



April 2022

Sustainability Report



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STAAR Surgical 2022 Sustainability Report

SECTION 1.0: INTRODUCTION

Welcome to STAAR Surgical Company's 2022 Sustainability Report: *Focusing on What Matters*. Our mission is to design, develop, manufacture and market implantable lenses for the eye and the associated companion delivery systems. These lenses are intended to provide visual freedom to people, lessening or eliminating the reliance on glasses or contact lenses. As a leading provider of implantable lenses, we know that the work we do and the products we manufacture help improve our world. Our dedication to our mission of visual freedom inspires us to direct our energy and ingenuity into developing solutions that enrich people's lives – from our employees and shareholders to our surgeon customers, patients and the communities we serve.

Over the past few years, STAAR has successfully navigated the challenges presented amidst a global health pandemic. We recognize that all our employees, communities and shareholders have been impacted. From the earliest stages of the pandemic, we took steps to address health and safety while also continuing our strong trajectory of growth. We are proud of the work that the entire STAAR family has done to come together, persevere and emerge as a stronger company.



“In 2021, we dramatically accelerated our growth, delivered outstanding results for our shareholders and also strengthened our unique value proposition for our customers and the patients they serve. We achieved record performance regarding sales, profit, cash flow and growth, despite some ongoing COVID-19 and operations related headwinds.”

Caren Mason
President and Chief Executive Officer

Our business resiliency is reflected in our continued strong double-digit growth in 2021, strengthening our unique value proposition for our customers and the patients they serve, as well as achieving solid results for our shareholders. In terms of our growth, year-over-year revenues increased by 41% to \$230.5 million, and we achieved exceptional earnings performance, delivering GAAP diluted earnings per share of \$0.50. In addition, we generated a significant \$44 million in cash from operations and increased the cash on our balance sheet by \$47 million during the fiscal year as good stewards of the capital shareholders have entrusted to STAAR.

In addition to strong fiscal performance, we are also proud of the work that our STAAR team has dedicated to enhancing our sustainability practices, diversity initiatives and reporting, and our investments to reduce our carbon footprint. Last year we issued our second annual **Sustainability Report**, and it is the intent of this report to update our stakeholders on the progress we have made in 2021.

About this Report

Throughout this Sustainability Report, we use the terms “we,” “us” or “the company” to refer to STAAR Surgical. This report provides data and highlights covering STAAR's fiscal year 2021, which runs from January 1, 2021 to December 31, 2021, and is informed by the reporting guidelines set forth by the Sustainability Accounting Standards Board (SASB) Medical Equipment and Supplies industry standard, and the Task Force on Climate-related Financial Disclosures (TCFD). This report includes data from STAAR Surgical Company's North America facilities and where indicated, STAAR Surgical Company's Swiss and Japanese locations. All reported data are best estimates. This report also includes our first SASB Index located in **Appendix A**, a voluntary public disclosure providing transparent, relevant corporate responsibility information to investors and other key stakeholders.

2021 Highlights

We are proud to highlight some of our 2021 accomplishments:



Broke ground on our **installation of solar photovoltaic (PV) panels** at three locations in California: our primary manufacturing facility in Monrovia, our precision manufacturing center of excellence facility/corporate headquarters in Lake Forest, and our Technology Center in Tustin.



Conducted our **first greenhouse gas inventory** to establish a baseline understanding of our US, Swiss, and Japanese operational emissions.



Installed **electric vehicle chargers** at our Lake Forest and Tustin, California and Nidau, Switzerland facilities. We are in the process of installing electric vehicle chargers at our Monrovia, California facilities.



Strengthened our **sponsorship and partnership with Beyond Blindness** to empower children with visual impairments and other disabilities to achieve their fullest potential.



Expanded our global, cross-functional **ESG steering committee**, formalized our **ESG sub-committee in Switzerland**, and created our **Diversity, Equity and Inclusion (DEI)** committee.

Thank you for your interest and investment in STAAR Surgical. We hope that you enjoy our third annual Sustainability Report.

SECTION 2.0: A COMPANY DEDICATED TO VISUAL FREEDOM

OUR PURPOSE

Our goal at STAAR 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 the communities that we serve.

OUR MISSION

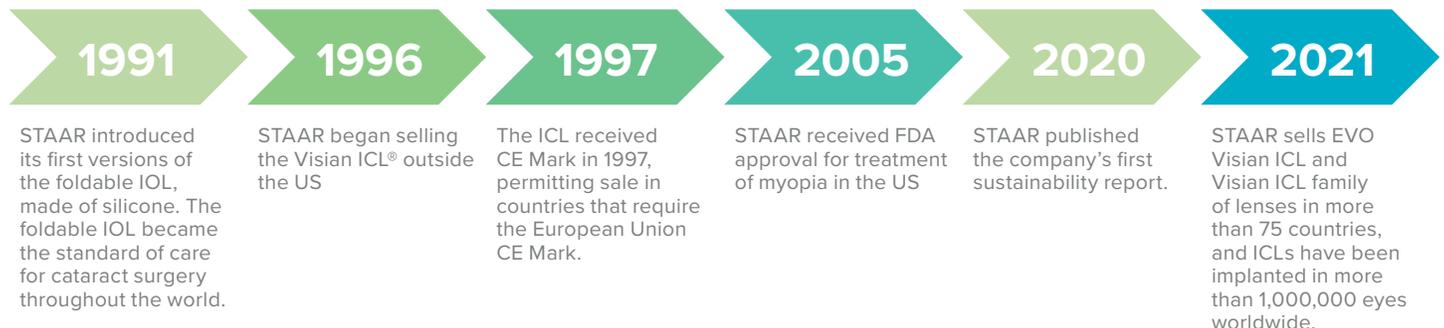
STAAR designs, develops, manufactures and markets implantable lenses for the eye and companion delivery systems. These lenses are intended to provide visual freedom to patients, lessening or eliminating the reliance on glasses or contact lenses.

OUR STRATEGIC IMPERATIVES

In 2022, we intend to achieve the following strategic imperatives:

- Position EVO Implantable Lenses as a special and transformational pathway to *Visual Freedom*;
- Innovate and develop a pipeline of next generation Premium Collamer-Based Intraocular Lenses;
- Support the transformation of the Refractive Surgery Paradigm to Lens-Based through clinical validation and medical affairs excellence;
- Achieve our corporate imperatives in alignment with our Environmental, Social and Governance commitments;
- Continue our focus on and commitments to STAAR's *Culture of Quality*; and
- Deliver shareholder value.

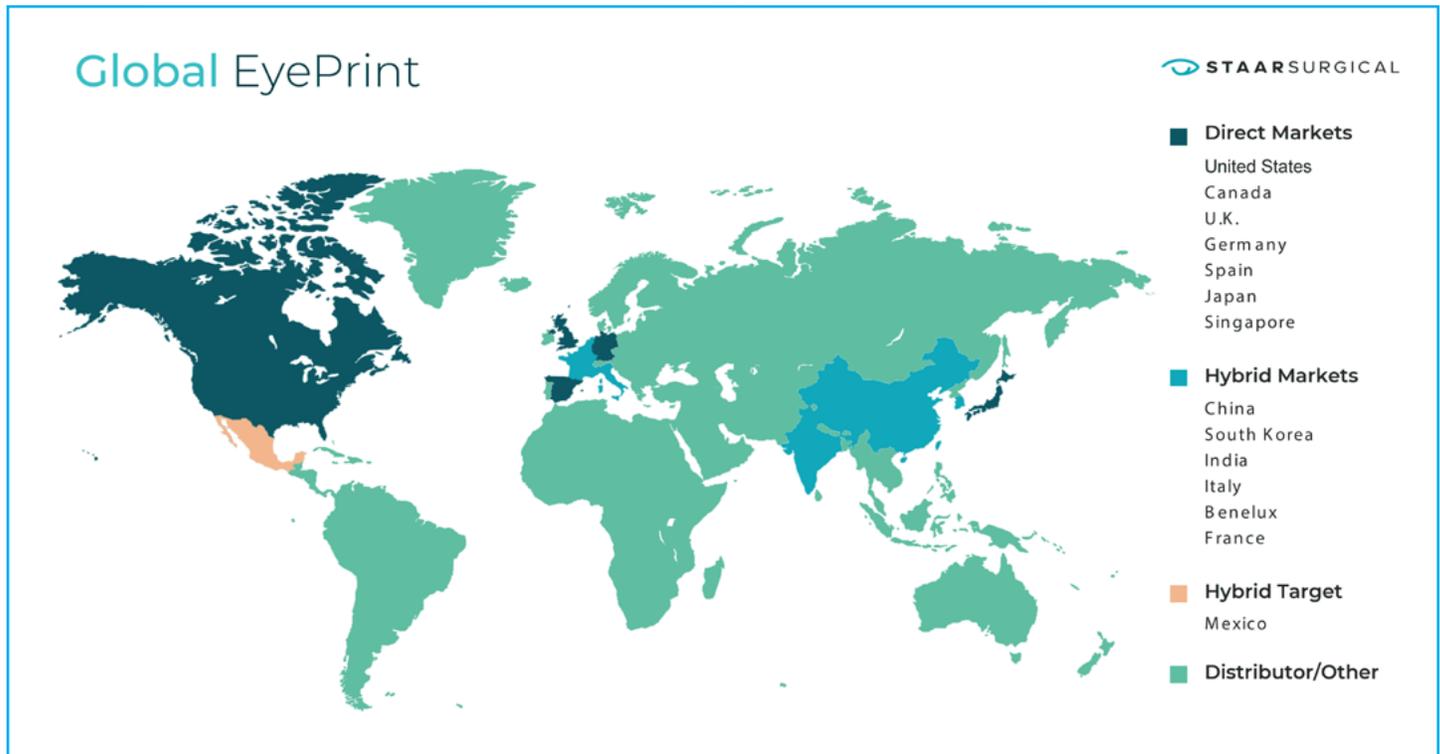
STAAR'S Evolution of Visual Freedom



Our Global Presence

STAAR is the leading manufacturer of lenses used worldwide in corrective or “refractive” surgery. We have been dedicated solely to ophthalmic surgery for 40 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. 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”.



Our Operations

We maintain the following operational and administrative facilities in the US, 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 administrative, distribution and operational facilities in Switzerland. We are in the process of expanding our manufacturing capabilities for our ICL products at our Swiss facilities.



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 Ichikawa City facility.

40
Years



STAAR has been dedicated solely to ophthalmic surgery for over 40 years.

1 M+
Lenses



Over 1,000,000 Visian ICLs have been implanted to date

700
STAARs



STAAR has approximately 700 full-time equivalent employees and markets lenses in over 75 countries.

As of December 31, 2021, we had approximately 702 full-time equivalent employees, of which 259 were employed outside the US.

SECTION 3.0 CORPORATE RESPONSIBILITY AT STAAR

To ensure that STAAR is well-positioned to remain a leading provider of implantable lenses, we are taking steps to operate as an environmentally and socially responsible company. Capitalizing on the progress we made in 2020, we expanded our ESG Steering Committee, formalized our ESG Sub-Committee in Switzerland and created our Diversity, Equity, and Inclusion Committee in 2021 to advance our ESG initiatives.

STAAR addresses a constellation of material issues to ensure our success, resiliency, and to serve as a responsible corporate citizen. Our committees described above, along with our Device Safety Committee and Health and Safety Committee, are critical to the success of our strategic imperatives, namely, aligning our company with our ESG commitments and continuing to focus on our Culture of Quality. Within this report, we address many topics and provide a summary of the actions we have conducted to date, as well as our plans for the future. To determine the best way to organize and prioritize these topics, we framed our approach to corporate responsibility around five key areas:



In 2021, we continued working on our ESG initiatives through the implementation of projects to lessen the environmental impact of our business activities, strengthening our business resiliency, efforts to attract and retain our talent, and giving back to our communities. We also continued to develop metrics to track our ESG efforts, some of which are disclosed within this report.

SECTION 4.0 STAAR'S CULTURE OF QUALITY



Sustainability and Quality go hand in hand. Both are part of our corporate culture and keys to our success.

Paula Ommerli-Weber
Senior Manager International Product Operations



Our goal is to design, manufacture and offer safe and effective implantable ophthalmic products that improve patients' quality of life. The ICL lens is designed and developed in accordance with international "ISO" standards created to provide an appropriate level of quality. We continually review our product and operating processes to identify opportunities for improvement. We use the risk assessment and mitigation approach presented in ISO 14971 to help achieve our goal. The risk assessment includes but is not limited to design, materials, process, manufacturing, packaging, and use. Risk mitigation incorporates the use of standards including those specific to the device, for example the ISO 11979 series for intraocular lenses, as well as the general standards for materials, and processes, like the ISO 10993 standard for biocompatibility, and the ISO 11607 and 17665 standards for packaging and sterilization. The on-going manufacturing and control process is maintained and improved through our Quality Management System. Our Quality Management System is compliant with Global Quality standards including ISO 13485- *Medical devices – Quality management systems – Requirements for regulatory purposes and the US FDA Quality System Regulations (21 CFR 820)*. Our Quality Management System has been audited and certified through our EU Notified Body and other government authorities.

Innovation and Materials

STAAR's primary medical device does not contain any hazardous material when packaged and delivered to surgeons for implantation. Like other medical devices, we start with the goal of designing and developing a safe and effective product to improve patient health. STAAR's innovative lens material provides excellent optical performance. From a safety and performance perspective, our processes and materials limit our environmental impact while furthering employee safety.

Supply Chain Management

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 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. We monitor our suppliers' performance through our supplier management program which includes evaluation of materials supplied and audits of the facilities, systems and processes related to the materials they supply. Through our supply chain management, internal audit programs, and alignment with our Quality Management System, we seek to ensure the quality of the products we produce and minimize the risk of supply interruption.

Management of Critical Materials

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 US National Research Council of the National Academies' "Minerals, Critical Minerals, and the US Economy").

We use a small number of critical raw materials in other aspects of our manufacturing processes. For these critical raw materials (which we do not disclose 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
3. Supplier risk management, using a scorecard system for suppliers of critical materials and components
4. Whenever possible, the supply chain team works with the engineering, R&D, quality and regulatory teams to determine dual source strategies to minimize risk to our global supply chain by adding additional approved suppliers for our raw materials.

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

Supplier Code of Conduct

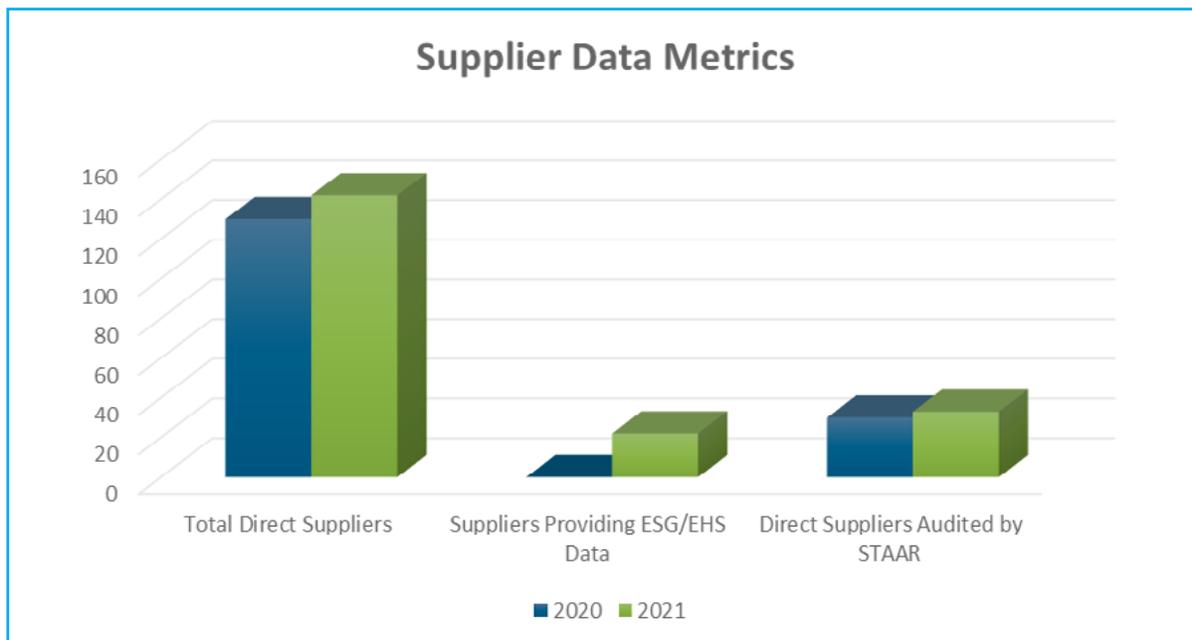
STAAR Surgical is committed to reaching our goals in an ethical and principled manner. We hold our standards high and expect the same degree of integrity from our suppliers. Our [Supplier Code of Conduct](#) is an extension of our standard terms and conditions of purchase and we are mindful of it when selecting our partners. The Supplier Code of Conduct includes expectations on the topics of business ethics, human rights, quality assurance, and legal compliance. All suppliers are required to sign the Supplier Code of Conduct prior to being approved.

Supplier Auditing and Assessment

We assess and audit our suppliers according to risk. 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 with their quality management system. Our highest risk suppliers participate in external agency audits by a recognized international regulatory agency such as US Food and Drug Administration (FDA) or International Standards Organization (ISO).

97% of our critical suppliers were audited by a third-party in 2021.

In 2021, we initiated efforts within our supply chain to incorporate environmental and social criteria as part of our supplier screening process, supplier business reviews, and bi-weekly internal supply chain forum discussions. We are excited to report that out of the total suppliers we have already engaged, approximately 92% have shared information related to their sustainability activities (i.e., programs, goals, initiatives, etc.). These efforts support STAAR's goal of introducing ESG discussions to our existing supply chain engagement strategy to enable transparency not only in our direct operations, but also in our supply chain.



Product Traceability



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;
- delivery to the surgeon customer; and
- patient implant

Our processes include issuance of part numbers for incoming materials and components to establish backward traceability. All finished products receive a lot number for forward traceability. Furthermore, all Class III medical devices, such as our implantable lenses, are automatically assigned a unique serial number to enable more detailed traceability.

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. 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.

Product Manufacturing

Although the processes are designed to be efficient, manufacturing produces waste. In compliance with applicable regulations, we have internal procedures in place for proper disposal of all waste, including any potentially harmful chemical waste. STAAR engages certified vendors to dispose of our hazardous waste, and to test our wastewater annually to confirm compliance with applicable regulations.

As part of our Quality Management System, we have processes and procedures in place to assess and manage risks associated with our products potentially being exposed to harmful chemicals. We have standard operating procedures (“SOPs”) in place to address the handling and control of potentially harmful materials in our raw material manufacturing activities. We review our SOPs regularly in order to minimize the production of hazardous waste and minimize our overall waste.

Relevant SOPs:

- Handling of materials and waste products used in our routine manufacturing processes, including the receipt and handling of chemicals, chemical waste storage and removal, and disposal of chemical raw material containers.
- Gowning and personal protective equipment (PPE) requirements for controlled manufacturing areas to prevent our products from being exposed to unwanted materials and also to protect our employees from material hazards. This includes requirements for environmental control, hygiene practices, product/process control and the gowning process for controlled areas. It also provides a process for the proper method of storage and handling of in-process components and assembly. Our finished product lenses do not contain any hazardous chemicals thus patients are not at risk of hazardous chemical exposure related to our lenses.

Product Use and Patient Safety

To reduce patient risk, we follow multiple standards for example, ISO 11979-5 “Ophthalmic Implants – Intraocular Lenses – Part 5: Biocompatibility” which includes extraction testing and cytotoxicity testing standards to ensure any potentially harmful chemicals used in our product are not present in significant quantities when the product is finished and delivered to the customer.

Surgeon Training

We require surgeon certification training for our surgeon customers in order to provide thorough information prior to our products being offered to potential patients. STAAR has hosted Pre-Certification Surgeon Training Courses, Roundtables and Education Sessions including Patient Education tutorials. Our Chief Medical Officer, an experienced ophthalmic surgeon, travels around the world to “train the trainer” and monitor training sessions to help assure quality training.

Quality System and Safety Audits

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 US, as well as other health authorities from countries such as South Korea and Ukraine. In 2021, DEKRA conducted audits of our facilities in the US (Monrovia, Tustin, and Aliso Viejo) and Switzerland (Nidau and Brügg) and re-certified them under MDSAP and EN ISO 13485:2016.

Third parties such as our EU Notified Body and Health Authorities such as the US FDA, review data and information related to the confirmation of the safety and performance of our devices as part of the approval process. After product approval, we monitor and trend the safety and performance of our products in the market including but not limited to Post Market Clinical Follow-Up studies, complaint review, investigation and trending, and evaluation of published literature related to our products. An example of this comprehensive post approval review is the Clinical Evaluation Report (CER) for the ICL where the data is internally reviewed and evaluated on an annual basis, this report is shared with various Health Authorities around the globe.

Product Recalls

STAAR reviews internal and external information to monitor the safety and performance of our products. Internally, our Quality System incorporates a reporting and escalation process to monitor manufacturing and control activities. Our complaint handling and post-market surveillance process enables us to monitor external field reports. These processes are designed to identify and correct issues, if and when they arise. Executive management routinely reviews and assesses the information to verify that our products continue to be safe and perform as intended and to identify opportunities for improvement.

Notwithstanding the above, like all medical devices, implanting our medical devices may result in possible adverse events. Despite our stringent quality standards and 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. Recall metrics for STAAR Surgical for 2020 and 2021 are presented in the table below.

| Metric | 2020 | 2021 |
|---|------|------|
| Number of product recalls or take-backs | 0 | 0 |
| Number of products listed on the FDA's MedWatch Safety Alerts for Human Medical Products database | 0 | 0 |
| Number of fatalities related to products | 0 | 0 |
| Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices | 0 | 0 |

SECTION 5.0: OUR EFFORTS TO REDUCE OUR ENVIRONMENTAL IMPACT



“As a leader in operations, I am proud to be part of a company that proactively prioritizes sustainable practices because, not only does it make business sense, but it is also the right thing to do for our collective futures.”

Justin Reed
Senior Director of Engineering – US

At STAAR, we are motivated to reduce our own impact on the environment. We are taking steps to reduce the environmental impact of our practices and operations in our effort to support a bright future for us all. While environmental stewardship is an ongoing journey, in 2021, we focused on our strategy of reducing our operational energy usage, greenhouse gas emissions, and waste. Going forward, we are focused on doing our part to transition to a low carbon economy, continuing to promote a culture of environmental stewardship and conservation, and establishing an appropriate scope 1 and 2 greenhouse gas reduction goal.

Engaging Employees to Promote a Culture of Environmental Stewardship

In 2021, the ESG sub-committee capitalized on the opportunity to coordinate efforts from around the world as many STAAR employees are motivated to reduce the company’s environmental impact. Through employee engagement, STAAR identified areas to introduce sustainable and eco-friendly efforts. The ESG sub-committee consisted of a global, cross-functional group and they met regularly. In 2022, the sub-committee will continue to meet to report on progress of current initiatives and consider new ones.

STAAR’s Eco-Friendly Initiatives

- Waste Reduction through digitization
- Resource conservation through optimization of utility consumption
- Purchasing of e-bikes for commuting between offices in Switzerland
- Created a Green Event guide to reduce impact of meetings
- Installation of EV charging stations

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. We engage certified vendors who dispose of our hazardous waste and annually test our wastewater to confirm compliance with applicable regulations.

In 2021, our US operations received one notice of violation for a wastewater sample that did not meet the pH criteria. Our STAAR team addressed the pH the same day it was found, which resulted in no fine or penalty.

Operational Energy Use and Management

Energy Conservation

Energy efficiency and conservation measures are imperative to our operational success and continuous improvement. Our facilities and engineering teams continuously seek efficiency upgrades to 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.

US Operations

In 2021, we invested in the following energy efficiency upgrades within our US operations:

- Installed vacancy sensors in private offices, conference rooms, restrooms, etc. to keep lights off in un-occupied spaces (Aliso Viejo).
- Replaced old HVAC units with newer more energy efficient models (Aliso Viejo).
- Replaced fluorescent lighting system with high efficiency LED lighting (Monrovia and Lake Forest).
- Replaced single speed HVAC with variable speed (Monrovia).

The return on our investment from our US LED lighting project upgrade averages 4.3 years. By converting our US facilities to LED lighting, our vendor estimated¹ that:



We will **reduce** our total system kilowatt load by **~72%**.



We will **reduce** our greenhouse gas emissions by **~516 MT CO₂e per year**.



We will **save ~\$1.7M** in total energy and maintenance costs over a 10-year period

Swiss Operations



In 2021, we invested approximately \$800,000 in energy efficiency upgrades to our Nidau, Switzerland operations. These investments included fluorescent lighting replacement with high efficiency LED lighting (levels 0 and 1), replaced the single speed HVAC with a variable speed system, installed occupancy sensors, and replaced windows in the office area with better-sealed, double paned windows.

In late 2021, STAAR engaged a third-party consultant to perform an on-site assessment to identify resource efficiency projects. The following best management practices were documented at our Swiss facilities:

- Windows have shades that can be deployed to reduce heat gain during the summer.
- Heaters are on a lower setting during the weekends.
- The heating system is turned off from ~April-October.
- Cleanrooms at Nidau are placed in standby mode when not in use.
- Energy recovery is implemented in the cleanrooms, so that exhaust air is used to pre-condition outside air.
- The HVAC system has free-cooling mode where chillers can be shut off when outside air temperature is less than 10°C. The dry cooling towers provide enough cooling for the system without the need for the chillers.

A third-party consultant also performed a resource efficiency assessment virtually regarding our Ichikawa and Urayasu facilities. Additional opportunities to improve energy efficiency were identified during both the on-site assessments performed in Switzerland and the virtual assessments performed in Japan. STAAR will evaluate these initiatives for feasibility and continuous improvement.

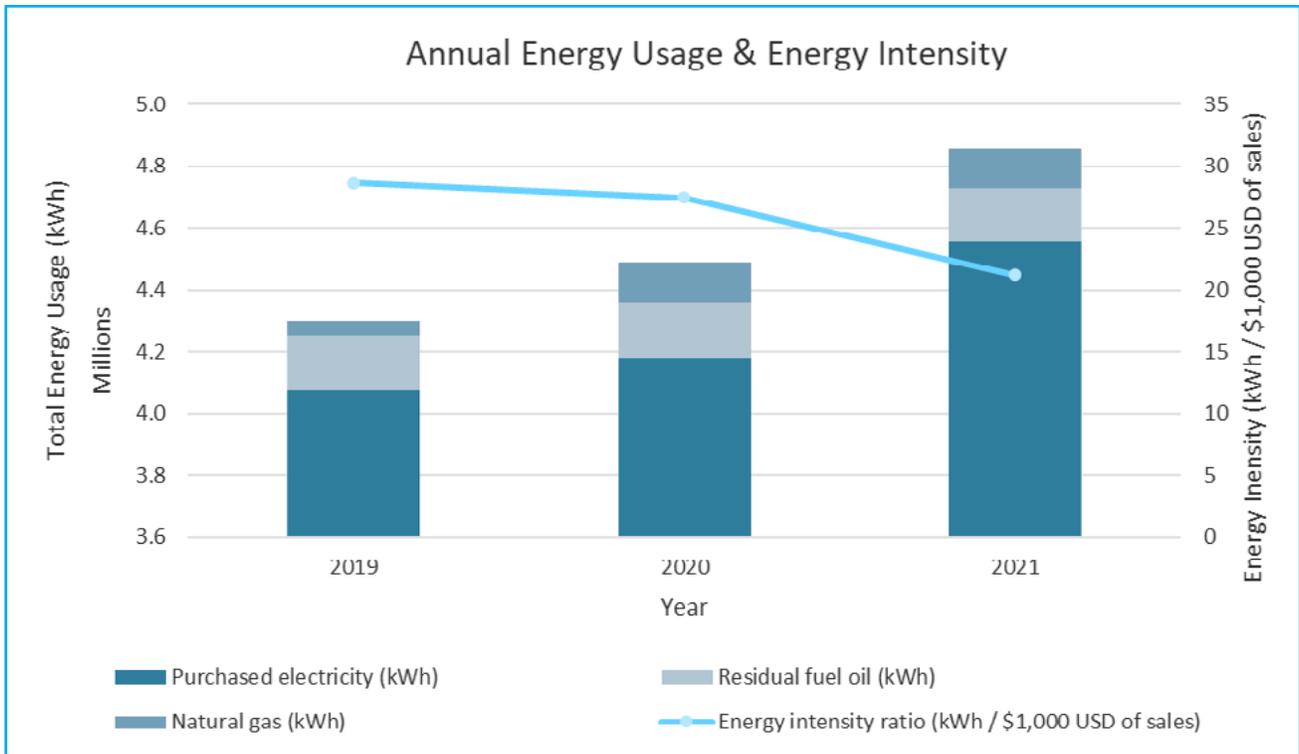
| Metric | 2019* | 2020** | 2021** |
|--|------------------|------------------|------------------|
| Total purchased electricity usage (kWh) | 4,075,449 | 4,181,520 | 4,554,740 |
| Total natural gas usage (kWh) | 50,434 | 132,760 | 126,772 |
| Total residual fuel oil usage (kWh) | 175,538 | 175,538 | 175,538 |
| Total propane usage (kWh)*** | 268 | 268 | 268 |
| Total energy usage (kWh) | 4,301,689 | 4,490,086 | 4,857,050 |
| Total net sales (\$USD rounded) | \$150,200,000 | \$163,500,000 | \$230,500,000 |
| Energy intensity (kWh / \$1,000 USD of sales) | 28.64 | 27.46 | 21.07 |

*2019 data includes US facilities (Monrovia, Lake Forest, Aliso Viejo, Tustin), Swiss facility (Nidau), and Japan facilities (Ichikawa and Urayasu);

**2020 and 2021 data includes the same facilities as 2019 plus Brugg, Switzerland

***Propane use is estimated based on frequency of propane tank refill.

¹ Vendor estimated savings based on US EPA – Greenhouse Gas Equivalencies Calculator <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>



Renewable Energy

In January 2021, 100 percent of our electricity came from the grid. As part of our effort to reduce our reliance on nonrenewable energy and usage of the southern California power grid, we broke ground in 2021 on the installation of solar PV panels at our primary manufacturing facility in (1) Monrovia, (2) our precision manufacturing center of excellence facility/corporate headquarters in Lake Forest, and (3) at our Technology Center in Tustin. By the end of 2021, the Lake Forest and Tustin installations were complete and are expected to be operational in early 2022. The Monrovia installation is anticipated to be operational in mid to late-2022. The initial analysis of this multimillion-dollar investment indicates STAAR will reduce its energy demand by nearly 40%, which translates to savings of approximately 30% in energy costs in the first year.



Rooftop Solar PV Installation at STAAR's Technology Center in Tustin, California

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



We are continuing to look for ways to support the global transition to a low carbon economy. For example, we have installed electric vehicle charging stations at our Lake Forest and Tustin facilities. The charging stations support our employees with electric vehicles and reduce their reliance on fossil fuels. Data collected in 2021 indicates that during the second half of 2021, we saved approximately 3 metric tons of GHG emissions and 926 gallons of gasoline. We will be installing electric vehicle charging stations in 2022 at our Monrovia, California facility and at our Nidau, Switzerland facility. We are also purchasing e-bikes for our Swiss employees to use to commute between our Nidau and Brügg facilities.

Climate and Greenhouse Gas Emissions

Climate-Related Risks and Opportunities

In 2021, our cross-functional ESG committee worked to enhance our analysis of potential risks related to climate change and identify opportunities to lessen the environmental impact of our business activities. In 2021, STAAR conducted an enterprise risk assessment which included interviews with senior executives and a materials sourcing assessment. The results were plotted to assess probability versus impact to understand present and potential future risks.

The assessment identified that supply chain scarcity is not a current significant risk as our sourcing is relatively circumscribed. With respect to operations, our most material risk is from potential future earthquakes in the vicinity of our locations in California and Japan. We understand that having redundancy in manufacturing is critical and as such, in 2021, we initiated an expansion to our Nidau, Switzerland facility. Once complete, this will provide STAAR with increased production capabilities as well as the ability to shift operations, if needed. We recognize that our main operations, located in southern California, are in drought-prone areas. While our manufacturing processes are not water intensive, we recognize water-related business risks present watch points to monitor. Finally, with shifting regulations, we are also monitoring the potential transition risks related to climate legislation and how that could result in additional compliance costs for our business. We are monitoring the issues and plan to proactively adapt to significant climate change risks and opportunities in the future.

Operational Greenhouse Gas Emissions

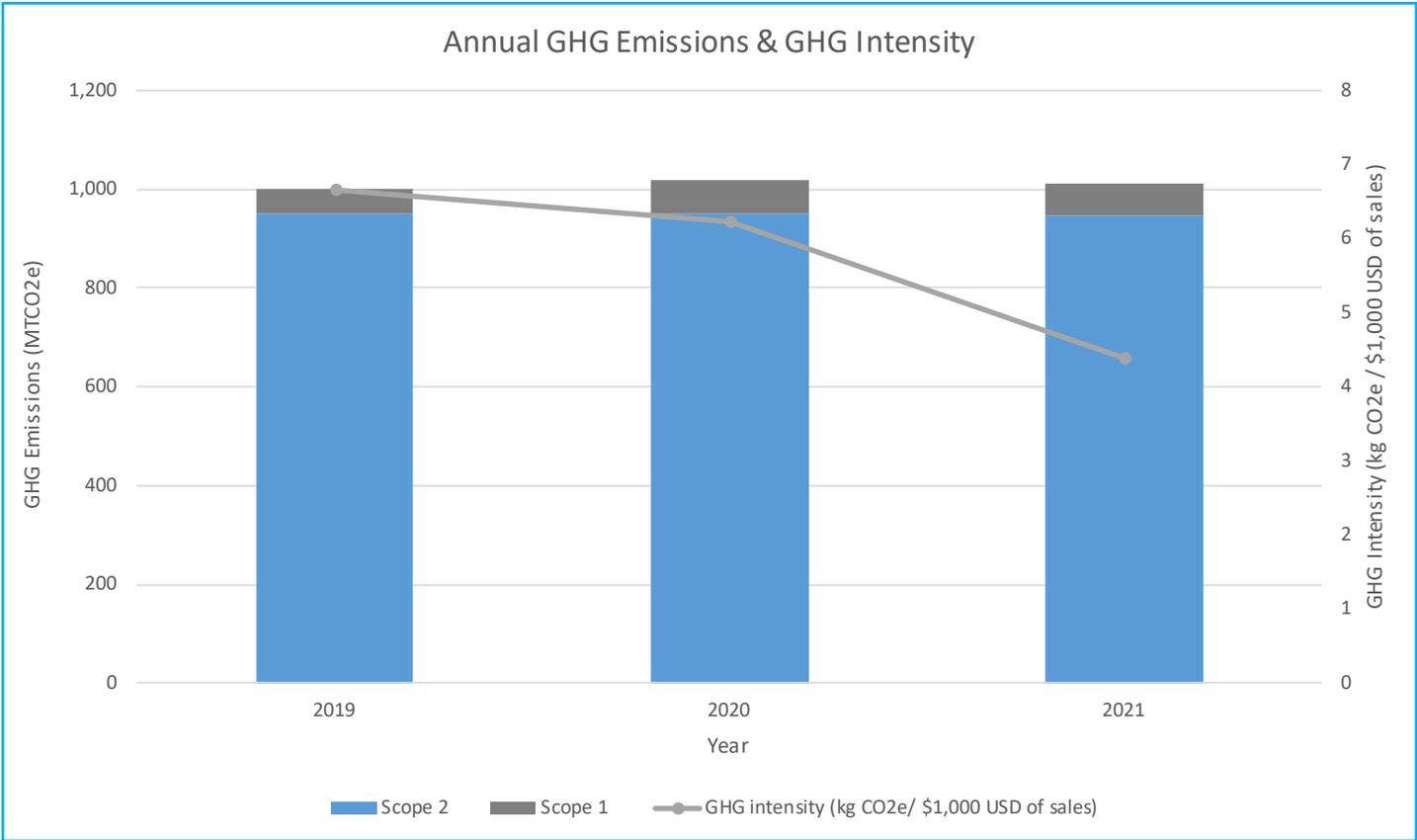
As part of our environmental stewardship efforts, we engaged a third-party consultant to conduct a Scope 1 and 2 Greenhouse Gas (GHG) emissions inventory. The project was completed in accordance with the World Resources Institute's Greenhouse Gas Protocol and establishes the foundational data set for 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. We will also work to establish appropriate reduction targets that make sense for our business.

In 2021, the progress we made on our energy efficiency initiatives enabled us to decrease our energy and greenhouse gas emissions per dollar of revenue.

| Metric | 2019* | 2020** | 2021** |
|---|-----------------|-----------------|-----------------|
| Gross direct (scope 1) GHG emissions (MTCO ₂ e) | 53.03 | 67.95 | 64.57 |
| Indirect (scope 2) GHG emissions (MTCO ₂ e) | 948.64 | 951.33 | 945.07 |
| Total GHG emissions (MTCO₂e) | 1,001.66 | 1,019.28 | 1,009.64 |
| Total net sales (\$USD rounded)* | \$150,200,000 | \$163,500,000 | \$230,500,000 |
| GHG intensity (kg CO₂e/ \$1,000 USD of sales) | 6.67 | 6.23 | 4.38 |

*2019 data includes US facilities (Monrovia, Lake Forest, Aliso Viejo, Tustin), Swiss facility (Nidau), and Japan facilities (Ichikawa and Urayasu)

**2020 and 2021 data includes the same facilities as 2019 plus Brügg, Switzerland



Waste Generation



At STAAR, we are committed to responsible waste management practices, by minimizing our waste and increasing our recycling efforts. In 2021, we had zero waste-related environmental compliance incidents. Additionally, we implemented projects that support our objectives towards implementing certain best waste management practices:

- Recycled Glass Containers:** Our Monrovia facility introduced a new neutralization/cleaning process that allows for recyclability of our glass containers that were previously discarded as waste.
- Reusable Lab Coats:** At our Switzerland facilities, we lease reusable lab garments and shoe covers that are then washed and reused by a local vendor, reducing the need for disposables. Once manufacturing is fully operational, we estimate that 45 disposable lab garments will be saved daily by our practice of choosing reusable items. Based on the reusable lab coats alone, we estimate² that we will prevent approximately 709 kilograms (1,562 pounds) of waste from being landfill in 2021. According to a study² featured in the American Journal of Infection Control, our implementation of reusable lab garments also corresponds to a 28 percent reduction in energy usage, 30 percent reduction in GHG emissions and a 41 percent reduction in blue water consumption throughout the lab coat lifecycle, as compared to the disposable alternative.

Additional waste streams that we are currently monitoring include our electronic waste and our hazardous waste. We continue to work with our Information Technology (IT) department to manage electronic waste and coordinate with vendors for proper management, disposal, and recyclability in alignment with California Electronic Waste Recycling Act of 2003 (SB 20). Licensed vendors transport our hazardous waste to a treatment, storage, and disposal facility in alignment with regulatory permits.

| Metric | 2020 | 2021 |
|----------------------------------|------------|------------|
| Total hazardous waste generated* | 20.05 tons | 33.79 tons |

*US Data

² Estimates made based on the life cycle analysis presented in: Vozzola, Eric, Overcash, Michael, Griffing, Evan. 2018. Environmental considerations in the selection of isolation gowns: A life cycle assessment of reusable and disposable alternatives. American Journal of Infection Control, 46, 881-886. <https://www.ajicjournal.org/action/showPdf?pii=S0196-6553%2818%2930075-0>



From Paper to Electronic

from eDFUs

1.6 Million
pages of paper
saved annually

Our overall company efforts to reduce paper and move towards electronic documents has been a continuous process. In 2021, we continued to manufacture all US ICLs and EVO family of ICLs without paper Directions for Use (DFU) in the US, 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). **The electronic DFUs are estimated to save 1.6 million pages of paper annually.** 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.

Our Move to an Electronic Workflow



In 2021, we moved to an electronic workflow, utilized electronic invoicing, handled complaints electronically, and implemented administrative changes through electronic purchase orders rather than paper forms. For example, at our Swiss facility, the shift from paper to electronic forms allowed for an annual 2021 paper savings of 10 US tons (approximately 500,000 sheets of paper), and an overall savings of total waste by approximately 3,000 pounds. According to the [Environmental Paper Network Paper Calculator](#), this translates to a savings of 63.7 million BTUs of energy, 20.4 MT of CO₂e, and 53,500 gallons of water. These efforts are continuing into 2022, in hopes of reducing approximately 500,000 additional sheets of paper solely at our Swiss facility.

from Electronic Workflow

10 Tons of paper saved = **500,000** sheets of paper = **63.7 Million** BTUs of Energy = **20.4 MT** of CO₂e = **53,500** gallons of water

To continue our momentum with these paper reduction efforts, STAAR plans to incorporate the following activities in 2022:

- Electronically invoicing our vendors,
- Expense reporting using an electronic format,
- Developing additional electronic applications,
- Processing payments electronically, and
- Providing customers with emailed statements.



2022 EWOK Initiative

STAAR is excited to implement electronic work order kiosks (EWOK) for ICL production facilities. This initiative will eliminate the need for our paper work orders. STAAR generally completes 60,000 work orders annually that consist of 10+ pages. Therefore, the shift to paperless work orders will significantly reduce the amount of paper used at our ICL production facilities. The anticipated paper savings will be 600,000 pages per year.

Product Packaging

As the world moves towards a greener future, sustainable packaging has become an important topic for STAAR. We use bulk packaging shippers that we are able to reuse, ultimately limiting the amount of virgin raw materials that are needed for our packaging manufacturing. Our teams are discussing and implementing additional sustainable packaging projects that focus on reduced plastic packaging and more reusable materials.

In 2021, STAAR implemented a project in Spain that allows for reduced packaging associated with our bulk lenses and cartridges when we locally ship to our customers. During the shipping to customers in Spain, we optimized the packaging to enable an easier breakdown, which in turn results in a reduction of packaging and increased recyclability of packaging to our customers.



Water Usage

Water is an essential resource on every scale of human existence, from the cells of our body, to the global community. STAAR has made strides in understanding our water footprint, as well as understanding the impacts that water risk can have on our operations. In 2020, we assessed the sources of water supply to our manufacturing and primary facilities and found that while the water comes from local suppliers, in some instances water travels across watersheds before even reaching the tap. We continue to be mindful of our water use, especially in areas like southern California, which are experiencing high water stress. For example, during a periodic review of utility invoices for our Lake Forest, California facility, an unexpected increase in water usage was identified. This led the facility staff to notify the building landlord, who identified and repaired a leak in the irrigation system. The repair had a significant impact on water use, resulting in a 75% reduction in consumption.

| Facility | Water Source | Water Risk ³ |
|----------------------|---|-------------------------|
| Monrovia, CA, USA | San Gabriel Basin | High |
| Lake Forest, CA, USA | Orange County Groundwater Basin/ Colorado River | Extremely High |
| Aliso Viejo, CA, USA | Moulton Niguel Water District | Extremely High |
| Tustin, CA, USA | Groundwater Colorado River | Extremely High |
| Ichikawa, Japan | Arakawa/Tamagawa | Low-Medium |
| Brügg, Switzerland | Rhine Basin (Aare) | Low |
| Nidau, Switzerland | Rhine Basin (Aare) | Low |



Water Savings Highlight – Lake Forest, CA

During a periodic review of utility invoices, an unexpected increase in water usage was identified. This led the facility staff to notify the building landlord, who identified and repaired a leak in the irrigation system. The repair had a significant impact on water use, resulting in a 75% reduction in consumption.

To date, we've implemented water saving initiatives and projects, including:

- Low-flow toilets installed throughout the Aliso Viejo facility;
- Low-flow or dual-flush toilets installed throughout the Brügg facility;
- Low-flow or dual-flush toilets installed throughout the Nidau facility;
- Landscaping irrigation repair at the Lake Forest facility.

As we move forward and build on our successful initiatives, we will continue to investigate ways to integrate water conservation and water stewardship into our everyday operations. STAAR will leverage the results of the on-site assessment performed by a third-party consultant in early and late 2021 to assess the feasibility of future implementation for continuous improvement. We will continue to monitor the water-stressed regions to ensure our efforts have an impact to protect one of our most valuable resources.

| Metric | 2021 |
|--|-------------------------|
| Estimated*Total water withdrawn** | 761,152 ft ³ |
| Percentage of locations** in high or extremely high water risk | 57% |
| Number of Incidents of water-related non-compliance | 1 |

* Water usage, where not able to be directly obtained from meter reading through utility billing, was estimated based on information provided by our landlords.

**Includes our four US facilities, two Swiss facilities, and one Japanese location.

3 Based on Water Resource Institute (WRI) Aqueduct Tool Database Overall Water Risk Score

SECTION 6.0: EMPLOYEE WELL-BEING, DIVERSITY & INCLUSION



“ Foundational to our progress are the well-being and contributions of all STAAR employees. It is therefore important that we acknowledge and embrace diversity, and that every STAAR employee feels empowered in the diversity that they add to STAAR. ”

Brian Moore
Vice President, Investor, Media Relations and Corporate Development

It is the policy of STAAR Surgical to provide a safe and healthful workplace for our employees where they can pursue their professional goals and help grow STAAR. We recognize that STAAR is at its best when we include all STAARs and their diverse perspectives in all our efforts – from the board room to the lunchroom and beyond. Without all STAARs, we would not be able to provide the outstanding products that we pride ourselves on delivering to our surgeon customers and their patients.

Occupational Health And Safety

The health, safety, and well-being of our STAARs is a top priority. We added approximately 70 employees in 2020 and another 127 employees in 2021 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 training, conduct emergency response drills, and plan for business continuity with all on-site employees.

Our Health and Safety Committee, which meets monthly, consists of 25 managers and employees of various backgrounds, representing multiple departments within our southern California facilities. *The mission of the Health and Safety Committee is to have all employees actively involved in safety, to eliminate accidents, and to help create a culture that embraces safety.* We do this by conducting quarterly facility inspections and documenting our findings in our Computerized Maintenance Management System (CMMS). We develop recommended corrective action plans and track completion and approval in our CMMS. We also review workplace accidents and conduct investigations to identify and correct root causes. These activities, as well as our engagement with our boarder team, helps inform the development and maintenance of our health and safety programs and training. We have an open-door approach to safety and welcome all colleague’s feedback in a manner that allows them to express their safety concerns as well as share learnings in an effort to improve our safety policies, programs, and our overall safety culture. *Our annual employee performance evaluations include an assessment of how employees support and follow safe and healthy work practices.*

To evaluate our program and training effectiveness, we track our health and safety metrics. In 2021, our Total Recordable Incident Rate (TRIR) was 1.30 and our Days Away, Restricted, or Transferred (DART) was 1.30. While the Bureau of Labor Statistics industry data is not yet available for the year 2021, our metrics for 2020, as shown in the table, were below the industry average. Our health and safety metrics demonstrate that our employees understand safe work practices and are taking the necessary steps to maintain a safe working environment.



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 62% which is better than our target of being under 100%, and also better-than- average injury experience of our industry.**

| Metric* | 2020 | 2021 |
|---|---------|---------|
| Total Recordable Incident Rate (TRIR) | 0.55 | 1.30 |
| BLS Industry Average TRIR | 1.6 | N/A |
| Days Away, Restricted or transferred (DART) | 0.55 | 1.30 |
| BLS Industry Average DART | 0.9 | N/A |
| Injuries | 2 | 5 |
| Hours Worked | 731,589 | 769,075 |

*US Data

Talent Engagement and Retention

We invest in our STAARs by providing professional development and training opportunities. We also use employee satisfaction and engagement surveys to gauge our STAARs well-being and how we as a company can continuously improve. Our CEO conducts quarterly meetings where STAARs can voice any comments or concerns and we also hold regular “townhalls” where our STAARs can come together and discuss issues or provide recommendations to help STAAR continue to grow into a company that serves its stakeholders in the best ways possible.

Employee Training

All new employees receive Hazard Communication, Right-to-Know, and Bloodborne Pathogen training via **Thomson Reuters**, an online training platform. In addition to health and safety training, we also provide training to reiterate our commitment and policy to an open and welcoming workplace on topics such as anti-harassment, Diversity, Equity, and Inclusion, our Code of Business Conduct and Ethics, and our Human and Workforce Rights Policy.

| Courses | 2021 Hours of Training* | 2021 Percent of Employees Assigned* |
|--|-------------------------|-------------------------------------|
| Hazard Communication | 74 | 100%** |
| Bloodborne Pathogens and MRSA (US) | 74 | 100%** |
| US Code of Conduct Training Participation | 178 | 88%** |
| US Avoiding Insider Training Participation | 92 | 93% |
| Accounting Irregularities: Sometimes you need to speak up Training Participation | 18 | 87% |
| Preventing Discrimination and Harassment for Employees (California) Training Participation | 77 | 63%** |
| Preventing Discrimination and Harassment for Managers (California) Training Participation | 20 | 91%** |

* Data is for US employees

** 2021 Percent of employees applies to new hires, not all employees

Employee Benefits

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
- Annual on-site flu vaccinations
- Employee Assistance Program (EAP)
- On-site gym at our Monrovia location (currently closed due to COVID-19)
- Disability and life insurance
- Legal services
- Training/Development/Certification Reimbursement
- Vacation, holidays, sick time, bereavement, and jury duty
- Three annual floating holidays

Our US overall turnover rate in fiscal year 2021 was approximately 9%, below the overall turnover rate of approximately 17% for the medical device industry. We are proud of the culture that we have built at STAAR. In our recruiting and hiring, we seek employees who reflect the communities where we conduct operations. We believe our below industry average turnover rate indicates that we are effectively recruiting and hiring employees that are a good fit for our organization, and that we offer a motivational work environment that leads to strong employee retention.

| Metric* | 2020 | 2021 |
|--|---|---|
| Employee Turnover Rate | 7% | 9% |
| <i>Industry Average Employee Turnover Rate</i> | 17% | 17% |
| Average hours of training per year per employee | Not tracked | 12.5 |
| Employees receiving regular performance and career development reviews | All employees receive annual performance feedback | All employees receive annual performance feedback |

*US Data

Diversity and Equal Opportunity

STAAR is a diverse company. We operate in over 75 countries, and our global employee base represents different ethnicities from all parts of the world. Our company population is almost exactly half female and half male. We believe our diversity contributes to our success.

In 2021, we created our Diversity, Equity, and Inclusion Committee. The committee is comprised of a diverse group of STAAR employees chartered to work on recognizing and celebrating the diversity of our employees.



Diversity, equity, and inclusion matters at STAAR. Our mission is to provide a work environment that fosters a globally inclusive culture, embracing the diverse nature of our workforce while helping to bring Visual Freedom to the world.

STAAR's Diversity, Equity, and Inclusion Committee

We have adopted an Affirmative Action and Equal Opportunity Policy Statement (the "EEO Policy") that affirms that we are an equal opportunity employer. STAAR recruits, hires, trains, promotes, compensates and takes all other employment actions without regard to gender identity, race, color, religion, national origin, ancestry, age, sexual orientation, marital or family status, disability, or veteran status, or any other characteristic protected by local, state, or federal laws, rules, or regulations. As stated in the EEO Policy:

- In order to achieve our commitment to appropriate gender and minority representation within the workforce, we participate in targeted recruitment of minority, women, veteran, and disabled jobseekers to enhance representation in the applicant pool for all levels of the workforce; and
- In order to confirm our commitment to internal pay equity, STAAR conducts an annual pay equity analysis, and regularly evaluates pay practices in connection with new hires and promotions.

Celebrating Diversity

One way to celebrate the diversity among all our employees is to recognize and celebrate certain holidays and special cultural events throughout the year. To kick off this initiative and to honor and respect STAAR's Asian colleagues, we celebrated Lunar New Year (LNY) in 2022. We circulated materials that offered our employees the opportunity to educate themselves on the holiday and organized Asian-themed lunches and snacks at our facilities to help celebrate the holiday.



“

LNY is a traditional festival for us. It symbolizes the end of winter and the return of spring. After a year of hard work, this season brings the whole family together to celebrate and usher in a better year.

Zhihong Liang, Group Accounts Training Manager

”



“

LNY is all about positivity in each phase - indicating great fortune, good luck, health, and success for the upcoming year.

Karen Chung, Director of Internal Audit

”



“

LNY or „Tet“ is the most important annual holiday in the Vietnamese culture. Everyone young and old celebrates this occasion by sharing traditional LNY food, wearing brand new clothes and gifting money in red envelopes to each other.

Jolson Pham, Director of Talent Acquisition

”

Black History Month (BHM) is celebrated every February in the United States. Wider observance of the holiday first began in the 1970s and in 1976 when US President Gerald Ford officially recognized the holiday. While part of the observance is acknowledging a challenging history of many Blacks and African Americans, there is a celebratory aspect to BHM with the opportunity for us to learn more, share more, and move forward together with a better understanding and future for us all. There are so many different ways to experience BHM. In February 2022, STAAR honored this important month by sharing educational information with our employees about the history of BHM, providing information on the theme of 2022 BHM, *Black Health and Wellness*, and highlighting the accomplishments of Dr. Patricia E. Bath, the first African American to complete a residency in Ophthalmology and first African American female to receive a medical patent.

Celebrating what Black History Month means to our Fellow STAARs.



“BHM is about celebration of heritage, success, experiences, and accomplishments of African Americans and Black people. It is to set aside time and resources to highlight and celebrate Black Excellence.”

Nyambura Mukuru, Lead Customer Service, Switzerland



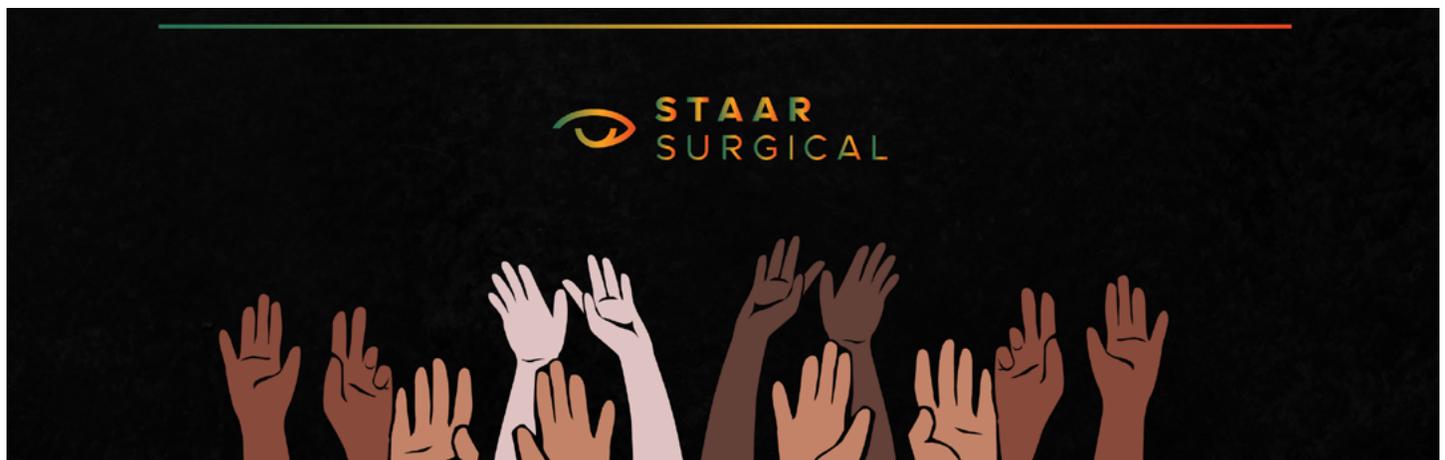
“Every day is Black History, because of all the contribution Black people have made to the establishment and growth of this country. BHM allows everyone else to be aware.”

Althea Watson, Sr. Global Quality Manager, Monrovia, CA



“BHM, I feel, is an opportunity for us as a country to heal from the wounds of the past and celebrate the ground that we’ve covered to reach our present. I also think work is always needed, which makes our future ever evolving. Hope is one of the foundations of Black History Month to me.”

Julius Francis, Digital Marketing Assistant, Monrovia, CA



Celebrating Women's History Month



Diversity Training

In 2021, we implemented diversity and harassment prevention training courses for our employees through Thomas Reuters, an online training platform. Our employees take courses on Tackling Unconscious Bias, Workplace Diversity, among others. All our employees also complete bi-annual harassment prevention refresher training which will be assigned again in 2022. Through these training courses and by having follow-up conversations, we aim to continue the progress we have made in fostering a more inclusive workplace and further creating an atmosphere where everyone is treated with respect and fairness, regardless of their identity.

| Metric | 2020 | 2021 |
|--|---|---|
| Percentage of male employees | 48% | 48% |
| Percentage of female employees | 52% | 52% |
| Percentage of employees from underrepresented* populations** | 60% | 81% |
| Board Diversity | 38% female; 25% from underrepresented populations | 43% female; 29% from underrepresented populations |
| Board Member Age | Average age is 59 years old | Average age is 60 years old |
| Board Member Tenure | Average tenure is 3 years | Average tenure is 4 years |

*Underrepresented communities are defined as including persons who self-identify as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual, and transgender

**US Data

Human Rights

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 engagement, Affirmative Action and Equal Opportunity Policy Statement, and our Code of Business Conduct and Ethics.

Policy Commitment

We have policies and processes in place to respect 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. Our [Code of Business Conduct and Ethics](#) describes the expectations we place on all employees to uphold ethics, integrity, and to comply with all applicable laws and regulations. Our [Supplier Code of Conduct](#) outlines similar expectations for our suppliers.

Training

Employees receive training on health and safety, anti-harassment, Diversity, Equity, and Inclusion, and our Code of Business Conduct and Ethics. More information can be found in the sections on [Employee Training](#) and [Diversity Training](#).

Supplier Engagement

STAAR maintains a rigorous process for qualifying and monitoring all suppliers. All suppliers are required to abide by our **Supplier Code of Conduct**. Suppliers are classified into 5 risk tiers based on the type of product or service they provide. Based on their risk tier, suppliers must then undergo varying levels of audits and documentation. This year, we added environmental and social questions to our supplier assessment. Additional details can be found in the **Supply Chain Management** section of this report.

Grievance Mechanisms

STAAR is committed to compliance with the laws that affect the conduct of our business and to high standards of business ethics and integrity. To help ensure compliance with the law and STAAR policies, including our Code of Business Conduct and Ethics, we have instituted a hotline for all STAAR employees to use to report conduct that might involve illegality or other violations of STAAR Policies and Procedures. STAAR's Employee Compliance Hotline is available to all employees globally. Employees are required to report any suspected violations of laws, rules, or regulations to their supervisor, a member of the company's legal department or through the hotline.

Spotlight: STAARs Who Wear Our ICL Lenses

Our innovative implantable Collamer® lens (EVO ICL) provides people with visual freedom from traditional contact lenses and glasses. Here are some real-life stories from a few of our STAARs!



“I've worn glasses and contact lenses since middle school and ICL made me regain the visual freedom like I had in childhood. Not only has ICL provided me visual freedom, but it also reduces my environmental footprint compared to contact lens disposal after each use over my lifetime.”

Kate Xue, Patient Education Specialist



“I've been myopic since I was 17 years old and I started suffering from my dry eyes at 26. EVO Visian ICL has given me visual freedom and lets me experience the beauty of the landscape from a different point of view, particularly when I exercise and participate in outdoor activities. Replacing my glasses and contacts with ICL was the perfect gift which I have received in the milestone year of my 30s.”

Senlly Kwan, Lead International Digital Communications



“Since 2016 I have proctored surgeons and trained clinic staff all over China. I learned that not only is the ICL safe, effective and preserves cornea but it is also a sustainable vision correction method with a small environmental footprint. That's why I chose ICL to correct my low myopia. My only regret was why I didn't do it sooner!”

Daniel Zhao, National Training Manager

SECTION 7.0: PHILANTHROPY AND COMMUNITY SERVICE



“The team at STAAR is committed to making a positive difference in the communities where we live and work. Volunteering provides the added benefit of strengthening our team’s culture.”

Heather Ready
Senior Director, Global Market Intelligence

Serving our local communities is important to us at STAAR. In 2021, we partnered with **Beyond Blindness**, an organization that provides therapy, education, enrichment, and support to children with visual impairments and their families. STAAR financially supports Beyond Blindness, and STAAR employees volunteered and participated in five Beyond Blindness events in Q4 2021. One of our STAARs is a member of Beyond Blindness’ board to help guide the organization based on her specific skills and expertise. In 2021, we also helped lead a donation drive for the Los Angeles and Orange County Food Banks.



“It was a privilege to be a part of this event. It was awesome to see the kids smile and have fun at the event. Thank you again for setting this up.”

Eric Aparicio
Sr. Product Development Engineer



A group of STAARs working with the kids at the Anaheim Rinks Family Event



STAARs working on crafts with the kids at the Macaroni Museum Family Event



Beyond Blindness thanks STAAR for being a contributing member of their community



A STAAR helping with crafts at the Pretend City Halloween Family Event

Our Partners and Sponsorships

We are proud supporters of the [ASCRS Foundation](#), International Society of Refractive Surgery ([ISRS](#)), the International Council of Ophthalmology ([ICO](#)), American-European Congress of Ophthalmic Surgery ([AECOS](#)), Ophthalmic World Leaders ([OWL](#)), and Beyond Blindness.



During 2021, we partnered with [Salus University](#) to launch Project MyVision to provide ICL surgery to those in need. We also worked with AECOS Global Charities to sponsor surgeries for those who need them around the globe.

Our corporate charitable giving program allows us to make investments in social betterment. In 2021, we contributed to several non-profit organizations to support children and their families who suffer from visual impairments, provide ICL surgeries to those who need them, and multiple other organizations, foundations and councils that provide resources to those who need vision care. We are committed to continuing to enhance our corporate philanthropy program and establishing an employee matching program in 2022.

In 2021, STAAR contributed to the following non-profit organizations:

- LA & Orange County Food Banks
- Salus University Looking out for Kids
- OC Firefighters Fund
- AECOS Global Charities
- ASCRS Foundation
- Beyond Blindness

| Metric* | 2021 |
|--|-----------|
| Number of employees who volunteered for Beyond Blindness | 38 |
| Number of employee volunteer hours to support Beyond Blindness | 150 hours |
| Number of charitable organizations supported through financial contributions | 6 |

*US Data

As we just began tracking our volunteer efforts in Q4 of 2021, the number of volunteers and hours will grow over time.

SECTION 8.0: CORPORATE ETHICS, RESPONSIBILITY, AND GOVERNANCE



“STAAR practices good corporate governance because it supports ethical and responsible business practices and promotes stakeholders’ interests.”

Samuel Gesten
Chief Legal Officer and Corporate Secretary

Board Governance

At STAAR, we hold ourselves to a high standard of corporate governance. Our charter documents and [Guidelines on Significant Corporate Governance Issues](#) outline the ways in which we choose to act on corporate governance matters for the benefit of our internal and external stakeholders, including shareholders, employees customers, and suppliers. Further details related to these guidelines and additional corporate governance policies can be found on our [Investor Relations](#) webpage or within our most recent Proxy Statement.

The board currently consists of seven directors and is led by a non-employee chair. We have three committees to inform and educate the full board on particular areas of concern.

| Audit Committee | Compensation Committee | Nominating and Governance Committee |
|---|---|---|
| Provides oversight of the financial reporting process, the audit process, STAAR’s system of internal controls, and compliance with laws and regulations | Reviews and approves the compensation of STAAR’s CEO and other executive officers | Evaluates STAAR’s board of directors, recommends appointment of directors, establishes the skills and characteristics required of board candidates, performs board evaluations, and oversee corporate governance principles |

Leadership and Board Oversight of ESG Issues

In 2021, three committees led our ESG efforts:



ESG Steering Committee: a global, cross-functional team. The committee meets regularly to review progress on our key ESG initiatives and consider future ESG imperatives.



ESG Sub-Committee: a cross-functional team based in Switzerland. The sub-committee supports the ESG Steering Committee in action planning and employee engagement for our European and Asian teams. The committee meets regularly to review progress on ESG initiatives, and regularly reports to the ESG Steering Committee.



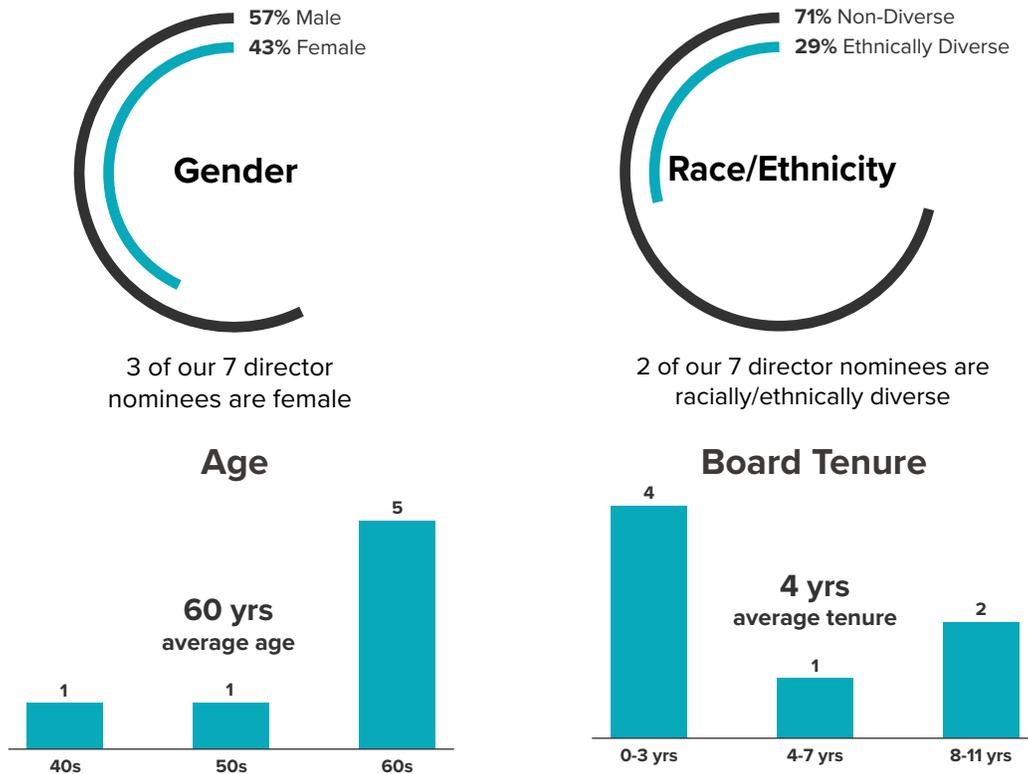
Diversity, Equity, and Inclusion Committee: this cross-functional committee is comprised of a diverse group of STAAR employees who foster a work environment that is globally inclusive and embraces the diverse nature of our workforce while helping to bring Visual Freedom to the world. This committee meets regularly and reports progress to our CEO.

As part of its responsibilities, our Board oversees the assessment of our major business risks and opportunities, and the measures we take to mitigate and address such risks and opportunities. STAAR’s Chief Legal Officer leads the ESG Steering Committee and provides regular updates to the Board on our significant ESG activities, including the risks and opportunities they present.

Board Diversity

The board is also committed to having a membership that reflects a diversity of gender, race, ethnicity, age and background. This commitment is demonstrated by the fact that the seven member board currently includes three female directors and two directors who identify as members of underrepresented populations. Our directors currently range in age from 43 to 68 years old.

Our current board diversity is as follows:



Business Ethics & Ethical Marketing

STAAR is committed to ethical business conduct through our aligned business values of strong ethics, integrity and compliance. We strive to maintain beneficial relationships with our healthcare customers while also ensuring we provide the utmost responsibility and care through the educational information associated with our products. All employees must comply with our Code of Business Conduct and Ethics and our Compliance Program Interactions with Healthcare Professionals. The program provides guidance on the following aspects related to our healthcare relationships:

- Limits on the amount that an employee may spend on meals while meeting with a Healthcare Professional
- Ethical business practices, including no interference with a Healthcare Professional’s judgement
- Prohibition of promoting “off-label” use (i.e., any unapproved use) for STAAR’s medical devices in alignment with the Food, Drug and Cosmetic Act and applicable laws and regulations

Corrective action, including termination, may be taken should an employee fail to comply with the program. In addition, employees are trained annually on the Code of Business Conduct and Ethics and the prohibition of promoting “off-label” use. Our Internal Audit function reviews and evaluates compliance with these internal policies and programs. 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. Within our supply chain, we also maintain a Supplier Code of Conduct, which is applicable to all of our suppliers.

In 2021, STAAR did not face any legal proceedings associated with bribery or corruption or false marketing claims.

Affordability and Pricing

We generated approximately 92% of our global Net sales in 2021 from sales of our flagship medical device, the EVO Visian ICL and Visian ICL families of lenses. Surgeons implant the ICL as part of an elective procedure paid by the patient, not paid 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 generated approximately 5% of our global Net sales from sales of our IOLs. Our IOL products are generally reimbursable and have historically faced pricing pressures from the

market due to a number of larger market participants. We did not increase the price of our ICLs or IOLs in 2021 despite a 7.5% increase in the Consumer Price Index.

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 US, 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.

Data Security And Privacy

STAAR remains dedicated to protecting all customer, employees, and company data and continues to strive to comply with all applicable laws and regulations. STAAR’s Chief Legal Officer (“CLO”) is responsible to oversee our privacy and security compliance. Our CLO collaborates with STAAR’s Information Technology team and Internal Audit function to address cybersecurity and data privacy risks. For example, we implemented electronic tools and security controls as part of our cybersecurity defense to mitigate any data breaches. In addition, we maintain back-up of our critical systems and disaster recovery capabilities, including cybersecurity insurance, to maintain business continuity in case of disruption. Lastly, in partnership with our Internal Audit function and external cybersecurity experts, we execute assessments of our network and systems security controls, including semi-annual global phishing tests. STAAR’s Internal Audit function reports the results of these assessments to our Audit Committee of the Board of Directors. Beginning in 2022, our (Information Technology) IT department will implement remedial training to employees based on the phishing tests performed in 2022. While we have previously leveraged ISO 27001 as guidance, we are in the process of assessing our cybersecurity program to implement a formal standard framework to be adopted later this year.

To ensure awareness and understanding of these processes, STAAR provides frequent trainings to our employees on cybersecurity awareness and importance of protecting our information assets, in addition to development of our Data Privacy and Security Program. The program guides our employees on how to securely handle and process personal information as required by our business, including the following focus areas:

- Handling and safeguarding personal information
- Security incident reporting procedure
- Global security password policy
- Data privacy and security incident response protocol
- Social security number access and usage requirements

| Metric | 2021 |
|---|----------|
| Total amount of monetary losses as a result of legal proceedings associated with user privacy | Zero |
| (1) Number of law enforcement requests for user information, | (1) Zero |
| (2) number of users whose information was requested, | (2) Zero |
| (3) percentage resulting in disclosure | (3) Zero |

| 2021 Information Security and Data Privacy Training | Hours of Training* | Percent of Employees Assigned* |
|---|--------------------|--------------------------------|
| US Information Security Training Participation | 214 | 81% |
| US Data Privacy and Security Training Participation | 108 | 81% |
| Protecting Trade Secrets Training Participation | 39 | 82% |

*US Data

SECTION 9.0: 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 December 31, 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.

April 2022

APPENDIX A – SASB MAPPING

Sustainability Accounting Standards Board Mapping

This table references the SASB Standard for the Medical Equipment & Supplies – Health Care Sector SASB Index.

| Topic | Code | SASB Accounting Metric | 2021 Reporting |
|---------------------------------------|--------------|--|---|
| Affordability & Pricing | HC-MS-240a.1 | Ratio of weighted average rate of net price increases (for all products) to the annual increase in the US Consumer Price Index | We did not increase the price of our ICLs or IOLs in 2021 despite a 7.5% increase in the Consumer Price Index. See Affordability & Pricing for information about the company's approach in this area. |
| | HC-MS-240a.2 | Description of how price information for each product is disclosed to customers or to their agents | 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 via distributors, our distributors establish their own pricing. In hybrid markets where we engage employees of STAAR to work together with distributors, we collaborate with distributors in establishing pricing structures for certain strategic and alliance customers. |
| Product Safety | HC-MS-250a.1 | Number of recalls issued, total units recalled | During 2021, STAAR issued <ul style="list-style-type: none"> • Zero medical device product recalls that were reported to FDA and removed from the market or corrected • Zero medical device product recalls that were not reported to FDA • Zero medical device product recalls that were reported to non-US national regulatory authorities and removed from the market or corrected |
| | HC-MS-250a.2 | List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database | As of December 31, 2021, the MedWatch Safety Alerts for Human Medical Products database included zero STAAR medical device products. |
| | HC-MS-250a.3 | Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience | In 2021, STAAR had zero fatalities associated with the products we manufacture. |
| | HC-MS-250a.4 | Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type | In 2021, STAAR received <ul style="list-style-type: none"> • Zero Form 483s • Zero warning letters • Zero seizures • Zero consent decrees |
| Ethical Marketing | HC-MS-270a.1 | Total amount of monetary losses as a result of legal proceedings associated with false marketing claims | In 2021, STAAR had no monetary losses due to legal proceedings associated with false marketing claims. 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. |
| | HC-MS-270a.2 | Description of code of ethics governing promotion of off-label use of products | Off-label promotion is strictly prohibited at STAAR. See the STAAR Code of Business Conduct and Ethics for information about the company's approach in this area. |
| Product Design & Lifecycle Management | HC-MS-410a.1 | Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products | See Innovation and Materials , Product Manufacturing , and Product Use and Patient Safety for information about the company's approach in this area. |
| | HC-MS-410a.2 | Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies | STAAR does not take back, reuse, or recycle used products as our medical devices are implanted into patients. Taking back previously implanted medical devices would expose our workforce, and potentially others, to biological hazards. |

| Topic | Code | SASB Accounting Metric | 2021 Reporting |
|-------------------------|--------------|--|--|
| Supply Chain Management | HC-MS-430a.1 | Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality | In 2021, DEKRA conducted audits of 100% of our facilities in the US (Monrovia, Tustin, and Aliso Viejo) and Switzerland (Nidau and Brügg) and re-certified them under MDSAP and EN ISO 13485:2016. In 2021, 97% of our critical suppliers were audited by a third-party. See Quality System and Safety Audits , and Supply Chain Management for related information. |
| | HC-MS-430a.2 | Description of efforts to maintain traceability within the distribution chain | STAAR has a range of systems and processes to maintain traceability of materials throughout the product supply and distribution chain: <ul style="list-style-type: none"> • raw material and component receipt; • manufacturing, assembly, testing, labeling, and packaging; • finished goods warehousing; • delivery to the surgeon customer; and • patient implant. Refer to Product Traceability for more information. |
| | HC-MS-430a.3 | Description of the management of risks associated with the use of critical materials | 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 US National Research Council of the National Academies' "Minerals, Critical Minerals, and the US Economy"). We use a small number of critical raw materials in other aspects of our manufacturing processes. Please refer to Management of Critical Materials for details on the steps we take to reduce the risk of supply disruption. |
| Business Ethics | HC-MS-510a.1 | Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption | In 2021, STAAR had no monetary losses due to legal proceedings associated with bribery or corruption that were previously reported in any company Exchange Act filings. See STAAR's Code of Business Conduct and Ethics for information about the company's approach in this area. |
| | HC-MS-510a.2 | Description of code of ethics governing interactions with health care professionals | See STAAR's Code of Business Conduct and Ethics for information about the company's approach in this area. |