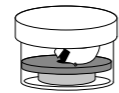
Acousticien

Since 2011, the AFFLELOU Group has also been helping people to look after their hearing by fitting them with hearing aids, offering hearing aid testing, follow-up after the fitting equipment has been cleaned, and assisting them with hearing aid adjustments and renewals. Our customers can make an appointment with our state-qualified audioprosthetists in the ALAIN AFFLELOU ACOUSTICIEN centres to have their hearing tested free of charge (see the section "Offering innovative products and services accessible to as many people as possible" for more details).

Our product range includes hearing aids and related care products. We also provide our customers with professional advice on their hearing health and comfort, as well as a wide range of services (see the section "Offering innovative products and services that are accessible to as many people as possible" for more details).



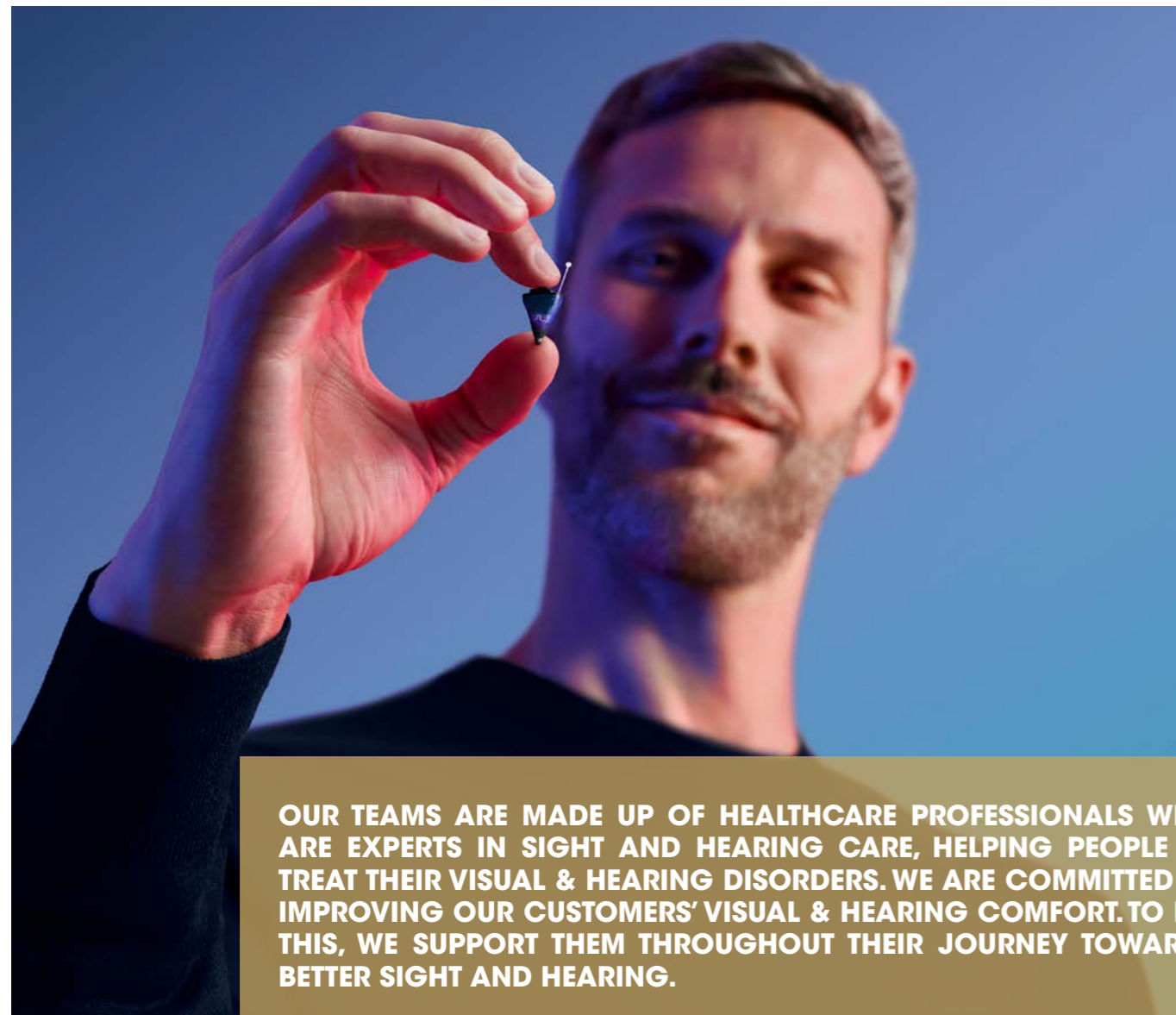
Hearing aids



Care products



Related services & advice



OUR TEAMS ARE MADE UP OF HEALTHCARE PROFESSIONALS WHO ARE EXPERTS IN SIGHT AND HEARING CARE, HELPING PEOPLE TO TREAT THEIR VISUAL & HEARING DISORDERS. WE ARE COMMITTED TO IMPROVING OUR CUSTOMERS' VISUAL & HEARING COMFORT. TO DO THIS, WE SUPPORT THEM THROUGHOUT THEIR JOURNEY TOWARDS BETTER SIGHT AND HEARING.

Our franchise and branch model

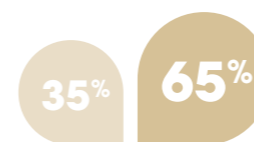
In order to provide professional products, services and advice to its customers, the AFFLELOU Group has developed two structures within its network, comprising both branch stores directly operated by AFFLELOU teams (branches) and franchised stores managed by independent franchisees. Store teams are in direct contact with end customers.

Created in 1978, the AFFLELOU franchise model is based on a partnership between the Group (as franchisor) and the franchisees (independent retailers), combining the franchisor's know-how with the professionalism and local dynamism of each franchisee, who is responsible for his or her own business. By July 2022, franchised stores will represent almost 90% of the total number of stores, i.e. approximately 800 franchisees and almost 5,000 people employed within the network.

ALAIN AFFLELOU own-brand products & licensing agreements

Products provided by the Group can be divided into two main categories: exclusive AFFLELOU Group products, generally marketed under the ALAIN AFFLELOU own brand (and marginally under licence) and third-party brand products. Products bearing the ALAIN AFFLELOU brand are distributed in AFFLELOU stores (frames, sunglasses, contact lenses, hearing aids), in the territories where the Group is established.

In fiscal year 2022, ALAIN AFFLELOU own-brand products accounted for 35% of purchases made by the network's stores. Over the same period, approximately 2.8 million ALAIN AFFLELOU own brand frames and sunglasses were sold, from around 250 references in stores.




OVER THE PERIOD FROM AUGUST 2021 TO JULY 2022, ALAIN AFFLELOU BRANDED PRODUCTS ACCOUNT FOR 35% OF STORE PURCHASES WITHIN THE GROUP, AND OTHER BRANDED PRODUCTS (EXCLUDING THE ALAIN AFFLELOU OWN BRAND) FOR 65%.




OFFER INNOVATIVE PRODUCTS AND SERVICES THAT ARE ACCESSIBLE TO AS MANY PEOPLE AS POSSIBLE


To facilitate access to products and services that improve people's visual & hearing health and comfort, our teams reinvent themselves every day and are constantly looking for new ways to further improve your well-being and comfort, while making these services and products financially accessible:



Pricing affordability and easy payment options



Multi-ownership scheme with specific commercial offers



Awareness & professional advice

ACCESSIBLE PRODUCTS AND SERVICES

A wide range of offers

Firstly, the AFFLELOU Group facilitates access to sold products and services by designing offers that are financially accessible. In 2022, we continued with our most emblematic offer, TCHIN TCHIN, which continues to expand with different products, and the NEXTYEAR® financing offer, with which customers leave the optician or hearing aid specialist "without paying" and pay for their purchases in several instalments over a period of up to two years without interest or commission. Our aim is to make glasses and hearing aids more accessible to as many people as possible.

MULTI-OWNERSHIP MODEL

Tchin Tchin

In the early 1990s, trends showed that many people wanted a second pair of glasses, but price remained a major obstacle for most 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 have access to a second pair of quality glasses. Having a second pair of glasses is very useful for all our customers and crucial for people with serious vision problems.

This second-pair offer can be used for a number of usages and is now available for prescription glasses, sunglasses and hearing aids. For example, having a spare pair of glasses for visual and/or hearing problems, at a low and accessible price, is a real security for our customers, guaranteeing their peace of mind and improving their daily well-being.

Supported by numerous advertising campaigns to ensure wide distribution, this optional offer is available to all our customers in all AFFLELOU stores. In 2022, more than 1.4 million optical customers took advantage of the TCHIN TCHIN offer.



MORE THAN 1.4 MILLION OPTICAL CUSTOMERS BENEFITED FROM THE TCHIN TCHIN OFFER IN 2022.

AFFORDABLE PRICE

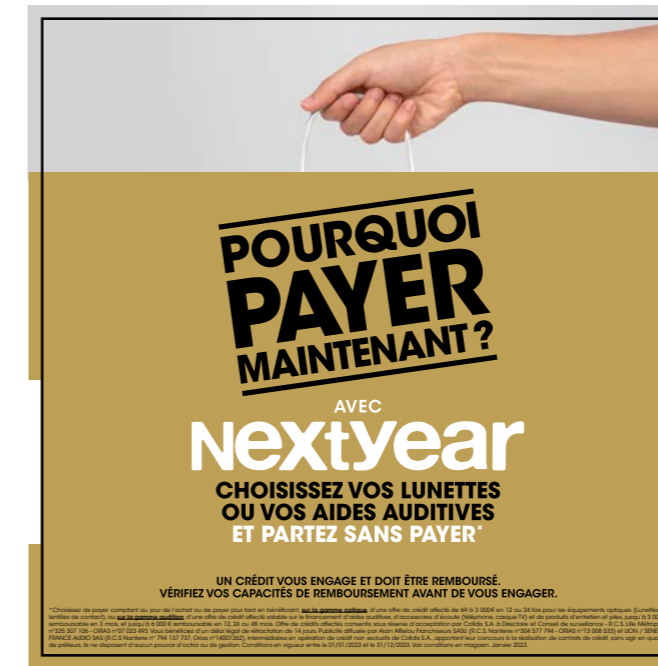
Nextyear®

D'AFFLELOU

We know that the cost of glasses and hearing aids can remain a barrier to the renewal of equipment. With its NEXTYEAR® offer, the AFFLELOU Group wants to make it easier for people to buy optical and hearing aids, thanks to appropriate payment systems.

Since 2009, the NEXTYEAR® offer has enabled all consumers to pay for our eyewear one year after purchase, or in 12 payments over 1 year, via a simplified consumer credit scheme with no interest or administration fees. This payment system is available for prescription glasses, sunglasses, contact lenses and all care products. For hearing aids, customers can pay in 24 instalments over 2 years and free of charge.

As a pioneer in this type of optical and audio offer, we have observed that the average basket for optical equipment with NEXTYEAR® is almost 50% higher than the historical average basket.



MORE THAN 40,000 OPTICAL CUSTOMERS BENEFITED FROM THE NEXTYEAR® OFFER IN FRANCE IN 2022.

MORE THAN €18 MILLION WORTH OF OPTICAL PRODUCTS SOLD WITH NEXTYEAR® IN FRANCE IN 2022.

1 / 5 OF 2022 SALES WITH NEXTYEAR® IN SPAIN.

RENEWAL AND REPLACEMENT

KID COOL

BY AFFLELOU

Thanks to its KID COOL offer, the AFFLELOU Group provides parents with free replacement glasses for their child (aged under 12) in the event of breakage, loss or theft within one year of purchase. In Spain, the Group also commits to change the lenses of children under the age of 14 as many times as necessary, free of charge, for prescription changes during the 12 months following purchase.



COMMITMENTS AND GUARANTEES FOR HEARING PRODUCTS

In the hearing products segment, the ALAIN AFFLELOU ACOUSTICIEN offer includes a free 30-day trial so that people can test hearing aids in their daily environment before purchasing and to help people find the hearing aid that suits them best. During the trial period, the customer can meet the hearing aid specialist several times to receive advice and adjust the device if necessary. We will also continue to offer you our services free of charge during the warranty period of your hearing aids and on an unlimited basis. Hearing aids come with a 3-year guarantee, which can be extended by one year for the INCOGNITO range of hearing aids. During this period, the hearing care professional is available by appointment to help with the use, maintenance, adjustment and monitoring of your hearing aids.

Geographic densification

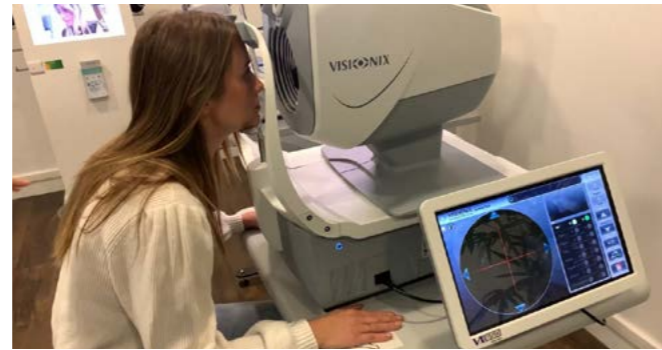
The AFFLELOU Group is stepping up its programme to increase the brand's presence in France and Spain. The aim is to make the brand geographically accessible in these territories, so that people can benefit from the Group's offers and improve their health, comfort and quality of life.

Free tests and screening

In line with our mission, we want to make optical and hearing tests widely available. For example, 10 million people of all ages suffer from a hearing problem in France. Screening is the first step towards treatment. This is why our customers can benefit from a free vision and/or hearing test in most AFFLELOU Group stores.

As part of the Group's commitment to preventing hearing problems, teams of practitioners specialising in hearing aids offer free hearing tests and screening, which can be carried out in any ALAIN AFFLELOU ACOUSTICIEN store or in an ALAIN AFFLELOU OPTICIEN store with a dedicated hearing area.

In France, once the test has been carried out, and if a sight and/or hearing problem is detected, people are invited to contact their doctor and visit a medical centre for a more in-depth diagnosis. In Spain, anyone can have their eyesight diagnosed in-store.



Awareness-raising and professional advice

In addition to providing healthcare devices to our customers, we also strive to raise awareness, particularly among the younger generation, of the importance of sight and hearing health and wellbeing. We believe that prevention is a key step for customers who want to take care of their sight and hearing.

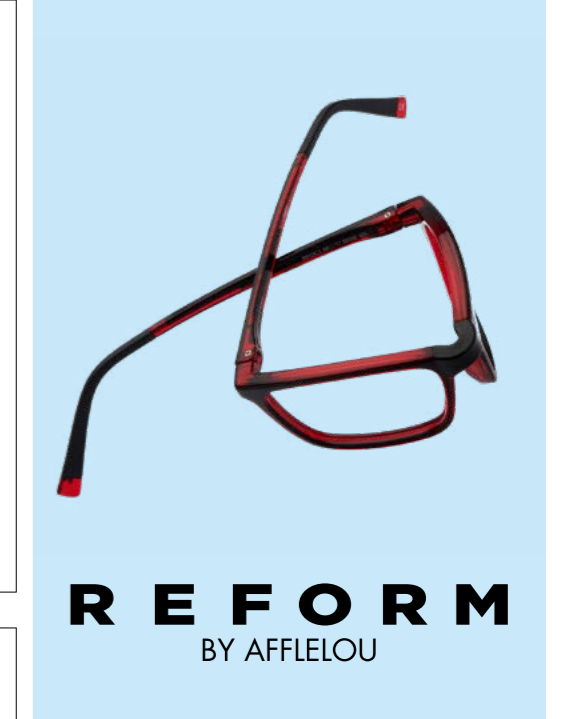
Our teams are made up of qualified healthcare professionals, experts in optical devices and hearing aids, who work to treat the customer's sight and/or hearing loss problems. We are committed to helping people regain their wellbeing, by accompanying them on their journey to greater comfort. We listen to our customers, advise them and make ourselves available in all our stores. In this context, our teams will always provide free advice at customers' request in all our stores.

As raising awareness about sight and hearing is crucial to meeting society's health challenges, we publish a lot of information and advice on our website and social networks. We provide recommendations on how to look after your eyesight and protect your hearing, as well as easy-to-understand explanations of the most common sight problems (e.g. myopia, astigmatism, hypermetropia, presbyopia, etc.) and hearing problems (e.g. presbycusis, hyperacusis and hypoacusis, tinnitus, etc.). The audio chronicles recorded by Mr. Alain Afflelou as well as numerous frequently asked questions (FAQ) are also available on the Group's website. We want to use our expertise to further democratise these subjects and help customers to take care of their health.

The AFFLELOU Group also carries out specific awareness-raising and prevention campaigns in the field from one year to the next (see the section entitled "Raise our customers' and society's awareness of visual & hearing health issues" for more details).

Store accessibility for people with reduced mobility

The AFFLELOU Group ensures that all its stores are accessible to people with reduced mobility (PRM) in compliance with PRM standards if the store permits, or by other means, in particular by installing access ramps.



INNOVATION AT AFFLELOU

Innovation has always been at the heart of the Group's identity. Inspired by our founder, we are passionate about challenging ourselves and exploring new ways to improve at every level.

Each innovation (product, offering and/or concept) is designed to meet the needs and issues facing our customers. Our research efforts aim to achieve an optimum combination of new technologies, quality materials, comfort, design and affordable prices. Observing and gathering data on people's needs has always been at the heart of the Group's DNA.

Located in Geneva (Switzerland), the design and development division of the AFFLELOU Group is responsible for the development of all ALAIN AFFLELOU own-brand products.

In 2022, the AFFLELOU Group set up an Innovation Department which runs Innovation Committees every two months. The aim of these committees, which bring together the Group's directors, is to discuss innovation trends, as well as any needs and obstacles to the development of new projects. Topics such as innovation in appointment scheduling were discussed in 2022. This service is especially behind the development of teleophthalmology within the AFFLELOU Group in 2022 (see the section "Teleophthalmology service" for more details).



Partnerships with research and academia

Our links with training centres and universities enable us to participate in the development of research projects in the field of sight and hearing health, where we actively collaborate in collecting data for studies and disseminating the results. We are involved in research because it is part of ALAIN AFFLELOU's commitment to sight and hearing health and is directly linked to our vision of building a world without barriers where people feel and look good. These collaborations include the following projects:

EUROPEAN YOUNG EYE (EYE) PROJECT

Our commitment to improving people's health has led us to take part for the first time in a research project funded by the European Union. This is the Young Eye European research project, the most ambitious research and innovation programme launched by the European Union as part of Horizon Europe and the Marie Skłodowska Curie initiatives, with a budget of €1.3 million. This international project was carried out with joint contributions from Spain, the United Kingdom and Portugal.

We are involved in this project alongside Mark'envoy and the clinical and experimental research group at Madrid's Complutense University (headed by Professor David Madrid Costa). This is the first time that an optics company has taken part in a project like this one, in which five researchers are working on new solutions for the treatment of presbyopia with contact lenses as part of their doctoral thesis. Together, we can find new therapeutic alternatives for presbyopia.

We aim to train a new generation of researchers who are more creative and innovative, capable of transforming ideas into products and services with social and economic benefits to society. The project also aims to enhance the impact and international visibility of European research, through integrated dissemination, communication and outreach, as well as to foster synergies between the private and academic sectors.

CHILD MYOPIA BAROMETER

We have collaborated with the European University of Madrid to develop the study on the prevalence of child myopia in Spain, by providing data recorded between 2016 and 2020 during the school campaign for visual health promoted by the ALAIN AFFLELOU Foundation. The results of the examinations gave rise in September 2021 to the report on the prevalence of child myopia, on the basis of which the Child Myopia Barometer was drawn up a year later and published in September 2022.

The Child Myopia Barometer (2016-2021) has been designed as an evolving study, based on data updated and renewed each year as part of the Foundation's aforementioned campaign. Its aim is to analyse the evolution of myopia in the Spanish child population, a problem that is increasingly present among younger children.

The study is rich and revealing, because between the ages of 5 and 7, children do not have the proper hindsight to assess their visual abilities, making it difficult to detect visual deficiencies such as myopia. Over the 6 years of the study, we gathered information from 15,672 children taking part in the campaign throughout Spain. To analyse all the data, 4 researchers from the vision research group of the European University of Madrid and 330 ALAIN AFFLELOU opticians from all over Spain were involved.

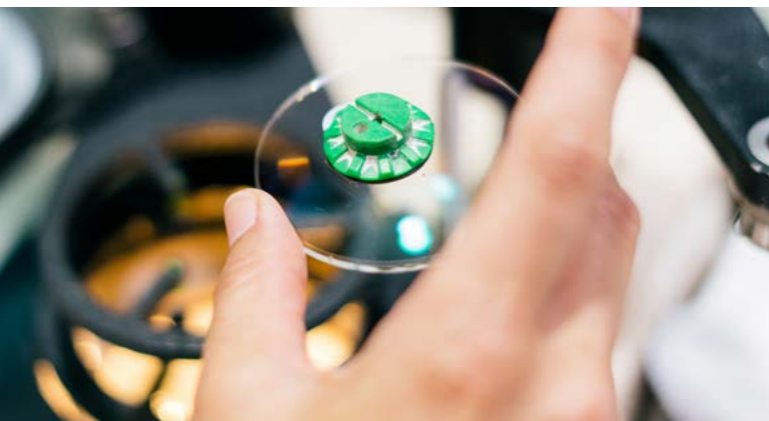
The conclusions that can be drawn from this study are as follows:

The prevalence of myopia in Spain rose by 17% between 2016 and 2021.

In 2020 and 2021, the prevalence of myopia has stabilised. It is important to bear in mind that the Covid crisis may have influenced health awareness.

Sleep problems are more common in myopic children.

By way of a general conclusion, we would point out that children's lifestyle has a strong influence on the onset and development of myopia. A lifestyle that includes more outdoor activities reduces the risk of the onset and development of myopia.



Digitisation of processes and services

In 2018, the AFFLELOU Group launched a plan to digitally transform its own operations, in-store processes and end-customer related experience. The digitisation of professional services and advice provides easier access and is a further step towards their democratisation.

DEMATERIAISING THE POINT OF SALE

The AFFLELOU website is available in four languages with access 24 hours a day, 7 days a week. E-commerce is particularly used by our end customers for the purchase of unprocessed products, i.e. sunglasses, reading glasses, contact lenses and other products that do not require a doctor's prescription or processing as part of the purchasing process. The dematerialisation of administrative processes, such as electronic signatures and the digitisation of paper documents, is already in place in Spain and France.

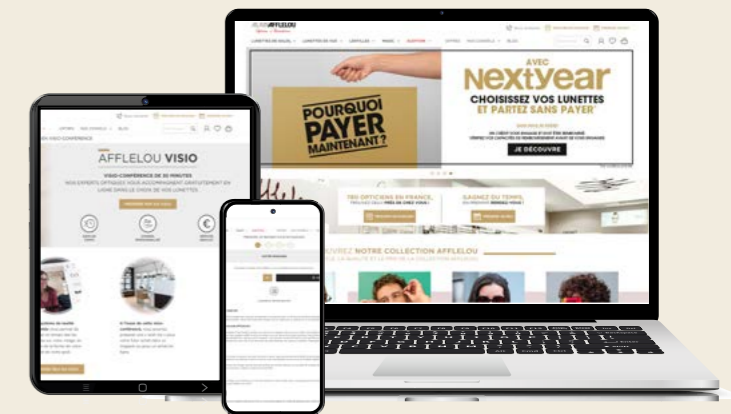
DIGITISING THE CUSTOMER JOURNEY

An online appointment booking system with our eye and hearing care professionals is also available in all our stores. Customers can also access a virtual eyewear fitting, enabling them to try on their selection directly at home, ask friends and family for their opinion, find models they may not find in their usual store and save time on their next visit to the store. The virtual fitting can be done online via the AFFLELOU Group's website, but also using dedicated digital screens in the stores.



TELEOPHTHALMOLOGY SERVICE

In terms of innovation, 2022 was mainly devoted to the launch of the teleconsultation service in the Group's stores in France, with the aim of facilitating access to ophthalmic care in medical deserts. ALAIN AFFLELOU is offering a no-appointment teleconsultation service, enabling patients to obtain a remote consultation in one of the company's stores, often with no waiting time and depending on the availability of ophthalmologists. Prevention is very important for ALAIN AFFLELOU opticians. For example, the examination room is systematically equipped with screening equipment that enables the ophthalmologist to detect possible pathologies (cataracts, for example) and, if necessary, refer the patient to an office for a face-to-face consultation. In collaboration with its equipment supplier and the leader in telemedicine in France, ALAIN AFFLELOU has also developed an innovative technological device that complies with current medical regulations to ensure total independence between the two professions. 200 ALAIN AFFLELOU points of sale are located in French areas where there are medical deserts. With the success of the initial tests carried out in 5 stores during 2021, the brand confirms its intention to roll out its teleophthalmology system nationwide, and is aiming to have around 150 stores committed to this system by the end of the 2023 financial year. As well as contributing to the AFFLELOU Group's Mission, this project reflects the capacity for innovation of our network and teams.



CORPORATE GOVERNANCE

GROUP SHAREHOLDER STRUCTURE



On July 31st 2022, the Group Executive Committee (EXCOM) comprised the following 7 members:



The AFFLELOU Group also has an extended Management Team, comprising the following members (Management Committee):



Lastly, the AFFLELOU Group is administered by a Board of Directors, which manages the Company, determines the direction of the Company's business and ensures that it is implemented. Subject to the powers expressly attributed to the Shareholders and Senior Executives, and within the limits of the Company's corporate purpose, the Board deals with all matters relating to the proper operation of the Company and settles the matters that concern it through its deliberations. The Board of Directors carries out the controls and verifications it deems appropriate.

The Group's Board of Directors comprises the following members, including three independent directors:



Board members are appointed by the Group's shareholders for a period of six years, renewable with shareholder approval.

THE AFFLELOU GROUP HAS ALSO SET UP A REMUNERATION COMMITTEE.



CSR REPORT
2022

#1 GOVERNANCE & ETHICS

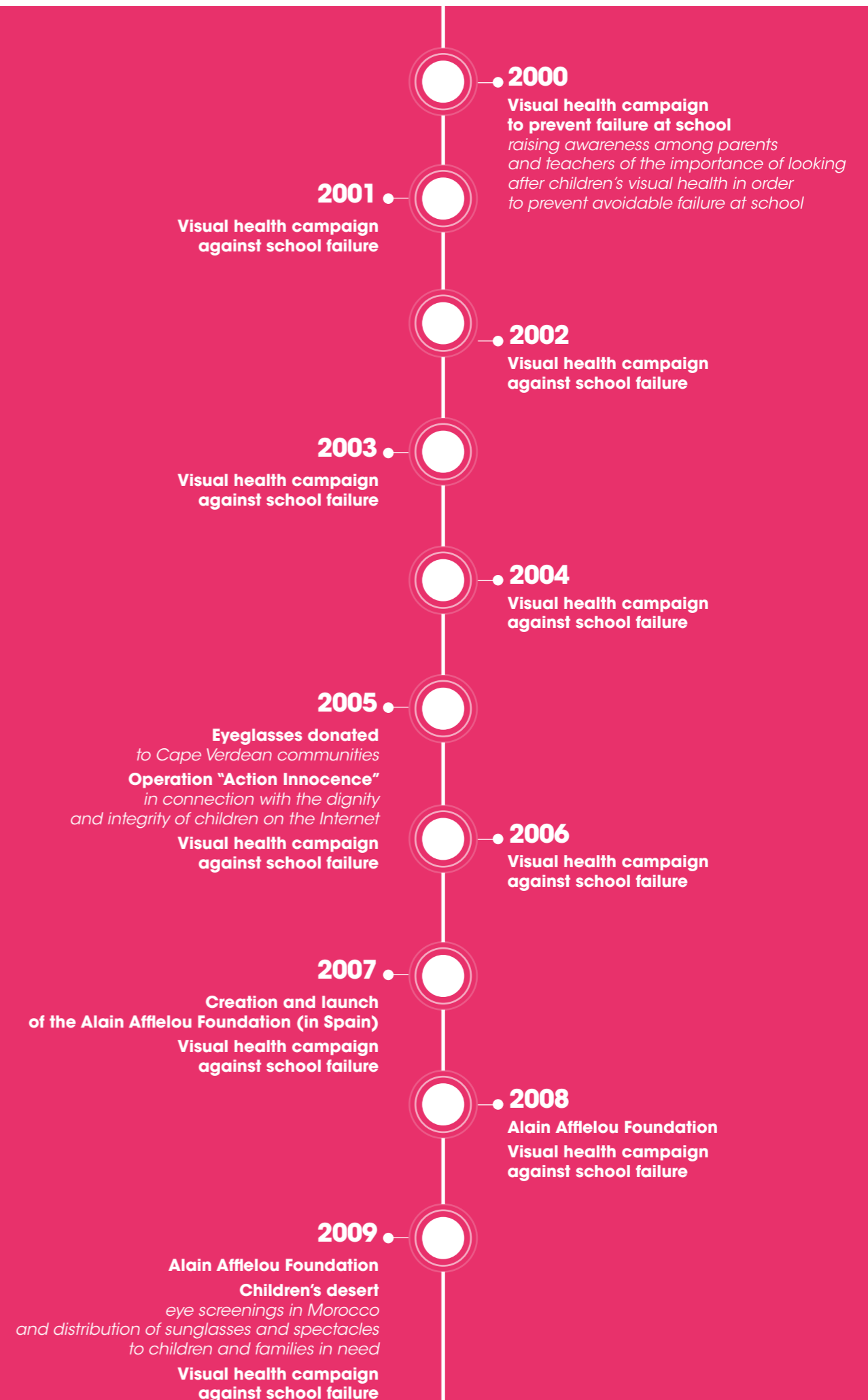
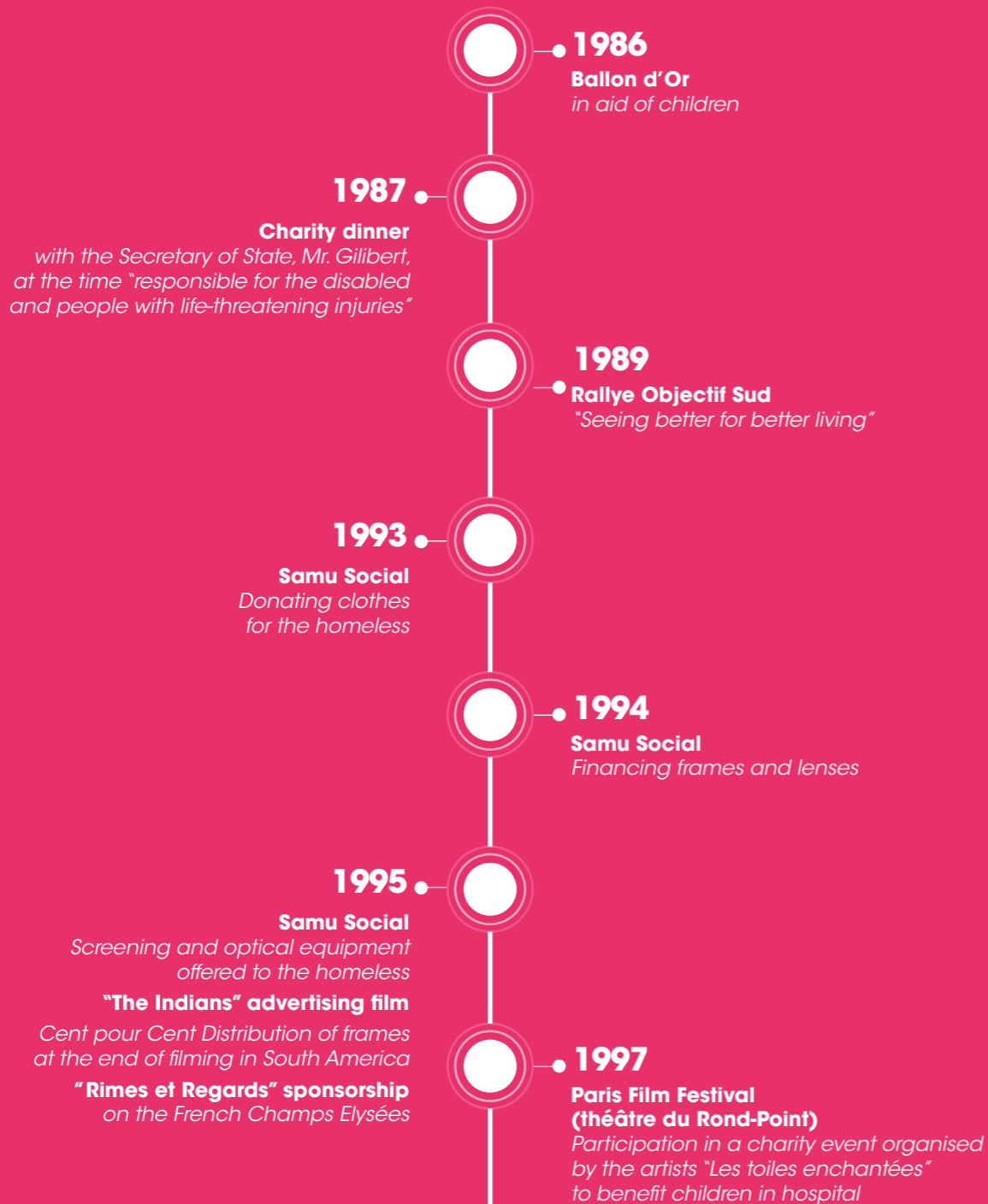


GOVERNANCE & ETHICS

We consider Corporate Social Responsibility (CSR) as an integral part of the Company's overall strategy and a cross-functional approach across the various activities and entities of the AFFLELOU Group. In this context, the various CSR issues are managed on a daily basis by each of the Group's key departments (Human Resources, Products, Marketing and Communication, etc.).

The AFFLELOU Group makes it a point of honour to guarantee the ethics of its internal and commercial practices in all circumstances. To this end, we have set up a compliance management programme to prevent, manage and control operational and legal risks.

History of our solidarity initiatives



2010

Alain Afflelou Foundation
Children's desert
Visual health campaign
against school failure

Partnership
Sophie Vouzelaud defends accessibility for the deaf and hard of hearing. 500 free hearing aids a year for disadvantaged people

2012

Fondation Alain Afflelou
Campagne Down "Los peces no se mojan"
ALAIN AFFLELOU glasses adapted and offered to Down's syndrome children under 15 years of age

Visual health campaign
against school failure

Operation in Malawi
opening of an eye care unit and commitment to children's education with Tasha de Vasconcelos, European Union ambassador for humanitarian causes and founder of the Amor association

2014

Alain Afflelou Foundation
Children's desert
Visual health campaign
against school failure

Prevention campaign
Health club debate with Michel Cymes Travel South Africa
Sponsorship of children by franchisees
donation of school supplies and optical equipment

2016

Alain Afflelou Foundation
Visual health campaign
against school failure

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain)

2018

Alain Afflelou Foundation
Visual health campaign
against school failure

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain)

VolviendoAVer in collaboration with the Red Cross
eye checks and delivery of glasses to disadvantaged people

2011

Alain Afflelou Foundation
Children's desert
Visual health campaign
against school failure

Support for Enzo's operation in the USA - "Les Etoiles du Bonheur" Association

2013

Alain Afflelou Foundation
Children's desert
Visual health campaign
against school failure

2015

Alain Afflelou Foundation
Children's desert
Visual health campaign
against school failure

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain)

Child protection campaign
with the Spanish Paediatric Foundation

2017

Alain Afflelou Foundation
Visual health campaign
against school failure

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain)

2019

Alain Afflelou Foundation
Visual health campaign
against school failure

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain)

VolviendoAVer in collaboration with the Red Cross
eye checks and delivery of glasses to disadvantaged people

Les Bouchons de L'espoir
collection of plastic corks
Association Langage & Intégration
€1,000 donated and audio products provided

Odyssea / running association
donation from registration fees of registered employees (2017 and 2018)

Les Chiens Guides de l'Ouest
Funding for two guide dogs and the purchase of two electronic walking sticks

2021

Alain Afflelou Foundation
Visual health campaign
against school failure

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain) and Medico (France)

VolviendoAVer in collaboration with the Red Cross
eye checks and delivery of glasses to disadvantaged people

Afflelou's Three Rules
raising awareness of the consequences of using screens and preventing myopia

Les Bouchons de L'espoir
Launch of an annual in-store collection operation for contact lens packaging, spectacles (Medico Lions Club) and audio batteries (Corepile)

La Forty du Cœur (Ehpad)

2020

Alain Afflelou Foundation
Visual health campaign
against school failure

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain)

VolviendoAVer in collaboration with the Red Cross
eye checks and delivery of glasses to disadvantaged people

Afflelou's Three Rules
raising awareness of the consequences of using screens and preventing myopia

Les Bouchons de L'espoir
Telethon / running association
donation from the registration fees of registered employees

Eye screening in Bangkok
for 150 disadvantaged people
Donation of optical equipment to albinos in Mali
(in support of the AMPA association)

Covid-19
500,000 FFP2 masks donated to healthcare workers (France)

Donations to associations
Tout le monde contre le cancer
Vaincre la Mucoviscidose / soutien à Arthur Desplaces, franchisé Alain Afflelou

2022

Alain Afflelou Foundation
Visual health campaign to prevent failure at school
(23e: glasses donated to all children aged 5 to 7 who need them)

Recycling glasses and donating them to underprivileged populations
in collaboration with the Lions Club (Spain) and Medico (France)

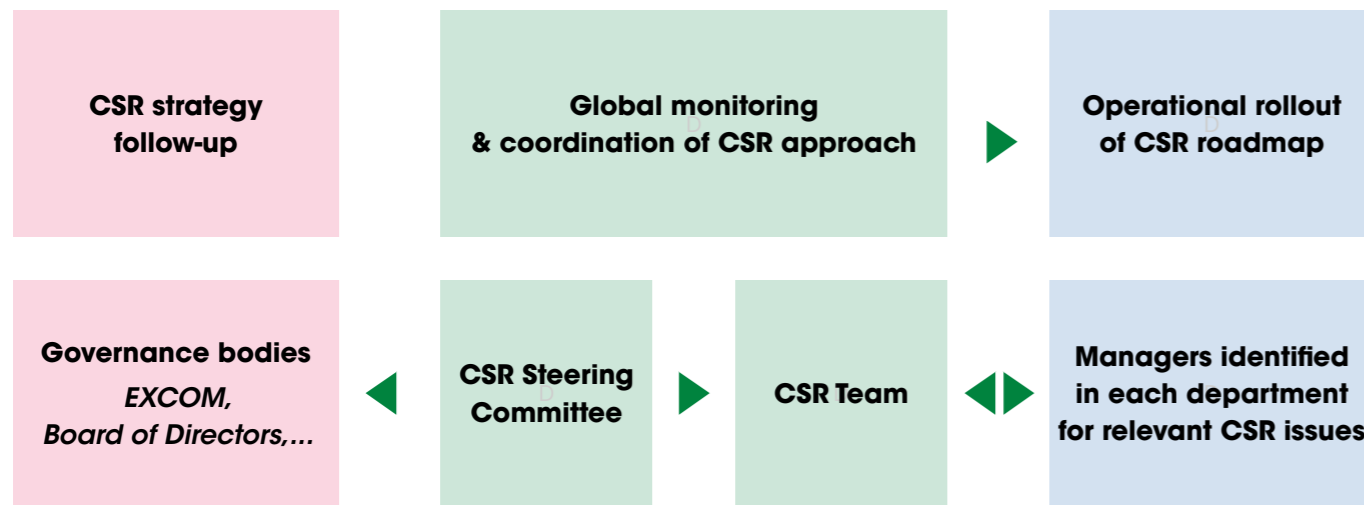
Children's desert
VolviendoAVer in collaboration with the Red Cross
eye checks and delivery of glasses to disadvantaged people

Teleophthalmology
in-store teleconsultation service to facilitate access to ophthalmological care in medical deserts - Launch in 5 test stores in June 2022



INTEGRATING CSR INTO CORPORATE GOVERNANCE

SUSTAINABILITY GOVERNANCE



IN 2022, THE AFFLELOU GROUP CONTINUED TO STRUCTURE ITS CSR APPROACH.

The CSR Steering Committee, set up in 2021, is made up of four members: the CEO of the Group’s Spanish subsidiary (also a member of the Group Executive Committee), the Group Chief Financial Officer, the Head of CSR France & International, and the Head of CSR Spain. Specific roles and areas of expertise have been defined within this Committee to ensure the coordination of work and the steering of the CSR approach.

The role of the CSR Steering Committee is to define the Group’s CSR roadmap, implement and monitor it using key performance indicators, as well as report on it to internal bodies and external stakeholders.





DIALOGUE WITH OUR STAKEHOLDERS
Stakeholder mapping

Stakeholders play a fundamental role in developing a more sustainable range of products and services, improving our decision-making processes and implementing more virtuous practices. Identifying the stakeholders involved in our activities and sphere of influence, understanding their interests and expectations, as well as maintaining an active dialogue with them are essential to conducting our business and continuing to strengthen our efforts to develop a more sustainable model.

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

Main stakeholders of AFFLELOU Group



Stakeholder categories



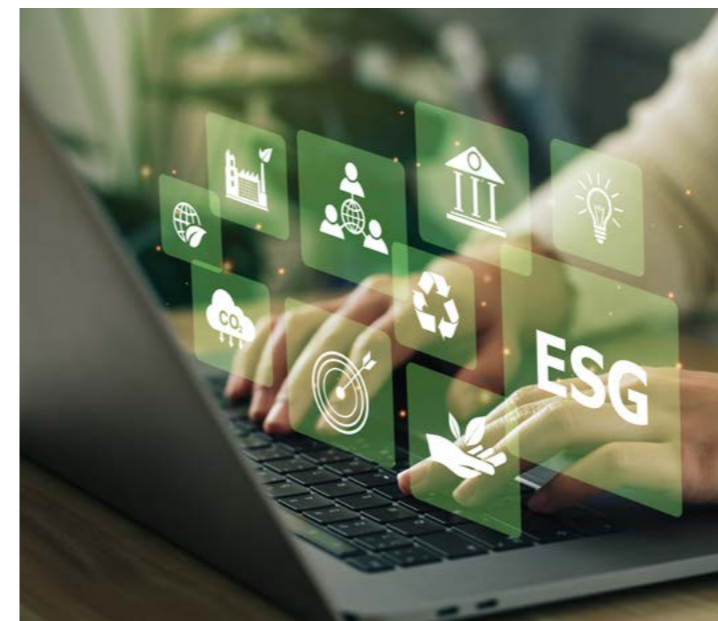
Double materiality analysis

In order to identify ALAIN AFFLELOU's priority sustainability issues and to precisely determine the company's relationship with the society and environment in which it operates, the Group undertook a double materiality analysis during the 2022 financial year. This study helped to define the Group's CSR roadmap, taking into account internal and external expectations, industry practices and emerging market trends, as well as the reciprocal impacts of our activities on society and the environment, in accordance with the principle of double materiality.

Following the principles established by the GRI and ISO 26000 standards on social responsibility, the Group's impacts and opportunities and, more specifically, the priority issues of the AFFLELOU Group's activity, have been analysed.

The process of determining double materiality requires

- Identifying key issues ;
- Assessing and prioritising these issues through evidence of impact(s) on society and the environment, as well as impact(s) on business value ;
- Engagement with stakeholders, including their perception of the issues identified and assessed ;
- Supervision and validation of the materiality process by the Executive Committee.



THE FOLLOWING ACTIONS HAVE BEEN TAKEN TO DEVELOP THIS ANALYSIS:

STEP 1

Stakeholder mapping

mapping of the Group's stakeholders and ranking of these groups according to their level of influence or dependence on the company.

STEP 2

Identification of relevant sustainability issues

identification of the relevant issues to be assessed on the basis of the company's internal documentation, industry references and guides, peer company reports, competitors and sustainability benchmarks, as well as social and environmental trends.

STEP 3

Stakeholder consultation and prioritisation of expectations

selection of the stakeholder panel to be consulted, sending out a survey and carrying out interviews on the relevant pre-selected sustainability issues, asking them to measure the degree of importance attached to each of them. Nearly 6,000 people responded to the consultation, including employees, franchisees, customers and suppliers.

STEP 4

Assessment of risk levels associated with the relevant issues

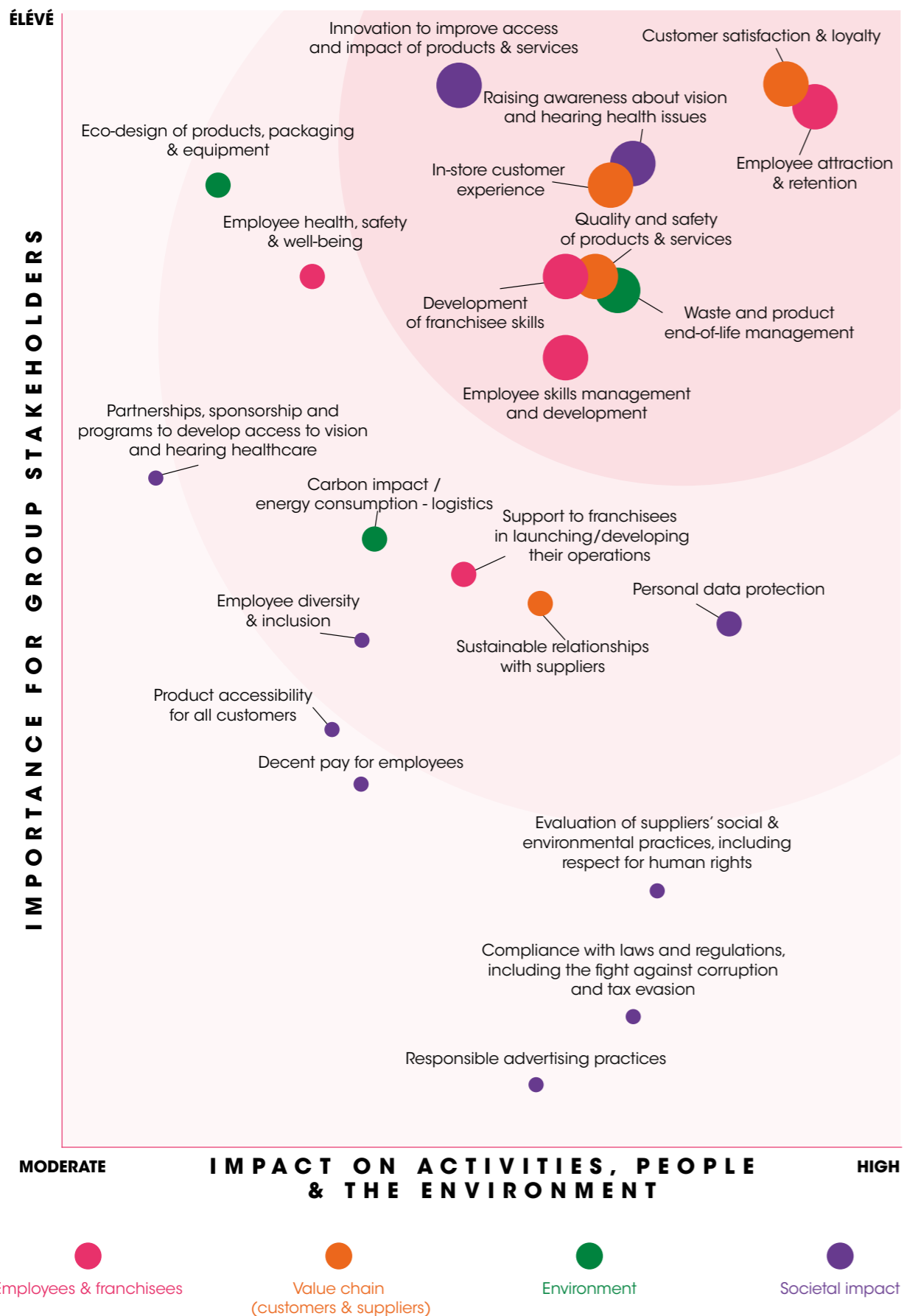
impact assessment of the issues on the company's activities, society and the environment, based on an analysis of the risks associated with each issue - carried out during workshops with members of the Group's Executive Committee and key operational departments.

STEP 5

Drafting of the materiality matrix

preparation of two materiality matrices for activities in France and Spain, and an overall consolidated matrix for the Group, prioritising sustainability issues according to the level of priority accorded by stakeholders and the importance of the associated impact.





Based on a double materiality analysis, the AFFLELOU Group's materiality matrix identifies 9 priority CSR issues representing stakeholder expectations and their impact analysis, as well as 7 additional material issues representing critical impacts on the company, people and the environment.

OUR CSR ROADMAP

Based on our business model and results from the materiality analysis, the AFFLELOU Group has defined its CSR roadmap, including specific action plans to achieve the objectives set. This roadmap has been approved by the Group's Executive Committee, which will delegate its implementation and supervision to the CSR Steering Committee from the 2023 financial year.

The CSR roadmap covers the Group's CSR priority issues, grouped under 6 strategic pillars whose backbone is the Group's mission. These pillars, which can be likened to the main areas of work, are broken down into 14 commitments and contribute in parallel to the United Nations' Sustainable Development Goals (SDGs), which are an integral part of the 2030 Agenda for Sustainable Development:

6 STRATEGIC CSR PILLARS	14 COMMITMENTS	SDGS CONTRIBUTION
GOVERNANCE & ETHICS	<ul style="list-style-type: none"> Integrate CSR into corporate governance Integrate ethics into our practices and relationships with stakeholders 	
EMPLOYEES	<ul style="list-style-type: none"> Attract & retain talent Support the development of talent Fight against discrimination and promote diversity & inclusion Promote a high-quality working environment & employee well-being 	
FRANCHISEES	<ul style="list-style-type: none"> Support the responsible development of our franchise network 	
CUSTOMERS & SOCIETY	<ul style="list-style-type: none"> Take action on a daily basis to improve customer satisfaction & experience Offer innovative products and services that are accessible to as many people as possible Raise our customers' & society's awareness about visual & hearing health issues 	
ENVIRONMENT	<ul style="list-style-type: none"> Limit the environmental impact of our products & packaging throughout their lifecycle Reduce the carbon footprint of our activities & our value chain 	
SUPPLIERS & PRODUCTS	<ul style="list-style-type: none"> Develop responsible relationships with our suppliers Guarantee the quality & safety of our products and services 	





OUR MISSION

Facilitate access to products and services that improve vision and hearing health and comfort



Thus, 5 priority SDGs have been identified to which the Group contributes more through its activities and throughout its value chain:

- SDG #3** | Good health and well-being
- SDG #8** | Decent work and economic growth
- SDG #12** | Responsible consumption and production
- SDG #13** | Climate action
- SDG #16** | Peace, justice and strong institutions

This strategy demonstrates our determination to continue to grow as a responsible brand and to have a positive impact in all the countries in which we operate. We recognise that, as a company, we need to adapt and transform our business to reduce our impact on the environment and society, and focus our resources and efforts on creating value, thus helping to address the challenges we face.

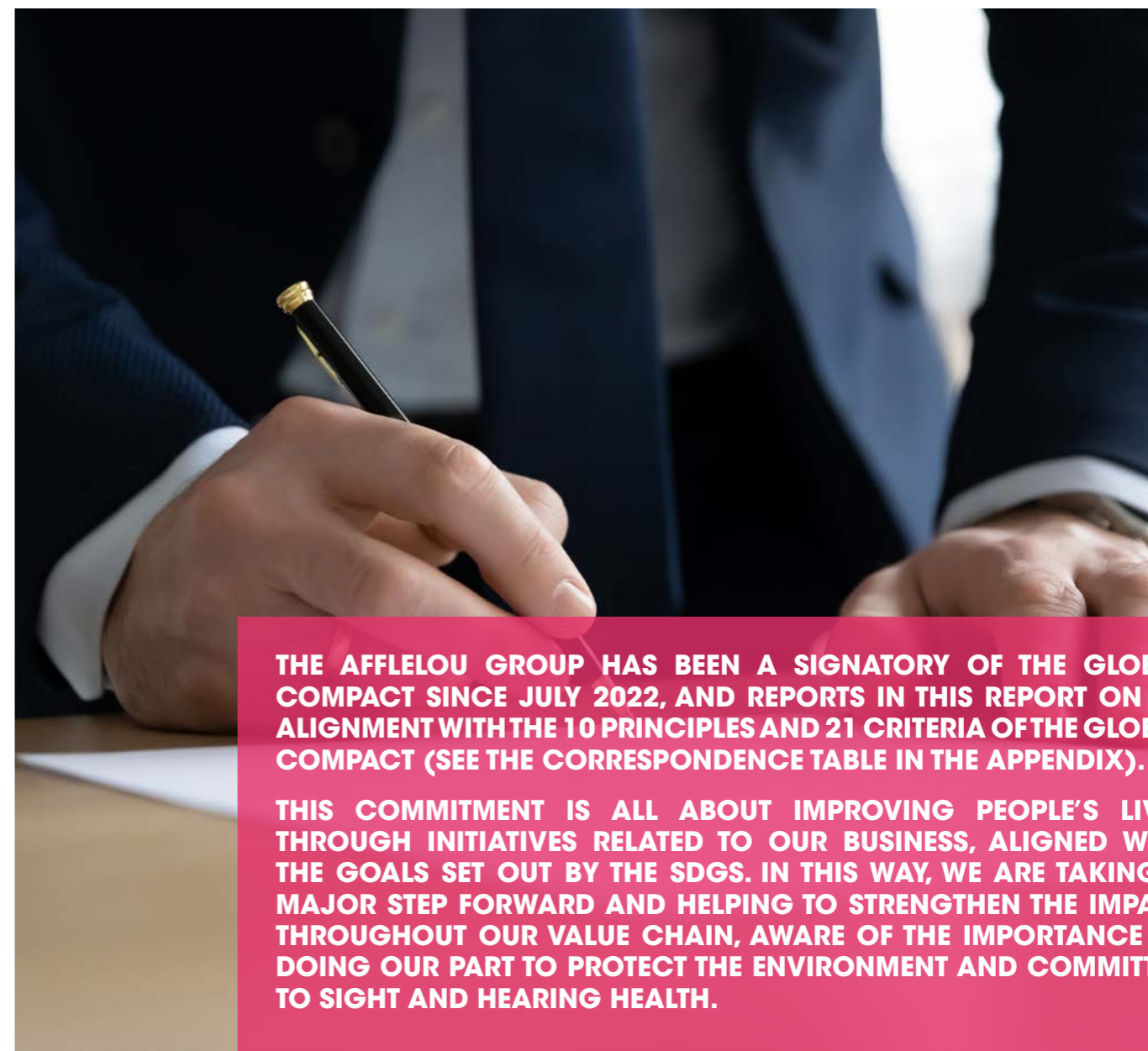
COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a voluntary initiative that encourages companies around the world to adopt more sustainable and socially responsible policies and practices and to report on their implementation through an annual Communication on Progress (COP) report.



Global Compact is a ten-principle framework for business in the areas of human rights, labour, anti-corruption and the environment. The ten principles are derived from the Universal Declaration of Human Rights, the International Labour Organisation's (ILO) 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 ten principles into their strategies, policies and procedures, and by establishing a culture of integrity, signatory companies are taking a long-term view of their responsibilities to people and the planet, as well as are striving to build partnerships in support of the UN's goals.



THE AFFLELOU GROUP HAS BEEN A SIGNATORY OF THE GLOBAL COMPACT SINCE JULY 2022, AND REPORTS IN THIS REPORT ON ITS ALIGNMENT WITH THE 10 PRINCIPLES AND 21 CRITERIA OF THE GLOBAL COMPACT (SEE THE CORRESPONDENCE TABLE IN THE APPENDIX).

THIS COMMITMENT IS ALL ABOUT IMPROVING PEOPLE'S LIVES THROUGH INITIATIVES RELATED TO OUR BUSINESS, ALIGNED WITH THE GOALS SET OUT BY THE SDGS. IN THIS WAY, WE ARE TAKING A MAJOR STEP FORWARD AND HELPING TO STRENGTHEN THE IMPACT THROUGHOUT OUR VALUE CHAIN, AWARE OF THE IMPORTANCE OF DOING OUR PART TO PROTECT THE ENVIRONMENT AND COMMITTED TO SIGHT AND HEARING HEALTH.



INTEGRATE ETHICS INTO OUR PRACTICES AND RELATIONSHIPS WITH STAKEHOLDERS



COMPLIANCE MANAGEMENT

The AFFLELOU Group has a compliance management programme in place. It comprises a set of procedures and practices enabling:

- Identify and classify operational and legal risks ;
- Establish internal mechanisms for preventing, managing and controlling these risks, and for responding to them;
- To establish measures to ensure the ethical and legal conduct of the Group activities by its executive bodies and all its employees.

Dedicated criminal and legal compliance system (Spain)

In 2020, a system dedicated to criminal and legal compliance was set up and a Compliance Committee was appointed at ALAIN AFFLELOU España.

To put the compliance system into practice, the ALAIN AFFLELOU España teams use a number of internal regulatory instruments that respond to the need to have adequate management systems in order to guarantee the transparency and legality of our business relationships. The following policies and management tools are currently approved and in force:

- Compliance policy
- Employee Code of Conduct
- Supplier Code of Conduct
- Communication channel
- Anti-corruption policy
- Policy on gifts, entertainment and invitations
- Conflicts of interest management policy
- Disciplinary system (included in the collective agreement)
- Protocol for preventing and combating harassment in the workplace (included in the collective agreement)



BUSINESS ETHICS

Potential ethical risks in connection with the law on transparency, the fight against corruption and the modernisation of economic life, the French "Sapin II" law, have been assessed again in 2022 and mapped, taking into account all existing activities and operational transactions for the scope of France.

The professions and functions, both at Group and network level, which could be more at risk in terms of ethics have been identified.

An internal Sapin II Charter has been communicated to all employees, and dedicated trainings and awareness-raising sessions have been set up. Employees are also informed of the whistle-blowing procedures to be adopted. A systematic presentation of the Sapin II regulations and their operational applications within the Group is given to all new employees recruited for the franchisor's teams. A section on this system is included in the internal regulations given to each new employee. Each new team manager also takes part in an additional more in-depth awareness-raising session. The AFFLELOU Group's Legal and Human Resources Directors are identified as the main contacts for these issues.



THE GENERAL DATA PROTECTION REGULATION (GDPR)

In accordance with the requirements of the GDPR, several Data Protection Officers (DPOs) - responsible for the protection of personal data - have been appointed to cover all the countries where the Group operates.

For the AFFLELOU Group, the management of personal data protection is essentially ensured by the Data Protection Officers (DPOs), as well as by a law firm specialising in this area, with in particular a full-time consultant lawyer dedicated to personal data protection within the Group. Data protection management meetings are organised on a monthly basis and bring together the above-mentioned people, together with some collaborators from the Legal Department and the Information Systems Department (DSI) if necessary. The Legal Department has also acquired personal data compliance software to assist the Legal Department in managing the Group's compliance. This software is also used to centralise and carry out registers of processing activities and the associated personal data protection impact assessments (DPIA).

The Legal Department is also involved upstream of Group projects involving personal data to ensure that they comply with the GDPR.

In 2022, the AFFLELOU Group decided to change its cookie consent management tool, known as "CMP", for the Group's sites, thereby ensuring greater transparency and better information for site visitors on the use of cookies.

A systematic presentation of the GDPR regulation and its operational applications within the Group is given to all new arrivals within the head office and/or branch store teams. An IT Charter dedicated to the use of IT tools has been deployed, as well as a comprehensive Frequently Asked Questions (FAQ) on subjects related to the GDPR (e.g. internal transfer of customer files, etc.). This Charter is reviewed regularly and, since its last update, includes the French Sapin II law related provisions.

A dedicated toolkit is provided to relevant internal departments, enabling teams to identify their exposure and associated risk areas in relation to the collection and processing of personal data. The toolkit also includes best practices related to GDPR requirements, data confidentiality and protection, and IT security. The AFFLELOU Group is committed to reporting any practice that qualifies or is likely to qualify as corruption and/or influence peddling, and has therefore introduced an anti-corruption code of conduct, including a system for reporting breaches of the code, while ensuring the protection of whistleblowers. Reports may be made orally or in writing. The Group undertakes to take such reports seriously, to deal with them diligently depending on the seriousness of the allegation and the specific nature of the information gathered, and to take appropriate action against the reported breaches.

A major information and awareness campaign has been carried out across all internal and network teams



since 2018. Dedicated training (classroom and online) has also been provided across the Group, and several additional modules have been targeted more closely at teams and departments identified as potentially more concerned. For example, training on the Privacy by Design process (taking into account the protection of users' privacy even before the design of a system involving the processing of personal data) and Privacy by Default (taking into account the protection of users' privacy once the product or service has been made public) was provided to the IT team in 2022.

Since the model franchise agreement was enhanced in 2021 to meet the GDPR requirements, the consent of all customers to the collection and use of their personal data has been systematically requested at store level.

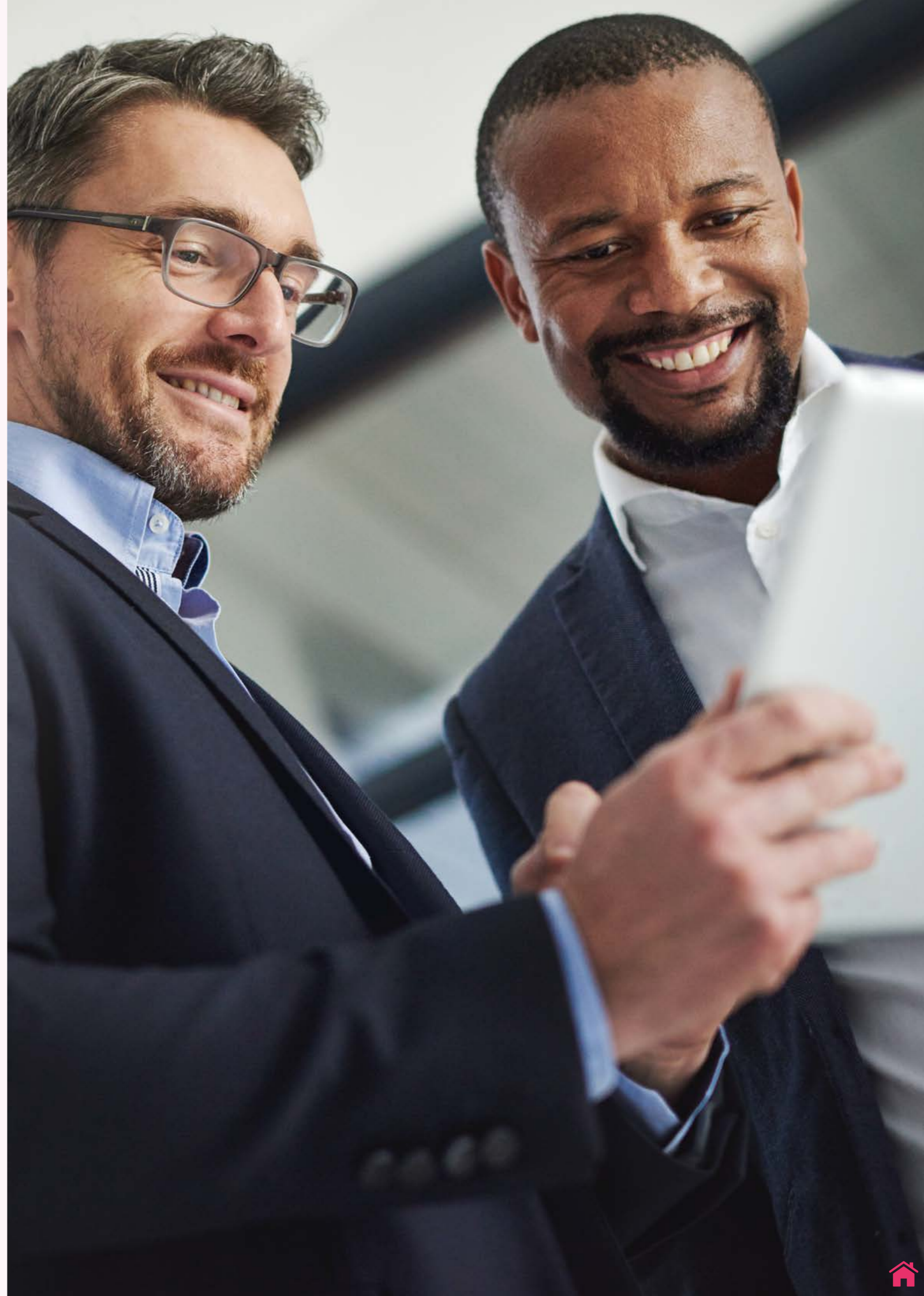
In the case of suppliers, a specific clause relating to personal data is included in supplier contracts, to which an GDPR charter is also appended.



■ TAKING ACCOUNT OF CYBERSECURITY RISKS

Given the increasing digitalisation of its processes and services, the AFFLELOU Group may be exposed to cyberattacks targeting its internal systems and information, as well as customer data. For several years now, the Group's IT Department has been strengthening its internal IT systems and working with specialist external consultants and experts to reinforce its protection and guarantees (e.g. security audits, anti-fraud procedures, etc.).

Information notes on cyberattacks and phishing are distributed to employees to improve internal prevention on these subjects. Regular awareness-raising sessions are also organised to discuss specific topics in greater detail internally.



CSR REPORT
2022

#2 EMPLOYEES



EMPLOYEES

Women and men who make up the AFFLELOU Group are our most valuable asset. Our approach aims to ensure their safety and security, improve their well-being at work, develop their skills and career paths, as well as promote diversity as a strength for our collective ambitions and objectives.

We are deeply convinced that collective success and a sustainable working environment are indivisible. That's why we strive to help our teams (head office, branches and network) reach their full potential and perform at their best.

ATTRACT & RETAIN TALENT

The skilled professionals who make up our teams are essential to our expertise and know-how, which is why 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 employees, in all the territories where the Group operates.

AFFLELOU GROUP WORKFORCE

As of July 31st 2022, our teams comprise **1,160 employees** (head office and branches).

54 % of staff are based in France and **41%** in Spain.

100 % of the total workforce are employed on permanent contracts in France and **93%** in Spain.

FTE	FRANCE ⁴	SPAIN	PORTUGAL	BELGIUM & LUXEMBOURG	TOTAL
HEAD OFFICES	227	105	6	17	355
BRANCHES	405	371	29	-	805
TOTAL	632	476	35	17	1,160



183
BRANCH
STORES



MORE THAN **800**
EMPLOYEES IN
BRANCH STORES

⁴These figures include fixed-term and open-ended contracts during the period.



OUR DIFFERENT PROFESSIONS AND IN-STORE EXPERTISE

Frame fitter & salesperson

The frame fitter and salesperson is responsible for receiving and selling corrective eyewear to customers, while providing technical expertise. They assemble glasses in the workshop and take part in the day-to-day running of the store.

Workshop manager

The workshop manager is responsible for welcoming and selling glasses and lenses to customers, while providing technical expertise. They ensure that the workshop runs smoothly on a day-to-day basis, in line with the objectives (e.g. quality, cost, deadlines, motivation and safety) set by the Group, and manage their team.

Qualified optician

Opticians are responsible for welcoming and selling optical equipment to customers and providing technical expertise. They assemble glasses in the workshop and take part in the day-to-day running of the store.

Qualified audioprosthesis

Audioprosthesis fit hearing aids to deaf or hard-of-hearing people on the basis of a doctor's prescription. They fit tailor-made hearing aids and check the effectiveness of the devices. They explain to patients how they work and how to maintain them.

Store Manager

The store manager is responsible for the proper management and development of his/her store, in accordance with the Group's directives. They represent the Group in applying its general policy, manage the store and supervise their team. They are responsible for the quality of customer service.

Assistant store manager

The assistant store manager is responsible for the proper management and development of his/her store, in accordance with the store manager's directives. He represents the AFFLELOU Group in the application of its general policy, manages the store and supervises his team. He/she is responsible for the quality of customer service.

Qualified opticians and audioprosthesis are the only healthcare professionals authorised to sell corrective eyewear and hearing aids to wearers.

RECRUITING NEW TALENTS

The AFFLELOU Group sometimes finds it difficult to recruit new talent, particularly opticians and prosthetists. The sector is facing increased competition, with the skills of opticians and audio-prosthetists very much in demand. Various initiatives are being implemented to attract talents to the Group, such as flexible working hours and easier career development.

It is therefore essential for the Group to capitalise on its employer brand, and thus strengthen its appeal to healthcare professionals. A number of aspects have been identified and strengthened in recent years to develop our employer brand: a presence on social networks and dedicated job boards, presentations in schools and universities, the creation of a dedicated career page on our corporate website, and a formalised CSR approach that is widely promoted.

Between 2021/08/01 and 2022/07/31, the AFFLELOU Group recruited 433 new employees, of which 33% within the French branches and 45% within the Spanish branches.

	Unit	2020*	2022**
RECRUITMENT	Number	395	433
DEPARTURES	Number	362	264
STAFF TURNOVER***	%	30	30

In order to strengthen the integration of new employees within the Group, each new employee takes part in a collective integration session. The AFFLELOU Group also promotes work-study contracts within its teams, enabling new talent to be integrated at an early stage and subsequently recruited on permanent contracts. Around 70 work-linked training contracts are signed each year in France through the branch store network.

* Data as of December 31st
 ** Data as of July 31st
 *** Turnover rate = 100 x ((total recruitments, including external growth + total departures)/2) / total workforce over the period.

ATTRACTING NEW TALENTS AT SOURCE

The Afflelou Academy Impulse is one line of our training strategy, which includes initiatives to promote and support new talents in the world of optics, optometry and audiology. We want to promote education in the sight and hearing sector as well as attract future professionals by being present during their first steps in the profession and also after they have obtained their diplomas, offering them employment opportunities with ALAIN AFFLELOU that are adapted to their expectations and aspirations. We have forged partnerships with a number of institutions that enable us to contribute to the creation and improvement of training opportunities related to sight and hearing health, and to offer the best conditions for our employees to access them. Among the initiatives in which we participated during the last financial year, we would highlight the following:



FIRST ONLINE DEGREE IN OPTICS AND OPTOMETRY: in 2019 we launched the first online degree in optics and optometry with immersive virtual reality in Spain with the higher education centre CUNIMAD. We are the only optical chain to make our optical centres available to a university for the laboratory practices of the optics and optometry degree, demonstrating our commitment to excellence in optics, innovation and the use of technology in learning methods. Students on this diploma undertake their placements in ALAIN AFFLELOU stores with state-of-the-art technology and trained tutors to support them. Over the 2021-2022 period, 82 students and 30 tutors were involved in 4,000 hours of practical training.

In France, four schools of the Institut Supérieur d'Optique have partnerships with the Afflelou Academy for the preparation of the Bachelor in Optical Management (BMO). In this way, we sponsor optical training courses and work with these schools to provide students with shared experience, subjects for their optical dissertations and support during recruitment interviews.

**IN 2022
 60 STUDENTS
 IN PARIS, LYON AND
 NANTES WERE SUPPORTED BY
 THE GROUP.**

Grants and scholarship funds are also negotiated in Spain to encourage young people to study in the sector.



SUPPORT THE DEVELOPMENT OF TALENT



SKILLS DEVELOPMENT AND CAREER MANAGEMENT

The AFFLELOU Group strives to maintain an active training policy in order to guarantee and develop skills that meet our professional requirements, particularly in terms of quality and safety, innovation and customer satisfaction. In this context, a forward-looking employment and skills management system is in place within the Group. Its objectives include identifying, organising and optimising employee skills to meet the Group’s strategic needs, as well as anticipating and managing sectoral changes to assess the Group’s skills capital. To this end, between August 2021 and July 2022, 787 employees in France and Spain, representing 71% of the total workforce in these two countries, benefited from an annual interview.

THE AFFLELOU ACADEMY

In 2013, the Afflelou Academy training school was launched with the aim of supporting head office teams, branches, franchisees and their teams in developing their skills and abilities. The Afflelou Academy is QUALIOP1 certified, which is the highest certification label for a training organisation in France, since 2022.

The Afflelou Academy supports teams in their professional development, in order to best meet the requirements of our professions, the specific needs of head office employees and to optimise the satisfaction of our customers and employees. Training needs are identified during annual interviews and the Afflelou Group’s response to employee expectations is monitored using HRIS. Franchisees’ training needs, as well as feedback and opinions on training, are assessed through responses to surveys communicated via the Group’s intranet.

Objectives of the Afflelou Academy

This school aims to:

- Introduce employees to the optical and hearing aid professions as part of their induction programme, to help them better understand the challenges facing our business;
- Increase and perfect the commercial, managerial and technical skills of our teams;
- To transfer our unique know-how and guarantee the consistency and uniformity of practices and customer service across the Group;
- Helping our talent to adapt to new challenges.

On-line and in-class virtual and face-to-face training courses are offered on a variety of subjects. The training catalogue includes modules on the AFFLELOU Group’s activities (e.g. visual health, hearing aids, etc.), support for branch and franchise stores (e.g. sales techniques, operational efficiency, management, labour rights, regulatory aspects, etc.) and other specific or cross-disciplinary skills (e.g. languages, IT, etc.).

	Unit	2020	2022
NUMBER OF TRAINED EMPLOYEES	Number	914	1,205 ⁵
NUMBER OF TRAINING HOURS	Hours	23,163	43,717
TRAINING EXPENDITURE AS A PERCENTAGE OF TOTAL GROUP PAYROLL	%	2,11	1,5
AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE	Hours	-	36

The Afflelou Academy also enables people who are not qualified in the optical field and/or who are following a retraining path to be introduced to the basics of our professions through a preliminary training course, before joining a store team and starting a new career within the Group. A similar training programme has been put in place for hearing-related activities. This induction is also given to new employees joining the head office.

In addition to the business training courses, the AFFLELOU Group offers its employees training courses to support them in the Group’s sales policy.

Experts assigned to the network

The Afflelou Academy’s expert trainers provide face-to-face training at the Group’s head office or on site throughout France and Spain. They can also adapt to specific requests by offering tailor-made training to meet the challenges and develop the performance of franchise partners.

In France, a number of in-house trainers based at head office or from the branch store teams also take part in the training provided by the Afflelou Academy and/or in the on-the-job training provided to head office, branch store and franchisee store teams. Franchisees with several stores can also be offered in-house training adapted to their context and business.

The Afflelou Academy team in France is being strengthened and in 2022 will have two in-house trainers, a digital designer trainer, an educational engineer, a trainer partially dedicated to content creation and a training manager to support partners in the administrative and logistical organisation of training courses. Training for head office and branch teams is managed by a training manager.

⁵ This data includes AFFLELOU Group employees in France, Spain and Portugal over the period from August 1st 2021 to July 31st 2022, and therefore includes new employees recruited over the period, as well as those who have left the company.





The content of technical training courses is prepared jointly by technical experts (optometrists, psycho-sociologists in particular) and professional trainers. These technical experts are sometimes asked to run the courses. E-learning courses are developed by a digital designer and an educational engineer. As a result, the AFFLELOU Group has been awarded the Qualiopi certification mark, which attests to the quality of the skills development process implemented by the Group and the clarity of the training offering for employees and franchisees. Training programmes are now reviewed every 18 months, and a regular audit is carried out.

The Human Resources team supports the development of employee and franchisee skills and structures career management. The HRIS also makes it possible to develop career paths by business line, in addition to the standard induction path for new employees. For franchisees, the CRM tool provides access to the entire training catalogue and enables them to register directly online.

The Group also provides support to branch and franchise store staff in obtaining training finance solutions.

AFFLELOU ACADEMY

FIGHT AGAINST DISCRIMINATION AND PROMOTE DIVERSITY & INCLUSION



FIGHT AGAINST DISCRIMINATION

The AFFLELOU Group is committed on a daily basis to non-discrimination within its teams, and thus promotes the integration of professionals regardless of their gender, sexual orientation, nationality, ethnic origin, religion, beliefs, age, disability or any other personal or social criteria.

The Group pays particular attention to compliance with this non-discrimination principle in all decisions relating to employment, whether for recruitment, promotion or dismissal, and has recruited a recruitment manager who is responsible for ensuring that these principles are applied.

The AFFLELOU Group's recruitment process has been developed in such a way as to avoid any potential discrimination. For example, formal reminders of the risks of discrimination to be avoided have been incorporated into the various stages of the process.

In Spain, the Group has implemented two major measures to detect, prevent and act against discrimination and harassment:

- The inclusion in the collective agreement of the protocol on harassment in the workplace, which reflects the commitment to prevention and action in cases of harassment based on sex.
- Training and informing staff about the need to prevent sexual and gender-based harassment in the workplace, as well as digital harassment.

In addition, the Afflelou Academy in Spain has set up a School for Diversity & Happiness at Work, which offers courses on equality and diversity, as well as guidelines for creating a healthy and balanced working environment, such as inclusive language, eliminating unconscious prejudice and conciliation. Non-discrimination awareness-raising sessions were given to the head office HR team in France in 2022. These actions related to sexist behaviour (also given to store referents) and cognitive bias. In addition, a campaign to raise awareness of moral and sexual harassment led to the creation of local contacts to respond to any harassment problems encountered.



ALAIN AFFLELOU ESPAÑA IS A SIGNATORY TO THE EUROPEAN DIVERSITY CHARTER. COMPANIES THAT VOLUNTARILY SIGN THE CHARTER MAKE A PUBLIC COMMITMENT TO PROMOTE DIVERSITY AND INCLUSION IN THE WORKPLACE AND TO RESPECT THE FOLLOWING PRINCIPLES:

Raising awareness of the principles of equal opportunities and respect for diversity, by integrating them into the company's values and communicating them to staff.

Recognising the diversity of our customers, which is also a source of innovation and development.

Helping to build a diverse workforce, promoting the integration of professionals with different profiles regardless of their gender, sexual orientation, race, nationality, ethnic origin, religion, beliefs, age, disability or any other personal or social criteria.

Extending and communicating the commitment to its staff, sharing and extending throughout the company the responsibility that the organisation acquires by being a signatory to the Diversity Charter.

Promoting inclusion, fostering effective integration, avoiding all types of discrimination (direct or indirect) in the workplace.

Spread our commitment among supplier companies, inviting them to join the community of companies in Spain that adhere to the voluntary commitment promoted by the Charter.

Take diversity into account in all human resources policies, by managing diversity across the board, as a basis and principle for all decisions taken in this area.

Transfer this commitment to public authorities, commercial organisations, trade unions and other social agents.

To promote work-life balance through a balance between work, family and leisure, by establishing mechanisms that enable the harmonisation of professional, family and personal life for all employees.

The results achieved through the implementation of diversity policies will be included in the company's annual report.

Promoting gender diversity

As of July 31st 2022, the AFFLELOU Group had 732 women, or 66% of the total workforce. At head office, women represented 55% of the total workforce, and in the branch stores, women represented 71% of the total workforce.

The proportion of women on the Executive Committee rises to 29% by end of 2022.

In France, companies with at least 50 employees ought to calculate and publish their gender equality index every year. AFFLELOU's index has remained stable over the period 2020-2022 and is higher than or equal to the national average (85/100 for 2020, 86/100 for 2021, 88/100 for 2022).⁷

PROFESSIONAL EQUALITY INDEX - FRANCE	2020*	2021*	2022*
L'OPTICIEN AFFLELOU**	87 / 100	98 / 100	78 / 100
FRANCHISEUR ALAIN AFFLELOU**	80 / 100	79 / 100	75 / 100
AFFLELOU**	88 / 100	85 / 100	88 / 100

The Group has set a number of targets for progress:

- Reduce the pay gap between men and women of comparable age and position,
- Upgrade the salaries of employees concerned on their return from maternity leave,
- Aim for parity between men and women among the 10 highest earners.

A Commission on gender equality in place in France since 2019 also ensures that equal treatment between men and women is respected in terms of access to employment, training, mobility, promotion and pay.

In Spain, an Equality Plan aimed at promoting the principle of equal opportunities and non-discrimination between men and women was drawn up in 2016. In 2021, we began the process of drawing up a new Equality Plan, checking compliance with the previous one and adapting it to the current context of society in general and our teams in particular.

In 2022, for the fourth year running, ALAIN AFFLELOU ESPAÑA was awarded TOP DIVERSITY COMPANY certification by INTRAMA, placing us in the TOP30 of Spanish companies with the best diversity and inclusion practices.



In March 2022, ALAIN AFFLELOU ESPAÑA signed up to the Women's Empowerment Principles (WEPs) created and disseminated by United Nations Women (the UN entity for gender equality and women's empowerment) and the UN Global Compact, which provide a roadmap for companies to encourage the promotion and empowerment of women.

⁶Source : Les résultats de l'Index de l'égalité professionnelle 2022, French Government. 2022/03/07

⁷ Source : Les résultats de l'index de l'égalité professionnelle 2023, French Government. 2023/03/09

* These figures are calculated over the calendar year, from 01/01 to 12/31 of each year.

** L'Opticien AFFLELOU and Alain AFFLELOU Franchiseur are the Group's two main French legal entities in terms of headcount. AFFLELOU refers to the AFFLELOU Group, which includes all its direct and indirect subsidiaries.



■ EMPLOYMENT OF PEOPLE WITH DISABILITIES

The AFFLELOU Group, through its visual & hearing healthcare activities, is very sensitive to the integration and retention of people with disabilities in the job market.

The AFFLELOU Group offers every employment opportunity to these people. By the end of July 2022, 21 employees in France and Spain had been declared disabled. The Group ensures that the position is compatible with the person and takes steps to adapt the position if necessary.

In France, the Group has been taking part in the European Week for the Employment of People with Disabilities since 2019, and seizes this opportunity to examine the various measures put in place to facilitate the professional integration of these people. This is a time for exchange and sharing where everyone can learn more about the work of people with disabilities (hearing, vision...). For a whole week, employees can take part in awareness-raising workshops, hear people talk about their experiences and meet associations.

The AFFLELOU Group is using this day to raise awareness of disability and quality of life at work. In 2022, this action took the form of a poster campaign, quizzes and a training course offered by an association for the visually impaired which provides seated massages. In France, the Group has two employees responsible for disability issues at head office and in the stores.

PROMOTE A HIGH-QUALITY WORKING ENVIRONMENT & EMPLOYEE WELL-BEING

■ ASSESSING AND PREVENTING ACCIDENTS IN THE WORKPLACE

In France, occupational health and safety risks are assessed for head office and store teams, and formalised in a professional risk assessment document. The risks identified are ranked according to potential seriousness, frequency of exposure and existing prevention measures. The action plans are revised each year during the assessment to reinforce the initiatives already in place. The Social and Economic Committee (SEC) is informed and the Single Occupational Risk Assessment Document (French DUERP) is completed if necessary. In Spain, occupational risk prevention plans are in place to prevent work-related accidents at head office and in the branches.

Training on the content of the prevention plan is provided to employees. It is the responsibility of the prevention representatives and, where appropriate, the health and safety committee, to be aware of and to promote

compliance with the provisions of the procedures manual and operational instructions among employees. In stores, the greatest risk of accident is in the workshop where lenses are cut and shaped to make spectacles. Glass and plastic (polycarbonate) dust can be emitted from the grinding machine when an employee shapes the lenses, and accidents can occur when using work equipment (e.g. screwdrivers, pliers, etc.).

To reduce these risks, the glass is always cut automatically by the machine, which limits handling. A protective cover is integrated into the machine and product emissions are captured by a specific system, in addition to active ventilation of the premises. Glass cutting is only carried out by a trained employee. In-store teams receive special training in handling the grinder. Personal protective equipment (PPE) is always available in the store (e.g. goggles, gloves).

	Unit	2020	2022
LOST-TIME ACCIDENTS	Number	16	23
ACCIDENTS WITHOUT LOST TIME	Number	6	9
TOTAL NUMBER OF ACCIDENTS	Number	22	32
SEVERITY RATE (WITH LOST TIME)*	Number	0,06	0,29

No major risk of accidents at work has been identified for staff at the head office and the administrative teams of the AFFLELOU Group in the offices. The majority of accidents reported are related to travel.

* Severity rate = total number of days of absence due to lost-time accidents x 1,000 / total hours worked.



HEALTH CRISIS MEASURES

In response to the COVID-19 health crisis, the AFFLELOU Group adapted its practices to guarantee the safety of its teams. The health protocols developed by the Group and widely distributed to all teams, including those in branch and franchise stores, have since been retained. These mainly relate to good practices on site (e.g. wearing masks, using hydro-alcoholic gel, etc.) and to the safety of employees and customers (e.g. cleaning rules, physical distancing, etc.). Information on the various aspects of the health crisis is also provided to teams via a dedicated internal online channel. Teleworking is also authorised and encouraged where possible, particularly for the

head office. Occupational risk assessment documents now include the risks associated with the COVID-19 health crisis. A COVID-19 referent has been appointed within the head office team to coordinate initiatives and action plans in the stores, as well as to monitor the safety measures taken on site.

A helpline dedicated to preserving the mental health of teams has been set up with the French insurance organisation, including specific psychological support free of charge for all employees.

HEALTH & WELL-BEING OF EMPLOYEES

Because our teams are our most precious asset, we care about their health and well-being at work every day. Various initiatives are taken through our stores and offices to ensure a sustainable working environment and an excellent quality of working life.

Well-being at work related initiatives

Taking into account technological advances in communication and the new dimensions of work organisation, the AFFLELOU Group drew up a Remote Working Charter in France and Spain, for the head office, in 2019. In France, it was updated in 2021 and now offers the possibility of up to 2 days of teleworking per week for head office employees. In Spain, the teleworking policy was renewed in 2022 and also provides for up to 2 days of teleworking per week. These charters and policies are given to new arrivals as part of their induction process.

The flexible working hours initially introduced in France for head office employees were extended to the branches in 2022. Adaptation of working hours is also permitted during back-to-school periods (flexible working hours) in France and Spain, and/or if employees' children are ill. In some branches, a 4-day week has been established through a specific agreement (e.g. Champs-Élysées or Les Halles in Paris, France). Other initiatives are undertaken by the local HR team in each country where the Group operates, to improve the well-being of employees at work. The following actions have been implemented in France and Spain:

- A day off in France and half a day in Spain on the occasion of the employee's birthday for head office teams;
- A day off for branch and head office staff moving house;
- Two days' sick leave for branch and head office teams;
- Revaluation of luncheon vouchers;
- A birth gift for employees;
- The two half-days on December 24th and 31st are offered to head office employees.

In addition, since 2019, a Charter on the right to digital disconnection has been in place within the Group, applicable to all employees. Digital disconnection in the working environment refers to the right for employees not to be solicited, by e-mail, messaging or any other tool that would allow them to be located remotely, and by telephone outside their normal working hours (including public holidays and authorised leave). Excessive connectivity can lead to problems in balancing work and private life, and therefore to problems in terms of the personal, physical and mental health and psychological well-being of employees. Through this policy, the AFFLELOU Group reaffirms the importance of making good use of digital tools for the necessary respect of free time, leave and public holidays, periods of justified absence, as well as the balance between private and professional life. Along with the Charter, a specific training course and awareness campaign have been provided for all employees in 2019. The aim is to provide information on the risks, potential problems and good practices associated with the use of digital tools, as well as on the correct and reasonable use of digital tools and the monitoring of devices.

Health related initiatives

Health insurance cover, including supplementary health and provident cover, is provided for head office and branch teams and is fully paid for by the AFFLELOU Group. A dedicated helpline is also available to all employees, set up with the help of the health and provident insurance provider.

Employee absences are monitored and measures are put in place to prevent them.

	Unit	2020	2022
DAYS OF SICK LEAVE	Days	16,653	16,114
DAYS OF ABSENCE DUE TO ACCIDENTS AT WORK	Days	824	557
OTHER DAYS OF ABSENCE	Days	16,822	7,505
TOTAL DAYS OF ABSENCE	Days	34,299	26,153
ABSENTEEISM RATE	%	1,83	1,38

In addition, the AFFLELOU Group trains each year first-aid attendants in its stores, appointing a representative for each store. For staff working in shopping centres, it is compulsory for employees to be trained to handle fire extinguishers. This training is therefore included in the employee training programme.

In addition, training on psychosocial risks was provided in 2022 in France for head office and store management staff, to enable them to detect risks to employees and direct them to the right internal contacts. In addition, the helpline dedicated to the psychological health of employees, set up in France during the health crisis linked to COVID-19, has been maintained. Head office and branch employees can now benefit from three psychological counselling sessions paid for by the company over the course of the year.



A number of awareness-raising initiatives were carried out in 2022, including in France the organisation of a series of fun workshops on hearing and the latest hearing aid technologies, with the opportunity to test one's hearing at the end of the course. This was offered to head office employees during Hearing Health at Work week. In Spain, the School for Diversity and Happiness in the Workplace is a space designed to develop the happiness and well-being of employees and franchisees through training programmes and actions specific to each individual. The idea is to promote physical and emotional health and foster happiness for everyone, both at head office and in the stores, by providing keys to integrating healthy eating habits, maintaining an active lifestyle and managing stress levels. To this end, various types of action are implemented:

- Basics of the introspection practice to identify areas for development.
- Wellness training to manage stress in personal and professional situations.
- Promoting physical exercise and active lifestyle.
- Reinforcement of health care through medical examinations in addition to the usual ones.
- Promoting healthy eating.
- Tools and recommendations for managing your personal finances in the best possible way.

In 2021-2022, a number of initiatives have been implemented via the School for Diversity and Happiness at Work:

<p>February</p> <p>AFFLELOU HEART MONTH, FOLLOWING HEART MONTH IN THE UNITED STATES</p> <p>a campaign of medical examinations was implemented and reinforced. In particular, the parameters (HDL index, LDL index, atherogenic index and serum triglyceride) established by law were extended to give all employees more information about their heart health.</p>	<p>March</p> <p>INTERNATIONAL DAY OF HAPPINESS</p> <p>on 20 March, a conference was held for employees on endorphins and their natural secretion. Physical activity helps to increase endorphin levels in the human body.</p>
<p>April</p> <p>WORLD HEALTH DAY</p> <p>this day was celebrated with employees, providing them with tools to help them develop habits that promote physical and emotional well-being. Among the strategies used were a conference on «Habits to take care of your mental health» and a hiit course by Gympass.</p>	<p>May</p> <p>WORLD NO TOBACCO DAY</p> <p>employees were informed of the origins of World No Tobacco Day. The main problems associated with smoking were also discussed. ALAIN AFFLELOU employees who smoke were also given recommendations on how to give up the habit.</p>

In addition to raising awareness of the risks associated with a sedentary lifestyle, which are addressed in the Single Occupational Risk Assessment Document, a road risk training component has been included in 2022 for travelling employees at head office.

At the Group's initiative, around thirty employees took part in the Odyssey 2022, a race to fight and prevent breast cancer.

SOCIAL DIALOGUE AND COLLECTIVE AGREEMENTS

Employee representatives are elected in France and Spain for head office and branch teams, in accordance with national and local legislation.

In Spain, the AFFLELOU Group has a collective agreement since 2021 applicable to employees and franchisees and their teams, covering employment rights (remuneration, anti-discrimination, work-life balance, etc.).

In France, as the various subsidiaries are subject to different tax regimes, the Group has taken a number of unilateral decisions that apply to all these regimes, in particular those relating to teleworking and the right to disconnect. Through these unilateral decisions, the Group ensures that the practices of the most advantageous

Social and Economic Committee (SEC) are transposed to entities that do not have a SEC. In France, the AFFLELOU Group also has a profit-sharing agreement.

Social dialogue is managed on a daily basis by the Group's Human Resources department and the various local HR teams, as well as by representatives where they have been elected. An internal intranet with various discussion and communication channels also enables the HR department to inform and pass on various information to employees (e.g. social issues, new job opportunities, induction and promotions, anniversaries, etc.).



CSR REPORT
2022

#3
FRANCHISEES



SUPPORT THE RESPONSIBLE DEVELOPMENT OF OUR FRANCHISE NETWORK

NEARLY 50 YEARS OF FRANCHISING

Created in 1978, the ALAIN AFFLELOU franchise model is based on agreements set out in each franchise contract between the Group (as franchisor) and each subsidiary (Spain, France, etc.), which in turn sign a contract with the franchisees (independent retailers), combining the know-how of the franchising optician and hearing aid acoustician with the professionalism and local dynamism of each franchisee, who is responsible for his or her own business. At the end of July 2022, the geographical breakdown of franchised stores and branches is as follows:

- 66% in France and its overseas departments and regions.
- 24% in Spain.
- 7% in the rest of Europe.
- 3% in the rest of the world.



FRANCHISEES

The AFFLELOU Group operates its entire network using two organisational methods: a branch-based system, representing around 13% of the total number of stores, and the very large majority of franchised stores, owned and managed by independent franchisees. The store teams, whether directly owned or owned by franchisees, are in direct contact with end customers on a daily basis.

The AFFLELOU Group pays particular attention to supporting the development of its stores by offering personalised programmes that guide them towards responsible development of their business.



The Group's franchise business model is based on communication with our franchisees. It is this active listening that we maintain with our partners that makes us the leading franchisor in the optical and audiology markets. To support them, we provide a multi-disciplinary team and a varied and ambitious training policy.

In addition, there are three essential pillars for us and our network:



Communication

which we see as one of the key drivers of our results. Not only at Group level, but also for our local partners, we are planning a 360° strategy, enabling us to be as close as possible to our franchisees and end customers through a variety of channels.



Innovation

is the hallmark of everything we do, from communications to products. The AFFLELOU Group is constantly looking for new solutions to make its store network different and competitive, promote access to its products and improve the quality of life of its end customers. In 2022, this has resulted in the continued development of the TCHIN TCHIN offer, the NEXTYEAR financing offer and the development of teleophthalmology.



Technologie

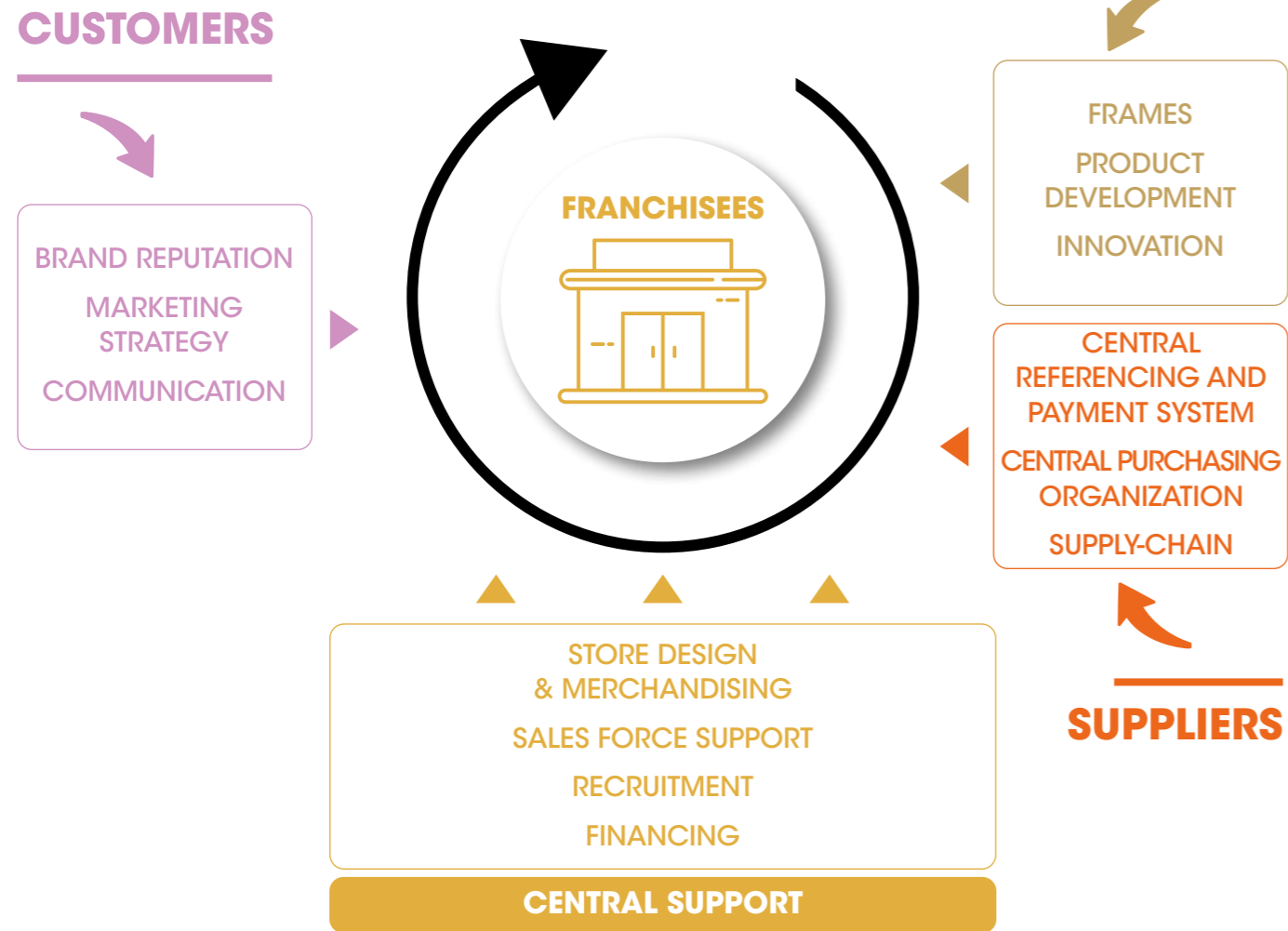
as a tool to anticipate, understand and improve franchisees' daily lives and the customer experience. In 2018, we initiated our digital transformation. This is not only a competitive advantage for us, our teams and our network, but also for the customer experience. By providing customers with the best products and demonstrating secure and efficient management of their needs, this transformation is future-proofing our various stores and consolidating the trust of our franchisees and end customers.

In this field, we apply the principle that technology serves businesses and customers. This is a clear commitment, which will be increasingly present within the Group and on which we are relying to imagine the future of opticians and hearing aid practitioners.



PERSONALISED SUPPORT FOR FRANCHISEES

ALAIN AFFLELOU
OWN-BRAND PRODUCTS



Support from store opening to closing

The AFFLELOU Group is present with its franchisees throughout the life cycle of their stores - from their opening (store design, choice of location, co-financing, etc.), to day-to-day support (training, human resources, digital tools, etc.) and one-off support (e.g. joining the network, certifications, renovation, transition, etc.). In France, the 18-strong network team, which includes three locally-based merchandising coordinators, supports franchised stores at every stage.

Support for store management

In addition, the franchisor's head office teams offer full support to franchisees in the areas of social management and human resources. For example, a dedicated head office team supports them in their recruitment process when necessary and provides advice on HR management and legal issues. During the COVID-19 crisis, a dedicated legal hotline with lawyers was set up to answer any questions franchisees might have about eligible mechanisms (e.g. short-time working, holidays, etc.). Our legal teams also provide support to franchisees to ensure that they comply with Group practices and regulations. Probity clauses are attached to franchise agreements to ensure compliance with commercial policy.

The teams belonging to the franchising division (Group headquarters) provide central support to franchisees in the following areas, among others:

- Store design and merchandising
- Sales force and sales support
- Financing and legal advice
- Brand knowledge, communication and marketing strategy (national and local levels)
- Recruitment and ongoing training of teams
- Support for institutional relations
- Central referencing and payment system for purchases
- Digital tools (e.g. online appointment system)

A Customer Relationship Management (CRM) tool, with the same functionalities as the HRIS set up for employees, has also been developed for franchisees.

Initiatives undertaken for the employees and teams of the AFFLELOU Group's branch stores are generally also introduced and offered to franchisees so that they can reproduce them in their own stores and teams. For example, franchisees' teams can benefit from the Group's health cover.



Support for skills development

The Afflelou Academy also enables franchisees and their teams to benefit from the same training as the teams in the Group's branch stores. Delegates are in daily contact with franchisees to gather their feedback and training needs, which are then passed on to the HR department at head office responsible for developing appropriate training plans. The facilitators then visit the site to provide training to the franchisees' teams.



RELATIONS WITH FRANCHISEES & DEDICATED PROGRAMMES

In the AFFLELOU network, a franchisee owns 2 stores on average. In the hearing segment, hearing aid practitioners generally have a dedicated store and operate in 2 audio areas in optical stores. Provided they are opticians or hearing aid practitioners, franchisees may come from outside the Group (independent opticians or audioprothesists, under another brand name that they are abandoning) or from within the Group (employees of head office and the franchising function, employees of branches, employees of a franchisee already in the Group). Employees of stores wishing to become franchisees are supported and trained by the AFFLELOU Group.

Close to our partners

As franchisees are the AFFLELOU Group's key business partners, we strive to establish close and trusting relationships with them from the outset of our collaboration. We aim to be available, to provide reliable information and helpful support at every stage.

Relations with franchisees are managed on a daily basis by dedicated operational teams in each country where the franchise network is deployed. In each country, a franchise network director for stores and branches manages the national management approach. In France, a team of 18 people, including 12 delegates supervised by 3 area managers, a merchandising manager, a works manager prior to opening and a works and maintenance manager for branch stores, is responsible for opening, closing and renovating stores and monitoring franchisees.

In this way, each franchisee has a dedicated contact within the Group. Each delegate makes an average of more than 170 store visits per year, and is therefore the franchisees' main point of contact with the AFFLELOU Group. Franchisees can also ask questions via the HRIS.

ADELANTE entrepreneurship programme

We have often met excellent professionals who love the AFFLELOU brand and know the products inside out, but who sometimes, for economic reasons, cannot set up their own business. The Group has therefore chosen to help them develop their business.

Originally created in 2013 for Spanish franchisees, and extended in 2017 to France, the ADELANTE programme offers financial assistance to future young franchisees (with no upfront guarantees or procedural costs). In addition to this financial assistance, the franchisee benefits from a tailored support pathway to help young entrepreneurs run their business with peace of mind.

With this programme, the AFFLELOU Group intends to remove the obstacle of financing and capitalise on the talents of the younger generation. Since its creation, many young opticians and hearing aid practitioners have benefited from this programme: between 2013 and 2022, 114 projects were supported in Spain and 33 in France.

OUVREZ UN MAGASIN ET DEVENEZ PARTENAIRE FRANCHISÉ

NOUS INVESTISSONS À VOS CÔTÉS GRÂCE À UN PROGRAMME DE FINANCEMENT UNIQUE

ALAIN AFFLELOU
Opticien et Acousticien

“ J’ai pu ouvrir mon magasin avec tout l’accompagnement dont j’avais besoin en me consacrant entièrement à mon métier ! ”

Partenaire franchisé
ALAIN AFFLELOU
à Anthony (92)

VOUS ÊTES OPTICIEN ?
DÉCOUVREZ TOUTES LES OPPORTUNITÉS D’OUVERTURE
SUR mafranchise.afflelou.com

Franchisee satisfaction at the heart of our approach

In order to further support franchisees in their activities and gather their needs and comments, questionnaires are sent out regularly to gather their perception of the commercial actions undertaken by the Group. In Spain, a dedicated Net Promoter Score (NPS) is also measured for franchisees, enabling us to assess their satisfaction with integration into the network and the Group's comprehensive support, as well as improving our support to offer them the best possible service.



1,278
FRANCHISE STORES



NEARLY
800
FRANCHISE OWNERS

Monitoring franchisee customers

The AFFLELOU Group also supports franchisees by providing them with customer monitoring tools. For example, a tool has been set up to track customer appointments, CRM campaigns and NPS scores. Customers can also contact the store if they are dissatisfied. Franchisees are also able to obtain customer response rates to questionnaires.

The teams in charge of customer relations send an email to customers asking them to give their opinion on the advice given in stores and on the quality of the welcome. In this way, once products have been purchased, the AFFLELOU Group is able to send its branch and franchise stores the NPS associated with the purchase.

Franchisees, and the area managers who work with them, are also made aware of the importance of customer satisfaction in stores, and of the importance of ratings for the visibility of their stores, particularly on the internet.

An established network of franchisees

Integration days are organised in France and Spain for each new franchisee joining the AFFLELOU network. In particular, the integration programme includes meetings with each department with which the franchisee will have a relationship, in order to better understand their roles and make initial contact with the main people they will be dealing with.

In Spain, an induction week is given to new franchisees, including information on products, sales, legal aspects, sustainability and so on.

The successful integration of franchisees has led to a number of awards in Spain and France, where the AFFLELOU Group was named 1st optical and audio franchisor in Spain (in terms of number of stores) and 1st optician in France and 2nd in Spain in terms of brand awareness.



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#4

CUSTOMERS & SOCIETY



CUSTOMERS & SOCIETY

Deeply linked to its vision and mission, the AFFLELOU Group's socio-economic contribution is central to and complements our day-to-day activities in the stores.

Through our activities, we strive to serve end customers of in-store products and services in the best possible way. We listen carefully and actively to our customers to find out how we can best help them, as opticians and acousticians, and as industry experts. We are committed to helping customers regain their wellbeing, accompanying them on their journey to better health. Our promise is to help them see and hear better.

In addition to the AFFLELOU Group's end customers, we work to provide support to people in need and to disadvantaged populations or those at risk of exclusion, in order to help improve their lives and their integration into society.



TAKE ACTION ON A DAILY BASIS TO IMPROVE CUSTOMER SATISFACTION & EXPERIENCE

■ END CUSTOMER EXPERIENCE & SATISFACTION

We place customer satisfaction at the heart of our priorities. The Group's commitment to constantly improving the customer journey and experience is fundamental and reinforces our expertise and know-how on a daily basis. The brand's spearhead is above all the well-being of its customers, especially as our main area of expertise is sight and hearing health. It is essential to always know how to establish a close relationship with each of our customers in order to meet their needs and expectations. A dedicated customer service is in place at the various subsidiaries, comprising in France five advisers, a professional optician and an audio referent, responsible for managing relations with end customers outside the store after the sale (e.g. information, after-sales service, complaints, e-commerce, etc.).

Following the purchase of products in the stores, an email is sent to end customers to obtain their opinion on the advice given and the store and to determine the Net Promoter Score (NPS). The NPS is used to measure the shopping experience and the proportion of customers who would recommend the AFFLELOU brand, and is monitored in France and Spain, both at store level and by head office teams.

NET PROMOTER SCORE (NPS) End customers - Optical products	Unit	2020	2021	2022
FRANCE	Points	65	75	77
SPAIN	Points	77.0	80	84



In France and Spain, mystery visits are organised twice a year in franchised stores and branches, by an external consultancy firm, to check the Group's standards in terms of customer service and relationship management.

To support the stores (branches and franchisees) in the network, customer services monitor and resolve all complaints and claims. If necessary, the department also acts as a mediator to resolve issues raised by customers. A community manager dedicated to the communications department helps customer services to collect and manage all comments from the social networks on which the Group is present.

Customer satisfaction is at the heart of our business and essential to the future challenges facing our profession. To this end, in 2022 the Group deployed a Customer Relationship Manager (CRM) tool for franchisees, enabling them to manage appointments, contact the Group in the event of dissatisfaction, respond to satisfaction campaigns and calculate NPS scores. To assess end-customer satisfaction, the AFFLELOU Group also relies on several external barometers to measure service quality. We regularly assess our brand awareness

and image, via dedicated or impromptu studies. The ALAIN AFFLELOU brand is ranked at the highest levels in its main geographical areas.

The AFFLELOU Group offers its network, and more specifically its store employees, training in customer satisfaction. The main aim of this training is for franchisees and branch and franchisee store employees to raise customer awareness so that customers rate their in-store experience (store, contact, product, etc.).

In France, the annual French study "Customer Service of the Year" (BVA) assesses the overall quality of customer service by taking into account several parameters such as the response rate and the quality of the answers provided by customer service. At the end of 2022, the AFFLELOU Group was awarded the "Customer Service of the Year" prize in the "Optician" category for the 7th consecutive year, with an overall score of 18.41/20.



RAISE OUR CUSTOMERS' & SOCIETY'S AWARENESS ABOUT VISUAL & HEARING HEALTH ISSUES

THE ALAIN AFFLELOU FOUNDATION

Our commitment to society was clearly demonstrated in 2007 with the creation of the ALAIN AFFLELOU Foundation, whose main mission is to promote projects to raise awareness, prevent and diagnose visual & hearing problems, both in Spain and abroad. The main aim of the ALAIN AFFLELOU Foundation is to improve the quality of life of the most disadvantaged sections of the population by helping them to improve and care for their sight and hearing.

The Foundation also seeks to raise awareness of the importance of good eyesight and hearing. To this end, it is essential to have regular check-ups to detect any problems and correct them with appropriate treatment. Poor eyesight limits our lives and, in particular, that of children, who are often unable to meet school expectations because of vision problems. That's why we stress the importance of screening young children for vision problems.

Since its creation, the Foundation has been focusing on the following main areas of action:

- To combat failure at school and raise awareness among parents and teachers of the importance of regular eye examinations, as visual problems have a direct impact on school results.
- To help improve the quality of life of disadvantaged people who do not have access to adequate optical correction, by preventing and correcting sight problems.
- Protect children's eyes from the effects of the sun and raise awareness of the importance of wearing sunglasses.
- To ensure the eye health of the most disadvantaged children in Africa, who are exposed to UV rays without protection from an early age.

WE APPROACH THESE LINES OF ACTION BY DEVELOPING DIFFERENT PROJECTS THAT CAN BE GROUPED ACCORDING TO OUR INTERVENTION: INCLUSION, REUSE AND EDUCATION.



- **Inclusion** : We want to take care of the visual & hearing health of society.
- **Reuse** : We are aware that we are part of the problem, and we take responsibility for this by seeking solutions for products valorization.
- **Education** : We are committed to raising awareness of sight and hearing health among adults and children.

The ALAIN AFFLELOU Foundation's initiatives involve teams from head office, branch stores and franchisees, as well as numerous partner organisations and institutions. At a local level, we actively encourage the AFFLELOU teams and network to participate in the Foundation's initiatives. Through these various actions, we are driving and progressing towards the goal of improving the health and well-being of society, in line with the SDG #3 as part of the 2030 Agenda.



INCLUSION: we work to improve sight and hearing health in society

EL DESIERTO DE LOS NIÑOS

Since 2012, we have been associated with the El Desierto de los Niños (Children's Desert) Association, a solidarity initiative that travels by caravan through the Moroccan desert. Every year, a group of volunteers travel to carry out solidarity or humanitarian actions. After two years of inactivity due to the Covid-19 pandemic, we resumed this action, which took place from August 18th to 26th 2022. Six ALAIN AFFLELOU opticians took part in the campaign. These professionals carry out sight tests and distribute glasses to people living in the most remote regions of the Moroccan desert.

Once the diagnosis has been made, the glasses are made in Spain, sent to the towns concerned and hand-delivered along with the sunglasses. As the sun's rays have a huge impact in these regions, high levels of exposure can cause a number of eyesight problems. The meagre resources available to these populations, the difficulty of access to screening and the impossibility, on many occasions, of acquiring glasses, lead to a deterioration in their visual health.

Through this action, we are working to eliminate visual barriers in these communities and help improve their quality of life.

SINCE 2012:



+ MORE THAN 60
OPTICIANS TOOK
PART IN THE INITIATIVE



+ MORE THAN 6,400
SIGHT TESTS CARRIED OUT



+ MORE THAN 3,700
EYEGASSES DISTRIBUTED



+ MORE THAN 4,680
SUNGLASSES DISTRIBUTED

#VOLVIENDO A VER

Our job at the ALAIN AFFLELOU Foundation is to make available all the technical and human resources we have to enable people with fewer resources to live in good visual health.

In 2022, we celebrated the fourth edition of #Volviendo a Ver, in collaboration with HOYA and the Spanish Red Cross, to provide free optical care and glasses to people at risk of social exclusion and vulnerable groups. Our aim is to help the people who need it most and who cannot afford to buy glasses, which is detrimental to their quality of life and well-being.

The project is coordinated in all the ALAIN AFFLELOU optical centres in Spain. We welcome people with visual problems identified by the Spanish Red Cross as the most vulnerable beneficiaries of its actions. Personalised care is provided and people are offered glasses if they need them. During the 2021 campaign (July 2021 to December 2022), a total of 1,552 glasses were distributed. Of the 1,500 people benefiting from the campaign, 67% are in extremely vulnerable situations, 13% are migrants and refugees and 9.5% are women and children.



DURING 2022



1,500 BENEFICIARIES

9,5% WOMEN
AND CHILDREN

13% MIGRANTS
AND REFUGEES

67% IN SITUATIONS
OF EXTREME VULNERABILITY



REUSE: we look for solutions because we know we are part of the problem and want to be part of the solution

A SECOND LIFE FOR GLASSES

Millions of people around the world do not have the financial resources to take good care of their eyesight. Around 90% of visual pathologies are concentrated in low-income countries. The pathologies identified could be corrected or avoided if the necessary measures were taken. Since 2015, we have joined forces with the NGO Lions Club International in the fight against avoidable blindness through its eyewear reconditioning project, in order to provide this essential health product to people in need.

Recent surveys show that there is a large quantity of glasses that wearers no longer use. It is therefore important to promote the refurbishment of glasses so that they can be given to people who have no means of support. The Lions Club International has a great deal of experience in this field and is therefore our ideal partner.

In our stores, we have set up collection boxes in which customers can drop off glasses they no longer wear: prescription glasses, reading glasses for close-up vision and sunglasses. The glasses collected are sent to the Lions Club International in Spain and the Medico Lions Club in France. From there, the glasses are processed and either recycled or sent to local teams for distribution to destitute people around the world: Guinea-Bissau, Philippines, Liberia, Mozambique, Paraguay, Rwanda, Republic of Congo, Venezuela and Sierra Leone, among others. All the products collected are distributed free of charge or recycled.



Since the beginning of our partnership, 354 Spanish stores and 780 French stores have taken part in the initiative and more than 460,000 pairs of glasses have been donated by our customers. In 2022, we sent more than 237,000 pairs of glasses refurbished by the Lions Club (220,000 in France and 17,000 in Spain) to thousands of people in more than 35 countries in Africa, Asia, South America and Europe.



8 The AFFLELOU Foundation in Spain has signed a contract with the Lions Club International. In France, the AFFLELOU Group has signed a contract with the Medico Lions Club.



EDUCATION: we want to raise awareness of sight and hearing health among young and old alike.

VISUAL HEALTH CAMPAIGN IN SCHOOLS



As part of the ALAIN AFFLELOU Foundation, the school campaign for visual health is our most important social action. Every year, between September and October, schoolchildren can visit our opticians to have their eyesight checked free of charge, and children aged between 5 and 7 who have a visual problem receive a pair of glasses free of charge.

The 22nd edition of this campaign retains the same objectives: to make as many families as possible aware of the importance of children's visual health through screening, and to educate and raise awareness among children about healthy visual practices.

We know that 30% of children's school failures are due to sight problems. So we want to help raise parents' awareness of the importance of having their children's eyesight checked at least once a year.

In 2021, over the months of September and October, more than 12,000 sight tests were carried out and more than 5,000 spectacles were distributed free of charge. We would like to thank our suppliers Shamir, HOYA, BBGR and Indo for their participation and involvement, without which the scale achieved during this campaign would not have been possible.

THE 3 AFFLELOU RULES

Distance, time and lighting to prevent myopia

According to our experts, children's eyes are not adapted to exposure to screens. It is therefore necessary to protect children's eyesight and delay the age of use of electronic devices. Through the three Afflelou rules, the ALAIN AFFLELOU Foundation is raising awareness of the consequences of using screens. Implemented during the confinement period, these rules teach the keys to

preventing myopia from an early age:

KEEP THE RIGHT DISTANCE



distance is a key factor. The closer we use screens, the harder our eyes work. The recommended distance depends on the device you are using. It is a good idea to take regular short breaks to look at a distant object.

MAINTAIN GOOD AMBIENT LIGHTING



contrast control in ambient light reduces the development of myopia. We should use our digital devices in a well-lit environment, avoiding glare. It is recommended that children engage in outdoor activities for at least two hours a day.

REDUCE EXPOSURE TIME



it is advisable to take breaks to rest your eyes. The more hours spent working at close range, the greater the likelihood of developing myopia.

This campaign is designed to raise awareness of the risk of abusive use of screens, which has increased in recent years. As part of this initiative, we collaborated with a start-up from the team of Professor Norberto López Gil, from the University of Murcia. This collaboration was carried out during the launch of the mobile application Miopía.app, designed by scientists and optometrists to protect children's eyesight with advice that helps users to develop healthy habits.

INVOLVEMENT WITH ORGANISATIONS & INSTITUTIONS IN OUR ENVIRONMENT

The AFFLELOU Group's collaborations, sponsorships and partnerships with institutions and entities in our ecosystem are an essential pillar for fulfilling our commitments to developing a sustainable model for the communities in which we operate and for continuing to develop our business.

The initiatives we support aim to highlight the importance of sight and hearing health, as well as promoting equal opportunities and social integration.

SPONSORSHIP

At ALAIN AFFLELOU, we share values with the world of sport, such as dynamism and the desire to improve and excel. This is why, in recent years, we have been sponsors of the eSports club "Movistar Riders", a club created to contribute to the development of eSports, as a direct channel of communication with the youngest segments of society.

Through some of the most popular members of the professional video games team, we are helping to raise awareness among gamers of the importance of taking care of their eyesight when they spend many hours in front of screens, as is the case for many children and teenagers today. This is why the "Heroes wear glasses" campaign run by the Movistar Riders team aims to raise awareness of the importance of visual health among young people.



An aerial photograph of a lush green forest with a winding river. The forest is dense and vibrant green, with the river cutting through it. The river is a deep blue color, and the surrounding forest is a mix of different shades of green. The overall scene is a natural, undisturbed landscape.

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#5
ENVIRONMENT



ENVIRONMENT

To limit its environmental impact, the AFFLELOU Group is working on two themes relating to the rational use of natural resources and the measurement and reduction of the Group's carbon footprint.

To limit the environmental footprint of its products and packaging, the AFFLELOU Group is committed to integrating sustainability throughout the product life cycle: from manufacture to end of life. The AFFLELOU Group works with its partners to improve the eco-design of products (by using bio-sourced or recycled materials, or by anticipating their end-of-life), as well as packaging and other equipment.

The management of waste and the end-of-life of products has emerged as a material issue with a major impact on the AFFLELOU Group's environment. Although in small quantities, the Group's activities generate waste at its sites and buildings, as well as in its stores (branches and franchisees), particularly through unsold items.

In addition to the impact of products and services, the impact of the AFFLELOU Group's activities is also significant and concerns the operations of the store network (branches and franchisees).

The AFFLELOU Group also has an impact on natural resources, particularly water. This issue has been deemed important by the AFFLELOU Group's management in view of internal and external expectations.

Finally, the AFFLELOU Group is committed to measuring and reducing the carbon footprint of its activities and its value chain, in particular by reducing its energy consumption. In a second phase, the AFFLELOU Group plans to assess its indirect impacts by carrying out a carbon assessment. This issue has also been deemed important by the AFFLELOU Group's management.

To support all these initiatives, the legal team monitors environmental regulations, which are then passed on to the relevant in-house teams.

LIMITING THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS & PACKAGING THROUGHOUT THEIR LIFECYCLE

INTEGRATING SUSTAINABILITY THROUGHOUT THE PRODUCT LIFECYCLE

As part of our sustainable transformation approach, one of the main areas we are focusing on is the eco-design of our products. We have undertaken to create new, more responsible collections using the best raw materials.

We have launched new product ranges made from alternative and more environmentally-friendly materials, which help us to reduce pollution and the use of natural resources, stimulate the circular economy and contribute to the fulfilment of our environmental commitments.

The more eco-responsible products we have brought to market meet very demanding quality and durability criteria. In particular, they have been designed using raw materials selected to be more respectful of the environment, while at the same time offering maximum comfort for the customer.

More sustainable raw materials

The AFFLELOU Group therefore strives to use more sustainable raw materials in its collections, in three main ways:

N° 1

RECYCLED MATERIALS

Recycled PET (rPET) is a raw material made from recycled plastic bottles from household waste and/or marine waste recovered by specialist companies.

Launched in August 2020, the H2O by AFFLELOU collection was the Group's first sunglasses collection with frames made from recycled plastic bottles, featuring biodegradable lenses and cases also made from recycled materials. Each pair is made from 5 recycled plastic bottles.

The water bottle recycling process is certified by the Global Recycled Standard (GRS) 4.0.



MORE THAN 40,500 RECYCLED BOTTLES TRANSFORMED INTO FRAMES SINCE THE INITIATIVE BEGAN

56,000 RECYCLED BOTTLES CONVERTED INTO HARD CASES SINCE THE INITIATIVE BEGAN

OVER 1.2 MILLION RECYCLED BOTTLES HAVE BEEN TURNED INTO EYEGLASSES CASES SINCE THE INITIATIVE BEGAN



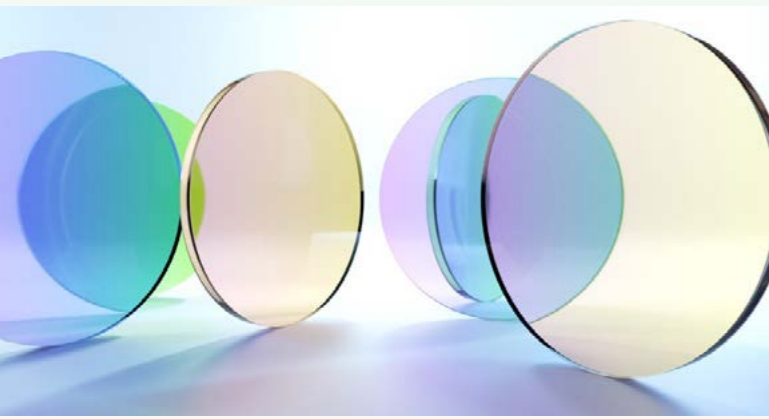
N° 2

BIODEGRADABLE MATERIALS



BD8 is a biodegradable plastic raw material. All the demonstration and display glasses in the stores are made from this biodegradable material.

What's more, all our own-brand eyewear is packaged in biodegradable protective plastic bags.



SINCE THE INITIATIVE BEGAN, OVER 5.5 MILLION BIODEGRADABLE PLASTIC BAGS HAVE BEEN USED (100% OF OWN-BRAND PRODUCTS)

MAGIC
ALAIN AFFLELOU

A range of frames with a unique and environmentally friendly concept. The glasses are made of G850, a bioplastic partly composed of castor derivatives⁽¹⁾.

ADVANTAGES

- Naturally resistant plant that is responsibly cropped
- Renewable resource that can be cropped in semi-arid zone
- High drought tolerance, low water requirement
- Do not occupy useful agricultural land for human consumption
- Several harvests each year
- Do not lead to deforestation

ECO FRIENDLY

MAGIC
ALAIN AFFLELOU

MANUFACTURING PROCESS G850

ECO FRIENDLY

N° 3

NATURAL MATERIALS

G850 is a vegetable raw material obtained from castor oil. Launched in November 2020, the Eco-Friendly Magic junior and adult collections incorporate G850 in their frames and feature biodegradable lenses. Since then, the use of this raw material has been extended to almost all the TCHIN TCHIN optical and MAGIC collections.

With a renewable carbon content of 45%, the Magic collection is made from a material derived from renewable raw materials, which does not grow at the expense of food crops. The eco-design of this collection is based on a renewable carbon content of 45% compared with a plastic of fossil origin.



OVER 4 MILLION FRAMES SOLD FOR THE ECO-FRIENDLY MAGIC COLLECTION SINCE THE INITIATIVE BEGAN

A 45% REDUCTION IN THE DEPENDENCE OF THE MAGIC COLLECTION ON FOSSIL FUELS COMPARED TO A PLASTIC OF FOSSIL ORIGIN

THESE COLLECTIONS REPRESENT THE LARGEST PROPORTION OF PRODUCTS SOLD FOR ALAIN AFFLELOU OWN-BRAND PRODUCTS.

The AFFLELOU Group is offering its own-brand plastic-neutral daily contact lenses (the Éphémère Aqua 1 Day and the Éphémère Comfort 1 Day) in Spain, thanks to a partnership with Plastic Bank. We collect a quantity of plastic from the oceans equivalent to that needed to manufacture these contact lenses. The plastic waste collected is processed and reintroduced into the supply chain as a raw material.

Continuous improvement in the environmental footprint of products

The AFFLELOU Group recently extended its commitment to sustainability by improving the environmental impact of lens boxes made from fully recyclable materials:

In France, customers are invited to bring in their old spectacle frames, contact lens boxes and empty packaging (cartons, blister packs, lids, used lenses) and deposit them in biodegradable collection boxes engraved with vegetable ink. The Group has set up two recovery channels: recycling for lens packaging and collection of frames to give them a second life in partnership with the Medico Lions Club (see the section «The ALAIN AFFLELOU Foundation» for more details).



Controlling products' end-of-life

Priority is given to sending unsold optical products and stock for donation to the ALAIN AFFLELOU Foundation. The equipment is then used through initiatives supporting communities and/or people in need (see "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. The eco-organisations Ecopilas in Spain and Corepile in France provide free collection boxes for used audio batteries in all ALAIN AFFLELOU stores.





WASTE MANAGEMENT

As there is no manufacturing activity within the Group, the store's activities do not generate a significant amount of waste, apart from unsold items.

Waste from glass cutting

Glasses are received from suppliers in the form of pucks in the stores. These blocks are then cut and shaped by the store team in the workshop using a grinding machine. By shaping the blocks, the lenses can be modelled and adapted to the frame and the customer's needs.

The cutting process generates small pieces of glass. This debris is collected in special containers placed under the grinder. The AFFLELOU Group is currently working on a system to reuse and recycle the collected debris, as well as to limit the consumption of water used to cool the grinder (see the "Water management" section for more details).

Waste reduction initiatives

At the French head office, all plastic cups have been replaced by paper cups. All head office employees also received an individual water bottle bearing their name, to encourage them to reduce their use of single-use cups. In Spain, an individual cup and water bottle were distributed to each employee. Capsule coffee machines have been replaced by bean-to-cup machines in Spain and at the French head office. In addition, at the French head office and in Spain, individual waste bins have been replaced by several waste sorting bins.

Electronic waste management

Electronic equipment used by the company and its administrative teams, as well as in-store equipment, is collected and sorted by specialist external contractors.

Dematerialisation policy

Between 4 and 6 sheets of paper are generally required for each eyewear order in store (e.g. quotation, GDPR verification, agreement, health insurance, invoice, etc.). The electronic signature and scanning of paper documents tool are being implemented to reduce paper consumption in stores. This system is deployed at head offices, as well as in all branch stores and the majority of franchise stores in France and Spain.

The elimination of other paper media used at store level (e.g. leaflets, notices, posters, etc.) and/or their replacement by other solutions with a reduced environmental impact are currently being examined.

Paper waste from administrative activities at the company's facilities was fully recycled over the period August 2021 - July 2022.



THE IMPLEMENTATION OF THESE INITIATIVES HAS SAVED 91 TREES IN 2022 AND GENERATED SAVINGS OF MORE THAN 2.2 MILLION LITRES OF WATER AND MORE THAN 11 MWH OF ELECTRICITY





WATER MANAGEMENT

Water consumption of grinders

Water consumption in the stores is low but has been identified as an important issue with a high impact on the environment. We have therefore focused on reducing the water consumption of the grinders used to shape the lenses to the frames.

One assembly cycle on the machine, corresponding to the shaping of 2 glasses, currently consumes between 6 and 8 litres of water.

An average store carries out between 50 and 60 assembly cycles per working day, so the annual water consumption for a store's assembly process can be estimated at between 72,000 and 115,000 litres per year (or between 72 and 115 m3 per year).

A water recovery system is being developed and tested to recover wastewater from the shaping process. The wastewater is treated through various filters, then re-injected into the system to operate in a closed cycle.

This new system will enable stores to significantly reduce their annual water consumption over the coming years, with the aim of reducing a store's annual water consumption to an average of 200 litres. It is currently being deployed in around 75 branches in France.

As well as reducing water consumption, this system also eliminates the need for a bin to collect organic matter. As a result, quality of life at work is improved, since the new system reduces the number of heavy loads to be carried and saves a significant amount of time emptying and cleaning the grinders.

STORE OPENING, RENOVATION AND MAINTENANCE

When it comes to refurbishments, two types of service are generally offered to stores: comprehensive refurbishments, which may include energy efficiency measures, and light refurbishments, which involve reducing the amount of waste, in particular by replacing furniture and then reusing it.

Construction work, the manufacture and installation of furniture and store maintenance are subcontracted to external contractors, both for branch stores and franchised stores. For all of this work, the AFFLELOU Group gives preference to local partners as far as possible, or at least partners operating in the country where the service is provided.

Building materials and furniture account for around a quarter of the total cost of opening and fitting out a store. Store furniture is mainly made of chipboard and metal. We also encourage our franchise network to keep as much of their furniture as possible. However, if a change is necessary, we undertake to recover the furniture and recycle it internally, either in another store or at the Group's head office.

When opening and/or renovating a future store, potential demolition waste is always sorted in accordance with local regulations. When store furniture arrives on pallets (already assembled or in kit form), very little waste

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

Waste sorting is carried out in our stores, in accordance with national and local legislation on packaging and household waste.

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



REDUCING THE CARBON FOOTPRINT OF OUR ACTIVITIES & OUR VALUE CHAIN

In order to limit its carbon footprint, the AFFLELOU Group is working to reduce its energy consumption, the footprint associated with product transport and logistics, and business travel, as well as optimising its production volumes and product stocks.

The AFFLELOU Group will be working to strengthen its environmental reporting in the coming years. The emissions measured will form the basis for future commitments and initiatives to reduce the Group's footprint. In particular, the Group will carry out its global Carbon Footprint in 2023, covering all 6 categories of emissions (formerly scopes 1, 2 and 3), including branch and franchise stores.

ENERGY CONSUMPTION

Electricity consumption in branch stores

ELECTRICITY CONSUMPTION Magasins détenus	Unit	2020			August 2021 - July 2022		
		ALAIN AFFLELOU France	ALAIN AFFLELOU España	TOTAL	ALAIN AFFLELOU France ⁹	ALAIN AFFLELOU España ⁽¹⁾	TOTAL
BRANCH STORES	MWh	2,942	1,501	4,443	2,640	1,621	4,261

Electricity consumption in stores has been reduced by systematically replacing lamps with LED lighting since 2014, in both branches and franchises. Around 60% of branch stores in France and 98% in Spain were equipped with LED lighting by the end of July 2022, particularly the largest stores. 100% of branch stores should be equipped within 5 years. In Spain, the AFFLELOU Group is committed to replacing lighting with LED equipment in all branch stores by 2024.

Energy can be lost when computers and other IT equipment in stores (e.g. televisions, light panels, etc.) are not switched off at the end of the day and/or during compulsory closures. A remote assistance tool is currently being implemented in the IT system of our stores in France in order to save energy. Opening and closing information is monitored by the tool, which can remotely switch off the lighting if the electricity is still running when the store is closed. In Spain, by law, store window lighting must be switched off at 10pm.

The tablets used in the stores for the virtual fitting of glasses are also automatically programmed to be activated just before opening and deactivated just after closing. This

⁹LOA scope for the period from December 1st to 31st 2022

automatic system compensates for any equipment that is forgotten to be switched off.

The air conditioning systems in the stores (branches and franchises) are programmed directly, which offers greater efficiency and reduces electricity consumption. Work to reduce the energy consumption of air conditioning systems was undertaken in 2022 with some of the Group's suppliers, in particular by limiting the surface area to be air-conditioned through the installation of false ceilings.

In Spain, the AFFLELOU Group has signed a contract, effective from August 1st 2022, to purchase certified renewable electricity for its head office and branch stores. Similarly, in France, the AFFLELOU Group has contracts for certified renewable electricity for its head office and branch stores.



Reducing the carbon footprint of energy consumption

The reporting of environmental indicators, including energy consumption and emissions, is currently being rolled out within the AFFLELOU Group and its various subsidiaries. The Group plans to measure its carbon footprint in 2023.

ÉMISSIONS CATEGORY 2 - Branch stores	Unit	2020			August 2021 - July 2022		
		ALAIN AFFLELOU France	ALAIN AFFLELOU España ⁽¹⁾	TOTAL	ALAIN AFFLELOU France ¹⁰	ALAIN AFFLELOU España ¹¹	TOTAL
EMISSIONS (FORMERLY SCOPE 2)	CO ₂ e	176,2	357,2	533,4	137,3	446,1	583,4

In 2022, the legal team received training from Citeo on the new provisions arising from the tertiary sector decree. In France, the tertiary sector decree requires entities subject to the decree to monitor the electricity consumption of tertiary sector buildings and make energy savings until 2050:

- -40% by 2030
- -50% by 2040
- -60% by 2050

The relocation of the Group's head office to a high environmental performance tower in early 2023, with bioclimatic and kinetic façades that optimise light, is part of this drive to save energy. The tower meets international environmental standards, with two certifications: High Environmental Quality (HEQ) "Exceptional" and BREEAM (Building Research Establishment Environmental Assessment Method) "Excellent".



¹⁰ LOA scope for the period January 1st to December 31st 2022
¹¹ Head office and branch stores for the period August 1st 2021 to July 31st 2022

PRODUCT TRANSPORT AND LOGISTICS

For own-brand products, the transport of products from manufacturing sites to AFFLELOU stores is entirely outsourced to external third parties. Previously, frames and lenses were delivered separately on a daily basis. Instead of two separate shipments, a grouped shipment mechanism has been put in place with suppliers to reduce the environmental and carbon impact.

BUSINESS TRAVEL AND COMMUTING

In France, a hire contract for 5 electric bicycles has been set up for head office employees. Employees can use them for business trips around the city, to and from work or at weekends.

In Spain, the AFFLELOU Group has a fleet of hybrid vehicles (18 hybrid cars out of a fleet of 24 vehicles) made available to regional managers and franchisee representatives.

In addition, the Group promotes teleworking by providing effective tools for working remotely and encourages its employees to do so (see the section on "Employee health and well-being" for more details).

To limit business travel, the Group has a very tight regional network. Area managers and sales representatives are assigned to each region to limit business travel.

In addition, the AFFLELOU Group has initiated a project to set up a platform dedicated to business travel, where employees can be encouraged to use less carbon-intensive means of transport. As part of this, the travel policy is currently being updated, so that employees can book their travel independently, according to a predefined framework designed to improve the carbon footprint of travel.

REDUCING PRODUCTION VOLUMES AND PRODUCT INVENTORIES

Online virtual fitting (from home or in-store) allows customers to try on products that may not yet be available in their nearest store. As a result, by better adapting production volumes to customer demand in real time, this system reduces stocks and potential unsold volumes within the AFFLELOU network.

In addition, the AFFLELOU Group regularly implements initiatives to reduce product stocks. Such a project was carried out for lenses, for which two stocks were initially available in two separate warehouses. The stocks were pooled to reduce carriage costs for franchisees and pool the transport needed to get them to the stores. This helps to reduce the AFFLELOU Group's greenhouse gas emissions from the transport of goods.



CSR REPORT
2022

#6

SUPPLIERS & PRODUCTS





SUPPLIERS & PRODUCTS

The AFFLELOU Group strives to manage its supply chain both ethically and socially, and to reduce the environmental impact of its sourcing practices.

As part of its contractual relations with its suppliers and manufacturers, the AFFLELOU Group has developed a central purchasing model to supply its branch and franchise stores with products sold in-store. For purchases made for the needs of the company and network teams (e.g. paper, consumables, etc.), the AFFLELOU Group relies on historical suppliers.

The Group builds relationships of trust with its various partners and ensures that ethical principles are respected throughout its supply chain. This relationship also contributes to the reliability of the products sold by the AFFLELOU Group, particularly in terms of safety and quality, which are essential characteristics for guaranteeing the health and safety of end customers. The AFFLELOU Group has set up a dedicated safety and quality management system, comprising several requirements and practices, guaranteeing the compliance of its products with the European regulatory framework and thus the quality of the medical devices sold by the Group.

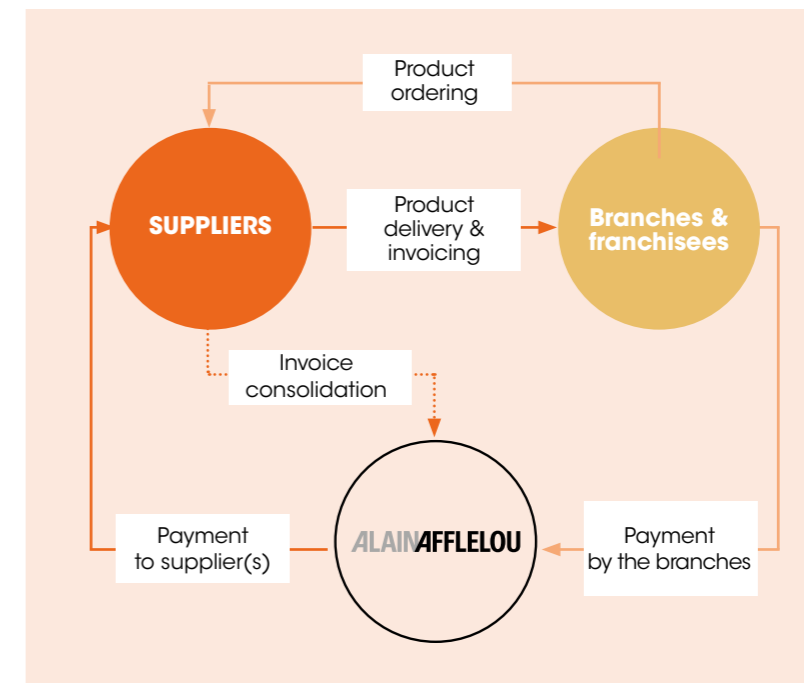
DEVELOP RESPONSIBLE RELATIONSHIPS WITH OUR SUPPLIERS

INTRODUCTION TO OUR REFERENCING CENTRAL

In order to facilitate the supply and purchasing of its branch and franchise stores, the AFFLELOU Group has developed an internal referencing and payment circuit. Suppliers are listed under a specific contract with the franchisor, who manages AFFLELOU's central listing tool. A department dedicated to purchasing and listing the Group's suppliers is responsible for listing suppliers, establishing supply conditions and negotiating supply contracts.

Branch and franchise stores must only work with and order products from listed suppliers and service providers. Branch and franchise stores send their product orders directly to the supplier listed in the referencing central system.

The supplier delivers the products and invoices the franchisee. Each month, the supplier sends a statement of all the invoices to the AFFLELOU Group, which pays the suppliers on behalf of the franchisees. Through this tripartite relationship and this global framework, the AFFLELOU Group ensures the quality of the products and the supply conditions (e.g. after-sales service, financial conditions, etc.) of its network by playing the role of intermediary. The referencing central system is established both for products of brands outside the Group, which are in the majority, and for ALAIN AFFLELOU own-brand products.



OUR ROLE AS A WHOLESALER FOR OWN-BRAND PRODUCTS

ALAIN AFFLELOU own-brand products are manufactured by long-standing partner manufacturers. The AFFLELOU Group buys products directly from these manufacturers on behalf of its own stores and franchisees, thus acting as a wholesaler. The products are stored in a central warehouse before being distributed to the Group's various stores.

SUPPLIER ETHICS THROUGHOUT THE SUPPLY CHAIN

The AFFLELOU Group strives to manage its supply chain on both ethical and social dimensions, as well as to reduce the environmental impact of its purchasing practices.

Since 2021, a Supplier Ethics Charter has been in place in France, including principles and commitments in terms of ethics and responsible behaviour (e.g. combating corruption, compliance with ethical standards, fair competitive behaviour), respect for human rights (e.g. combating forced labour, child labour, discrimination, harassment and abuse; respect for health and safety), and the establishment of proper working conditions (e.g. working hours, wages and safety): fight against forced labour, child labour, discrimination, harassment and abuse; respect for health and safety), and the establishment of proper working conditions (e.g. working hours, wages and benefits, freedom of association), as well as respect for the environment (e.g. waste reduction,

management and treatment). By adhering to the Charter, the supplier undertakes to respect the principles of ethics, professional conduct, compliance and probity set out in the laws and regulations applicable to the Charter. They also undertake to apply these values and principles within their own supply chain. The Charter is attached to all new supplier contracts and is intended to apply to any contractual relationship between a supplier and the Group (and/or an affiliated company of the Group).

In Spain, a code of conduct has also been put in place for Spanish suppliers: its deployment will continue in the coming years. The aim of this code of conduct is to disseminate and promote the principles of conduct and values of the AFFLELOU Group within its supply chain and to ensure that suppliers act in accordance with these principles. The AFFLELOU Group expects its suppliers to respect the following nine principles:

 <p>Compliance with regulations and laws applicable in the countries in which they operate</p>	 <p>Integrity and transparency of business activities</p>	 <p>Compliance with product quality and safety standards</p>
 <p>Protection of confidential information arising from the commercial relationship</p>	 <p>Respect for labour rights in accordance with national and international standards</p>	 <p>Respect for internationally recognised human rights and vigilance to ensure that we are not accomplice to any violation of these rights</p>
 <p>Respect for the environment by minimising the negative effects of their activities and protecting biodiversity</p>	 <p>Active and consistent fight against corruption, bribery and any form of improper influence</p>	 <p>Ethical and honest behaviour in the provision of their services and in their relations with third parties and employees</p>

The AFFLELOU Group is in the process of developing software to evaluate the ethical practices of referenced and communication suppliers (ALAIN AFFLELOU own-brand products and general purchasing), particularly in the context of duty of care. Nearly 250 suppliers were evaluated in 2022 during a pilot phase. The aim is to extend this assessment to the remaining suppliers in 2023.

In addition, the Group carries out inspections to ensure that no undeclared labour is used during the construction, renovation and demolition of stores.

Head office general purchasing rules are different from those applied to store purchasing. Head office purchases and services are provided by approved service providers. A number of CSR aspects are checked at the time of referencing, and the service providers are then consulted regularly to update the supporting documents. Among the aspects that are checked, the Group attaches particular importance to the composition of the products purchased and used for certain services, the quality of life at work, the training and monitoring of service providers, and their working conditions.



GUARANTEE THE QUALITY & SAFETY OF OUR PRODUCTS AND SERVICES

All new products and processes are approved under the European Community (EC) marking process before they are placed on the market. Depending on the risk class of the product, an independent authorised body is involved in the EC marking process to assess compliance. Orders are also checked by in-store teams to ensure the quality of products received before they are offered to customers.

ALAIN AFFLELOU (AA) OWN-BRAND PRODUCTS

Between August 2021 and July 2022, ALAIN AFFLELOU own-brand products will account for 35% of purchases made by franchised and Group-owned stores.

Environmental and social impact of the manufacture of AA own-brand products

The manufacture of AA own-brand products is entirely outsourced to manufacturers located mainly in Asia, with whom the Group has worked for a long time. The two main suppliers are located in China (for frames and lenses) and Japan (for lenses), which account for the vast majority of the AA own-brand's annual production. In 2022, the manufacturing base consisted of 30 factories. The supplier in Japan subcontracts the manufacture of lenses to a manufacturer in Thailand.

The manufacture of AA own-brand products is governed by production requirements and specifications, implemented by the Group as part of commercial contracts. Clauses relating to the employment of employees at the supplier's premises are included in the contracts signed with the Group. Our main Chinese manufacturer also has its own code of conduct, including principles and commitments regarding ethical and responsible behaviour, respect for human rights (e.g. forced labour, child labour, discrimination, harassment and abuse, safety and health), the establishment of appropriate working conditions (e.g. working hours, wages and benefits, freedom of association), and respect for the environment.

The manufacturer also requires its factories and partners to be audited on a regular basis by the following bodies:

- The International Sustainability & Carbon Certificate (ISCC), which requires raw materials to be of plant origin or derived from recycling.
- The Global Recycled Standard (GRS), which assesses a product's recycled content and compliance with environmental and social criteria.
- The Sedex Members Ethical Trade Audit (SMETA), which assesses responsible business practices through the 4 pillars of SMETA, including labour standards, health and safety, environmental assessment and business ethics.
- The Aluminium Stewardship Initiative (ASI), which sets out requirements for the responsible production, sourcing and management of aluminium.

The Group also works on product design with its suppliers when they have an in-house design department. Prototyping, sample testing and quality control are always carried out by the manufacturers.

NON-ALAIN AFFLELOU OWN-BRAND PRODUCTS

By 2022, non-brand optical and hearing products will account for 65% of purchases made by franchised and Group-owned stores.

The number of suppliers listed for optical and hearing products is fairly limited (around 240 suppliers listed by the end of 2022, including the main geographical areas).

Manufacturers of lenses, frames, sunglasses and contact lenses are major companies with an international presence, the majority of which are committed to a CSR approach. As part of these initiatives, commitments are made to address the environmental and social impacts of product manufacturing. When a supplier has its own Code of Conduct and/or Code of Ethics, it is systematically attached to the supply contract signed with the AFFLELOU Group.

Regular assessment of the raw materials & products marketed

The AFFLELOU Group also maintains close relationships with its suppliers and works with them on projects to reduce the impact of production processes and products. To bring these projects to fruition, the AFFLELOU Group organises a monthly meeting dedicated to innovation, as well as innovation workshops twice a year with the largest suppliers in the network. During these sessions, the Group gives a brief to which the suppliers must respond by proposing innovative solutions.

At the end of these sessions, collaborative development projects may emerge between the AFFLELOU Group and its suppliers. For example, the Group is currently working with one of its suppliers to find new solutions for incorporating recycled metal into its frames, without compromising their quality or ease of use.



METHODOLOGY NOTE

SECOND VOLUNTARY CSR REPORT

The 2022 Corporate Social Responsibility Report (“the Report”) is the second voluntary report published by the AFFLELOU Group on its approach to sustainability. It is part of the Group’s commitment to transparency towards its various stakeholders and to making its ambitions and commitments clearer. The Report describes the various CSR projects and initiatives undertaken by our different entities and teams, as well as the main results in terms of performance achieved by the Group.

Following the transposition of European Directive 2014/95/EU on the publication of non-financial information by companies, the AFFLELOU Group is required to publish an annual declaration of non-financial performance for its Spanish subsidiary. The Group has published an annual report on its extra-financial performance in Spain since 2021. In France, the Group is not currently subject to this publication obligation.

In drawing up its Report, the AFFLELOU Group takes account of the most widely recognised international standards in non-financial reporting, namely those of the Global Reporting Initiative (GRI), the 10 principles of the UN Global Compact and the 17 Sustainable Development Goals (SDGs).

REPORTING PERIOD

The qualitative and quantitative information provided in this Report refers to the fiscal year 2022 (from August 1st 2021 to July 31st 2022) of the AFFLELOU Group. Details will be provided on a case-by-case basis if the data in the Report refers to the 2022 calendar year, previous financial years and/or future initiatives to be implemented. Where certain data is tracked over a reporting period other than the financial year, the time period is indicated below the figures concerned.

Information is also included on initiatives undertaken in previous years but still applicable in 2022, as well as on events of particular interest for 2023 already known at the date of completion of this Report.

It should also be noted that some of the data in the previous 2021 CSR Report were aligned to the calendar year and therefore covered the period from 2021/01/01 to 2021/12/31.

REPORTING SCOPE

The Report covers the main branches and entities belonging to the AFFLELOU Group as of July 31st 2022, particularly in France and Spain. The other countries in

which the Group operates, which together account for less than 10% of the networks’ total business, are not yet included in the scope of this Report, unless otherwise stated.

In addition, the contribution of franchisees has been excluded from the figures presented in this Report in most cases. The scope of information and data relating to social aspects (e.g. workforce, training, collective agreements, etc.) and environmental aspects (energy consumption, greenhouse gas emissions, waste disposal, etc.) only includes sites, offices and stores that are directly owned and operated by the Group (branch stores). Where the contribution of franchisees has been included in the figures, this information is systematically noted.

ORGANISATION OF REPORTING AND INFORMATION GATHERING PROCESS

Extra-financial data has been collected for several years within the Group for the following entities and subsidiaries: ALAIN AFFLELOU FRANCHISEUR (France), branch stores of ALAIN AFFLELOU France, ALAIN AFFLELOU España, branch stores of ALAIN AFFLELOU España, ALAIN AFFLELOU Belgium, ALAIN AFFLELOU Portugal, brands of ALAIN AFFLELOU Brands (Switzerland) and ALAIN AFFLELOU International (Luxembourg).

The reporting of non-financial information is the result of close collaboration between the various departments and contributing entities within the AFFLELOU Group, and is overseen by the CSR Department.

The AFFLELOU Group will be equipping itself with a non-financial reporting tool for the coming financial years, in order to facilitate this monitoring and measure its CSR performance more effectively.

The reporting of CSR initiatives, as well as non-financial quantitative information, will be strengthened in the coming years. Reporting on CSR data and practices within the AFFLELOU Group is currently being improved.

EXCLUDED TOPICS

Several CSR issues are considered immaterial and relevant to the AFFLELOU Group’s activities. Consequently, these issues are not reported in this document:

- Commitments and initiatives to fight against food waste
- Commitments and initiatives to fight against food insecurity
- Animal welfare related commitments and initiatives
- Commitments and initiatives in favour of responsible, fair and sustainable food

APPROVAL

The 2022 CSR Report was drawn up and validated by the AFFLELOU Group CSR Steering Committee and then approved by the Chairman and Chief Executive Officer. The information contained in this Report has not been subject to an external audit.



TECHNICAL APPENDICES

SUMMARY OF THE MAIN NON-FINANCIAL INDICATORS

The table below shows the main non-financial performance indicators for each of the pillars and commitments of the AFFLELOU Group's CSR roadmap.

Pillar	Commitment	EXTRA-FINANCIAL INDICATOR	Unit	Groupe AFFLELOU	Of which: France	Of which: Spain	Time scope
FACILITATE ACCESS TO PRODUCTS AND SERVICES THAT IMPROVE PEOPLE'S HEALTH AND VISUAL & HEARING COMFORT		Total number of pairs of glasses sold (including sunglasses)	Millions of pairs	2,6	-	-	August 2021-July 2022
		Number of directly-operated stores (branches)	Number	183	93	84	As of 2022/07/31
		Number of franchised stores	Number	1,278	867	270	As of 2022/07/31
EMPLOYEES	Attract and retain talents	Number of AFFLELOU employees - Headquarters	Employees	355	227	105	As of 2022/07/31
		Number of AFFLELOU employees - Branch stores	Employees	805	405	371	As of 2022/07/31
		Total number of AFFLELOU employees	Employees	1,160	632	476	As of 2022/07/31
		Total number of AFFLELOU employees (full-time equivalent)	FTE	1,122.09	639,41	450,03	As of 2022/07/31
		Percentage of permanent AFFLELOU employees	%	97%	100%	93%	As of 2022/07/31
		Total number of new hires - AFFLELOU employees	Number	433	178	255	August 2021-July 2022
		Total number of departures - AFFLELOU employees	Number	264	167	97	August 2021-July 2022
		Renewal rate (turnover rate) - AFFLELOU employees	%	30%	-	-	August 2021-July 2022
	Number of employees promoted within subsidiaries and branch stores	Number	54	27	27	August 2021-July 2022	
	Support the development of all employees within the company	Percentage of AFFLELOU employees who performed an annual performance	%	71%	97%	37%	Au 31/07/2022
		Total number of AFFLELOU employees trained	Number	1,205	533	642	August 2021-July 2022
		Total hours of training received by AFFLELOU employees	Hours	43,717	6,113	37,604	August 2021-July 2022
		Average number of training hours per employee trained per year	Time /employee	36	11	59	August 2021-July 2022
		Training expenditure as a proportion of total payroll	%	1,5%	-	-	August 2021-July 2022
	Fight against discrimination and promoting diversity & inclusion	Percentage of women in the AFFLELOU workforce	%	66%			As of 2022/07/31
Percentage of women at head office - AFFLELOU employees		%	55%			As of 2022/07/31	
Share of women in branch stores - AFFLELOU employees		%	71%			As of 2022/07/31	
Percentage of women on the Executive Committee (COMEX)		%	29%			As of 2022/07/31	
Gender Equality Index L'opticien AFFLELOU		x / 100	-	78/100		August 2021-July 2022	
Gender Equality Index ALAIN AFFLELOU FRANCHISES		x / 100	-	75/100		August 2021-July 2022	
Gender Equality Index AFFLELOU		x / 100	-	88/100		August 2021-July 2022	
Number of disabled employees		Number	21	8	13	As of 2022/07/31	

Pillar	Commitment	EXTRA-FINANCIAL INDICATOR	Unit	Groupe AFFLELOU	Of which: France	Of which: Spain	Time scope		
EMPLOYEES	Promote a high-quality working environment and employee well-being	Total number of lost-time accidents - AFFLELOU employees	Number	23	14	9	August 2021-July 2022		
		Total number of accidents without lost time - AFFLELOU employees	Number	9	7	2	August 2021-July 2022		
		Severity rate (of lost-time accidents) - AFFLELOU employees	Number	0,29	-	-	August 2021-July 2022		
		Number of days absent due to illness - AFFLELOU employees	Days	16,114	9,387	6,727	August 2021-July 2022		
		Number of days absent due to accidents at work - AFFLELOU employees	Days	557	420	137	August 2021-July 2022		
		Number of other days of absence - AFFLELOU employees	Days	7,505	3,960	3,545	August 2021-July 2022		
		Total number of days of absence - AFFLELOU employees	Days	26,153	15,744	10,409	August 2021-July 2022		
		Absenteeism rate - AFFLELOU employees	%	1,38%	-	-	August 2021-July 2022		
FRANCHISES	Support the responsible development of our franchise network	Number of franchise owners	Number	788	624	176	As of 2022/07/31		
		Number of projects supported under the ADELANTE entrepreneurship programme	Number	147	33	114	Since the beginning of the initiative		
CUSTOMERS & COMPANY	Take action on a daily basis to improve customer satisfaction and experience	Net Promoter Score (NPS) - End customer - Optical products	Points	-	77	84	As of 2022/07/31		
		«VOLVIENDO A VER - Total number of people in vulnerable situations who have benefited from the initiative's campaigns	Number	1,500	-	-	July 2021 - December 2022		
	Raise our customers' and society's awareness of visual & hearing health issues	«EL DESIERTO DE LOS NIÑOS» - Number of opticians participating in the initiative	Number	60	-	-	Since the beginning of the partnership		
		«EL DESIERTO DE LOS NIÑOS» - Number of eye screenings carried out	Number	6,400	-	-	Since the beginning of the partnership		
		«EL DESIERTO DE LOS NIÑOS» - Number of pairs of spectacles donated	Number	3,700	-	-	Since the beginning of the partnership		
		«EL DESIERTO DE LOS NIÑOS» - Number of pairs of sunglasses donated	Number	4,680	-	-	Since the beginning of the partnership		
		Lions Clubs International - Number of AFFLELOU stores participating in the eyewear second life project	Number	1,134	780	354	Since the beginning of the partnership		
		Lions Clubs International - Number of pairs of spectacles collected as part of the second-life spectacles project	Number	46,6308	320 000	146 308	Since the beginning of the partnership		
		ENVIRONMENT	Limit the environmental impact of our products & packaging throughout their lifecycle	H2O Collection - Number of frames sold	Number	8,115	-	-	Since the beginning
				H2O Collection - Number of recycled bottles transformed into frames	Number	40,575	-	-	Since the beginning of the initiative
Number of cases made from recycled materials	Number			70,000	-	-	Since the beginning		
Number of recycled bottles transformed into cases	Number			1,230,445	-	-	Since the beginning		
Number of biodegradable plastic bags used for product packaging	Number			5,529,730	-	-	Since the beginning of the initiative		
Percentage of AA brand frames using biodegradable plastic bags	%			100	-	-	As of 2022/07/31		
Number of frames sold for the MAGIC eco-friendly collection	Number			4,069,689	-	-	Since the beginning of the initiative		



Pillar	Commitment	EXTRA-FINANCIAL INDICATOR	Unit	Groupe AFFLELOU	Of which: France	Of which: Spain	Time scope
ENVIRONMENT	Reduce the carbon footprint of our activities and our value chain	Total electricity consumption of branch stores	MWh	4,261	2,640	1,621	August 2021-July 2022
		Scope 2 emissions from branch stores	tCO ₂ eg	583	137	446	August 2021-July 2022
		Number of branch stores equipped with LED lights	Number	128	45	83	August 2021-July 2022
		Number of electric bicycles used by teams - Headquarters	Number	5	5	0	As of 2022/07/31
		Number of hybrid cars used by teams - Headquarters	Number	18	0	18	As of 2022/07/31
SUPPLIERS & PRODUCTS	Develop responsible relationships with our suppliers	Total number of referenced suppliers (optics & hearing)	Number	240	-	-	As of 2022/07/31
	Guarantee the quality & safety of our products and services	Share of AA-branded products in total purchases (branch & franchise stores) (optics & hearing)	%	35	-	-	August 2021-July 2022
		Share of licensed products in total purchases (branch & franchise stores) (optics & hearing)	%	65	-	-	August 2021-July 2022
		Total number of plants in the AA manufacturing network	Number	30	-	-	As of 2022/07/31

CORRESPONDENCE WITH GRI STANDARDS

The Global Reporting Initiative (GRI) is an independent, not-for-profit organisation whose mission is to promote non-financial information. In particular, the organisation has developed a framework for extra-financial reporting that includes guidelines for companies to report on their economic, environmental and social performance.

Today, the AFFLELOU Group uses the GRI standards as a basis for its CSR reporting. This Report therefore refers (“in reference”) to the guidelines of the GRI standards in force. This Report uses certain GRI standards, or parts of their content, to provide information on specific issues related to the Group’s CSR approach.

Ultimately, the AFFLELOU Group aims to produce an “in accordance” report in line with GRI standards, to provide a comprehensive picture of its most significant impacts on the economy, the environment and people, and how the Group manages these impacts.

GRI correspondence		Title of the CSR Report 2022	Page number
GRI 100: UNIVERSAL STANDARDS			
102	GENERAL INFORMATION	Our identity	10
		Corporate governance	22
		Integrate CSR into corporate governance	30
103	MANAGERIAL APPROACH	Corporate governance	22
		Integrate CSR into corporate governance	30
GRI 200: ECONOMIC STANDARD			
201	ECONOMIC PERFORMANCE	Our identity	10
		Offer innovative products and services that are accessible to as many people as possible	16
202	MARKET PRESENCE	Our identity	10
		Offer innovative products and services that are accessible to as many people as possible	16
		Support the responsible development of our franchise network	63
203	INDIRECT ECONOMIC IMPACT	Raise our customers’ and society’s awareness of visual & hearing health issues	75
204	PURCHASING PRACTICES	Develop responsible relationships with our suppliers	95
205	THE FIGHT AGAINST CORRUPTION	Integrate ethics into our practices and relationships with stakeholders	38
206	ANTI-COMPETITIVE BEHAVIOUR	Integrate ethics into our practices and relationships with stakeholders	38
207	TAXATION	Integrate ethics into our practices and relationships with stakeholders	38
GRI 300: ENVIRONMENTAL STANDARD			
301	MATERIALS	Limit the environmental impact of our products and packaging throughout their life cycle	83
302	ENERGY	Reduce the carbon footprint of our activities and our value chain	89
303	WATER AND EFFLUENTS	Limit the environmental impact of our products and packaging throughout their life cycle	83
304	BIODIVERSITY	Not applicable	-



GRI correspondence		Title of the CSR Report 2022	Page number
305	EMISSIONS	Reduce the carbon footprint of our activities and our value chain	89
306	WASTE	Limit the environmental impact of our products and packaging throughout their life cycle	83
307	ENVIRONMENTAL COMPLIANCE	Integrate ethics into our practices and relationships with stakeholders	38
308	ENVIRONMENTAL ASSESSMENT OF SUPPLIERS	Develop responsible relationships with our suppliers	95
GRI 400: SOCIAL NORM			
401	JOBS	Attract and retain talent	45
402	EMPLOYEE/ MANAGEMENT RELATIONS	Promote a high-quality working environment and employee well-being	55
403	HEALTH AND SAFETY AT WORK	Promote a high-quality working environment and employee well-being	55
404	TRAINING AND EDUCATION	Supporting the development of all employees within the company	48
405	DIVERSITY AND EQUAL OPPORTUNITIES	Fight against discrimination & promote diversity and inclusion	51
406	COMBATING DISCRIMINATION	Fight against discrimination & promote diversity and inclusion	51
407	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	Promote a high-quality working environment and employee well-being	55
408	CHILD LABOUR	Integrate ethics into our practices and relationships with stakeholders Develop responsible relationships with our suppliers	38 95
409	FORCED OR COMPULSORY LABOUR	Integrate ethics into our practices and relationships with stakeholders Develop responsible relationships with our suppliers	38 95
410	SAFETY PRACTICES	Promote a high-quality working environment and employee well-being	55
411	RIGHTS OF INDIGENOUS PEOPLES	Not applicable	-
412	HUMAN RIGHTS ASSESSMENT	Integrate ethics into our practices and relationships with stakeholders Develop responsible relationships with our suppliers	38 95
413	LOCAL COMMUNITIES	Raise our customers' and society's awareness of visual & hearing health issues	75
414	SOCIAL EVALUATION OF SUPPLIERS	Develop responsible relationships with our suppliers	95
415	PUBLIC POLICY	Not applicable	-
416	CONSUMER HEALTH AND SAFETY	Guarantee the quality and safety of our products and services	98
417	MARKETING AND LABELLING	Guarantee the quality and safety of our products and services	98
418	CONFIDENTIALITY OF CUSTOMER DATA	Integrate ethics into our practices and relationships with stakeholders	38
419	SOCIO-ECONOMIC COMPLIANCE	Integrate ethics into our practices and relationships with stakeholders	38

The AFFLELOU Group has reported the information cited in this GRI content index for the period 2021/08/01 – 2022/07/31 with reference to GRI standards.

CORRESPONDENCE WITH THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

4 themes and 10 principles of the UN Global Compact	Corresponding questions in the CoP Report	Title of the CSR Report 2022	Page number	
HUMAN RIGHTS	P1 Promote and respect the protection of international human rights law	Materiality HR1	Integrate ethics into our practices and relationships with stakeholders	38
	P2 Make sure you are not complicit in human rights violations	Commitment HR2 Prevention HR3-HR6 Repair and reporting HR7-HR8	Develop responsible relationships with our suppliers	95
INTERNATIONAL LABOUR STANDARDS	P3 Respect freedom of association and recognise the right to collective bargaining	Materiality HR1	Fight against discrimination & promote diversity and inclusion	51
	P4 Contribute to the elimination of all forms of forced or compulsory labour	Commitment L1-L1.2	Promote a high-quality working environment and employee well-being	55
	P5 Contribute to the effective abolition of child labour	Prevention L2-L5	Develop responsible relationships with our suppliers	95
	P6 Contribute to the elimination of discrimination in respect of employment and occupation	Performance L6-L10 Repair and reporting L11-L12		
ENVIRONMENT	P7 Applying the precautionary approach to environmental problems	Materiality E12	Limit the environmental impact of our products and packaging throughout their life cycle	83
	P8 Take initiatives to promote greater environmental responsibility	Commitment E1-E1.1	Reduce the carbon footprint of our activities and our value chain	89
	P9 Encouraging the development and dissemination of environmentally-friendly technologies	Prevention E2-E5	Develop responsible relationships with our suppliers	95
		Performance E6, E8-E10, E12-E14, E19-E21 Repair and reporting E22	Guarantee the quality and safety of our products and services	98
THE FIGHT AGAINST CORRUPTION	P10 Take action against corruption in all its forms, including extortion and bribery	Commitment AC1-AC2	Integrate ethics into our practices and relationships with stakeholders	38
		Prevention AC3-AC4 Performance AC5 Repair and reporting AC6-AC8	Develop responsible relationships with our suppliers	95



TECHNICAL APPENDICES

AA	Alain Afflelou
ASI	Aluminium Stewardship Initiative
EC	European Community
CMP	Consent Management Platform
EXCOM	Executive Committee
COP	Communication On Progress
CRM	Customer Relationship Management
SEC	Social and Economic Committee
DPO	Data Protection Officer
DPIA	Data Protection Impact Assessment
ISD	Information Systems Department
PPE	Personal Protective Equipment
DUERP	Single occupational risk assessment document
ESG	Environment, Social, Governance
FAQ	Frequently Asked Questions
GRI	Global Reporting Initiative
GRS	Global Recycled Standard
HEQ	High Environmental Quality
ISCC	International Sustainability & Carbon Certificate
ISMS	Information Security and Management System
ISO	International Organisation for Standardisation
LED	Light-emitting diode (LED)
NA	Not applicable
NPS	Net Promoter Score
SDG	Sustainable Development Goals
UN	United Nations
PDCA	Plan, Do, Check, Act
CEO	Chief Executive Officer
PET	Polyethylene terephthalate
PRM	People with reduced mobility
QMS	Quality Management System
GDPR	General Data Protection Regulation
HR	Human resources
rPET	Recycled polyethylene terephthalate
CSR	Corporate Social Responsibility
HRIS	Human Resources Information System
SMETA	Sedex Members Ethical Trade Audit



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