

# **SUSTAINABILITY AMBITION REPORT 2022**

**VALUE IN VIEW OF THE FUTURE**

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# A PLATFORM FOR SUSTAINABLE GROWTH

2022 marked an important turning point in our sustainability journey at nexeye. Completing the integration of our three businesses has put us in a stronger position to deliver on our commercial ambitions. And it has also allowed us to accelerate our sustainability program and find new ways to contribute to society.

Our desire have a positive impact on society has always been a core part of who we are. Good vision and hearing are essential to human development, and we can help people to thrive by providing quality eye and hearingcare in a fair and affordable way. With societies getting older and people's screen time increasing, this role becomes ever more important.

As a vital service provider to millions of customers and a partner to countless suppliers around the world, we have a responsibility to lead by example and set the standard for the rest of the value chain.

I know I speak for all my colleagues when I say that we take this responsibility very seriously. Becoming a more sustainable, value-creating business is something we actively want to do, rather than simply doing what our markets and regulators expect of us.

As nexeye, we now have the platform – and the scale – we need to bring our sustainability ambitions to life. In 2022, we began to build on this foundation, including the reinforcement of our omnichannel ecosystem – a key development that will allow us to better serve our customers.

As a retailer, we also play an influential role in the supply chain. This includes working with our suppliers to ensure they are aligned with our values and the high standards we set. In 2022, we intensified our auditing processes, ensuring that our supplier audits are fair and effective.

At the same time, our focus on personal development extends to our employees, giving them the tools they need to grow. By supporting them in their professional development journey, we can help ensure the availability of a skilled and energized optical and audio workforce for generations to come.

Our store employees and other colleagues are key drivers of our sustainability journey. On behalf of the management team, I would like to thank them for their continued support and inspiration, and for encouraging us to establish a robust and well-defined sustainability agenda. Moving forward, we will ensure that we continue to live up to the high standards we have set for ourselves at nexeye and encourage everyone in our community to do the same.

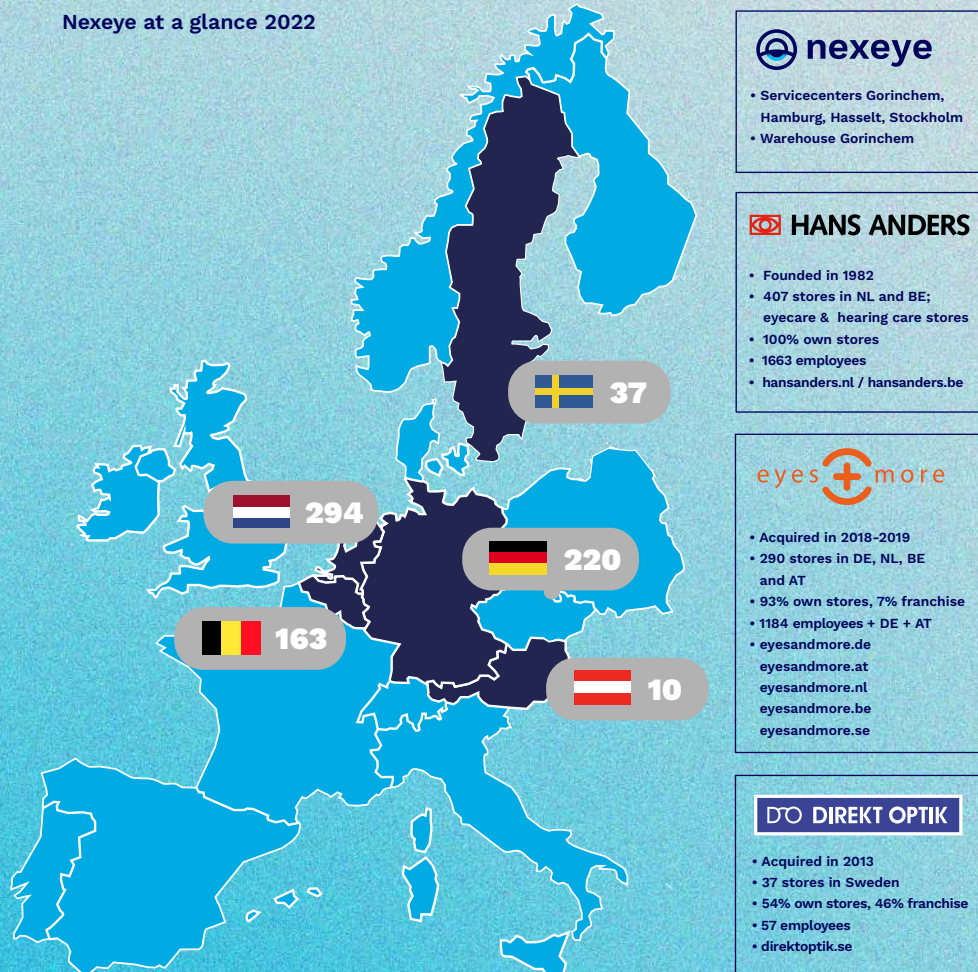
**Bart van den Nieuwenhof, CEO**  
May, 2023



# WHO WE ARE AND WHAT WE DO

Nexeye is a European leader in optical retail. We operate in five European markets through well-established brands that include Hans Anders, eyes + more and Direkt Optik. Together with their extensive online offering, our brands bring together more than 725 stores and over 3000 employees. We offer professional eye and hearingcare, including spectacles, sunglasses, contact lenses and hearing solutions.

## Nexeye at a glance 2022



# HOW WE CREATE VALUE

## Our role in society

Good eyesight and hearing are essential for human development and well-being. When people see and hear better, they are more likely to be seen – and have greater opportunities to develop and thrive in society. Good eyesight is indispensable for all. Yet not accessible to everyone. Our **mission** is therefore to make eyecare and hearingcare affordable and easily accessible for everyone, contributing to a future where good vision and hearing is within reach for all. Our **vision** is to become the market leader in the value-for-money optics segment in the European markets we operate in. We realize this through our energized and excellent workforce, responsible entrepreneurship and sustainable growth of our innovative brands.

The need for good and affordable vision solutions is growing due to interrelated demographic, economic and societal factors. **Digitalization** is a major driver of eye health issues – and demand for eyecare – with the COVID-19 pandemic leading to a sharp increase in people's screen time. Myopia, in particular, is on the rise. This often leads to structural abnormalities of the retina later in life, which can severely affect vision. Children who spend a lot of time on their computers or smartphones are more likely to be nearsighted than their peers. Those whose parents are myopic, or who come from less-privileged households, are also at increased risk<sup>1</sup>.

Another key driver for vision solutions is **demographic change**. In an aging population, a higher proportion of people suffer from age-related eye conditions such as presbyopia, a physiological accommodation defect that progressively impairs an individual's ability to focus on near objects.

Meanwhile, disposable household incomes are under pressure across Europe and more and more people live in relative poverty due to **economic developments**. Even in a prosperous country like The Netherlands, one million people live in relative poverty, while health insurers are reducing coverage for glasses and lenses. For a growing number of people, access to high-quality eyecare is no longer a given. That's why we offer best in class solutions.



<sup>1</sup> Dr. Clair Enthoven – 'Lifestyle Factors in Myopia Development'.

### Keeping a close eye on our markets

To address these issues and contribute to society, we must first address the changing needs of our customers and other stakeholders. We analyze the trends and developments in our marketplace as they evolve and use these external drivers to shape our strategy, assess potential risks and opportunities and determine how we can positively impact our value chain.

As nexeye, we are in a strong position to meet the needs of our value chain partners. Operating as a well-connected, centralized operation will enable us to pool our resources, connect with world-class partners, purchase goods and materials more effectively, keep all our employees informed and engaged, and ultimately achieve our mission.



In 2022, rising inflation, a stronger dollar and supply chain constraints related to the war in Ukraine, had some impact on our commercial and sales availability and our supply chain.

Another key trend has been the shift to more sustainable ways of working, driven in part by changing environmental laws and regulations worldwide. We are increasingly expected not only to act as a responsible supplier to our customers, but also to embed sustainable practices in our own activities in operations and purchasing.

The eyewear and hearing aids value chain has also been affected by tightening labor market conditions, with unemployment falling to multi-year lows in many parts of the world in 2022. We have responded to the growing shortage of well-trained opticians, audiologists and sales staff with an increased and ongoing focus on internal professional development for employees. Our investment in our people is complemented by our use of technology, such as remote measurement. This enables us to deploy our professionals in the smartest way possible so that we can serve all our customers, also in sparsely areas, and prevent them from travelling long distances to receive the best affordable eyecare.

### Value Creation Model

In 2022, we developed our Value Creation Model to sharpen our sustainability strategy with a view to realizing our mission and ambitions. The model is based on the Value Reporting Foundation (the former International Integrated Reporting Council). The model outlines how we deploy our most important assets to create value for our stakeholders and have an impact on society. In doing so, we aim to contribute to the Sustainable Development Goals (SDGs): a series of objectives adopted by all UN member states in 2015 to create a more sustainable future for all by 2030. Also considering the current societal challenges, we aim to contribute to the following SDGs in particular:



Our capital lies in the knowledge and skills of our employees, our stable financial foundation, our longstanding relationships with world-class suppliers and business partners, our in-house purchasing, design and logistics capabilities, and the outstanding omnichannel access we provide for our customers. As per our business model, the main assets that enable us to fulfill our core activities include omnichannel sales of frames, spectacles, lenses, contact lenses and hearing solutions, plus the design and assemblage of eyewear and sunglasses.

# VALUE CREATION MODEL

## INPUT CAPITALS

**Well educated and happy opticians, hearingcare professionals and top salesmen, office and warehouse personnel**

- 4000 unique (in)direct specialized employees
- Comprehensive education and training program

**Omnichannel access to products and services**

- >725 stores in 5 European countries with classified equipment
- Own e-commerce platform with 6 online stores and external e-commerce partners
- 186 hearing solutions sales outlets
- Innovative and renowned systems (Focus, Salesforce, Timify, SAP, Quinix, 4Me and Speakap)

**All critical processes internal**

**Retail/optical chains**

- Own brands
- Smart and efficient processes
- service centers & warehouse

**International cooperation with world class business partners**

- (Brand) suppliers
- Training institutes
- Industry and consumer organizations
- Collaboration partners (like Team DSM)

**Natural resources to run business operations**

- Gas, water, electricity for operations
- Fuel for transport

**Stable financial basis**

- Financed by well-funded owner

## BUSINESS MODEL

**Ambition:**

A future in view of good eyesight and hearing for all.

**Mission:**

Make good eyecare and hearingcare affordable and easily accessible for everyone.

**Vision**

To further expand the retail platform and to become the market leader in the value-for-money optics segment in the European markets, by striving for responsible entrepreneurship and sustainable growth with well educated and happy employees.



**Core activities**

- Eyecare and hearingcare advice
- Omnichannel sales of spectacles, contact lenses and hearing solutions
- Assembly of eyewear



**Strategy - our growth drivers:**

- Omnichannel/digital frontrunner
- Synergy: buying, combined services and operations, best practice sharing, quality, innovation, other efficiencies

**Brand essence (nexeye's values)**

**SIMPLICITY, INNOVATION, COMPETENCE, RESPONSIBILITY**

## OUTPUT



**Ensuring good eyecare and hearingcare is affordable and easily accessible for everyone, through:**

- Quality of products & services
- Accessibility of care
- Affordability of products and services
- Social initiatives



**Excellent and energized workforce**

- Staff-, expertise and knowledge
- Diverse and inclusive workforce
- Healthy and safe workplace



**Responsible partner in value chain**

- Improving and monitoring ESG in the supply chain



**Making operations more sustainable**

- Reducing waste in shops, warehouse and offices
- Reducing CO<sub>2</sub> emissions in shops, offices, warehouse, logistics and transport

## EFFECTS (VALUE)

Consumers with improved vision and hearing through our products and services.

**Engagement and employability**

Employees possess craftsmanship and experience long term employment and self-fulfillment

**Long term supplier relations**

To guarantee stable purchase of products and suppliers' business continuity

**Professional cooperation**

**with partners**, focused on innovation in order to elevate standards in eyecare and hearingcare.

## IMPACT

Contribute with accessible eyecare and hearingcare **to more equal opportunities** to participate fully in society.



Accessible eye care increases the **quality impact** of education.



Achieve **productive employment** and decent work for all employees and **fair and equal pay** for work of equal value.



Limiting our **environmental and ecological footprint** of our operations and value chain.



### Our corporate sustainability journey

Adding value to society has been a core ambition since our business was first established more than 40 years ago. In 1982, the founders of Hans Anders revolutionized the previously price-rigid and opaque Dutch optical retail market by becoming the first domestic retailer to sell high-quality glasses for a transparent and low price.

Now, as nexeye, we continue to serve our customers with affordable, top-quality eyewear and hearing products, but we also have the scale and capabilities to forge ahead with our long-standing ambitions.

In 2022, we began our corporate sustainability journey, building on previous sustainability initiatives. We took steps to further **integrate sustainability** considerations into our management cycle, while also making sustainability a foundational **pillar** of our newly launched strategy.

As we implement our sustainability strategy over the coming years, we will continue to strengthen our approach, taking into account the changing regulatory landscape in the EU, in particular the forthcoming Corporate Sustainability Reporting Directive (CSRD).

### Shaping our sustainability strategy

We have developed our sustainability strategy around the topics that are most intrinsic to our business and its stakeholders. This allows us to focus our efforts on delivering the value and impact we seek to create.

Our approach considers both financial materiality (the topics that present threats or opportunities to our business) and impact materiality (the topics through which we can achieve tangible impact for our stakeholders and society). See the **Materiality and stakeholder dialogue** section of this report for a detailed description of how we identified our material topics and strategic focus.

Our four ambitions provide the cornerstone of our sustainability strategy. These are:

1. Make good eyecare and hearingcare affordable and easily accessible for everyone
2. Ensure an excellent and energized workforce
3. Be a responsible partner in our value chain
4. Make our operations more sustainable

To achieve our ambitions, we have identified topics that will help us to create value for our stakeholders and achieve our mission.

We are currently in the process of collecting, calculating, and consolidating performance data on these topics and setting a baseline for the nexeye group to enable us to develop concrete sustainability goals, act on them, and manage, monitor and report our performance in the years to come. In the following pages of this Sustainability Ambition Report, we describe the steps we are taking to achieve each of our ambitions and realize our broader sustainability strategy.

<sup>2</sup>As confirmed by the annual Customer Journey Experts survey.

# OUR SUSTAINABILITY AMBITIONS

## Ambition 1:



### MAKE GOOD EYECARE AND HEARINGCARE AFFORDABLE AND EASILY ACCESSIBLE FOR EVERYONE

As a leader in optical retail, nexeye is committed to making good eyecare and hearingcare affordable and easily accessible for everyone. This is how we aim to build a future in which good eyesight is within reach for all. To realize this ambition, we pay close attention to the quality, accessibility, and affordability of our products and services.

#### 1 Quality of products and services

Our ambition is to offer high-quality customized products and services, always and everywhere. Our offering should always comply with all relevant **market standards** and **Medical Device Regulations** for their effective and safe use.

We maintain strict quality agreements with our suppliers and have robust quality control procedures, assessments and product-testing methods in place. As a minimum requirement, all of our products must comply with recognized product quality standards, including the EU Medical Devices Regulation (MDR), REACH, Conformité Européenne and ISO 12870. Compliance is monitored by our corporate Quality Manager.

With regard to services, we strive to ensure excellent care, comfort and convenience at each stage of the customer journey. Our services and processes are annually audited externally (ISO 9001:2015) in the Netherlands.

#### Looking back and looking ahead

We strive to ensure all our products are designed and produced according to common quality standards. As a group, we began preparations to align our corporate product quality processes for all private-label and home-brand frames in 2022. We are currently developing a corporate quality manual in consultation with our suppliers, that we will implement in 2023. The renewed quality processes will include expanding external audits on frame quality.

#### 2 Accessibility of eyecare and hearingcare

We make quality eye and hearingcare accessible by offering good coverage in each of our markets. In 2022, our retail platform grew by 6.4%. Meanwhile, the number of individual buying customers **grew by 6%** year-on-year, to above **1.5 million**.

Our physical stores are not only **attractive** and **inviting**, but also easily accessible. People can visit with or without an appointment, try our products, get a free eye or hearing test without obligation and seek advice from an experienced professional. In 2022, the number of registered eye tests conducted grew by **4%** compared to 2021, to around 1.5 million. The number of registered hearing tests (Hans Anders only) grew by 19% to around 17.000. Our ambition is to make our stores increasingly accessible and welcoming for everyone.

Through our websites, we offer customers a convenient way to search for products, find information about our stores and services and make appointments with specialists. We continuously monitor, evaluate and optimize our service performance at each stage of the customer journey.

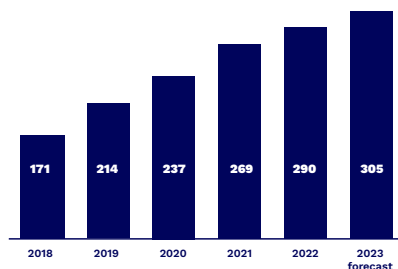
#### Looking back and looking ahead

In 2022, we optimized the online customer journeys for all our labels. We achieved this, first and foremost, by re-platforming the websites operated by the nexeye companies. By introducing Timify software, we significantly increased the number of timeslots for eye and hearing tests at our stores, which also resulted in a reduction in waiting times. In 2023, we intend to identify the key physical barriers at our stores for people with disabilities, and to apply these insights across all our stores to further improve accessibility.

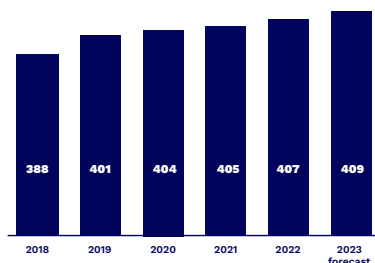


## Development of stores 2018-2022

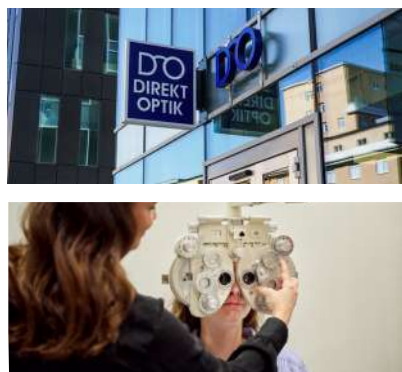
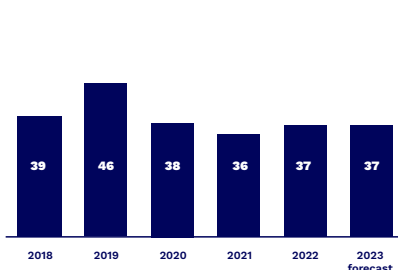
### GROWTH EYES + MORE STORES\*



### GROWTH HANS ANDERS STORES\*



### GROWTH DIREKT OPTIK STORES\*



\* Incl. franchise

In five years, we grew from 370 to 725 stores and refurbished 393 Hans Anders stores. All eyes + more stores underwent a complete makeover. All store design and branding is carefully created to give our brands an instantly recognizable appearance and help deliver rich and engaging customer journeys.

## 3 Affordability of products and services

Spectacles, contact lenses and hearing aids are unfortunately still not affordable for everyone in Western Europe. At nexeye, we ensure that our products are always priced well, significantly below the market average and at a reasonable distance to our competitors. We keep a close eye on price developments and adjust our pricing and promotion policies as needed.

### Looking back and looking ahead

In 2022, we made minor upward adjustments to our prices to account for inflation and increasing input costs. At the same time, we continued to maintain competitive pricing for our products, including the launch of a new sports glasses category significantly below the market average (see below). In 2023, we will continue to keep a close eye on price developments in the market and introduce new initiatives and programs to ensure our vision and hearing products remain affordable for all with special attention to populations for whom good eyecare is not accessible.



**Victory in sight: pioneering our sports eyewear collection – high quality, low price.**

In April 2022, nexeye and the Team DSM cycling team introduced an innovative new sports glasses brand, DRIIVE, to make the best sports-focused sight and eye protection affordable and available for professional and amateur athletes, to support them with safe and sharp vision on the road. DRIIVE glasses are available to customers across all our stores and websites. So far, demand for the glasses has exceeded expectations.



## Ambition 2:



## ENSURE AN ENERGIZED AND EXCELLENT WORKFORCE

We believe in investing in an excellent and energized workforce is key to our commercial success and our mission to ensure good eye care and hearing care for all. As well as challenges, including a shortage of specialists in the labor market, we see opportunities to realize our ambition and keep our workforce energized and performing to their full potential by nurturing talent, addressing diversity and inclusion and by providing a safe and healthy environment for employees to work and develop themselves.

### 1 Staff expertise and knowledge

The optical and audio retail industry is facing a light decline in skilled workers due to an aging population and a decreasing interest in vocational training. As an industry, we must address this challenge, to ensure high-quality eye and hearing care remains accessible for future generations.

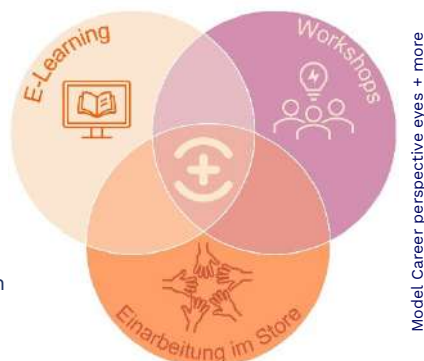
At nexeye, we aim to attract and retain talented employees by providing attractive, rewarding career opportunities that contribute positively to society. We give employees without extensive education or qualifications a chance to learn a valuable craft, thereby supporting their long-term employability. We focus on personal and professional growth and development, helping people to not only develop their craftsmanship and qualifications, but also to gain the skills they need to excel in their role.

All new joiners undergo a rigorous training and development program, after which employees can shape their own development through a range of internal and external training and education opportunities, together with on-the-job coaching.

Moreover, our support and functional services provide dedicated learning pathways for employees. We closely monitor their progress, including the qualifications they receive.

### Looking back and looking ahead

In 2022, the majority of the optical employees working in stores received internal or external education on key optical competencies (an increase of 28% compared with 2021). This important development aligns with our broader vision and approach to staff



expertise and knowledge, with a focus on optimizing our training programs and incorporating new developments in our industry and markets. This includes taking a more rigorous and systematic approach to develop course content, materials and learning objectives, to ensure the quality of our training is consistently high.

We launched an employer branding campaign at Hans Anders – “Everyone grows at Hans Anders” – to showcase our focus on growth and development to potential applicants.

In 2022, we further optimized our digital learning platform with a focus on improving the learning experience and accessibility. These efforts contributed to nexeye receiving the Courseware Company award for the most stimulating learning platform in the Netherlands.

### First graduation training program Hans Anders & Summa

We received the first graduates from our revamped Hans Anders training program, launched in collaboration with Summa College and NCVB Bedrijfsopleidingen. Graduates receive a legally recognized optician's qualification in just one and a half years, instead of the usual three. We have also launched a new audiologist training program in partnership with Da Vinci College in Dordrecht.



In **2023**, our ambition is to further improve our existing training programs and increase the average training hours completed per employee. As such, we will focus on:

- Collaborating and integrating the training programs and functions of the various business lines
- Developing training around leadership and general skills
- Developing learning pathways for the support and functional services and their employees



## 2 A diverse and inclusive working environment for employees, with equal opportunities and fair compensation

We believe that a diverse and inclusive work environment is necessary for nexeye to function optimally in our diverse society. This includes providing people with equal opportunities (and remuneration) in attracting, selecting and retaining talent, and enabling people to thrive in the workplace, regardless of their background or personal circumstances.

### Our approach considers the following key elements:

**Diversity:** Our workforce should reflect the diversity of our customers and target groups. We also believe that a diverse mix of talent, knowledge and experience enables us to perform better as an organization. As such, we aim to ensure a broad mix of characteristics, values, beliefs, experiences, religions, races, genders, backgrounds, preferences and behaviors across our workforce, while giving employees equal opportunities to develop themselves.

**Inclusion:** We strive to offer equal career opportunities to people from all walks of life, including those who traditionally face difficulties accessing employment. We also support employees experiencing challenges in their personal life. We work closely with the Netherlands Employee Insurance Agency. Besides that, Hans Anders is successfully participating in a UWV (social affairs and employment agency) project to help people with a distance from the labor market with apprenticeships.

**Equal opportunities:** Our dedicated talent attraction, selection and retention policy actively considers people's ambitions and skills in addition to their qualifications and professional experience. Furthermore, our recruitment agenda considers a broad range of target audiences, targeting different groups through appropriate channels and messaging.

Our internal training programs recognize people's innate ambition and ability to learn, and to provide people with appropriate learning pathways based on their skills and interests. Meanwhile, in addition to evaluating performance, our assessment processes increasingly prioritize collaboration and supporting employees' development.

**Table:** nexeye employed 3,700 people in 2022, an increase of 10% compared with 2021. Over 75% of nexeye's workforce is female. During 2021-2022, our female headcount grew faster than our male headcount across all categories. In particular, we note a 20% growth in the number of female employees with a full-time contract.

	# and % deviation 2021-2022					
	Total		Male		Female	
Number of employees	3,700	+10%	856	+6%	2,841	+11%
Permanent contract	2,949	+10%	712	+6%	2,236	+8%
Temporary contract	751	+9%	144	+5%	605	+10%
Part-time contract	2,178	+6%	374	+3%	1,801	+7%
Full-time contract	1,522	+16%	482	+9%	1,040	+20%

**#beyourself** is the most important brand value for eyes + more and reflects our respect for people's individuality. We actively support a diverse and inclusive working environment for our employees with equal opportunities, compensation and extensive training and education programs.

### Looking back and looking ahead

In 2022, we further optimized our training program to focus more on behavior and collaboration, while also strengthening our recruitment and selection approach to ensure the inclusion of diverse target groups.

During the year, we also initiated a project to make our roles and career paths (and the associated pay structures) more transparent to ensure equal opportunities for all. This included making personal development a more central element of our performance management approach and introducing a new, more transparent salary house.

In **2023**, we will continue to improve our recruitment and selection processes, as well as our training and development approach, working from the perspective of “What do I want” and “What can I do?”

Specifically, this means:

- Further professionalizing recruitment, targeting the right people with effective communication and tools
- Further developing training, with a focus on collaboration, skills and leadership
- Further developing our performance management system based on knowledge, insights and development within our organization
- Increased transparency around career and development opportunities, reward and recognition

### 3 A healthy and safe workplace for staff

We provide a work environment that guarantees safety and maintains good health for our employees. In this way we enable them to make the best possible contributions to our customers and our organization.

We aim to empower our staff by equipping them with the knowledge, resources, gear and materials they need to do their work safely. Their physical and mental well-being is very important to us, which is why we offer support and guidance when they are sick and encourage an open discussion about what is going well or what could be better.

Next to providing well-organized and compassionate support, we regularly do risk assessments among our staff and aim to minimize absenteeism by preventing it. In addition to safeguarding employees' physical safety in line with relevant laws and regulations, we also pay close attention to the mental, social and digital health of our employees.

We seek to embed this approach through:

1. Our Health and Safety policy and approach, which includes clear guidelines for managing work-related risks, using materials and dealing with potentially unsafe situations.
2. A clear policy on vitality and absenteeism: this has been translated into guidance and a clear approach to absenteeism, in close cooperation with our occupational health and safety service and relevant line management.
3. A defined structure and procedure for internal and external confidential advisors, reporting procedures and associated approaches, clearly communicated to our staff whistle blower policy.

### Looking back and looking ahead

In 2022, we conducted a study to identify our main priorities in the context of risk assessment and evaluation and occupational health and safety. These priorities were the starting point for specific follow-up actions.

For example, we have communicated extensively with our employees about the presence and role of confidential advisors in our warehouse, stores and offices. In 2022, our internal and external confidants handled 25 reports.

We also developed clear absence and guidance procedures, defined roles and responsibilities, and began developing organization-wide working practices (meetings, setting up ICT systems and appropriate guidance) and communicating them to managers.

At the same time, we took steps to improve our health and safety reports.

We also started to improve working conditions in our warehouse by introducing a new warehouse design that seeks to reduce the amount of heavy manual labor, walking and lifting required by employees and replacing the racking to minimize the number of recordable work-related accidents in our warehouse.

In light of the challenging economic environment in 2022, we offered our employees support from an external financial coach to help them manage their finances. We also launched our first corporate training exercise to drive employee awareness around potential cybercrime risks.



#### **Cybercrime: “Are you secure?” training**

We strive to protect the data of our customers and colleagues, starting by ensuring nexeye employees remain well-informed about potential cybercrime risks. In 2022, we launched an interactive cybersecurity training course called “Are you secure?,” which uses gamification to engage employees on the topic of data security.

In 2023, our key objectives regarding health and safety include:

- The rollout of new organization-wide processes and procedures regarding absenteeism, including reporting employee absences (this action began in 2022 and was completed in the second quarter of 2023)
- Offering structural guidance to managers on absenteeism so they can identify potential long-term employee absenteeism and taking measures to ensure that every employee in the warehouse is provided with products to work safely, such as safety shoes, to help prevent it. We also aim to provide employees with clearer guidance on absenteeism and its prevention.

In addition, we will continue our efforts to create a safe environment for all our employees. This includes developing, with the support of our confidential advisors, a training program that underlines the importance of good mutual cooperation and draws attention to desirable and undesirable behavior and training on privacy and data security.

### Ambition 3:



## BE A RESPONSIBLE PARTNER IN OUR VALUE CHAIN

Nexeye works with 213 business critical suppliers, of which 25 are private label suppliers, 42 brand suppliers and a large part of non-commercial suppliers. Given our influential role in our value chain, we have a responsibility to help ensure responsible industry practices. This includes working with our suppliers to maintain ethical approaches to issues such as human rights and environmental stewardship, as well as ensuring healthy and pleasant working conditions for the people involved in the manufacture of our frames, lenses and other goods.

As we source many of our materials and products from non-OECD countries, our procurement activities often bring us into contact with foreign regulations and standards that may not necessarily align with our ethics or our environmental approach. We therefore strive to ensure that our tier-1 suppliers, wherever they are located, live up to the ethical and environmental standards we consider important.

Our ambition is that all our suppliers sign our Code of Conduct (CoC) or an equivalent agreement, which is aligned with our standards for legal compliance, fair wages, workplace health and safety, and the prohibition of child and forced labor, among others (our CoC can be viewed at [nexeye.com](https://nexeye.com)). To ensure compliance with the CoC, we conduct ethical audits based on SA8000 standards. Suppliers based in OECD countries are expected to live up to our standards, so our audits focus primarily on partners located in non-OECD countries.

#### Looking back and looking ahead

In 2022, we conducted eight supplier audits. These were ethical audits that were 100% unannounced (for the first time). The audits were carried out independently by QIMA at all China-based private label frames suppliers to Hans Anders and Direkt Optik businesses.

All of our suppliers passed the audits with good results, with an average score of 8.8 and a median of 9.1 (on a scale from 0 to 10). Although our suppliers performed well overall, the audits uncovered a number of small areas for improvement, such as workplace hygiene, which have since been addressed.



We also took steps to increase our use of sustainable raw materials with the introduction of our DRIIVE sports glasses range, which are produced using eco-friendly processes. Meanwhile, our Hans Anders and Direkt Optik businesses launched a new range of frames made from bio-acetate, a low-impact alternative compared to traditional acetate.

In 2023, we will update our CoC and extend the requirement to sign this agreement to more suppliers. Our goal is to ensure that, within 3 years, all our relevant commercial and non-commercial suppliers have signed our CoC or an equivalent, and are willing to contribute to our sustainability strategy. We also plan to extend the number of ethical audits we conduct at our commercial goods suppliers. For 2023 we aim for an ethical audit at all our private label frame suppliers and will extend in the next 3 years to all our commercial goods suppliers outside OECD countries.

Next to our ambition to improve and audit ethical standards at our suppliers, we're also implementing more sustainable materials in our commercial goods and packaging. An project regarding this topic, is the development of a cradle-to-cradle frame collection within our homebrands.

#### Ambition 4:



## MAKE OUR OPERATIONS MORE SUSTAINABLE

As we strive to deliver the best value for money in eye and hearingcare, we are equally committed to reducing our impact on the environment by making our operations more sustainable.

Our priorities include reducing waste from our operations, reducing our transportation and packaging footprint, reducing CO<sub>2</sub> emissions from our stores, offices and warehouse and integrating more environmentally friendly and recyclable materials into our commercial and non-commercial products.

In 2022, we completed our first organization-wide footprint analysis, which compared our environmental performance to the previous year. These insights have given us a clear understanding of where to focus our efforts to reduce the negative impact of our operations, including across our stores, warehouse, offices and wider supply chain. To make our operations more sustainable, we pay close attention to the following (material) topics:

1. Reducing waste in stores, warehouse and offices
2. Reducing CO<sub>2</sub> emissions in our stores, offices, warehouse, logistics and transport

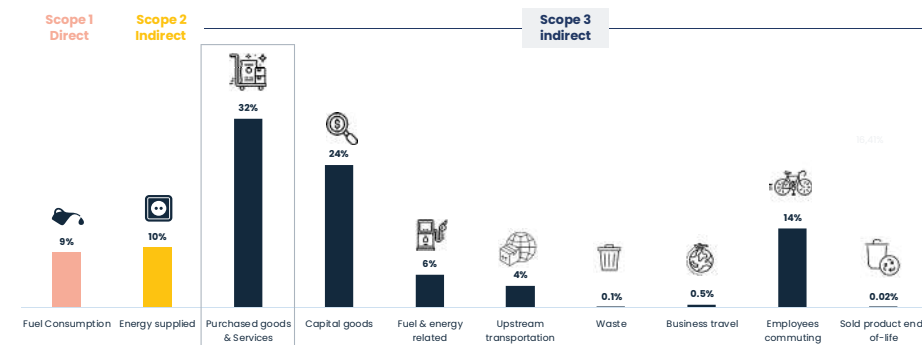
### 1 Reducing waste in stores, warehouse and offices

Our commercial products generate minimal waste and most of the waste we create is through our processes. While we cannot eliminate this entirely, we can take steps to reduce waste across our operations, transportation and packaging.

Our initial footprint measurements revealed that about a quarter of our CO<sub>2</sub> emissions are directly influenced by waste. To address this issue, we are exploring alternative solutions to our standard processes that could potentially create less waste. Meanwhile, we are continuously seeking solutions to reuse or recycle our waste effectively.

Our immediate ambition is to reduce the amount of waste generated as a result of our business processes, by facilitating the recycling of waste by collecting it centrally for our stores and making choices that reduce our waste streams or make them easier to recycle.

#### Nexeye's emissions over 2021 and 2022



#### Looking back and looking ahead

In addition to our existing waste-management practices, in 2022 we launched major improvement programs aimed at reducing our waste.

First, we began the centralized collection of the most important waste streams – namely, small paper, PE plastics, demo glasses and recyclable batteries – from our 400+ Dutch and Belgian Hans Anders stores. The collections use our existing logistic processes to prevent additional CO<sub>2</sub> emissions. The waste is deposited at our central warehouse in Gorinchem (NL), from where it is delivered centrally to waste processors in order to make new raw materials.

We also took steps to digitize our processes to reduce our paper consumption and waste. Our eyes + more stores have almost completely eliminated the printing of receipts, and most consumers now receive their invoices via e-mail. Meanwhile, we fully digitized the logistics processes for our frames and sunglasses at our central warehouse with the introduction of tablets and scanners. In addition to achieving a ten percent increase in productivity, this measure saves roughly 15,000 kilometers of paper each year.

In 2023, we will expand the centralized collection of waste from our stores, in a large part thanks to the extension of our more efficient nighttime transportation network, enabling emission free return logistics to our central warehouse.



### Sanne Oosterhoff, COO at nexeye:

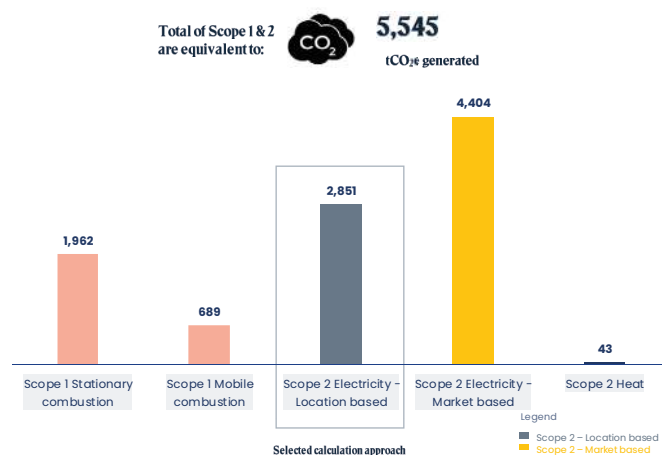
“Digitalization and process integration help us to optimize logistics throughout the chain and improve the level of service we provide to our labels, stores and customers. The potential for logistical errors is greatly reduced, and our employees are more independent as they are cleared from having to do unnecessary, manual tasks. We are also using our warehouse capacity more efficiently, and therefore sustainably, creating a foundation for future innovations that will benefit people and the planet.”



## 2 Reducing CO<sub>2</sub> emissions in our stores, offices, warehouse, logistics and transport

In our business, we transport large quantities of goods between our warehouse and stores in Europe. Due to the essential nature of our services, we supply our stores on a daily basis. It is therefore our responsibility and ambition to do this as smartly and efficiently as possible to keep these emissions as low as possible. Our other main sources of emissions are our use of heating and electricity, and the fuel used by our vehicle fleet. 42% of our scope 1 and 2 emissions are related to heating fuel sourced from the local grid.

Our policy is to use these valuable raw materials as responsibly as possible. That means being transparent and clarifying the emissions generated by a specific activity and then taking appropriate measures to reduce them.



### Looking back and looking ahead

In **2022**, we set ourselves the target to fully electrify our leased vehicle fleet by 2026. Currently, 26% of our leased fleet is electric. We took a significant step toward this goal when we expanded the electric charging facilities at our Gorinchem office.

We also introduced measures that will enable us to transport goods between our stores and warehouse more efficiently. These included transporting products to our Hans Anders outlets in the Netherlands and Belgium at night, which allows our trucks to drive more efficiently and therefore more sustainably. We also introduced nighttime deliveries at our eyes + more store network.

More widely, we began increasing nighttime transportation across our existing logistic processes and, in collaboration with our suppliers, to bundle goods being transported to stores to maximize capacity.

To reduce emissions from heating and electricity, in 2022 we began to keep our doors closed during opening hours as much as possible to regulate the temperature instore. This has reduced our natural gas consumption by up to 40% during cold periods. We also control the temperature in our stores centrally where possible. We also started to install LED lighting at our locations. By the end of the year, all our stores and our offices were equipped with LED lights, which use less than a third of the energy required for traditional lighting.

In 2023, we will extend overnight transportation to as many stores as possible, together with our product bundling strategy. Other planned initiatives include exploring ways to transport more of our goods by sea, and introducing solar panels and heat pumps at our service center in Gorinchem. We also aim to make our energy consumption per location easier to quantify and introduce new benchmarks, in addition to electrifying 87% of our leased vehicle fleet by the end of the year in the Netherlands.

# ABOUT THIS REPORT

## Our reporting scope and approach

The nexeye Sustainability Ambition Report 2022 covers the fiscal year running from 1 February 2022 to 31 January 2023. It is the first report in which we publish our sustainability journey and ambition, as well as our current activities and initiatives, and details of our sustainability performance (where available). In this report, we report on activities taking place in the countries where our brands Hans Anders, eyes + more and Direkt Optik are located: the Netherlands, Belgium, Sweden, Austria and Germany. The report broadly outlines the most relevant information and developments, as well as our ambition and contribution to long-term value creation.

We report on material issues related to our strategy and our impact on society, as well as the opportunities and risks associated with them. In doing so, we take into account the expectations of our most important stakeholders with regard to the topics on which we report.

The scope of our Sustainability Ambition Report includes all entities for which nexeye has management responsibility. Unless otherwise stated, the scope of our sustainability data includes all of nexeye's activities. This also means that subcontractors are not included.

## Reporting criteria and ambition

From 2025, nexeye will be subject to the EU Corporate Sustainability Reporting Directive (CSRD), which was passed by the European Parliament in November 2022. In order to comply with this important non-financial reporting regulation, we will continue to work on its implementation in the coming years and disclose our progress in our sustainability reports.

In preparing this first Sustainability Ambition Report, we have been guided by the principles and content elements of the Value Reporting Foundation's International Integrated Reporting Framework. The framework enables us to communicate how our strategy, governance, performance and customers/prospects lead to value creation in the context of external developments.

The content of the report is structured around our value creation model. The process for defining the material topics that we steer on, and which determine the report content, is described in the **Materiality and stakeholder dialogue** section of this report, together with the list of material topics.

## Organization of our sustainability activities

We believe in integrating sustainability into our daily processes. Together with our local retail brands, we make a difference by ensuring that our sustainability priorities are tangible, visible and manageable. Sustainability is an integral part of the nexeye strategy that we are currently developing and implementing.

## Structure and responsibilities

The Management Board has overall responsibility for our sustainability strategy. The Company Board determines our corporate strategy, sets targets and monitors our sustainability performance. The CEO has overall responsibility for sustainability at nexeye. He is advised by the Director of Brand & Corporate Communications, who is supported by a Sustainability Steering Group. The Director of Brand & Corporate Communications advises the Management Board on strategy development, oversees the integration of sustainability into management processes and monitors the company's sustainability targets and overall performance. The Sustainability Steering Group is chaired by the Director of Brand & Corporate Communications and includes the Group Control Manager, the Chief Operating Officer, the Category Manager Private Label frames and the Director of Human Resources. The Group maintains an external perspective and regularly reviews input from nexeye's value chain partners and other stakeholders.

## Materiality and stakeholder dialogue

We value the views of our stakeholders. To remain relevant, we maintain an ongoing dialogue with our key stakeholders. These dialogues take place at various levels within our organization and are often part of our day-to-day operations.

In 2022, we performed a materiality assessment to determine which topics are the most material to focus on in order to realize the value and impact we aim to create. In our materiality analysis, the opinions of our most important stakeholders (customers, employees, suppliers, and shareholders/investors) provide important input for determining our organization's strategic and reporting focus areas. We continuously monitor the views of our other (in)direct stakeholders (society at large, peers, governments and industry associations) by keeping abreast of industry and market trends, consumer developments and international changes in laws and regulations.

## Materiality assessment

To develop our sustainability agenda, we measured materiality from the perspective of both financial materiality (the topics that constitute threats or opportunities for our business), and impact materiality (the topics with which we can achieve real impact for our stakeholders and society). Our intention with this report is to inform our stakeholders on the progress of our ambitions by implementing and following our sustainability strategy. Our assessment consisted of the following steps:

### 1 Selecting relevant topics

To identify a short list of relevant topics, we conducted desk research based on international (reporting and ESG) standards, the UN SDGs, peers, industry trends and internal documents. This resulted in a long list of topics, which we consolidated into a short list based on impact and relevance to our business. The Sustainability Steering Group defined the topics, taking into account nexeye's operational context. The Management Board validated and approved the shortlist of topics.

### 2 Stakeholder consultation and prioritization of topics

The shortlist of topics was communicated to stakeholders and nexeye management-level representatives via a survey. All stakeholders were asked to name their top 5 most relevant topics from an impact perspective in their relationship with nexeye. In-depth interviews were conducted with internal stakeholder representatives on the prioritized topics, focusing on the expected role and responsibility of nexeye in relation to these topics. The management representatives were asked to name their top 5 most relevant topics from organizational impact perspective, and to rank and define the "maturity" (or level of embeddedness at a management level) of the most relevant topics.

### 3 Determining materiality and urgency

The Sustainability Steering Group validated the relevance of the prioritized topics by assessing the topics from a risk and opportunity perspective in relation to nexeye's financial performance. The materiality of these topics, and the urgency of addressing them, was ranked, and the strategic and reporting focus was determined by the Management Board.

The seven highest-ranking topics among the shortlist topics (see table below) were given strategic priority by the Board and used as the basis for the sustainability strategy that nexeye began implementing in 2022. These topics therefore shape the content of this Sustainability Ambition Report, which presents the progress of strategic implementation and performance on these topics. Despite not being a strategic priority, the remaining four material topics are still of great value to nexeye and stakeholders. It goes without saying that progress will also be made on these material topics.

**Table: Shortlist of topics and material topics.**

#	Topic
1	A healthy and safe workplace for staff
2	Ensuring good eyecare and hearingcare is affordable and easily accessible for everyone via our shops and website
3	Developing staff (expertise) knowledge in eyecare and hearingcare
4	A diverse and inclusive work environment for staff with equal opportunities and compensation
5	Reducing CO <sub>2</sub> emissions in our shops, offices, warehouse, logistics and transport
6	Improving and strictly monitoring human rights and environmental standards at our suppliers
7	Reducing waste in shops, warehouse and offices
8	Honest and transparent product information about the quality, origin and sustainability of products and materials
9	Quality and safety of (medical) products and services
10	Use of sustainable materials and raw materials in products and product packaging
11	Social initiatives to provide access to eyecare for target groups that are (financially) disadvantaged

### Implementation

Based on the results of the materiality assessment approved by the Management Board, the Sustainability Steering Group determined the topics to be covered in this Sustainability Ambition Report, including the scope and boundaries of the topics. nexeye's business lines and local divisions are informed and involved to ensure that these topics are addressed and reported on.

Moving ahead, we will continue to engage with our stakeholders to gain further insight into the materiality of the topics so that we can better prioritize them.

### Data quality, collection process and completeness

The sustainability dataset included in this report was partially collected using a standardized Excel reporting format. Once collected, the data was consolidated, subject to trend analysis where possible, and verified with the data provider. Data used in this report has been quantified. Where data was not available, it was estimated. No uncertainties or inherent limitations have been identified in the data as a result of measurement, estimation or calculation.

We are currently in the process of collecting, calculating and consolidating further performance data on sustainability issues and establishing a baseline for the nexeye group, which will enable us to manage our performance in the coming years.

## STEPS OF THE GHG CALCULATION PROCESS

### Step 1: Determination of assessment boundaries

Nexeye measures its GHG emissions according to the operational control approach. This entails all offices, distribution centers and stores in the Netherlands, Belgium, Germany, Austria, and Sweden where Nexeye has the full authority to introduce and implement operating policies.

### Step 2: Identifying associated emission and categorizing them according to GHG scopes

Scope 1 direct emission - include natural gas consumption for nexeye's buildings and fuel consumption of its vehicle fleet.

Scope 2 indirect emissions – resulting from consumption of purchased electricity (for buildings and electrical lease cars) and district heating/cooling.

Scope 3 indirect emission – resulting from sources not owned or controlled by nexeye such as purchased materials, transport, business travel and waste.

### Step 3: Calculating GHG emissions with emissions factors

Nexeye calculated its GHG emissions using documented emission factors: calculated ratios that calculate GHG emissions from a measurement of activities at an emission source. The emission factors used were selected from publicly available sources and licensed databases.

