



2023 Sustainability Report

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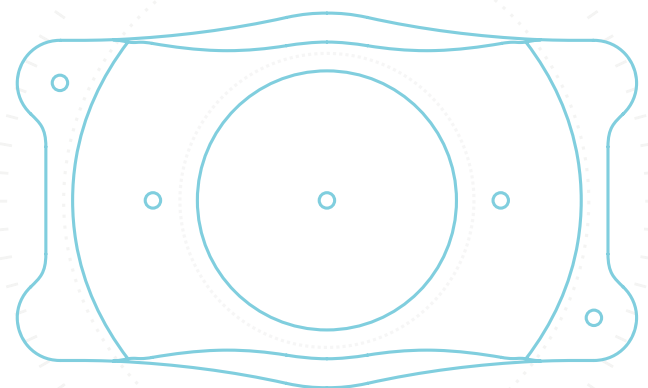
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SECTION 1.0

Introduction

Our mission is to develop, manufacture, and market exceptional implantable lens-based solutions for patients seeking visual freedom.

In 2022, with the passionate commitment of our global employees and business partners, STAAR delivered industry leading growth. Year-over-year revenues grew 23% (29% in constant currency*), and ICL sales grew 27% (32% in constant currency*). Gross margins increased from 77.5% to 78.5%, and net income rose from \$0.50 per share to \$0.78 per share. In addition, we generated approximately \$36 million in operating cash and invested approximately \$18 million in capital expenditures to fuel future growth. We accomplished this financial performance at a time when the global refractive industry was roughly flat year-over-year. Our strong fiscal performance helps support our commitment to enhancing our sustainability practices, diversity initiatives, and our investment in reducing our environmental footprint.

This Sustainability Report highlights our progress in our journey towards achieving our Environmental, Social, and Governance (ESG) goals, and the steps we're taking to integrate our ESG initiatives into our business. As you will see in this report, our sustainability practices allowed us to grow substantially in 2022, while reducing our energy intensity and maintaining a flatline carbon intensity.

2022 Highlights

We are proud to highlight some of our major accomplishments:



Climate Risk Committee

Created a cross-functional Climate Risk Committee and started our climate risk assessment.



Supplier Climate Risk Analysis

Engaged a consulting firm to conduct a critical Scope 3 climate risk analysis of our major suppliers, designed to be consistent with the TCFD (Task Force on Climate-Related Financial Disclosures) reporting framework.



Charitable Matching Program

Implemented an employee Charitable Matching Program whereby STAAR will support the philanthropic efforts of our employees by matching dollar-for-dollar what an employee contributes to a charitable organization.

STAAR INSIGHT



In 2022, STAAR achieved a multi-quarter track record of market-leading top line growth.

We continued to maintain our position as one of the few high growth, publicly traded medical device companies with positive GAAP earnings while also increasing our investments in key areas to continue future growth. At STAAR, we're also committed to continually enhancing our ESG policies and programs."

Tom Frinzi
CEO

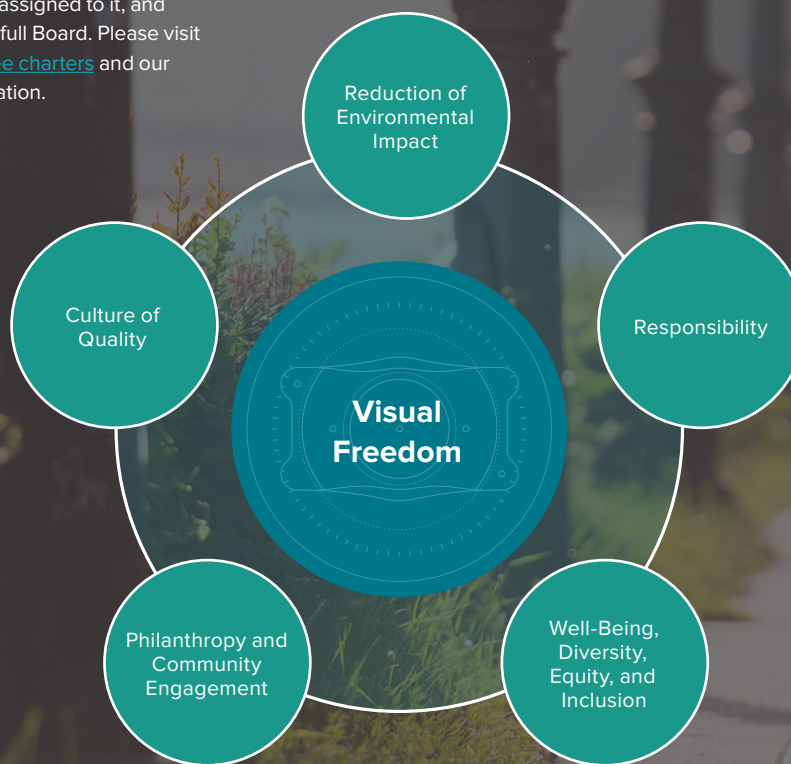
Thank you for your interest and investment in STAAR Surgical. We hope that you enjoy our third annual Sustainability Report.

* Constant currency is a non-GAAP financial measure. For additional information on constant currency, please see Appendix 2 to our [Proxy Statement filed on April 26, 2023](#).

Corporate Responsibility at STAAR

Our Board of Directors oversees the adoption and implementation of our ESG initiatives. We updated the Board standing committee's charters to specify the role they play in ESG matters. The Nominating & Governance Committee provides oversight of sustainability and environmental matters; the Compensation Committee provides oversight of human capital management matters; and the Audit Committee provides oversight of a range of risks, including cybersecurity. Each committee receives updates from management regarding the ESG assigned to it, and reports significant matters to the full Board. Please visit our website to view our [committee charters](#) and our [Proxy Statement](#) for more information.

We recognize the importance of operating as an environmentally and socially responsible company as we strive to successfully grow our business. We've organized our corporate responsibility efforts in this report into the following key areas: Culture of Quality; Employee Well-Being; Diversity, Equity, and Inclusion; Reduction of Environmental Impact; Philanthropy and Community Engagement; and Corporate Ethics, Responsibility, and Governance.



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 primarily covering STAAR’s fiscal year 2022, which runs from January 1, 2022 to December 31, 2022, as well as progress on sustainability projects since the last publication of our sustainability report and projects through April 2023. This report 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 SASB Index located in Appendix B, a voluntary public disclosure providing transparent, relevant corporate responsibility information to investors and other key stakeholders.

Throughout this Sustainability Report, we refer to our facilities by the municipalities where they are located, as follows:

Lake Forest
25651 Atlantic Ocean Dr, Lake Forest, CA 92630, USA
Monrovia
1911 Walker Ave, Monrovia, CA 91016, USA
Tustin
15102 Red Hill Ave, Tustin, CA 92780, USA
Aliso Viejo
27121 Aliso Creek Rd # 100, Aliso Viejo, CA 92656, USA
Nidau
Hauptstrasse 104, 2560 Nidau, Switzerland
Brugg
Portstrasse 35, 2555 Brugg, Switzerland
Ichikawa
〒272-0001 Chiba, Ichikawa, Futamata, 717-30, Japan
Uravasu
〒279-0012 Chiba, Urayasu, Irifune, 1 Chome-5-2 5F, Japan

SECTION 2.0

Environmental Impact

We seek to implement sustainable business processes to assist us on our journey of lessening our environmental footprint. In 2022, we continued on our journey.

Based on the nature of the medical devices we create and the size of our company, our direct contribution to environmental impact is relatively small.

Key environmental highlights for 2022 include:

- **35% reduction** in energy intensity from 2019 to 2022
- **31% reduction** in GHG (Greenhouse Gases) intensity from 2019 to 2022
- One-time **49% reduction** (364,032 cubic ft.) of water usage
- **10.4 tons** of solid paper waste eliminated from products and business processes
- **18.3 tons** of plastic packing waste eliminated from products and business processes

CUSTOMER PERSPECTIVE



“Our goal as ophthalmologists should not just be to treat eye diseases, but to help our patients embrace all life has to offer.

By doing our part to adopt eco-friendly business practices, such as reducing our carbon footprint through the use of ICL implantable lenses, we help our patients maintain an active lifestyle, with healthy eyes, enabling them to enjoy the world around them.

Dr. Ignacio López-Marín Espigares
Ophthalmologist - Granada, Spain

Promoting an Environmentally Responsible Culture

Our ESG Committee and its sub-committee continued to coordinate and manage our activities around the world to reduce the company's environmental impact. The ESG sub-committee, comprised of employees located in Europe and Asia, is a cross-functional group that is responsible for engaging employees and identifying opportunities to implement environmentally friendly and sustainable practices. The sub-committee meets regularly to discuss new projects and report on the advancement of ongoing ones.

Key projects in 2022 include:

- **Solar PV panels activation** at (1) our primary manufacturing facility in Monrovia, (2) our precision manufacturing facility/corporate headquarters in Lake Forest, and (3) our Technology Center in Tustin
- Continuation of our **waste reduction efforts** through migration from paper to electronic and recyclable product packaging initiatives

Environmental Compliance

In 2021, we conducted a comprehensive review, with the help of a third-party environmental consultant, of the environmental regulatory responsibilities for our U.S.-based facilities in relation to a number of issues, including the handling of chemical substances, stormwater, industrial waste, water usage, and operating and maintaining our backup generators. In 2022, we implemented governance processes to proactively assure our compliance with applicable regulations. Functional leaders received reports with updates on the current and potential future environmental impact from operations of their function and the status of ongoing projects, where applicable.

Key environmental successes for 2022 include:

- Environmental regulatory inspections in 2022 turned up **zero infractions**
- All hazardous waste disposed by **certified vendors**

Operational Energy Use and Management

Energy Conservation

In 2022, we focused on delivering on energy efficiencies and conservation to reduce our environmental impact, and also to improve efficiency by reducing our cost of energy as a percentage of revenue. As we expect our business to continue to grow substantially, containing energy costs helps reduce our operating expenses while simultaneously reducing our dependency on external energy sources to positively impact business continuity.

Our facilities and engineering teams seek opportunities to make our production processes more productive while using fewer natural resources. To support making sensible business decisions that are environmentally conscious, we examine the inputs and impact of current and future projects. We evaluate opportunities to improve our energy efficiency through an annual analysis of current and proposed projects. This enables us to deploy best practices for energy conservation, where practical.

Key operational energy use and management highlights for 2022 include:

- **12% reduction** in energy intensity (kWh/\$1,000 USD of sales) from 2021
- **92,790 kWh** of renewable electricity energy delivered in 2022

Global Operations Energy Usage

The following table details energy usage in kilowatt hours (kWh) based on available data for each year. We use energy intensity as our key metric to track operational energy usage as our business continues to grow. We calculate energy intensity as the ratio of energy usage divided by \$1,000 sales in U.S. dollars.

As the data shows, our energy intensity continues to decrease, even while our energy usage increases due to business growth. And importantly, in 2022, our year-over-year energy intensity decreased 12% from 2021, continuing our successful effort to drive energy efficiencies at our facilities.

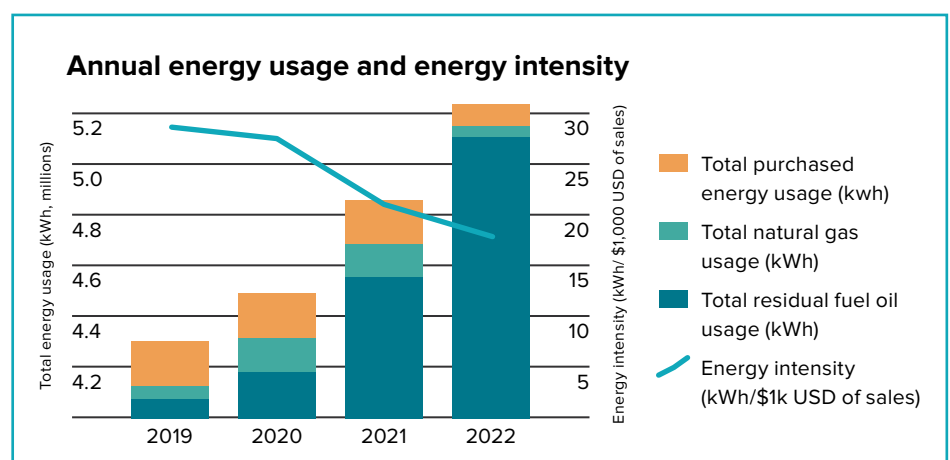
Metric	2019*	2020**	2021**	2022**
Total purchased electricity usage (kWh)	4,075,449	4,181,520	4,554,740	5,104,273
Total natural gas usage (kWh)	50,434	132,760	126,772	43,598
Total residual fuel oil usage (kWh)	175,538	175,538	175,538	83,205
Total propane usage (kWh)***	268	268	268	51840
Total energy usage (kWh)	4,301,689	4,490,086	4,857,050	5,282,917
Total net sales (\$USD rounded)	\$150,200,000	\$163,500,000	\$230,500,000	\$284,400,000
Energy intensity (kWh/\$1,000 USD of sales)	28.64	27.46	21.07	18.58
Y-O-Y energy intensity percent reduction		-4.12%	-23.27%	-11.82%

The following chart graphically represents the data in the previous table. Total energy usage (left axis) by energy type is represented by the bar graph, while the line graph overlay represents energy intensity (right axis). As the graph illustrates, when our production increased, our overall energy intensity continued to decrease, representing more efficient and effective use of energy in our global operational energy usage.

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

**2020, 2021, 2022 data includes the same facilities as 2019 plus Brügg, Switzerland.

***Propane use is estimated based on frequency of propane tank refill. Note that in 2022, more propane-fueled equipment was utilized to support our growth.



Renewable Energy

In 2022, we focused our renewable energy efforts in three Southern California Facilities: Lake Forest, Monrovia, and Tustin. We completed construction of our Precision Manufacturing Center of Excellence in Lake Forest. That facility complies with applicable local codes, including California's Title 24 Building Energy Efficiency Standard for new construction. We also completed construction of the renewable energy panels at our Lake Forest facility and just received approval to begin operations by the city at the end of April, 2023.

We completed construction at our Monrovia facility, and it also complies with applicable codes. The renewable energy solar panels will be ready for use in Monrovia by the end of 2023. According to the preliminary analysis of this multimillion-dollar investment, STAAR will decrease its energy consumption by about 40%, which will result in a first-year energy cost reduction of about 30%.

In the first quarter of 2022, the Tustin facility began operations by utilizing the solar PV panels that were installed in 2021. This facility generated a significant percentage of the energy it uses with only partial operation, delivering 92,790 kWh of electricity in 2022. To visualize the annual estimated energy savings of these PV installations, see the sidebar at right.

Climate and Greenhouse Gas Emissions

Climate Related Opportunities and Risk

Our cross-functional ESG committee continued their work to improve our analysis of potential climate change risks and to find ways to reduce the environmental impact of our business activities. Through materials source analysis and senior executive interviews as part of an enterprise risk assessment conducted in 2021 ("likelihood versus impact" results), we identified and assessed current and prospective future risks and our existing and potential future risk mitigation activities. This risk assessment process provides us with an opportunity to proactively address these risks and make positive changes to our operations.

Based on our materials sourcing evaluation, we determined that supply chain scarcity is not currently a serious concern for a majority of our business activities. Our greatest operational risk comes from potential earthquakes that could occur in the future near our facilities in California and Japan. Our decision to expand manufacturing capacity by restarting manufacturing at our Nidau facility—an active, ongoing project—plays a significant role in mitigating the risks related to our current sole-source manufacturing in Southern California. Once complete, this will give STAAR more manufacturing capacity, as well as the flexibility to move operations if necessary.

We are mindful that the Southern California region, where our primary activities are located, is also prone to drought. On a relative basis, our industrial processes do not require a lot of water. Still, we are aware that there are commercial risks associated with water scarcity that we need to monitor and address. Finally, we are mindful of the possible transition risks associated with climate legislation and how these could result in higher compliance costs for our company if rules or regulations change.

Additionally, our global ESG team finalized and circulated within STAAR "Guidelines for Planning Green Meetings" in October 2022. The main objectives of the Guidelines include spreading knowledge and encouraging employees to use environmentally friendly meeting and planning practices. Our LATAM team used the Guidelines to plan a distributor meeting, and leveraged the TRACE carbon footprint measuring tool to determine how much energy was used. For its 2022 Experts Meeting in Milan, our European team switched to a nearly entirely digital handout strategy. They used the Environmental Paper Network Paper Calculator to determine their estimations of the environmental impact of reducing the amount of paper used.

Facility PV installations have conserved, annually, the equivalent of...

 **2.3M miles**
driven by an average vehicle

 **1M lbs**
of coal burned (CO₂e)

 **15,000 trees**
worth of CO₂ sequester over 10 years

 **310 tons**
of waste diverted from landfill

 **100 homes**
equivalent CO₂ emissions from energy use

Supplier Climate Risk

Due to where our physical facilities are located, drought is considered the highest potential climate risk to our facilities. Fortunately, we use relatively little water in our manufacturing processes, and continue our water conservation efforts.

Consistent with TCFD standards, we decided to assess the potential climate risks to critical vendors in our supply chain as part of our business sustainability efforts. The Climate Risk committee engaged a third-party consulting firm to complete a study on the climate risk to our key suppliers. The third-party consultants assessed 19 supplier sites in three countries: USA, Dominican Republic, and the United Kingdom. Both physical and transition risks—including water stress, drought,

flooding, wildfire, extreme weather, GHG pricing, and Net Zero Targets—were assessed at these supplier sites in order to determine potential business disruption impacts such as:

- Increased costs to STAAR Surgical
- Supply chain interruptions
- Suppliers' costs

We plan to utilize the results of this study to prioritize corrective action plans for key suppliers with substantial business sustainability risks for us. These plans may include material, production, and physical impacts to supplier compliance with existing and emerging Net Zero emissions targets in various countries or regions.

Operational Greenhouse Gas Emissions

We carried out a Scope 1 and 2 Greenhouse Gas (GHG) emissions inventory as part of our environmental stewardship activities. Our Scope 1 and 2 GHG accounting is in accordance with the World Resources Institute's Greenhouse Gas Protocol, and the fundamental data set for our annual emissions tracking and GHG mitigation potential was established. As we assess our climate-related risks and opportunities, we will use our GHG inventory to guide our decisions. In prior years, we focused on implementing practices and policies to reduce our GHG footprint. We plan to continue doing so.

The table below reflects our GHG emissions (Scope 1 and Scope 2) based on available data for each year. We use GHG intensity as our key metric to track operational GHG emissions as our business continues to grow. We calculate GHG intensity as the ratio of energy usage divided by \$1,000 sales in U.S. dollars.

Key operational greenhouse gas emissions highlights for 2022 include:

- **4.58 GHG** emission intensity for 2022 illustrates a relatively **flatline GHG emission intensity** as revenue grew 23%
- **63.2 MTCO₂e GHG** emissions avoidance through the usage of our employee commuter charging stations

Metric	2019*	2020**	2021**	2022**
Gross direct (Scope 1) GHG emissions (MTCO ₂ e)	53.03	67.95	64.57	63.2
Indirect (Scope 2) GHG emissions (MTCO ₂ e)	948.64	951.33	945.07	1,238.58
Total GHG emissions (MTCO₂e)	1,001.66	1,019.28	1,009.64	1,301.78
Total net sales (\$USD rounded)*	\$150,200,000	\$163,500,000	\$230,500,000	\$284,400,000
GHG intensity (kg CO₂e/\$1,000 USD of sales)	6.67	6.23	4.38	4.58
Y-O-Y GHG intensity percent reduction		-6.60	-29.70	+4.570

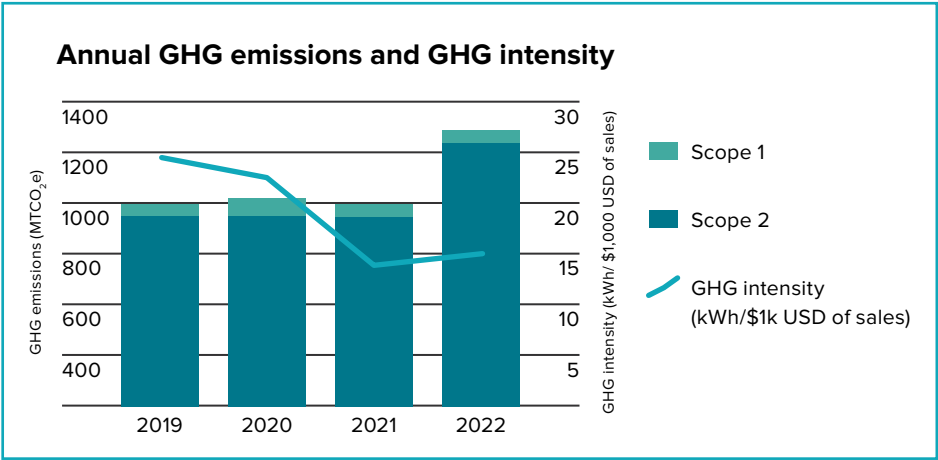
*2019 data includes US facilities (Monrovia, Lake Forest, Aliso Viejo, Tustin), Swiss facility (Nidau), and Japan facilities (Ichikawa and Urayasu)

**2020, 2021 and 2022 data includes the same facilities as 2019 plus Brugg, Switzerland

The chart at right graphically represents the data in the previous table.

GHG emissions in MTCO₂e (left axis) by Scope 1 and Scope 2 is represented by the bar graph, while the line graph overlay represents GHG intensity (right axis). As the graph illustrates, when production increased, our overall GHG intensity remained relatively stable—even while Scope 2 emissions increased due to an increase in overall production. The stable GHG intensity from 2021 to 2022 reflects our ability to manage our GHG emissions relative to our increase in revenue.

We designed our Precision Manufacturing Center of Excellence in Lake Forest, as well as the updates to our Monrovia facility, with utilization of renewable energy as a factor. We are continuing to look for ways to support the global transition to a low carbon economy.



Mobility and Commuting

In 2022, vehicle charging stations became available for electric vehicle drivers in our Tustin and Lake Forest facilities in order to promote the switch from fossil fuels and to reduce GHG emissions from employee commuting. **A summary of the GHG savings impact is highlighted at right.**

	Monthly average	Totals	MTCO ₂ e Savings
GHG savings (kg)	1,026.30	12,316.00	-32.7
Gasoline saved (gal)	306.75	3,681.00	
Charging hours (hrs)	484.01	5,808.10	

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>

Fleet Management

In 2022, our Swiss team purchased our first electric vehicle for transport needs that were previously handled with a gas-powered vehicle. This seemingly simple change will reduce our Scope 1 direct emissions from transportation. In 2023, as vehicles come off their leases, we intend to replace them with zero-carbon vehicles.

Our typical delivery vehicle travels 13,800 kilometers per year. This eliminates approximately 484 gallons of gasoline per year. **See sidebar to visualize the savings.**



Estimated energy savings from our new electric vehicles...

- 4.8K lbs**
of coal burned (CO₂e)
- 71 trees**
worth of CO₂ sequester over 10 years
- 1.5 tons**
of waste diverted from landfill
- .542 homes**
equivalent CO₂ emissions from energy use

*GHG Calculations from: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Waste Management

One area of key environmental impact that we are continuing to focus on is waste management. In 2021, our Monrovia facility introduced the neutralization/cleaning process, which allowed us to recycle our glass containers that had previously been discarded. Additionally, our Switzerland facilities now utilize reusable lab coats and shoe coverings, eliminating disposable waste. While these programs continue, we were able to deliver on key initiatives.

Key waste management highlights for 2022 include:

- **Zero** waste and environmental compliance issues
- **20,744 pounds** (10.372 short tons) of paper and cardboard packing waste eliminated
- **36,583 pounds** (18.292 short tons) of plastic product packaging with recyclable materials

Hazardous Waste Disposal

We monitor our hazardous trash and electronic waste streams. In accordance with the California Electronic Trash Recycling Act of 2003 (SB 20), we continue to work with our information technology (IT) department to manage electronic trash and to cooperate with vendors for proper management, disposal, and recyclability. In accordance with regulatory approvals, authorized vendors transport our hazardous waste to a facility for treatment, storage, and disposal.

As the table shows, the total in our hazardous waste generated in 2022 increased by 2.31 % over 2021, while attaining a year-over-year revenue growth of 23%. This demonstrates the success of our recycling hazardous waste management approaches.

In 2022, we had zero occurrences of waste and environmental non-compliance.

Metric	2020	2021	2022
Total hazardous waste generated (tons)*	20.05	33.79	34.57

*U.S. data

Paper to Electronic

As part of our commitment to appropriate waste management practices, 2022 saw a substantial increase in our use of electronic documents, resulting in significant paper waste reduction globally. This reduction is attributed to:

- Transition to electronic Direction for Use documentation in many countries around the world, where permitted (ongoing)
- E-Invoicing migration (Phase 1, the removal of duplicate copies, completed)
- E-Prints of our most-frequently requested scientific material (Dr. Packer FDA study review) sent to customers (ongoing)
- Processing electronic payments (ongoing)
- Providing customers with emailed statements (completed)
- Implementation of electronic expense reporting (completed)



from eDFUs
16,525 lbs
of paper saved in 2022

We are migrating to electronic Directions for Use (eDFU) in markets where eDFU are allowed. Our packaging contains the ISO symbol with our eDFU website address where customers can access the appropriate eDFU. We have transitioned Japan, Malaysia, Saudi Arabia, and Singapore to eDFU and are targeting Hong Kong, Taiwan, and Egypt for transition next.

Alongside our commitment to the eDFU global initiative, our electronic complaint handling and electronic purchase orders continue to reduce the company's paper usage. Phase 1 of our electronic invoicing project was completed in 2022 (which eliminated duplicate copies). We also migrated our e-print packer documentation into electronic form as part of our migration to customer email statements. The following table shows the documented actual impact of our paper waste reduction efforts in 2022 to date.

	eDFU	E-Prints Packer FDA Study	Phase 1 e-invoicing	Total paper waste eliminated
Quantity reduced (U.S. short tons)*	8.2625	0.03	0.582	8.8745
Wood saved (U.S. short tons)*	33	0.1	2.3	35.4
Total energy saved (million BTUs)*	211	0.8	14.8	226.60
GHG reduction (lbs of CO ₂ equivalent)*	149,000	539	10,500	160,039
Water reduction (gallons)*	177,000	642	12,500	190,142
Solid waste eliminated (lbs)*	9,730	35.3	685	10,450.3

*Based on the [Environmental Paper Network Paper Calculator](#)

Product and Product Packaging

In 2022, we continued our use of reusable packaging shippers to reduce usage of virgin raw materials in our packaging process to end users. The improved packaging made it easier for our customers to break down and recycle the packaging. The following table shows the documented actual impact of our product and product packaging waste reduction efforts in 2022 by utilizing recycled corrugated shipping boxes and converting to recycled paper protective wrap from plastic bubble wrap.

	Corrugated shipping boxes**	Plastic to paper protective wrap pack***
Quantity reduced (U.S. lbs)*	2,955	36,583
Wood saved (U.S. short tons)*	0*	0
Total energy saved (million BTUs)	20.1	105.4
GHG reduction (lbs of CO ₂ equivalent)	6,360	297,707
Water reduction (gallons)	17,600	18,290 - 36,580
Solid waste eliminated (lbs)	540	36,583

*Made from recycled product, saving 6.0 U.S. Short tons of wood if we used virgin materials

**Based on the [Environmental Paper Network Paper Calculator](#)

*** "Waste Reduction Model (WARM) Version 15," U.S. Environmental Protection Agency, 2021. [Online]. Accessed: 09-May-2023

2023 electronic workflow initiatives

To continue our momentum with these waste management efforts, STAAR plans to incorporate the following activities in 2023:

- Electronically invoicing our customers (Phase 2)
- Electronic Work Order Kiosks (EWOK) for ICL production facilities

In 2023, we began implementation of electronic work order kiosks (EWOK) for ICL's production facilities. The program eliminates the need for paper work orders. We estimate the elimination of approximately 1,000,000 pages in 2023.

With the completion of our Phase 2 electronic invoicing migration, we expect to save an additional 116,300 pages in 2023, the equivalent of:

 **4.6 tons**
of paper saved

 **1.1M**
sheets of paper

 **29M**
BTUs of energy

 **10.25 tons**
of CO₂e

 **24,400**
gallons of water

GHG Calculation from: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Water Usage

STAAR has made progress in comprehending both our water footprint and the effects that water availability risk may have on our business operations. Our manufacturing and primary facilities' water supply sources were evaluated in 2020. While most of the water we use comes from local suppliers, in some cases, it must travel across watersheds before it reaches our faucets. We continue to be careful and sensible with how much water we use, especially in regions with severe water shortages, like Southern California.

The table below details the water risk for each of our major locations based on the Water Resource Institute (WRI) Aqueduct Tool Database.

Facility	Water Source	Water Risk*
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

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

We seek to incorporate water-saving and water stewardship methods into our daily operations as we continue to build on our current projects. We strive to stay informed about the areas with scarce water supplies to help ensure that we are doing our part to conserve one of our most precious resources. The table below highlights a reduction of 364,032 cubic ft of water withdrawal from 2021. We were able to significantly reduce our total water withdrawal in 2022 by identifying and reporting a leak in the irrigation system to the landlord, resulting in substantial water savings.

Metric	2021	2022
Estimated* total water withdrawn** (cubic feet)	761,152 ft ³	397,120 ft ³
Percentage of locations** in high or extremely high water risk	57%	57%
Number of incidents of water-related non-compliance	1	0

*Water usage, not able to be directly obtained from meter reading on utility billing, was estimated.

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

SECTION 3.0

Employee Well-Being, Diversity, Equity, and Inclusion

At STAAR Surgical, we prioritize the safety and well-being of our employees as part of our effort to provide them with a secure and healthy workplace where they can pursue their professional goals and contribute to the growth of our company. We understand that diversity, equity, and inclusion are keys to our success, and we strive to incorporate the unique perspectives of all our employees in every aspect of our business. Our team of dedicated STAARs is essential to our ability to deliver exceptional quality products to our surgeon customers and their patients. Without them, we would not be where we are today.

Key employee well-being, diversity, equity, and inclusion highlights for 2022 include:

- Announced our **seven** corporate values for STAAR Surgical
- **146% increase** in employee well-being training, including Hazard Communication, Right-to-Know, and Bloodborne Pathogen topics
- **Six** new employee cultural diversity, equity, and inclusion events held

STAAR INSIGHT



“We recognize that our success is not just measured by financial performance, but also by our impact on society and the environment. By prioritizing employee well-being, diversity, equity, and inclusion, we create a more engaged and productive workforce that drives our success.”

Bill Goodman
VP Global Human Resources

Corporate Values

Corporate values are the guiding principles that shape a company's culture, decision-making, and behavior. Corporate values help build a strong organizational culture, attract and retain top talent, and drive business success.

We recently established seven corporate values that reflect our commitment to creating a positive work environment, fostering employee engagement, and driving business growth based on our shared commitment to STAAR's Mission. These values are:



EMPOWERED

We encourage and enable those closest to the activity, through agreed processes and procedures, to make decisions to satisfy internal and external customers.



INTEGRITY

We are honest and operate through strong moral principles.



HIGH SPEED OF EXECUTION

We act urgently, we don't let perfect be the enemy of good enough, and we aren't afraid to fail.



ACCOUNTABLE

We do what we say we are going to do and take responsibility for our actions.



RESPECTFUL

We appreciate and listen to everyone's input.



GLOBAL MINDSET

We consider all geographies and cultures in our plans, processes, and actions.



FUN

We choose a positive, sometime humorous, attitude every day.

Occupational Health and Safety

The health, safety, and well-being of our employees is a top priority. To keep pace with our business growth, we added approximately 178 employees in 2022. We promote a culture of health and safety by providing all new hires with mandatory training that aligns with our internal health and safety policies. We conduct refresher training and emergency response drills, and plan for business continuity with all on-site employees.

Our Health and Safety Committee, comprised of 26 managers and employees from various departments in our Southern California facilities, meets monthly to promote employee engagement in safety. Our goal is to avoid accidents and create a culture of safety. We conduct quarterly facility inspections and document our findings in our Computerized Maintenance Management System (CMMS). We develop recommended corrective action plans and track completion and approval in our CMMS. Additionally, we review workplace accidents and conduct investigations to identify and correct root causes. Our engagement with our broader 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 feedback in a manner that promotes a strong safety culture. This approach encourages feedback, which allows for the expression of safety concerns and sharing of learnings to improve our safety policies, programs, and overall safety culture. Our annual employee performance evaluations include an assessment of how employees support and follow safe and healthy work practices.

To assess the effectiveness of our program and training, we monitor our health and safety metrics. In 2022, our Total Recordable Incident Rate (TRIR) and Days Away, Restricted, or Transferred (DART) were both 2.37. Although the Bureau of Labor Statistics industry data for 2022 is not yet available, our metrics for 2021 and 2022 were below the industry average, which is a positive, as indicated in the table below. Our health and safety metrics demonstrate that our employees are knowledgeable about safe work practices, and are taking the necessary measures to maintain a secure working environment.

Metric*	2021	2022*
Total Recordable Incident Rate (TRIR)	1.30	2.37
BLS industry average TRIR*** (external source)	2.1	N/A
Days Away, Restricted, or Transferred (DART)	1.30	2.15
BLS industry average DART*** (external source)	1.4	N/A
Injuries	5	11
Hours worked	769,075	928,882

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 57% which is better than our target of being under 100%, and also better-than-average injury experience of our industry.*

*In California, EMR stands for Experience Modification Rate, which is a rate factor given to eligible employers annually by comparing their 3-year loss experience to the average for employers in the same classification. This is part of California's workers' compensation experience rating system, which is intended to provide employers with a financial incentive to reduce workplace injuries and illness. EMR is used by insurance firms to price the cost of workers' compensation premiums. Any rating under 100% qualifies a company for discounted premiums.

*U.S. data

**Internal review indicates the increase in TRIR and DART in 2022 is due to the rapid hiring and increase in hours worked (21% increase in hours) combined with limited outlier cases, which skewed overall results.

***The use of industry benchmarks is important to measure our performance. We are currently working with our broker on these particular positions to lower our DART rate.

CUSTOMER PERSPECTIVE



I started wearing glasses at the age of 7 and by the age of 25, my eyesight was so bad I could not drive at night.

I would fumble around to find glasses in the middle of the night to feed a screaming baby. It was completely debilitating not being able to see and I was dependent on glasses or contacts. When I found out about EVO, I immediately wanted to know more. I jumped at the opportunity. When the first lens was put into my eye, I had tears of joy. Driving home after the procedure I remember being able to see for miles and miles up on the rolling foothills. I can now see the hikers on the mountain behind my house. I can drive to and from dinners at night and now comfort my children when they have nightmares at night without any hesitation. I am free now and forever grateful for EVO ICL."

Lauren Sunderland
EVO ICL Patient, Colorado

Talent Engagement and Retention

We invest in the growth and development of our employees by offering various professional development and training opportunities. In addition, we conduct employee satisfaction and engagement surveys to assess the well-being of our employees and identify areas where we can improve as a company. These surveys serve as a crucial feedback mechanism to gauge the productivity and motivation of our employees, whose input we value in shaping our company culture.

Employee Training

For 2022, we made enhancements to our mandatory employee conduct training for all new U.S. employees. Our employees are now required to complete Hazard Communication, Right-to-Know, and Bloodborne Pathogen training via online training. We also provide training to emphasize our commitment to an open and welcoming workplace. This includes training about anti-harassment; Diversity, Equity, and Inclusion; our [Code of Business Conduct and Ethics](#); and our Human and Workforce Rights Policy. Our goal is to ensure that our employees are well-equipped with the necessary knowledge and skills to maintain a safe and inclusive work environment. We are committed to complying with evolving Occupational Safety and Health Administration (OSHA) and local standards and regulations to protect our employees and provide them with the best possible training resources.

Courses	2021 hours of training*	2021 percent of employees assigned**	2022 hours of training*	2022 percent of employees assigned**	% change in training hours
<i>Hazard Communications</i>	74	100%	89	100%**	+20%
<i>Bloodborne Pathogens and MRSA (U.S.)</i>	74	100%	89	100%**	+20%
<i>U.S. Code of Conduct Training Participation</i>	178	88%	216	100%**	+21%
<i>U.S. Avoiding Insider Training Participation</i>	92	93%	216	100%	+135%
<i>Accounting Irregularities: Sometimes you need to speak up Training Participation</i>	18	87%	54	100%	+200%
<i>Preventing Discrimination and Harassment for Employees (California) Training Participation</i>	77	63%**	431	100%**	+460%
<i>Preventing Discrimination and Harassment for Managers (California) Training Participation</i>	20	91%**	218	100%**	+990%

*Data is for U.S. employees.

**2021 and 2022 percent of employees applies to new hires, not all employees.

Employee Benefits

Beyond 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 Health Savings Accounts and wellness programs
- Health Fair
- Annual on-site flu vaccinations
- Employee Assistance Program (EAP)
- On-site gym at our Lake Forest and Monrovia (Royal Oaks) locations
- Disability and life insurance
- Legal services
- Training/Development/Certification Reimbursement Vacation, holidays, sick time, bereavement, and jury duty
- Three annual floating holidays

In fiscal year 2022, our overall turnover rate in the U.S. was approximately 13%, which is below the medical device industry's overall turnover rate of approximately 18.8%. We take pride in the culture we have established at STAAR, and we strive to recruit and hire employees who reflect the communities where we operate. Our below-industry-average turnover rate is a testament to our corporate culture, our effective recruitment and hiring practices, and our ability to offer a motivational work environment that fosters strong employee retention.

Metric*	2021	2022
Employee turnover rate	9%	11%**
Industry average employee turnover rate*** (external source)	18.5%	23.7%
Average hours of training per year per employee	12.5	13.1
Employees receiving regular performance and career development reviews	All employees receive annual performance feedback	All employees receive annual performance feedback

*U.S. data

** Internal review indicates the increase in employee turnover in 2022 is primarily due to the competitive nature of the entry-level employee market in the U.S. To help alleviate this, we decreased the employee trial period from 90 to 30 days, moving productive employees to permanent employee status and out of temporary employee status sooner.

*** Aon Radford Salary Increase and Turnover Study - Second Edition Refresh (Medical Devices).

Diversity and Equal Opportunity

STAAR Surgical is proud to be a diverse company, with a global presence spanning over 75 countries. Our team is made up of individuals from various ethnicities and backgrounds, hailing from all parts of the world. We strongly believe that our diversity is a contributor to our success.

Key diversity metrics for 2022 include:

- Approximately **50/50 equality split** in male and female employee population
- **86% of employees** from underrepresented populations
- **50% of board members** are female with **33%** of the board from underrepresented populations

Metric*	2021	2022
Percentage of male employees	48%	49%
Percentage of female employees	52%	51%
Percentage of employees from underrepresented* populations**	81%	86%
Board diversity	43% female; 29% from underrepresented populations	50% female; 33% from underrepresented populations
Board member age	Average age is 60 years old	Average age is 58 years old
Board member tenure	Average tenure is 4 years	Average tenure is 3.5 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.

**U.S. Data; note that in some regions, ethnicity is not captured.

In 2022, our Diversity, Equity, and Inclusion Committee completed its first full year of operation. Comprised of a diverse group of STAAR employees, the committee charter is dedicated to recognizing and celebrating the diversity of our workforce.

Celebrating Diversity

As part of our commitment to promoting diversity, equity, and inclusion in the workplace, we recognize and celebrate various holidays and cultural events throughout the year. These celebrations provide an opportunity for our employees to share and educate others on their important cultural aspects, fostering an environment of collaboration and understanding. In 2022, we celebrated a range of events, including the Lunar New Year, Black History Month, Pride Month, Juneteenth, Hispanic Heritage Month, Mid-Autumn Festival, Jewish High Holy Days, and Diwali. By celebrating our differences and common interests, we aim to unite and build a more inclusive workplace. Three of these events are highlighted below.



STAAR's Diversity, Equity, and Inclusion Committee

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.

Celebrating Hispanic Heritage Month

Hispanic Heritage Month is a 30-day observance that celebrates the history, culture, and contributions of Hispanic-Americans, including those who originate from Spain, Mexico, the Caribbean, and Central and South America. The observance began as Hispanic Heritage Week, which was signed into United States law in 1968, and was later expanded to 30 days in 1988. The celebrations begin annually on September 15 and end on October 15, which includes the Independence days for several Latin American countries such as El Salvador, Guatemala, Costa Rica, Nicaragua, Honduras, Mexico, and Chile. The celebrations include festivals, art shows, conferences, community gatherings, and much more.

STAAR INSIGHTS: CELEBRATING WHAT HISPANIC HERITAGE MONTH MEANS TO US



“During Hispanic Heritage Month, we celebrate the beauty of our culture, traditions, food, and family, while simultaneously honoring our contributions to the American experience. I'm grateful for my grandparents for bringing our family to the U.S. and for their legacy that lives on through our family's traditions, especially my grandma's cooking, which will always be the best!”

Monique Barriga
Customer Service Support Spc., USA



“September is celebrated as Independence Day by many Latin American countries and is a time to celebrate our roots and culture. As a Central American, I treasure my culture and values inherited from my parents and take pride in passing them on to my children so that they never forget their heritage and foundational belief in God and family.”

René Talavera
Product Lead Technician, USA

Celebrating Mid-Autumn Festival

The Mid-Autumn Festival, also known as the Moon Festival or Harvest Moon Festival, is a widely celebrated holiday across Asian cultures in China, Japan, Vietnam, Korea, and other East and Southeast Asian countries. It is observed on the 15th day of the 8th month of the lunar calendar with a full moon at night. The festival is a time for family and friends to gather, give thanks for their harvest, and pay respect to ancestors by presenting food on altars and temples. Traditional customs include customary food, such as mooncakes, which are considered a symbol of happiness. It is the second most important festival in China after Chinese New Year.

STAAR INSIGHTS: CELEBRATING WHAT MID-AUTUMN FESTIVAL MEANS TO US



“What this festival means to my family is to get together, share mooncake and make best wishes. I remember when I was 15 years old, my dad put mooncakes in one plate and took me with him to the roof of our house. He said mooncake is for the moon, to express our worship to the moon.”

Zhao Xiaofei (Daniel)
Medical Communications and Training Manager, China



“Mid-Autumn Moon is a traditional Japanese event where we appreciate the harvest of the year and the moon. It is called 'otsukimi' (moon viewing). People decorate their homes with dumplings, pampas grass, and autumn crops. Although it is not a festival, it is a way to show appreciation for the harvest and enjoy the beauty of the moon, and a reminder of the importance of gratitude and appreciation for nature's bounty.”

Kayoko Ishii
Marketing Specialist, ICL Business Unit, Japan

Celebrating Diwali

Diwali is an annual Hindu festival that celebrates new beginnings, triumphs of good over evil, and the welcoming of the Hindu New Year. It is also known as the “festival of lights” and is celebrated for five days in India and Indian communities worldwide. The celebrations include lighting lamps, home decoration, shopping, fireworks, prayers, feasts, gift-giving, and distributing sweets to family and friends. One of the traditions is performing worship ceremonies of Lakshmi, the goddess of prosperity and wealth. In 2022, Diwali was observed on October 24th.

Diversity Training

In 2022, we partnered with a third-party online training provider, to provide diversity and harassment prevention training courses for our employees. Our mandatory courses include *Shutting Down Cyber Bullying in the Workplace*, and *Leadership for New and Future Supervisors*, among others. Additionally, all our employees complete bi-annual harassment prevention refresher training, which will be assigned again in 2023. Our goal is to foster a more inclusive workplace and to create an atmosphere where everyone is treated with respect and fairness, regardless of their identity. We believe that these training courses, along with follow-up conversations, will help us continue the progress we have made. Moreover, respect is one of our corporate values and we remind employees to live our values.

Human Rights

Fostering human rights takes many forms at STAAR, and is reflected in our policies and initiatives in areas that include workplace inclusion, employee safety, supplier engagement, [Affirmative Action and Equal Opportunity Policy Statement](#), and our [Code of Business Conduct and Ethics](#).

Policy Commitment

Upholding ethics, integrity, and compliance with all applicable laws and regulations is expected of all employees, as outlined in our [Code of Business Conduct and Ethics](#). Similarly, our Supplier Code of Conduct outlines the expectations we have for our suppliers to uphold similar standards.

Our [Human and Workforce Rights Policy](#) outlines our commitment to respecting international human rights principles, including the *International Labor Organization Declaration on Fundamental Principles and Rights at Work*.

Grievance Mechanisms

Here at STAAR, we hold ourselves to high standards of business ethics and integrity. We are committed to complying with all laws that affect our business, and ensuring that our employees do the same. To help maintain compliance, we have established an [Employee Compliance Hotline](#) that is available to all employees globally. This hotline is designed to allow employees to report any suspected violations of laws, rules, or regulations, as well as any conduct that might involve illegality or other violations of [STAAR Policies and Procedures](#). We require all employees to report any suspected violations to their supervisor, a member of the company's legal department, or through the hotline. By adhering to our [Code of Business Conduct and Ethics](#), we can ensure that we are conducting business with integrity, honesty and ethically.

STAAR INSIGHT: CELEBRATING DIWALI



“During Diwali, we spend time with family and friends shopping, praying, exchanging gifts, and feasting on delicious food. At STAAR India, we start preparing sweet/chocolate boxes in early October to distribute and express our gratitude. It's a joyous occasion that brings us closer together.”

Deepak Makol
Country Manager, India

Our company has implemented an Affirmative Action and Equal Opportunity Policy Statement, which confirms that we are an equal opportunity employer. We hire, train, promote, compensate, and take all other employment actions without discrimination based on gender identity, race, color, religion, national origin, ancestry, age, sexual orientation, marital or family status, disability, 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.

SPOTLIGHT

STAAR Employees with EVO ICL Visual Freedom

At STAAR, we believe that our mission of providing Visual Freedom is not only reflected in our innovative implantable Collamer® lens (EVO ICL), but also in the people who make it possible. The EVO ICL is a game-changer, freeing people from traditional contact lenses and glasses. With a quick recovery time and UV protection, it provides clear, sharp vision and is not visible once implanted^{1,2}. Our employees embody this mission and we are proud to share some of their real-life stories!

1. Packer M. The Implantable Collamer Lens with a central port: review of the literature. *Clinical ophthalmology* (Auckland, NZ). 2018;12:2427-38.

2. Martínez-Plaza E, López-Miguel A, López-De-La Rosa A, et al. Effect of the EVO+ Vision Phakic Implantable Collamer Lens on Visual Performance and Quality of Vision and Life. *Am J Ophthalmol* 2021;226:117-125.



“I have a passion for travel, but wearing glasses for 15 years has caused me to miss many beautiful moments. Having the EVO ICL surgery in 2021, before joining STAAR, I was impressed with how safe it was and didn't damage my eyes. After the surgery, the world became much clearer with much beauty that I had never seen before. Without glasses, I am more confident interacting with people and have the courage to try different things.”

Yang Jianjia
Digital Marketing Specialist, China



“I've worn glasses and contacts since a young age, but the life-changing moment happened 6 years ago when I got EVO ICLs. Not only has it given me visual freedom, but it also helps reduce my environmental footprint compared to continuing to wear glasses and contacts. Being able to wake up and go is a blessing.”

Jay Ng
Senior Manager, Global Digital Marketing, USA



“ICL was my salvation 10 years ago. I had been wearing contact lenses since I was 13, and had seriously damaged my cornea. At the time, I didn't realize that I would someday join STAAR Surgical. I am now 10 years since the surgery and ICL brought me more confidence than I ever thought possible. More importantly, it brought me the possibility to live a different way of life.”

Xu He (Melody)
Digital Marketing Senior Specialist, China

SECTION 4.0

Philanthropy and Community Service

Our Philanthropic and Community Service programs enable us to help the communities where we work and live, and also support non-profit organizations important to our employees. Our programs include financial donations, in-kind donations, and employee volunteer programs, which allow our employees to give back to their communities. By offering employee volunteer programs and supporting charitable causes that are important to our employees, we demonstrate our commitment to serving as a responsible corporate citizen.

Philanthropy and community service highlights for 2022 include:

- **\$200,000** in total financial donations in 2022, approximately \$225/employee
- **170% increase** in employee volunteerism
- Over **72,000 meals** donated in our Southern California communities with the launch of our Employee Charitable Matching program in fall of 2022

Commitment to Visual Freedom

We are committed to serving our local communities. In 2022, we were proud to expand our partnership with Beyond Blindness through both financial contributions and volunteerism. Beyond Blindness is an organization that provides therapy, education, enrichment, and support to children with visual impairments, as well as to their families. In 2022, STAAR employees volunteered and participated in seven Beyond Blindness events, contributing a total of 405 volunteer hours.

STAAR INSIGHT



“I have really enjoyed volunteering, engaging with Beyond Blindness clients, fellow volunteers, and employees at Beyond Blindness events during 2022, and look forward to continuing to support them in 2023. I am very happy that STAAR makes these opportunities available for employees to help others in our community.”

Mychal Ferguson
Executive Assistant

CUSTOMER PERSPECTIVE



I'm very happy with my EVO ICL procedure!

As an optometrist, I'm very cautious of refractive surgery and the new EVO ICL has shown great data in efficacy and safety. I am also very active—I run, teach yoga, play beach volleyball, and enjoy hiking and being outdoors. Not having to deal with glasses and contacts anymore for my activities has been a game changer; I don't have to worry about my contact lenses getting dry after 16+ hours of wear anymore. It's been really great.”

Dr. Stephanie Tran
O.D., California

(Note: Ophthalmology is a family business for Dr. Tran. Her father, ophthalmologist Dr. Dan Tran, implanted the lenses for his daughter)

STAARs volunteering at Beyond Blindness

Over thirty STAAR employees participated in a volunteer event at Beyond Blindness's Royal Oaks facility. Activities included:



Typing Braille translations of children's books



Assembling items for an upcoming Beyond Blindness Family event



◀ A group of STAARs translating printed books into Braille



▶ A STAAR helping to create texture panel materials



◀ A group of STAARs creating more texture panels



▶ A Beyond Blindness child interacting with STAARs-created texture panels.

STAARs Getting Spooky at Beyond Blindness Family Enrichment Event

On October 26th, Beyond Blindness hosted its yearly family enrichment event at Pretend City Children's Museum. Our STAAR volunteers help with setting up tactile Halloween projects with the kids, serving dinner, and clean up.



◀ STAARs getting things ready to go

▶ Helping kids enjoy Halloween



◀ A group of STAARs all dressed up and ready for a Spooktacular time with the kids



▶ A STAAR helping with crafts





STAAR continued our ongoing sponsorship of this event through our Visionary Sponsorship contribution (the second highest level of sponsorship). STAAR volunteers spent the day assisting golfers and managing operational elements of the event in order to make this day a success.

◀ A group of STAARs volunteers helping the golf event to run smoothly

Dr. Frank Villalobos Fundraising for Beyond Blindness

The Dr. Frank Villalobos Fall Golf Classic, held in October 2022, is a major financial fundraiser for Beyond Blindness. The event honors the contribution of Dr. Frank Villalobos in his mission to empower children with visual impairments and provide them with the right tools to overcome any obstacle. The event raised over \$132,000 towards their mission.



◀ Jackets and coats available for the Swiss winters

▶ Various clothing and accessories available



STAARs Switzerland Clothing Exchange

An employee clothing exchange for business attire and casual wear is a great way to reduce clothing waste in our landfills. Our STAARs in Switzerland organized an event where employees brought in their gently used attire and made them available to fellow employees and guests as "new-to-them" pieces. This event reduces the amount of textile waste that ends up in landfills, and increases employee awareness about reducing waste. By donating or exchanging clothes, our employees extend the life of their clothes and reduce the environmental impact of discarded clothing. All items not exchanged were donated to local charities to support the community.



◀▶ Preparing the distribution of socks to Ukrainian refugees



▶ The STAAR Surgical EVO socks



Buy One, Give One Sock Campaign

As part of our efforts to help people in need, we worked with [Stand4socks](#), a UK non-profit, to design an EVO branded sock for purchase. We have begun providing these to customers as a way to message and promote sustainability, while supporting a charitable cause. For every pair purchased, a non-branded heavy-duty pair of socks is donated to a needy organization. In 2022, we elected to provide these "give one" socks to Ukrainian refugees through the organization "[From Bristol with love to Ukraine](#)."

Employee Charitable Matching Program

To encourage our employees to contribute to causes that are important to them and their individual communities, we launched an employee Charitable Matching Program. Under the Program, STAAR supports the philanthropic efforts of our employees by matching—dollar for dollar—every dollar that an employee contributes to a charitable organization that the employee feels passionately about. During the fall and winter holiday season in Southern California, through our sponsored matching fundraising program for the Orange County Food Bank and the Los Angeles County Food Bank, we raised a total of over \$18,000, the equivalent of more than 72,000 meals!

How the Matching Program Works

When a STAAR employee makes a direct donation to a qualified, non-profit organization of their choice through the STAAR Charitable Matching Program, STAAR helps them make an even bigger impact by matching their contribution 1:1 to that eligible charitable organization. For example, if an employee donates \$100 to a qualified charitable organization such as UNICEF, then STAAR matches the donation and will also donate \$100 to UNICEF (totaling \$200 in donations). STAAR will match each employee's qualified donation up to \$5,000 per employee, per year.

Employee Engagement

As we continue to expand our philanthropic and community service programs, we will track both financial contributions and employee donated time. Our sponsored events saw a 170% increase in volunteer hours over 2021, with the total number of volunteers more than doubling in 2022.

In 2023, our Employee Charitable Matching program will be available to all employees in all locations, based on the requirements in the Employee Charitable Matching program section.

Metric*	2021	2022
Number of employees who volunteered for Beyond Blindness	38	79
Number of employee volunteer hours to support Beyond Blindness	150 hours	405 hours
Number of charitable organizations supported through financial contributions	6	6

*Global data

Our Corporate Partners and Sponsorships

We are proud supporters of the ASCRS Foundation, International Society of Refractive Surgery (ISRS), the International Council of Ophthalmology (ICO), Ophthalmic World Leaders (OWL), and Beyond Blindness.

During 2022, we partnered with Salus University to expand Project MyVision, which provides ICL surgery to patients in need. We further expanded this initiative to include a clinic in Peru, bringing Visual Freedom to the economically disadvantaged.

In addition to our support for vision foundations and organizations, our corporate charitable giving program allows us to make investments in social betterment. In 2022, we contributed to several non-profit organizations to support children and their families who suffer from visual impairments, and to provide ICL surgeries to those who need them. We also support other organizations, foundations, and councils that provide resources to those who need vision care.

QUALIFICATION FOR CHARITABLE ORGANIZATION

- Must be a qualified, non-profit charitable organization (in the U.S., with 501(c)(3) tax designation, and internationally with similar tax-exempt status).
- Organizations that discriminate based on race, religion, creed, gender, gender identity and/or expression, sexual orientation, age, disability, or national origin are ineligible.
- Donations that will benefit a particular individual(s) (including requests to non-profit charitable organizations directly or indirectly for the benefit of current or prospective customers) are ineligible.

WE ARE PROUD SUPPORTERS OF THE FOLLOWING ORGANIZATIONS:



IN 2022, STAAR CONTRIBUTED TO THE FOLLOWING NON-PROFIT ORGANIZATIONS:

- LA & Orange County Food Banks
- Salus University Looking Out for Kids
- OC Firefighters Fund
- ASCRS Foundation
- Beyond Blindness
- Stand4Socks

SECTION 5.0

Corporate Ethics, Responsibility, and Governance

Board Governance

At STAAR Surgical, we have established charter documents and guidelines on significant corporate governance issues to ensure that we act in the best interest of our internal and external stakeholders. For more information on these guidelines and additional corporate governance policies, please visit our [Investor Relations webpage](#) or refer to our most recent [Proxy Statement](#).

Our board currently consists of six directors. We have three committees to inform and educate the full board on particular areas of concern.

Audit Committee

Provides oversight of the financial reporting process, the audit process, STAAR's system of internal controls, risk mitigation including cybersecurity, and compliance with laws and regulations

Compensation Committee

Reviews and approves the compensation of STAAR's CEO and other executive officers as well as human capital management

Nominating and Governance Committee

Evaluates STAAR's board of directors, recommends appointment of directors, establishes the skills and characteristics required of board candidates, performs board evaluations, and oversees corporate governance principles, and also oversees environmental/sustainability matters



“As CFO, it is crucial to comprehend the regulatory environment and ensure the company's compliance with relevant laws and regulations. Prioritizing ESG governance creates a culture of ethical and responsible business practices, mitigates risks, and safeguards the company's reputation.”

Patrick F. Williams
CFO

Leadership and Board Oversight of ESG Issues

Three committees continue to lead ESG efforts and meet regularly to review progress on ESG initiatives and consistently report to the ESG Steering Committee:



ESG Steering Committee

A global, cross-functional team. The committee meets regularly to review progress on our key ESG initiatives and to 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.



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. Members of management provide regular updates to the Board and its committees on our significant ESG activities, including the risks and opportunities they present.

In 2022, we added a Climate Risk Committee, which supplements the continuing efforts of our ESG Steering Committee, our ESG Sub-Committee in Switzerland, and our Diversity, Equity, and Inclusion Committee. These committees, working alongside our operational Device Safety Committee and Health and Safety Committee, continue to take steps to ensure that STAAR continues to deliver innovative solutions that meet the needs of our customers while upholding our commitments to quality, responsibility, and sustainability.

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 six-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 67 years old.





Business Ethics and Ethical Marketing Practices

At STAAR, we prioritize adherence to ethical business conduct by aligning our values with strong ethics, integrity, and compliance. Our goal is to maintain positive relationships with our healthcare customers while supporting them with educational information related to our medical devices and ophthalmology intended to improve patient care. All employees are required to comply with our [Code of Business Conduct and Ethics](#), as well as our Compliance Program Interactions with Healthcare Professionals. Our policies and programs provide guidance on a range of matters related to our healthcare relationships, such as:

- Ethical business practices, including not interfering with a healthcare professional's independent medical judgment
- 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
- Limits on the types of interactions, and the amount that an employee may spend on meals, when meeting with a healthcare professional

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](#). Our Internal Audit function reviews and evaluates compliance with these internal policies and programs (e.g., annual [Code of Business Conduct and Ethics](#) training and appropriate spending limit with a Healthcare Professional).

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 2022, a Japanese trade association (Japan Fair Trade Council of the Medical Devices Industry) ruled that our subsidiary in Japan improperly implemented a program with surgeons and hospitals to obtain videos of cataract surgeries where our cataract intraocular lenses were used. In response, we implemented a remediation plan that included several elements, including personnel changes (including a new president of the business and a Compliance Officer), enhanced policies and procedures for the review and approval of sales and marketing programs (including emphasis of the requirement to comply with STAAR's existing policies and procedures), and new in-person training.

Affordability and Pricing

In 2022, we generated approximately 95% of our global revenue from sales of the EVO Visian ICL family of lenses. Surgeons perform the ICL implantation as an elective procedure, which is paid for by the patient and is typically not reimbursable by health insurance providers or government agencies. Our pricing strategy is market-based and determined by the pricing of competing refractive procedures. Despite a 7.7% increase in the Consumer Price Index from October 2021 to October 2022, we did not increase the price of our ICLs in 2021 or 2022. The ICL is considered a cosmetic and elective surgery that most general and vision insurance plans do not cover. Patients can often use a special Health Spending Account (HSA) to offset or reimburse the costs of an elective procedure like ICL.

We sell our medical devices directly to customers, such as ophthalmologists and medical clinics, based on established price structures for the specific country where the customer works. The pricing varies based on the 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 collaborate with distributors to train, promote, and sell our medical devices, we work together with them. The pricing strategy for our medical devices is determined by various factors, including the cost of production, expected return, market positioning, and demand in the foreign market. We strive to offer competitive pricing while maintaining the quality, reputation, and service of our products.

For certain strategic and alliance customers, we establish pricing structures that are not publicly disclosed, including pricing and commitment to training and patient education, among other terms. In the U.S., our direct market, the volume-based list price for our products is publicly available to customers who are trained and certified to purchase and implant our medical devices. We strive to offer competitive pricing while maintaining the quality, reputation, and service of our products. The pricing strategy for our medical devices is determined by various factors, including the cost of production, expected return, market positioning, and demand in the foreign market. We consider different pricing structures, such as volume pricing, tiered pricing, and discount pricing, to maximize sales and attract customers. However, we ensure that our pricing structure aligns with our business objectives and customer relationships.

Data Security and Privacy

STAAR remains dedicated to protecting all customer, employee, and company data and continues to strive to comply with all applicable laws and regulations. STAAR's Chief Information Officer ("CIO") is responsible for overseeing our privacy and security compliance. Our CIO collaborates with STAAR's Chief Legal Officer and Internal Audit function to address cybersecurity and data privacy risks. For example, we continue to build upon our current electronic tools and security controls as part of our cybersecurity defense to quickly respond to and mitigate any data breaches. In addition, we maintain backups of our critical systems and disaster recovery capabilities, including cybersecurity insurance, to ensure business continuity in case of disruption.

To ensure awareness and understanding of these processes, beginning in 2022, our Information Technology (IT) department implemented remedial training for employees, based on the phishing tests performed in 2022. STAAR provides frequent trainings to our employees on

cybersecurity awareness and the importance of protecting our information assets, in addition to the development of our Data Privacy and Security Program. The training 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
- Information Security and Cyber Risk Awareness: Global Edition (English, Japanese, Simplified Chinese, Spanish, Italian)

Information security and data privacy training**	2021 hours of training*	2021 percent of employees assigned*	2022 hours of training*	2022 percent of employees assigned*
U.S. Information Security Training Participation	214	81%	107	93%
U.S. Data Privacy and Security Training Participation	108	81%	309	100%
Protecting Trade Secrets Training Participation	39	82%	N/A	N/A

*U.S. data

**Note, information security and cyber risk awareness training is offered globally in local languages. At the time of this report, information pertaining to hours of international training and percent employee assigned is unavailable.

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 the Audit Committee of the Board of Directors. While we have previously leveraged *ISO 27001* as guidance, we assessed our cybersecurity program in order to implement a more formal corporate standard framework. As a result, we have adopted *NIST CSF* as the governance framework for our cybersecurity program and created a strategic plan to enhance, monitor, and maintain our program.

Metric	2021	2022
The total amount of monetary losses as a result of legal proceedings associated with user privacy.	Zero	Zero
The number of law enforcement requests for user information...	Zero	Zero
...the number of users whose information was requested...	Zero	Zero
...and the percentage resulting in disclosure.	Zero	Zero

2022 Data Security and Privacy Incidents by Severity

HIGH: ZERO INCIDENTS IN 2022

A **high-level breach** would be considered any breach that exposed PII, PCI, PHI, or **Corporate Restricted Information** pertaining to either STAAR or our partners/clients/vendors.

MEDIUM: ZERO INCIDENTS IN 2022

A **medium-level breach** would be considered any breach that exposed **Corporate Confidential Information**, but not PII, PCI, PHI, or Corporate Restricted Information pertaining to either STAAR or our partners/clients/vendors.

LOW: ZERO INCIDENTS IN 2022

A **low-level breach** would be considered any breach that either exposes no data, or only **Corporate Internal Information**. A low-level breach does not expose Corporate Restricted or Confidential Information, PII, PCI, or PHI Information pertaining to either STAAR or our partners/clients/vendors.

1. Personally Identifiable Information (PII), or Sensitive Personal Information (SPI), as used in Canadian, U.S., and European privacy law and information security, is information that can be used on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context.
2. The Payment Card Industry (PCI) Data Security Standard (PCI DSS) is a proprietary information security standard for organizations that handle branded credit cards from the major card schemes including Visa, MasterCard, American Express, Discover, and JCB.
3. Protected Health Information (PHI), generally refers to demographic information, medical history, test and laboratory results, insurance information, and other data that a healthcare professional collects to identify an individual and determine appropriate care.

SECTION 6.0

Culture of Quality

At STAAR Surgical, a Culture of Quality is central to our business. We are committed to ensuring our products and services consistently meet or exceed customer expectations for quality, safety, and efficacy. We accomplish this by continually improving the effectiveness of our quality management and business systems and complying with global regulatory requirements. We take our responsibility seriously. Our EVO ICL lens is designed and developed in accordance with international "ISO" standards to ensure an appropriate level of quality. As part of our continuous improvement mindset, we use the risk assessment and mitigation approach presented in *ISO 14971*.

This approach includes assessing risks related to design, materials, process, manufacturing, packaging, and use. We also incorporate the use of standards specific to the device, such as:

- ISO 11979 series for intraocular lenses
- ISO 10993 standard for biocompatibility materials handling and processing
- ISO 11607 and ISO 17665 standard for packaging and sterilization
- ISO 13485 – Medical Devices – Quality Management Systems

The ongoing manufacturing and control process is maintained and improved through our Quality Management System. Our *ISO 13485* compliant Quality Management System is required for regulatory purposes by the *U.S. 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.



“At STAAR, Quality is at the core of our continuous efforts to meet global regulatory requirements and satisfy our physician customers and patients. We seek to achieve our Quality standards in a sustainable manner that reduces waste, conserves resources, and minimizes our environmental impact.”

Philip Tsung
VP Global Quality

Innovation and Materials

At STAAR, we prioritize the safety and effectiveness of our medical devices to improve patient health. Our primary device is free of hazardous materials when packaged and delivered to surgeons for implantation. Our innovative lens material provides excellent optical performance, while our processes and materials seek to limit our environmental impact and enhance employee safety.

Supply Chain Management

We take a comprehensive approach to assessing the quality and traceability of our materials and products throughout our supply chains. Our critical suppliers, processes, materials, and products comply with quality system requirements established for medical devices. We participate in third-party audit programs to ensure that our processes, controls, and systems meet the various quality system requirements established by regulatory agencies worldwide. We monitor our suppliers' performance through our program, which includes evaluating the materials supplied and auditing the facilities, systems, and processes related to the materials they supply. We seek to ensure the quality of the products we produce and minimize the risk of supply interruption through our supply chain management, internal audit programs, and alignment with our Quality Management System. We strive to maintain transparency and traceability throughout our supply chains to safeguard our products and guarantee speed to market.

CUSTOMER PERSPECTIVE



I am fully dedicated to utilizing the most effective technologies that yield optimal outcomes.

Once we had the EVO technology, I said, 'This is the technology that I'd recommend for you based on your unique factors...' He sees fantastically well now." - Dr. Matthew Sharpe on implanting the EVO ICL lens (EVO) on his own son.

Dr. Matthew Sharpe
Founder of SharpeVision Modern Lasik and Lens

We also incorporate the use of standards specific to the device, such as:

- *Council Directive 93/42/EEC* of 14 June 1993 concerning medical devices (MDD 93/42/ECC)
- *Medical Device Single Audit Program*, under the International Medical Device Regulators Forum (IMDRF) (MDSAP)
- *EN ISO:13485: 2016* – Medical devices – *Quality Management Systems* – Requirements for regulatory purposes
- *Regulation (EU) 2017/745* – Applies to medical devices and their accessories, and it aims to ensure a high level of safety and health protection for patients and users. The MDR applies to manufacturers, authorized representatives, importers, and distributors of medical devices

Management of Critical Materials and Conflict Minerals

Our most indispensable material is Collamer, which we manufacture ourselves. The component parts of Collamer do not include rare earth elements (conflict mineral) 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 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

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 achieving our goals with integrity and principles. We hold ourselves to high standards and expect the same level of integrity from our suppliers. Our [Supplier Code of Conduct](#) is an extension of our standard terms and conditions of purchase, and we consider it when selecting our partners. The [Supplier Code of Conduct](#) covers business ethics, human rights, quality assurance, and legal compliance.

Suppliers are subject to audits based on their supplier ranking. All QMS suppliers are required to sign off on the [Supplier Code of Conduct](#) before being approved and are subject to audits. We take our responsibility seriously and strive to work with suppliers who share our values and commitment to ethical business practices.

Supplier Auditing and Assessment

We assess and audit our suppliers according to risk. We categorize our suppliers into five risk tiers (Rank A, B, C, D, and E in the table below), according to the products and services they provide. Their assigned tier determines the frequency (illustrated in the table below) and scope of our review for each supplier. Depending on their risk tier, suppliers undergo varying levels of audits and documentation. Audits may be on-site, remote, or desk audits, depending on the most applicable method.

We sell a Class III medical device; as such, we require certain suppliers to maintain their own Quality Management System and comply with international regulations and standards, including *EN ISO 13485:2016*. Audits are intended to determine, among other things, the suppliers' compliance with their quality management system. Our highest-risk suppliers participate in external agency audits by a recognized international regulatory agency such as the U.S. Food and Drug Administration (FDA) or International Standards Organization (ISO). STAAR's supplier management team audited 43% of critical suppliers (rank A and B), which accounts for 58% of total spend.

In 2022, we incorporated assessment of supplier responses to environmental and social questions into our supplier assessment to promote transparency in our supply chain and achieve our ESG goals. As we continue to prioritize ESG initiatives, we recognize the importance of educating procurement and supply chain professionals to identify and mitigate sustainability risks. By building ESG into our everyday operations, we can encourage suppliers to improve their sustainable practices and raise the overall level of ESG initiatives across the board.

43%

of our critical suppliers were audited by STAAR Surgical in 2022 compared to the industry standard benchmark of 33% of critical suppliers/year

Rank	Annual audits	Audit every 2 years	Desk audit every 3 years	Review of consultant services and qualifications every 2 years	Review of consultant services and qualifications every 3 years	% of suppliers audited in 2022	% of total spend
A—Product or Service Supplier	X					16%	21%
B—Product or Service Supplier		X				27%	37%
B—Consultant				X			
C—Product or Service Supplier			X				
C—Consultant					X		
D*							
E*							

*Note: Rank D and E suppliers do not require regular monitoring



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

- Raw materials and components receipt
- Manufacturing, assembly, testing, labeling, and packaging
- Finished goods warehousing
- Delivery to the surgeon customer
- Patient implant

Supplier Climate Risk Assessment

We manage each supplier according to a risk matrix to reduce the risk of supply disruption. In 2022, we commissioned a *Scope 3 (supplier) Climate Risk Assessment* study to assess the climate risk for 11 key suppliers with 18 physical locations. The scope of this study included physical/facility risks as well as transactional risk, such as regulatory or market conditions. Fourteen key risk identifiers were assessed. Key identifiers included items such as water stress, flooding, GHG pricing risk, and volatile raw materials costs, to name a few.

Key findings of this climate risk assessment include:

- Only one supplier had four risk identifiers
- Water Stress was the most identified physical risk
- GHG pricing and Environmental Regulatory Requirement were the most identified transactional risks

As a result of this assessment, our procurement and supply chain management organizations will work with our suppliers to mitigate or reduce any potential business impact.

Product Traceability

Our company ensures traceability of materials and products through established processes. We issue part numbers for incoming materials and components for backward traceability, and lot numbers for finished products for forward traceability. Class III medical devices, such as our implantable lenses, are assigned unique serial numbers for detailed traceability. This allows us to track the flow of materials and products throughout our manufacturing process, ensuring quality control and compliance with regulations.

We also use work orders for all medical devices to document traceability (note that transitioning from paper work orders to electronic work orders is a 2023 priority). Our electronic Enterprise Resource Planning (ERP) system generates unique serial numbers and maintains transactional information for medical devices. We use bar code scanning during labeling and final packaging for our medical devices. Our ERP system generates Unique Device Identifiers (UDI) for medical devices to further enhance traceability at time of delivery to the customer.

Product Manufacturing

In compliance with applicable regulations, we have internal procedures in place for proper disposal of all waste, including any potentially harmful chemical waste generated during our manufacturing processes. In conjunction with our waste reduction efforts outlined in section 2.0 ENVIRONMENTAL IMPACT of this document, 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 to assess and manage risks associated with our products being exposed to harmful chemicals. We have standard operating procedures in place to address the handling and control of potentially harmful materials in our raw material manufacturing activities. We regularly review our standard operation procedures (SOPs) to minimize the production of hazardous waste and overall waste.

Relevant Standard Operation Procedures (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.

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 risk to our patients, we follow standards such as, *ISO 11979-5 Ophthalmic Implants – Intraocular Lenses – Part 5: Biocompatibility*, which includes extraction testing and cytotoxicity testing standards. Implementing these standards ensures any potentially harmful chemicals used in our products 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 to monitor training sessions to help assure quality training.

STAAR Surgical's surgeon training program involves a didactic training session that covers product labeling information, patient indications for use, patient selection parameters, clinical workup, and surgical procedure recommendations. The training is delivered by trained STAAR clinical staff or designated training support staff, such as within surgical fellowship programs. After completion of the didactic training, surgeons proceed to proctored surgical cases at their facility with on-site training support from STAAR clinical staff or designated surgical proctor support. This training program is designed to ensure that surgeons are fully equipped to perform surgical procedures using STAAR's implantable lenses and delivery systems. This process is supplemented with additional educational courses, surgical procedure training wet-labs, and other education provided at medical conferences or in webinars.

Quality System and Safety Audits

STAAR's facilities participate in regular third-party audit programs conducted by DEKRA (Deutscher Kraftfahrzeug-Überwachungs-Verein), 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 South Korea and Ukraine. In 2022, DEKRA conducted surveillance audits of 100% of our facilities in the U.S. (Monrovia, Tustin, and Aliso Viejo) and Switzerland (Nidau and Brugg) for *MDD 93/42/ECC*, *MDSAP*, and *EN ISO:13485: 2016*, and certified them for *MDR (EU) 2017* compliance.

Third parties, such as our EU Notified Body and Health Authorities such as the U.S. 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 for transparency around the globe.

Product Recalls

At STAAR, we monitor the safety and performance of our products by reviewing internal and external information. 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. Our executive management regularly reviews and assesses the information to ensure our products continue to be safe and perform as intended. We also identify opportunities for improvement to enhance our products.

We understand that 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, which may result in a product recall. Recall metrics for STAAR Surgical for 2020, 2021, and 2022 are presented in the table at right.

Metric	2020	2021	2022
Number of product recalls, take-backs, or Field Safety Notices	0	0	0
Number of products listed on the FDA's MedWatch Safety Alerts for Human Medical Products database	0	0	0
Number of fatalities related to products	0	0	0
Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices	0	0	0





SECTION 7.0

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 30, 2022 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 statements 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 to request further information, please email sustainabilityreport@staar.com

April 2023

Appendix A

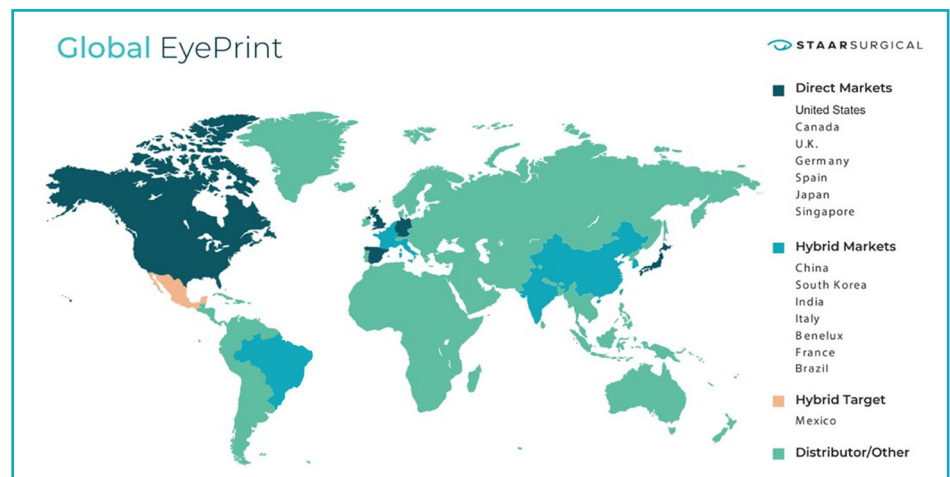
A Company Dedicated to Visual Freedom

For 2023, we will focus on the following strategic imperatives:

- Position EVO implantable lenses as the most desirable pathway to visual freedom
- Innovate and develop a pipeline of next generation premium collamer-based intraocular lenses
- Accelerate the transition in refractive surgery to lens-based through clinical validation and medical affairs excellence
- Achieve our corporate imperatives in alignment with our Environmental, Social, and Governance commitments
- Continue to evaluate opportunities to acquire new products and technologies that complement our existing portfolio
- Continue our focus on and commitment to STAAR's Culture of Quality
- Delight shareholders

Our Global Presence

We have sold over 2,000,000 of our EVO Visian ICL and Visian ICL family of lenses in more than 75 countries, with direct distribution (i.e., via STAAR representatives) in Japan, the U.S., Germany, Spain, Singapore, Canada, and the U.K., with a combination of direct distribution and independent distribution (i.e., via distributors and STAAR representatives) in China, Korea, India, France, Benelux, Brazil, and Italy, and with independent distribution in the remainder of the countries where we sell. At right is a snapshot of STAAR's Global "Eyeprint."



STAAR Surgical Facts

40 years

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

2 M+ lenses

Over 2,000,000 ICLs have been sold globally to date

33% market growth

In global ICL units vs. -1% growth in refractive industry procedures in 2022

Source: Market Scope, January 2019-2023

34% workforce growth

Increased our global workforce. Approximately 930 full-time employees as of March 30, 2023

99.4% of patients

Surveyed would elect STAAR's EVO implantable Collamer Lens again

Source: Packer, The Implantable Collamer Lens with a central port: review of the literature, Clinical Ophthalmology, 2018

Our Operations

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), 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 our Research & Development team and labs in Tustin, California. STAAR's facility in Lake Forest, California serves as our corporate headquarters. It contains executive offices as well as operational facilities to be used for future manufacturing of our presbyopia-correcting lenses, EVO Viva, as we continue to grow.



Switzerland

We operate administrative, distribution, and operational facilities in Brugg, Switzerland under our wholly owned subsidiary, STAAR Surgical AG. Additionally, we are in the process of expanding our manufacturing capabilities for STAAR's ICL products in our Nidau facility in Switzerland.



Japan

We operate administrative and distribution facilities in Japan under our wholly owned subsidiary, STAAR Japan Inc. STAAR Japan's administrative facility is in Shin-Urayasu, and our distribution facility is in Ichikawa City.

Appendix B

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 U.S. Consumer Price Index	We did not increase the price of our ICLs or IOLs in 2022 despite a 7.7% 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 2022, 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-U.S. 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 30, 2022, 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 2022, 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 2022, STAAR received zero Form 483s, zero warning letters, zero seizures, and 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 2022, 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.

Topic	Code	SASB Accounting Metric	2021 Reporting
Ethical Marketing	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	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 2022 a Japanese trade association (Japan Fair Trade Council of the Medical Devices Industry) ruled that our subsidiary in Japan improperly implemented a program with surgeons and hospitals to obtain videos of cataract surgeries where our cataract intraocular lenses were used. In response, we implemented remedial actions to enhance compliance, including personnel changes, hiring a Compliance Officer, revising marketing and sales policies and procedures, and increasing in-person compliance training.
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.
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 2022, DEKRA conducted surveillance audits of 100% of our facilities in the U.S. (Monrovia, Tustin, and Aliso Viejo) and Switzerland (Nidau and Brugg) for MDD 93/42/ECC, MDSAP, and EN ISO:13485: 2016, and certified them for MDR (EU) 2017 compliance. 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: 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 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. 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.