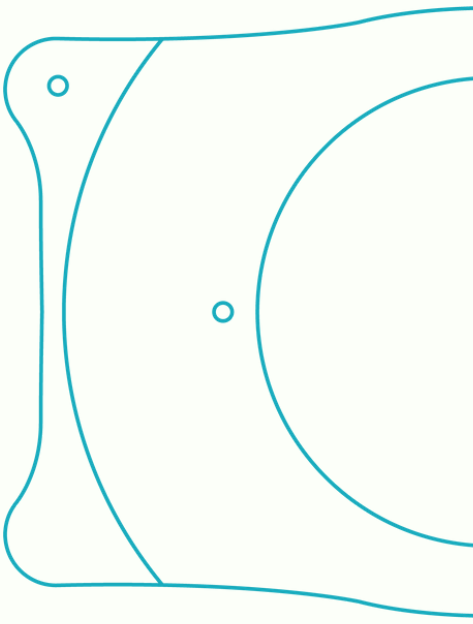
STAAR Surgical Sustainability Report

May 2021



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Section 1.0: STAAR's Approach to Corporate Responsbility

Our goal at STAAR Surgical Company ("we," "us" or the "Company") is to become the primary and premium option for people seeking visual freedom, and to become the best partner for our surgeon customers. We seek to achieve these goals in a respectful and sustainable manner with regards to our stakeholders, including investors, business partners, employees, and our communities. Consistent with the Sustainability Accounting Standards Board's (SASB) framework of sustainability topics for medical equipment and supplies companies, we are providing the following information to disclose our performance on environmental, social, and governance (ESG) related issues.

We maintain the following operational and administrative facilities in the U.S., Switzerland, and Japan:

- United States. We operate our global administrative offices and principal manufacturing facility in Monrovia, California. Our Monrovia manufacturing facility primarily makes the Visian implantable Collamer lens product family, including the EVO Visian ICL (collectively referred to as ICLs), preloaded silicone intraocular lenses (IOLs), and injector systems. We manufacture the raw material for Collamer lenses in our facility in Aliso Viejo, California. We also operate a Technology Center housing its Research & Development team and labs in Tustin, California. STAAR's facility in Lake Forest, California serves as our corporate headquarters. It contains executive offices and operational facilities we expect to use for future manufacturing of our presbyopia-correcting lenses, EVO Viva.
- Switzerland. We operate an administrative, distribution and operational facility in Switzerland. We are in the process of expanding our manufacturing capabilities for our ICL products in our Swiss facility.
- Japan. We operate administrative and distribution facilities in Japan. We perform final packaging of our silicone preloaded IOL injectors and final inspection of our acrylic preloaded IOL injectors at our facility in Japan.

In 2020 we created a cross-functional team to assist with addressing ESG matters, given their importance. We only recently started collecting and reviewing certain environmental and social related data about our activities. This Sustainability Report primarily reflects information relating to our Monrovia, Lake Forest, and Aliso Viejo operations regarding environment-related matters, and our entire U.S. operations regarding social-related matters. In the future, we expect to report more on ESG matters concerning our Swiss and Japanese operations.

30	1,000,000	575
YEARS	LENSES	EMPLOYEES
STAAR has been dedicated solely to ophthalmic surgery for over 30 years	Over 1,000,000 Visian ICLs have been implanted to date.	STAAR has approximately 575 full-time equivalent employees and markets lenses in over 75 countries.

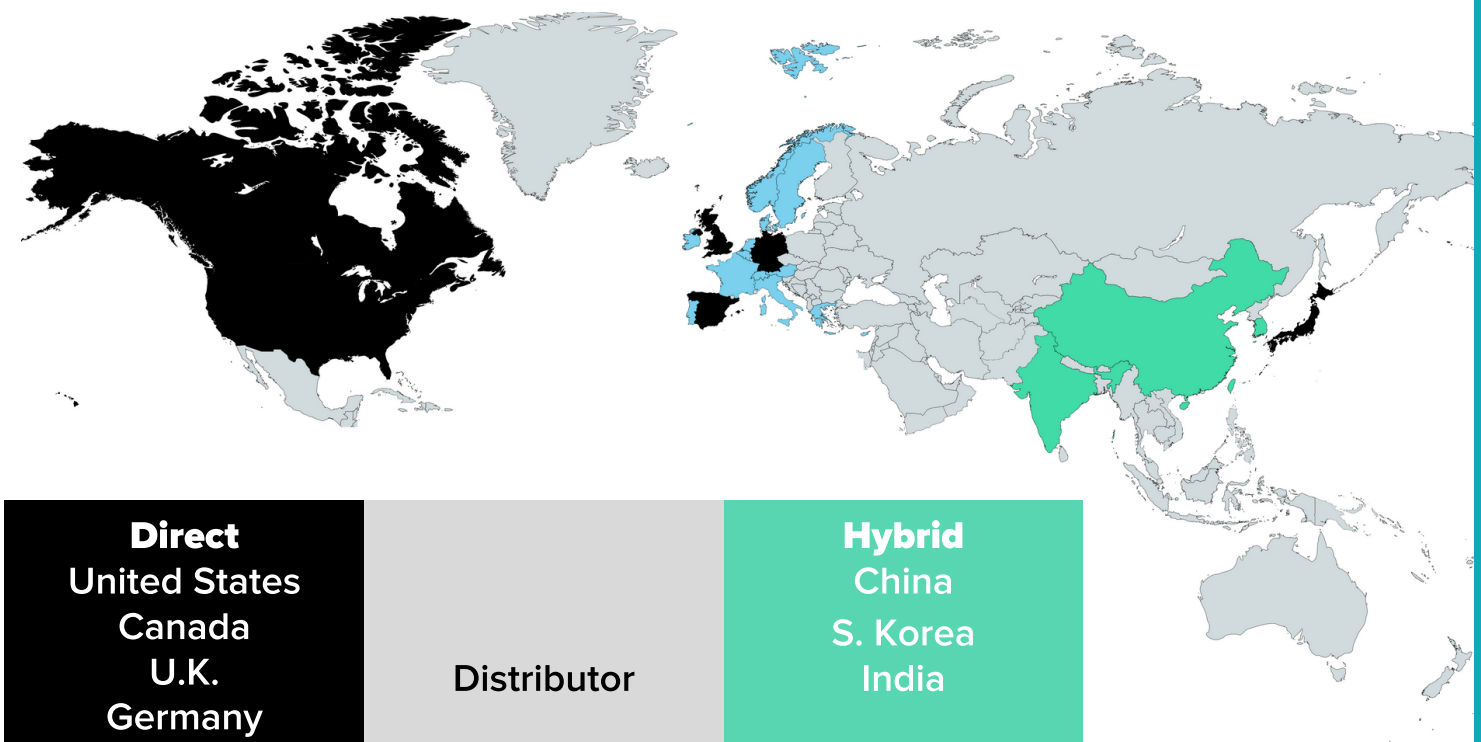
As of January 1, 2021, we had approximately 575 full-time equivalent employees, of which 225 were employed outside the U.S.

Section 2.0: Our Business

2.1: Market Presence

STAAR designs, develops, manufactures, and sells implantable lenses for the eye and delivery systems used to deliver the lenses into the eye. We are the leading manufacturer of lenses used worldwide in corrective or “refractive” surgery. We have been dedicated solely to ophthalmic surgery for over 30 years. Our goal is to position our refractive lenses throughout the world as primary and premium solutions for patients seeking visual freedom from wearing eyeglasses or contact lenses while achieving excellent visual acuity through refractive vision correction. We also make lenses for use in surgery that treats cataracts.

- We sell the EVO Visian ICL and Visian ICL family of lenses in more than 75 countries.
- ICL lenses have been implanted in more than 1,000,000 eyes worldwide.
- Below is a snapshot of STAAR’s Global “Eyeprint”



Direct		**Hybrid**
United States		China
Canada		S. Korea
U.K.	Distributor	India
Germany		
Spain		
Japan		**Hybrid Targets**

Section 2.0: Our Business

2.2: Affordability & Pricing

We generate approximately 87% of our global revenue from sales of our flagship medical device, the EVO Visian ICL family of lenses. Surgeons implant the ICL as part of an elective procedure paid by the patient, not by a government agency and typically not reimbursable by a health insurance provider. We establish pricing market-by-market based on pricing of competing refractive procedures. We generate approximately 8% of our global revenue from sales of our IOLs. Our IOL products are generally reimbursable and have historically faced pricing pressures from the market, as we compete based on product quality and value. We did not increase the price of our ICLs or IOLs in 2020 even though the Consumer Price Index increased 1.4%.

In countries where we sell our medical devices directly to customers (e.g., ophthalmologists and medical clinics where ophthalmologists work), we sell based on established price structures for the specific country where the customer works. Such pricing varies by volume purchased and geographic location. In countries where we sell our medical devices indirectly via distributors, our distributors establish their own pricing.In hybrid markets where we engage employees of STAAR to work together with distributors to train, promote and sell our medical devices, we collaborate with distributors in establishing pricing structures for certain strategic and alliance customers. In the U.S., a direct market, the volume-based list price for our products is publicly available to customers trained and certified to purchase and implant our medical devices. For competitive purposes, the terms and conditions of our strategic and alliance agreements in all markets, including pricing and commitment to training and patient education, among other terms, are not publicly disclosed

2.3: Product Safety

Like all medical devices, implanting our medical devices may result in possible adverse events. As an implanted medical device manufacturer, we impose stringent quality standards on our manufacturing and finished goods processes. Despite our Quality Management System efforts, it is possible for a medical device to not meet our standards, or the standards of a regulatory agency, and result in a product recall.

Section 2.0: Our Business

STAAR's facilities participate in regular third-party audit programs conducted by DEKRA our Notified Body for compliance to EN ISO 13485:2016, and the Medical Device Single Audit Program (MDSAP) recognized by Australia, Brazil, Canada, Japan and the U.S., as well as other health authorities from countries such as the U.S., South Korea and Ukraine. In 2020 and 2021 our facilities in the U.S. (Monrovia, Tustin, and Aliso Viejo) and Switzerland (Nidau and Brugg) were audited to EN ISO 13485:2016 and MDSAP. In 2020, the STAAR Japan Ichikawa facility was audited to EN ISO 13485:2016 by BSi, their Notified Body. STAAR's facilities in the U.S., Switzerland, and Japan were found to be in compliance with the requirements and regulations to which they were audited.

In 2020, (i) none of our products were recalled in the U.S. or internationally, (ii) none of our products were listed on the FDA's MedWatch Safety Alerts for Human Medical Products database, (iii) none of our products caused fatalities as reported in the FDA Manufacturer and User Facility Device Experience, or elsewhere internationally, and (iv) we did not receive any FDA or other Health Authority enforcement actions taken in response to alleged or actual violations of current Good Manufacturing Practices or Quality System requirements.

2.4: Supply Chain Management

As a designer, developer, manufacturer and marketer of implantable lenses for the eye, we seek to ensure the quality and traceability of materials and products throughout our supply chains. Our critical suppliers, processes, materials and products comply with stringent quality system requirements established for medical devices. Through our participation in third-party audit programs, our internal product development, processes, controls, and systems are independently verified to meet the various quality system requirements established by regulatory agencies around the world in places where we offer our lenses. Through our supply chain and internal audit programs, we seek to ensure the quality of the products we produce and minimize the risk of supply interruption.

Of our Tier 1 suppliers that in aggregate account for approximately 60% of our annual supply purchases, approximately 97% are subject to third party audit programs

We operate an audit program of our suppliers.We classify our suppliers according to product risk, which then determines the frequency and scope of our review of each supplier. We sell a class III medical device so certain suppliers must maintain their own Quality Management System and comply with international regulations and standards including EN ISO 13485:2016. Our audits are intended to determine, among other things, our suppliers' compliance to their quality management system. Most of our Tier I (i.e., highest risk) suppliers participate in external agency audits by a recognized international regulatory agency such as USDA (US Department of Agriculture), or ISO (International Standards Organization).

Section 2.0: Our Business

We maintain procedures and systems to provide product traceability and identification regarding the following stages of manufacture and distribution:

- raw material and component receipt;
- manufacturing, assembly, testing, labeling, and packaging;
- finished goods warehousing; and
- delivery to the customer.

Our processes include issuance of part numbers for incoming materials and components to establish backward traceability. For each Class III medical devices, such as our implantable lenses, we automatically generate unique serial numbers to establish forward traceability. For non-Class III medical devices, we maintain lot number traceability to establish forward traceability. Individual material part numbers can be forward traced for all medical devices, and likewise all medical devices can be backward traced to individual part numbers.

We also use work orders for all medical devices to document traceability. Our electronic Enterprise Resource Planning (ERP) system generates unique serial numbers and maintains transactional information regarding medical devices as well. We use bar code scanning during labeling and final packaging for our medical devices. Finally, our ERP system generates Unique Device Identifiers (UDI) for medical devices to further enhance traceability at delivery of the product to the customer.

We do not believe we are subject to a material risk related to the use of critical materials, with respect to availability or changes in price. Our most critical material is Collamer which we manufacture ourselves. The component parts of Collamer do not include rare earth elements or platinum group metals (as defined in the U.S. National Research Council of the National Academies' "Minerals, Critical Minerals, and the U.S. Economy").

We use a small number of critical raw materials in other aspects of our manufacturing processes. For these critical raw materials (which cannot be disclosed for competitive reasons), we take the following steps to reduce the risk of supply disruption:

1. specification review to minimize the number of critical raw materials and quantity of such materials used;
2. supplier selection review to identify and assess supplier qualifications; and
3. supplier risk management, using a scoring system for suppliers of critical materials and components

We manage each supplier according to the risk matrix to reduce the risk of supply disruption. Finally, for supplier quality management, we use a system based on assessed risk, with follow-up actions ranging from supplier audits to possible supplier correction requests in the event of quality issues.

Section 3.0: Our Planet

At STAAR, we recognize that environmental stewardship is an ongoing journey and we plan to consider, and reduce where practical and reasonable, the environmental impact of our practices and operations in our effort to support a bright future for us all. We will endeavor to assess how we can operate and grow our business in a manner that protects human health and the environment. To help achieve our goals, we are:

- Continuously evaluating and integrating process improvements in our operations
- Calculating our Scope 1 and Scope 2 GHG emissions in accordance with the Greenhouse Gas Protocol to establish reduction targets
- Promoting a culture of environmental stewardship and conservation

In 2020, we organized a cross-functional team comprised of representatives from manufacturing, global operations, engineering, research and development, investor relations, and human resources. This team, led by STAAR's Chief Legal Officer, worked to enhance our analysis of potential risks related to climate change and identify opportunities to lessen the environmental impact of our business activities. They are also considering potential environmental goals and metrics to track progress of our environmental stewardship efforts. We have begun to develop metrics to track our environmental footprint, some of which are disclosed within.

3.1: Environmental Compliance

We understand that compliance is a key component of environmental sustainability. We endeavor to minimize our environmental footprint to promote a healthy environment while adhering to regulatory requirements and balancing operational considerations. Through assistance of a third-party environmental consultant, we have mapped out our environmental regulatory obligations of our US facilities related to various matters, including the handling of chemical substances, stormwater, industrial waste, water usage, and operating and maintaining our backup generators. We comply with applicable environmental laws to reduce any potential negative impact from our operations. In 2020, our US operations did not have any incidents of non-compliance associated with our wastewater permit, nor did we receive any notices of violation or cases of dispute for non-compliance with environmental laws and/or regulations.

Section 3.0: Our Planet

3.2: Energy & Greenhouse Gas Emissions

Energy Conservation

Energy efficiency and conservation measures are important to integrate in our operations. Our facilities and engineering teams continuously seek to improve the efficiency of our manufacturing systems and reduce the natural resources needed to produce our medical devices. We evaluate existing and future project inputs and impacts to ensure we make sound business decisions that are also good for the environment. Through an annual review of current and proposed projects, we assess opportunities to enhance our energy efficiency. In 2020, we implemented several no/low-cost best management practices and invested approximately $25,000 in energy efficiency upgrades within our US operations. As we look to improve energy management, we have several projects underway in 2021 with an additional investment of $45,000 and an estimated energy usage reduction of 7 percent, as described below.

Energy conservation initiatives to reduce energy usage of our US operations by approximately 7%[1] by the end of 2021:	
Completed	1. Optimize temperature in data equipment rooms. 2. Replaced old refrigerator storage systems with high-efficiency models (Aliso Viejo). 3. Installed high efficiency, energy recovery RTU for a new clean room (Monrovia). 4. Replaced old fume hoods with more efficient models (Monrovia). 5. Furnished windows with films to reduce solar heat gain (Lake Forest and Monrovia). 6. Installed high efficiency exhaust system for a new production room (Aliso Viejo) 7. Installed local vacuum system for new machining equipment to reduce reliance on central system (Monrovia).
In Progress	1. Installing vacancy sensors in private offices, conference rooms, restrooms, etc. to keep lights off in un-occupied spaces. 2. Replacing fluorescent lighting system with high efficiency LED lighting (complete at Aliso Viejo; in progress at Monrovia, Lake Forest, and Tustin). 3. Replacing HVAC systems to be more energy efficient.

[1] Unless otherwise noted above, these projects have been implemented or are in progress at our Monrovia, Lake Forest, Aliso Viejo, and Tustin California facilities.

Section 3.0: Our Planet

Also, in early 2021, STAAR engaged a third-party consultant to perform an on-site assessment to identify energy and water efficiency projects. STAAR will evaluate these opportunities for future implementation for continuous improvement.

Renewable Energy

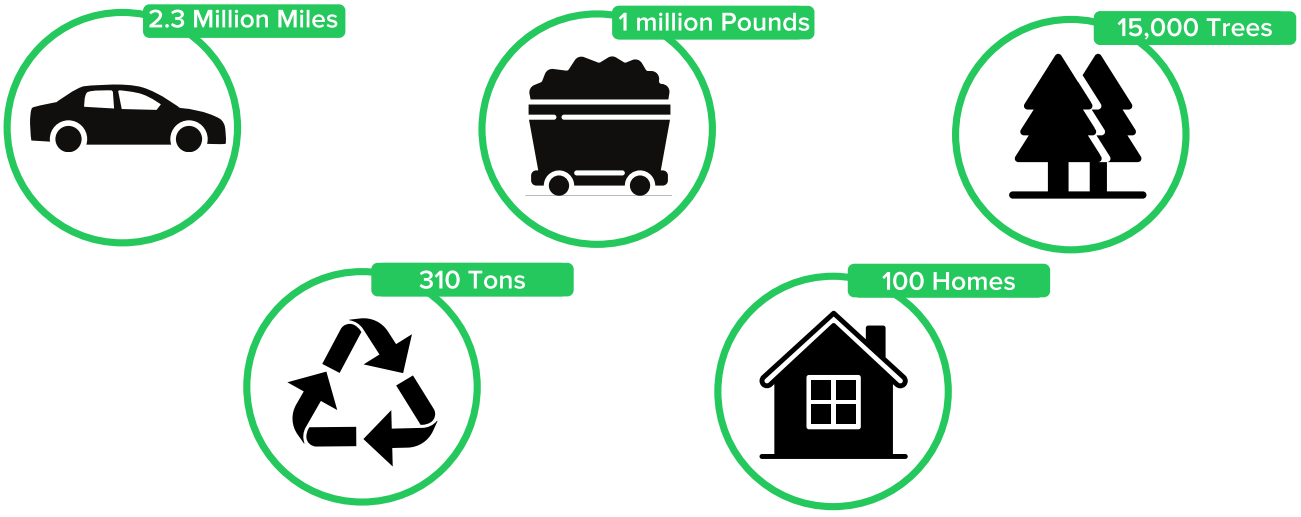
As of 2020, 100 percent of our electricity comes from the grid. However, as part of our effort to reduce our reliance on nonrenewable energy and usage of the Southern California power grid, we recently approved the installation of solar photovoltaic (PV) panels at our primary manufacturing facility in Monrovia and at our precision manufacturing center of excellence facility/corporate headquarters in Lake Forest. This multimillion dollar project is planned to be completed by the end of 2021. The initial analysis indicates STAAR will reduce its energy demand by nearly 40%, which translates to savings of approximately 30% in energy costs in the first year.

Transition to Renewable Energy[2]

The total annual energy estimated to be saved through our solar PV installations is is equivalent to any one of the following illustrations of reduction in carbon footprint:

- 2.3 million miles driven by an average vehicle;
- The CO2 emissions from burning 1 million pounds of coal;
- The CO2 sequester from 15,000 trees over 10 years;
- 310 tons of waste recycled instead of sent to a landfill; or
- The CO2 emissions of 100 homes' energy usage.

The total annual energy saved (or produced) is equivalent to any one of the following illustrations of reduction in carbon footprint



[2] Estimates provided by Bedford Energy and ReVamp Energy

Section 3.0: Our Planet

We will continue to look for ways to support the global transition to a low carbon economy. For example, we are in the process of installing electric vehicle charging stations at our Monrovia, Lake Forest, and Tustin facilities. The charging stations will support our employees with electric vehicles and reduce their reliance on fossil fuels.

Climate-Related Risk Management

In 2021, STAAR conducted an enterprise risk assessment which included interviews with senior executives. Although climate related impacts are relevant to our business based on manufacturing operation locations and key suppliers and materials, we do not expect climate change risks to materially impact our operations in the short term. We continue to monitor the issue and plan to proactively adapt to significant climate change risks and opportunities in the future.

As part of our environmental stewardship efforts, we engaged a third-party consultant to conduct a Scope 1 and 2 Greenhouse Gas (GHG) emissions inventory. The project will be completed in accordance with the World Resources Institute's Greenhouse Gas Protocol and will serve to establish the foundational data set for our annual emissions tracking and GHG mitigation opportunities. We will use our GHG inventory to help inform our decisions as we evaluate our climate-related risks and opportunities.

3.3: Waste Generation

We understand that reducing waste not only saves money on waste hauling, etc., but also contributes to our environmental stewardship performance. In addition to implementing employee recycling, we are working to reduce the paper used when updating our Standard Operating Procedures. Other waste streams that we are currently monitoring and tracking from a compliance perspective include our electronic waste and our hazardous waste. Our IT department manages our electronic waste and works with a vendor to properly manage and recycle in alignment with California Electronic Waste Recycling Act of 2003 (SB 20). We also work with a licensed vendor to transport our hazardous waste to a treatment, storage, and disposal facility in alignment with our city permit.

Section 3.0: Our Planet

Spotlight: STAAR's Who Wear Our ICL Lenses

> Sometimes I forget that I wore contacts and glasses because I've been enjoying the visual freedom of ICLs for over 10 years now. Knowing that on top of the high visual quality my ICLs provide me, they also contribute to reducing my environmental footprint is another great benefit.

Eliane Schmid Dionne
Sr. Manager of Manufacturing, Engineering and Facilities & Maintenance,
Nidau, Switzerland

> I wore eye glasses and contact lenses starting at a young age. Not only has the ICL changed my life by giving me visual freedom, it also helps in a small way to reduce my environmental footprint as compared to me continuing to wear glasses and contacts.

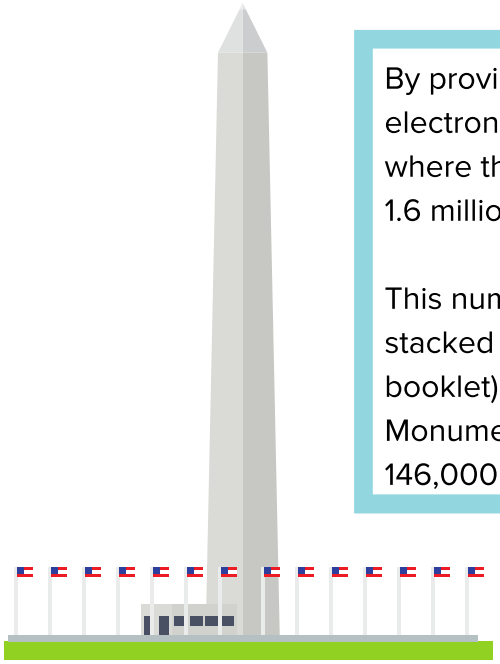
Jay Ng
Manager, Global Digital Marketing
Monrovia, California

3.4: Product Packaging

Packaging waste is a global issue and we are taking steps to reduce the amount of waste generated from packaging within our own operations as well as from packaging from our products placed on the market. For example, we designed our bulk packaging shippers so that they can be reused. From Japan, we send our injectors in plastic foldable crates to Monrovia for use in manufacturing. These crates are then folded and returned to Japan for reuse. Reusing our packaging in this manner reduces our impact of the volume of virgin packaging materials needed. Additionally, all of the plastic foldable crates that are used to ship product to our distribution center in Switzerland are recycled.

Section 3.0: Our Planet

In 2020, we completed a project to improve the recyclability of our tertiary layer of product packaging. While the primary driver for this project was operational efficiency of our adhesive applicator machines, we also recognized that packaging containing these adhesives is not easy to recycle. We redesigned our tertiary level of product packaging so that these adhesives are no longer needed. In doing so, STAAR eliminated the need for on-site adhesive storage and reduced the chemical handling that our employees managed. This change prevented the use of approximately 300 pounds of adhesives in 2020.



By providing customers “Directions for Use” (DFU) in electronic format and by removing the DFU for markets where they provide their own, we are saving an estimated 1.6 million pages of paper annually.[3]

This number of pages is approximately 561 feet tall if stacked (based on 50 gm2 paper used in the DFU booklet), approximately the height of the Washington Monument. This is also equal to about 95 trees and 146,000 pounds CO2 equivalent (about 13.3 cars per year).[4]

From Paper to Electronic

In our U.S. and Swiss facilities, several projects are underway to convert from paper documents to electronic documents where permitted and practical. We are submitting medical device regulatory filings for our products to the European Union (EU), U.S., and Canada in electronic format, thus, effectively submitting electronic regulatory filings in those markets as permitted. Additionally, we now manufacture all U.S. ICLs and EVO family of ICLs without paper Directions for Use (DFU) in the U.S., EU, Canada, Brazil, Australia, and India (except for hyperopic ICLs, which we plan to convert to electronic DFU in 2022, and represents less than 1% of ICL sales). We expect other markets, such as Japan, to migrate to electronic DFUs in the relatively near future. We have also commissioned projects to convert from paper to electronic documents in other areas such as manufacturing, quality control, invoicing and shipping. These initiatives are intended to reduce our overall paper usage and reduce waste for our customers.

[3] Estimates are based on paper size converted to A4 size. Markets that provide their own DFUs include China and Korea.

[4] Estimated environmental impacts were calculated using the Environmental Paper Network’s Paper Calculator https://c.environmentalpaper.org/

Section 3.0: Our Planet

3.5: Water usage

We are mindful of the water constraints in Southern California where our manufacturing and primary corporate facilities are located. While water accounts for only approximately 3 percent of our total utility cost, we are actively assessing water use reduction opportunities, as 100 percent of our water comes from local water providers.

Facility	Water Provider	Source Water Supply
Monrovia	City of Monrovia	Monrovia gets its water from the underground aquifer known as the Main San Gabriel Basin. This Basin is near historic lows following years of drought, making water conservation critical for our region.
Lake Forest	Irvine Ranch Water District	Water supply is a blend of groundwater from the Orange County Groundwater Basin (65%) and surface water imported by the Metropolitan Water District (MWD). MWD's imported water sources come from the State Water Project and the Colorado River Aqueduct. Additional source waters come from the Harding Canyon Dam watershed and the Santiago Creek Dam watershed.
Aliso Viejo	Moulton Niguel Water District	All of Moulton Niguel's potable water is purchased through the Municipal Water District of Orange County (MWDOC). MWDOC purchases its water from the Metropolitan Water District of Southern California – a regional water wholesaler that delivers water from Northern California and the Colorado River.
Tustin	City of Tustin	Tustin Water Services customers receive a blend of surface water from the Colorado River and groundwater from the City's 14 groundwater wells.

In 2020, we initiated water conservation initiatives such as replacing select restroom fixtures with high efficiency models. We will continue to investigate ways to build in more water conservation into our operations, focusing on our Monrovia location which has our biggest water footprint.

Also, in early 2021, STAAR engaged a third-party consultant to perform an on-site assessment to identify energy and water efficiency projects. STAAR will evaluate these opportunities for future implementation for continuous improvement.

Section 4.0: Our People

4.1: Occupational Health and Safety

The health, safety, and well-being of our employees is a top priority. In 2020, we added approximately 70 employees to help keep pace with the growth of our business. To promote a culture of health and safety, we provide all new hires with mandatory health and safety training in alignment with regulatory agency requirements and STAAR internal health and safety policies. We provide refresher trainings, conduct emergency response drills, and business continuity planning with all on-site employees. Our Health and Safety Committee, which meets monthly, consists of 25 managers and employees of various backgrounds. This committee oversees the development and maintenance of our health and safety programs, monitors and helps to implement program elements, and evaluates program progress. We also provide training to reiterate our commitment and policy to an open and welcoming workplace on topics such as anti-harassment, and our Code of Business Conduct and Ethics, and our Human and Workforce Rights Policy.

> We are mindful of our employees' safety during the manufacturing of our medical devices. The Workers' Compensation Insurance Rating Bureau of California assessed us with an Experience Modification Rate (EMR) of 58% which is better-than-average injury experience of our industry.

Hiring sufficient staff, providing adequate training, and educating employees on how their role impacts product quality are also keys to our business success.

In response to the COVID-19 pandemic, we implemented numerous changes for the best interest of our employees, following the guidelines and regulations of the applicable health authorities. In 2020, we encouraged employees to work from home, if they were able to do so, and have continued this flexible work policy through 2021. We believe having a flexible work policy is key to maintaining a healthy work environment as allowing employees to work remotely can boost employee morale and reduce stress levels. We also understand and believe that having the opportunities to better work-life balance builds trust and commitment within the workplace, which can increase productivity.

> **Resiliency during the COVID-19 Pandemic:** To further demonstrate our commitment to our employees during the COVID-19 pandemic, STAAR did not furlough any employees, even when we paused manufacturing operations from March 17, 2020 to April 27, 2020. STAAR also continued to fully compensate our employees globally even when customers temporarily ceased purchasing our products.

For our essential on-site workers, we implemented additional safety measures such as health screenings, social distancing, personal protective equipment requirements, enhanced cleaning and sanitation procedures, and modified workspaces and break areas to promote a safer work environment.

Section 4.0: Our People

4.2: Talent Engagement and Retention

We invest in our employees in several ways - by offering numerous training opportunities to teach new skills, providing career development opportunities and communicating expectations regarding business conduct and ethics. Our U.S. overall turnover rate in fiscal year 2020 was approximately 7%, below the overall turnover rate of approximately 17% in the medical device industry.

In addition to salaries, we provide additional compensation and benefits programs (which vary by country) such as cash bonuses, stock awards, and 401(k) plans. In the United States, all full-time employees are eligible to receive the following benefits:

- Health insurance (medical, pharmacy, dental, vision)
- Flexible and health savings accounts and wellness programs
- Health Fair[7]
- Annual on-site flu vaccinations
- Employee Assistance Program (EAP)
- On-site gym at our Monrovia location (currently closed due to COVID)
- Disability and life insurance
- Legal services
- Training/Development/Certification Reimbursement
- Vacation, holidays, sick time, bereavement, and jury duty

4.3: Diversity & Equal Opportunity

In 2020, approximately 50% of our US-based employees identify as female and approximately 50% identify as male. The gender ratio for our employees internationally is approximately 52% female and 48% male. Approximately 80% of our U.S. workforce is also comprised of individuals from underrepresented populations.[8] Our California-based employees reflect a higher percentage of the underrepresented population than reported in the 2010 census data for Los Angeles and Orange County, where our California facilities are located.

Among our Board of Directors, there are currently three individuals that identify as female and five that identify as male. Two individuals within our Board of Directors also self-identify as members of underrepresented populations

[7] Typically completed annually except in 2020 because of the COVID-19 pandemic

[8] Defined as “an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual, or transgender,” according to California law AB 979.

Section 4.0: Our People

4.4: Human Rights

We have policies and processes in place to protect human rights across our supply chain, including the rights of our employees and our suppliers' workers. As outlined in our Human and Workforce Rights Policy, we respect the international human rights principles, including the International Labor Organization Declaration on Fundamental Principles and Rights at Work. Fostering human rights takes many forms at our company and is reflected in our policies and initiatives in areas including workplace inclusion, employee safety, Supplier Code of Conduct, Affirmative Action and Equal Opportunity Policy Statement, and our Code of Business Conduct and Ethics.

4.5: Philanthropy and Volunteerism

We are in the early phases of structuring our philanthropic endeavors as well as our efforts to provide employees with opportunities to enrich their experience through volunteerism. Most recently, we have focused our financial and employee support on ophthalmic related organizations such as Beyond Blindness (formerly known as Blind Children's Learning Center) and Salus University's Looking Out For Kids program.

Section 5.0: Governance

Established and compliant corporate governance helps ensure that we are managed for the long-term benefit of our shareholders and other stakeholders. Highlights of our corporate governance program include:

- Board refreshment, with a focus on building diversity of background and skills
- Annual director elections
- Majority voting policy in uncontested elections, with mandatory resignation policy
- Stock ownership guidelines to further align the interests of our non-employee directors and our executive officers
- Board oversight of risks associated with operations and sustainability efforts
- Active engagement with shareholders on topics such as our business performance, governance and related matters

For details related to our Amended and Restated Bylaws, Code of Business Conduct and Ethics, Guidelines On Significant Corporate Governance Issues, Board of Directors and Board Committees, please visit our Investor Relations page or review our most recent Proxy Statement.

5.1: Business Ethics

STAAR is committed to conducting business with a high degree of ethics, integrity, and compliance with laws worldwide. Our Code of Business Conduct and Ethics reflects this commitment and is available on our website for your reference.

Our employees must comply with our Code of Business Conduct and Ethics. The Code prohibits, among other things, any transfer of value to obtain an improper advantage. Our employees must also comply with our Compliance Program for Interactions with Healthcare Professionals ("Program"). Our interactions with Healthcare Professionals are intended to benefit patients and to enhance the practice of medicine by providing STAAR-approved scientific and educational information about our medical devices. The Program includes limits to amounts an employee may spend on meals while meeting with a Healthcare Professional, and restrictions on entertainment, among other things. The Program also underscores the importance of ethical business practices and the avoidance of interfering with a Healthcare Professional's independent judgment.

Our Internal Audit function assists with reviewing compliance with these policies and programs. We provide online and in-person training regarding our Code to employees. We also maintain a Supplier Code of Conduct that applies to our vendors.

In 2020, we did not face any legal proceedings associated with bribery or corruption, and as a result we did not incur any monetary losses related thereto

Section 5.0: Governance

5.2: Ethical Marketing

STAAR's employees must comply with our Compliance Program for Interactions with Healthcare Professionals. The Program prohibits, among other things, promoting our medical devices "off-label" (i.e., for any unapproved use). We provide online and in-person training regarding ethical sales practices to applicable employees. We prohibit the promotion of our medical devices for any unapproved use, pursuant to the Food, Drug and Cosmetic Act and applicable international regulations. Failure to comply with the Program may result in disciplinary action, including termination. Also, representatives from our Medical, Legal and Regulatory departments review promotional material prepared by the Marketing department to assess the permissibility of claims regarding safety, efficacy and other matters.

In 2020, we did not face any legal proceedings associated with false marketing claims, and as such did not incur any monetary losses as a result thereof.

About this Report

This report provides data and highlights covering STAAR's fiscal year 2020, which runs from January 1, 2020 to January 1, 2021, is informed by the reporting guidelines set forth by the Sustainability Accounting Standards Board (SASB) Medical Equipment and Supplies industry standard.

This report includes data from STAAR Surgical Company's North America facilities. In the future we intend to include data, when reasonably available, regarding our international subsidiaries. All reported data are best estimates.

Safe Harbor

All statements that are not statements of historical fact are forward-looking statements, including statements about any of the following: any statement regarding product pricing, safety, design or management, marketing, business ethics or supply chain management, environment or social related aspirational targets or goals, and any statements of assumptions underlying any of the foregoing. Important factors that could cause actions to differ materially from those indicated by such forward-looking statements include the factors set forth in the Company's Annual Report on Form 10-K for the year ended January 1, 2021 under the caption "Risk Factors," which is on file with the Securities and Exchange Commission and available in the "Investor Information" section of the company's website under the heading "SEC Filings." We disclaim any intention or obligation to update or revise any projections or forward-looking statement due to new information or events. These statements are based on expectations and assumptions as of the date of this Sustainability Report and are subject to numerous risks and uncertainties, which could cause results to differ materially from those described in the forward-looking statements.

We welcome your views as a valued stakeholder. To provide feedback or request further information, please email sustainabilityreport@staar.com.