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## **A World Worth Seeing** Sustainability Report



# 21

## OUR VISION

We believe everyone deserves to see  
their best to live their best.

## OUR MISSION

We help people by making quality eye care and  
eyewear more affordable and accessible.

## OUR VALUES

**Empowered** to do what's right.  
**Committed** to creating happiness every day.  
**Energized** to serve.

# Contents

<b>3</b>	Introduction
<b>12</b>	Our Financial Performance
<b>16</b>	Societal Impact
<b>34</b>	Employees
<b>55</b>	Environment
<b>63</b>	Governance
<b>73</b>	Looking Ahead
<b>78</b>	Appendices



## About this report

Our business is about providing eye care and eyewear that improves people's lives. We recognize that in order to sustain our success, and our positive impact, we need to understand and manage the environmental, social and governance (ESG) issues most important to our business. This Sustainability Report describes our ESG approach and progress during 2021. It is our second such report, following our 2020 Corporate Responsibility Report.

This report covers National Vision's five retail brands — America's Best Contacts & Eyeglasses, Eyeglass World, Vision Centers brought to you by Walmart, Vista Opticals inside selected Fred Meyer stores and in select

military exchanges, as well as our dedicated e-commerce business operated by our subsidiary Arlington Contact Lens Service, Inc. (AC Lens). "National Vision" means National Vision Holdings, Inc. and its consolidated subsidiaries. This report also covers some activities of 20/20 Quest, a National Vision sponsored 501(c)(3) charitable foundation. At times we refer to the collective philanthropy of National Vision and 20/20 Quest.

Except where otherwise noted, the highlights and metrics in this report reflect our progress through the fiscal year ending January 1, 2022, and where possible, we provide multiyear data. All financial information is presented in U.S. dollars and on a GAAP basis.

## Advancing our reporting

Just like any other aspect of our business, we seek to enhance our reporting to align with stakeholder expectations and inform continuous improvement. To provide consistent and comparable reporting for our investors and other stakeholders, we continue to use the Sustainable Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) Standards. We also show how our work contributes to the United Nations (U.N.) Sustainable Development Goals.

In this year's report, we have enhanced our disclosure on how our ESG approach links to both stakeholder impact and to business success. We have also introduced a consistent structure for the Societal Impact, Employees, Environment and Governance (SEE+G) sections of the report. The section structure clearly indicates highlights, forward priorities, 2021 performance and reference information that changes little each year — helping readers distinguish between annual achievements and ongoing initiatives. The structure also provides a template that we will use in future years, enhancing comparability across reporting periods. We plan to continue expanding our disclosures in the future, including alignment with frameworks such as the Task Force on Climate-related Disclosures Recommendations.

If you have feedback regarding the information provided in this report or our ESG commitments and activities, we would like to hear from you. Please send your comments to [CorporateResponsibility@nationalvision.com](mailto:CorporateResponsibility@nationalvision.com).

## Forward looking statements

This report contains certain forward-looking statements based on National Vision management's current beliefs, assumptions and expectations. These statements include, but are not limited to, statements related to our corporate responsibility strategy, targets, goals, commitments and programs, and other business plans, initiatives and objectives. You can identify these forward-looking statements by the use of words such as “aim,” “hope,” “believes,” “aspires,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees and are subject to various risks and uncertainties, which may cause actual future results (including the achievement of our targets, goals or commitments) to differ materially from those projected or implied in forward-looking statements. Such factors include,

but are not limited to, the risk factors discussed in Item 1A of our most recent Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission (“SEC”), as well as, with respect to our corporate responsibility targets, goals and commitments outlined in this report or elsewhere and the challenges, risks, uncertainties, factors and assumptions identified in this report. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. National Vision cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law.





## From our CEO, Reade Fahs

We at National Vision like to think of what we do as a series of “virtuous circles” that serve to both fuel and build on one another — all designed around making eye exams and optical products affordable and available to people who need them.

When hiring, we look for the caring, empathetic person who has a heart for patient and customer care and an interest in the wellness benefits associated with optical care. We invest in training them and giving them ever more responsibility so that they will be prepared to best serve our patients and customers while building their long-term careers.

Our stores are designed to serve lower income and budget-conscious Americans and to save them money on a basic necessity.

Our patient base is primarily uninsured or underinsured, so affordable eye exams play an especially important role in their healthcare. Beyond detecting ocular diseases that, if left untreated, can seriously diminish sight (and thus quality of life), the optometrists practicing alongside our stores are often the first to diagnose such non-ocular diseases as diabetes, hypertension and cardiovascular disease.

The achievements of our core business provide our company with the skills, infrastructure and institutional leverage needed to fuel a variety of programs and partnerships that bring sight to people who are simply unable to afford even the lowest cost eye care and glasses — throughout our communities and around the world.

Associates in our stores are empowered to support their local communities — through our National Vision Cares program and in projects connected to schools, churches and local nonprofits. Nationwide, we work with partners, such as our initiative with RestoringVision to get glasses to people in need via Americares services at federally qualified health clinics.

Globally, we work with VisionSpring, Grace for Impact, The International Agency for the Prevention of Blindness and others to pursue direct and systemic means to address the estimated 1.1 billion people on the planet who live with a correctible vision problem but

cannot afford or access the vision care and eyeglasses they need to live their best.

Beyond this, we are mindful of our environmental performance, as our business and societal impact shouldn't come at the cost of our planet. We recognize our responsibility to manage our environmental footprint and are progressing in our journey to institutionalize and operationalize these efforts.

In this report, you'll find a lot more detail on these initiatives and broader progress against our SEE+G framework. Building on the foundation we set last year, this year's report expands our disclosure to further align with your

expectations as investors, patients, customers, optometrists and National Vision associates.

Thank you for your interest in National Vision and for the time that you are devoting to better understanding our company and its impact. We welcome any feedback or suggestions you might have as you get to know us better.



**Reade Fahs** *Chief Executive Officer*

# About National Vision in 2021

## Who we are

National Vision is the second largest and one of the fastest growing optical retail companies in the U.S. with over 1,200 stores in 44 states and Puerto Rico. We also have a network of labs across four domestic locations — Lawrenceville, Georgia; Plano, Texas; St. Cloud, Minnesota; and Salt Lake City, Utah — and we use two outsourced, third-party

owned international locations in China and Mexico. We run distribution centers in Columbus, Ohio and Lawrenceville, Georgia.

Our Retail Support Center (corporate headquarters) is located in Duluth, Georgia and serves our more than 13,000 associates and network of more than 2,200 optometrists.

## Our brands

We reach patients and customers through a diverse portfolio of brands and several websites such as:

**AMERICA'S BEST**  
CONTACTS & EYEGLASSES

**EYEGLASS  
WORLD®**

**Vision Center**  
Brought to you by Walmart

**vista**  
OPTICAL  
In Selected Fred Meyer Stores

**vista**  
OPTICAL  
In Select Military Exchanges

**AC Lens**



# About National Vision in 2021

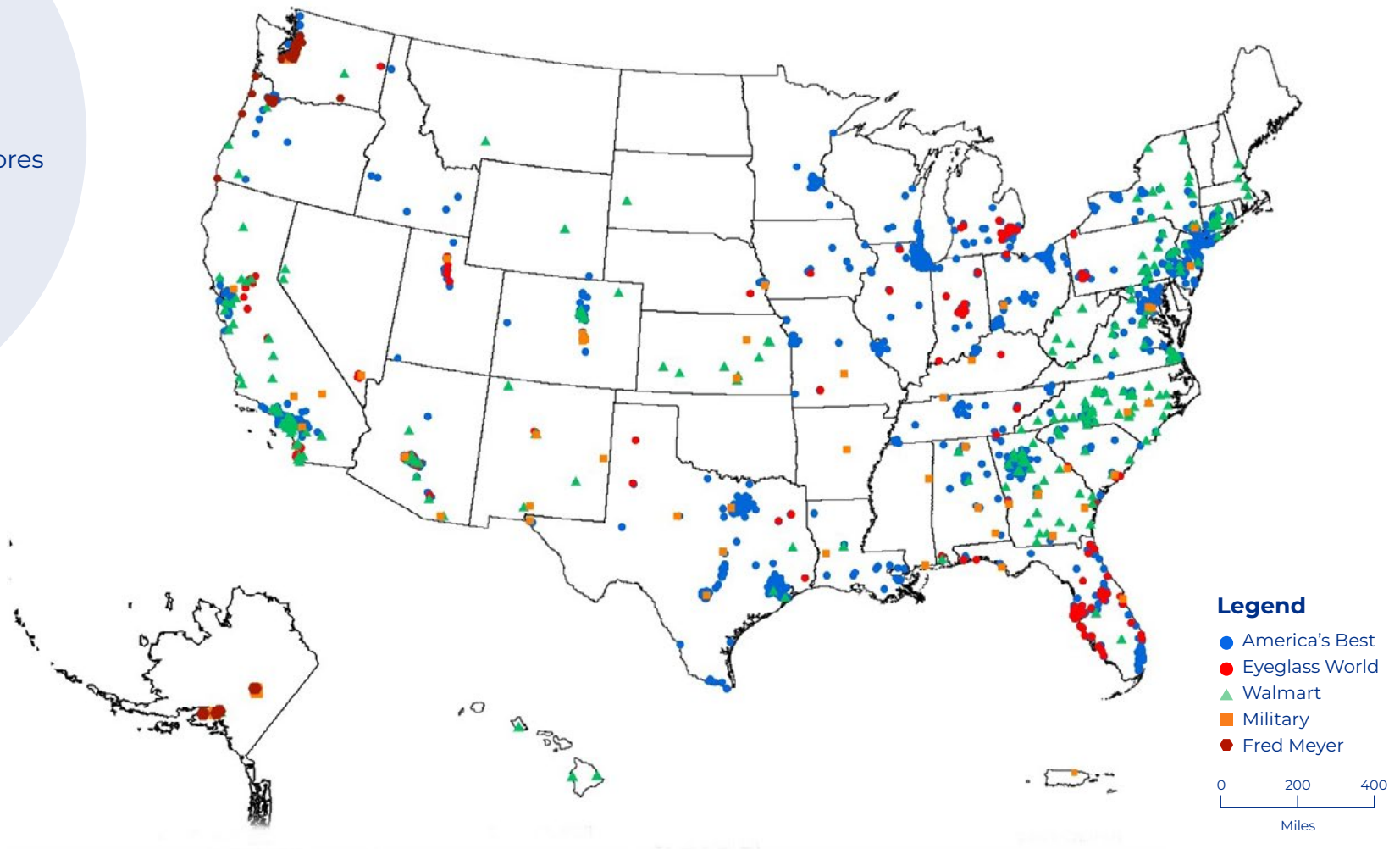


**1,278** stores

across

**44**

states and  
Puerto Rico



# Our purpose and the global vision crisis

We help people see their best to live their best. For more than 30 years, we have been improving lives by providing eye care and eyewear for value-conscious consumers, including many uninsured Americans living on tight budgets. For so many people, a pair of glasses can change their lives, and an eye

exam can detect hundreds of serious medical conditions. Our mission is to help people by making quality eye care and eyewear more affordable and accessible. Our SEE+G framework (page 10) highlights the areas of focus that will enable us to reach as many of those people as possible.

We believe we can play a significant role in bringing sight to the estimated 1.1 billion people around the world living with vision loss. We do this through our business activities in the United States and our philanthropic activities worldwide.



## What is it?

**Vision loss** refers to a wide range of conditions that impact people's ability to see clearly

The **largest cause** of both distance and near vision impairment is **refractive error**, which is treatable with contact lenses or eyeglasses<sup>1</sup>



## Who is impacted?

**1.1 billion people** around the world live with vision loss<sup>1</sup>

At least **3 billion people** need ongoing access to services to optimize their vision and ability to function in society<sup>1</sup>

**90% of vision loss** is preventable or treatable<sup>1</sup>



## Why does it matter?

**Good vision improves life expectancy:** risk of premature mortality increases along with severity of vision loss<sup>2</sup>

**Good vision improves economic opportunity:** vision loss causes **\$410.7 billion in lost productivity** annually<sup>3</sup>

**Good vision improves educational outcomes:** investing in eye health services improves educational attainment and participation in education<sup>3</sup>

**Good vision contributes to equality:** improving eye health drives reductions in gender and age inequities<sup>3</sup>



## How can we help?

**Providing monetary assistance for cataract surgery and eyeglasses:** cost effective interventions to improve individual vision and vision screenings deter cataracts

**Increased access to eye care** helps prevent vision loss from the full spectrum of eye conditions, including cataracts, that lead to vision loss

**Increasing equity in eye care** and education helps reach communities that are most exposed to uncorrected vision loss

*We're proud that our efforts align with the U.N. Sustainable Development Goals — see page 93 for an index of our activities against select goals.*

1. Bourne R, Steinmetz J, Flaxman S, et al., Trends in prevalence of blindness and distance and near vision impairment over 30 years: an analysis for the Global Burden of Disease Study. Lancet Glob Health. 2020. Accessed via the IAPB Vision Atlas <https://www.iapb.org/learn/vision-atlas>.

2. Ehrlich, J. R. et al. Association between vision impairment and mortality: a systematic review and meta-analysis. The Lancet Global Health (2021)

3. Burton, M., Ramke, J., Marques, A., Bourne, R., Congdon, N., Jones, I. et al. Lancet Global Health Commission on Global Eye Health: Vision Beyond 2020. The Lancet Global Health (2021)

## 2021 highlights across SEE+G

The SEE+G framework guides our ESG efforts and is organized according to pillars of Societal Impact, Employees, Environment and Governance. The framework was developed in 2020, and was informed by our prioritization assessment that identified the ESG topics of greatest importance for both our business and our stakeholders (page 74).

### Societal Impact



**>8M**

lives impacted through our business operations and philanthropic activities

**5x**

lives impacted by our philanthropic activities compared to 2020



Launched remote medicine program



**>500,000**

frames donated to partners around the world



**>130,000**

frames produced by Made Locally Given Globally since the program began in 2019



Launched register donation program

### Employees



**76%**

associate engagement score



Established values-based competency framework



**>\$350,000**

provided through National Vision Crisis Relief Fund



CEO Reade Fahs signed CEO Action for Diversity & Inclusion Pledge™

### Environment



Launched our LED energy efficiency upgrade program



Completed second greenhouse gas inventory, enhancing data integrity

### Governance



Approved proposal to declassify board structure



Recognized by 50/50 Women on Boards

# How we make a difference



## Our mission

We help people by making quality eye care and eyewear more affordable and accessible.

## Our work

We help people see their best to live their best through our optical products and services. For more than 30 years, we have been improving lives by providing eye care for value-seeking and lower-income customers.

## What we rely on

### Who we're here for

Value-conscious customers in need of eye care, and others around the globe experiencing vision loss

### Our presence

1,278 stores in 44 states and Puerto Rico  
7 support facilities

### Our trusted brands

America's Best Contacts & Eyeglasses, Eyeglass World, Vision Center brought to you by Walmart, Vista Optical inside selected Fred Meyer stores, Vista Optical in select military exchanges

### Our people

13,674 associates and >2,200 optometrists in the National Vision Doctor of Optometry network

### Our suppliers

Our network of product and service suppliers, in the U.S. and abroad, who support us in our mission

### Our resource needs

Energy, water and materials to support our social impact

## Our business activities



### Delivering eyewear

We sell glasses and contact lenses with a low opening price point that makes eyewear affordable and accessible to all Americans.



### Providing eye care

Optometrists provide eye exams, either at low cost or bundled for free with our eyewear, to help people see their best.

## Our SEE+G approach



### Societal Impact

We focus on making high-quality eye care and eyewear accessible and affordable for all. Our philanthropic giving and partnerships expand access to affordable eye care for those in need around the world.



### Employees

We invest in programs that support the well-being, development and quality of life of our people. We are committed to fostering a culture of diversity, equity and inclusion.



### Environment

We work to understand the impacts of our activities, increase the efficiency of our operations and minimize our environmental footprint.



### Governance

We strive to adhere to the highest standards and best practices for compliance, data privacy and cybersecurity, as well as product quality and safety.



### 20/20 Quest Foundation

Our foundation focuses on providing screenings, eye exams, eyeglasses and refractive error solutions to the optically underserved around the world.



### National Vision philanthropy

We support nonprofit organizations that share our mission to help people by making quality eye care and eyewear more affordable and accessible.

## Stakeholder value and positive impact



### Stockholders

We create value for **National Vision and its stockholders** through providing exceptional value and convenience to customers. Our low-cost operating model and new store openings have led to strong returns on investment.

page 12



### Societal Impact

Every day, we impact the lives of our **customers** by helping them see their best - so they can perform their jobs, care for their families and contribute to their communities.

We support broader impact through philanthropic activities that improve vision in the U.S., meet the needs of underserved people around the world and drive systemic change to improve vision for all.

page 16



### Employees

Our aim is for **associates and doctors** to feel comfortable bringing their full selves to work each day, and to support them in advancing their capabilities and careers.

page 34



### Environment

We improve our **environmental** performance through better management of energy, water and waste.

page 55



### Governance & Supply Chain

Our transparent **corporate governance** and robust ethical guidance ensures that we are able to effectively deliver on our mission.

We extend our positive impact down our **supply chain**, building on long-lasting partnerships with suppliers who share our values and high operating standards.

page 63





## Our financial performance

We are one of the largest and fastest growing optical retailers in the United States. Our financial success is dependent on realizing the societal impact inherent in our mission — to make quality eye care and eyewear affordable and accessible to all Americans.



## Our financial highlights in 2021

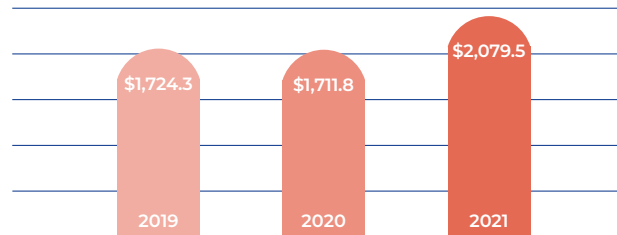
Strong financial performance allows us to expand our presence — helping even more people to see their best.



### Record revenue and stockholder returns

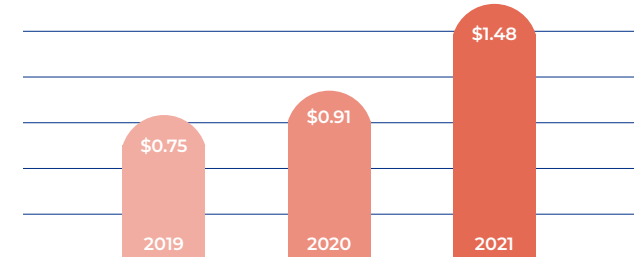
Record revenue drives stockholder value

Net revenue (\$M):



**20.6%** Increase in net revenue 2019-2021

Adjusted diluted earnings per share<sup>1</sup> (EPS):



**97.7%** Increase in adjusted diluted EPS 2019-2021

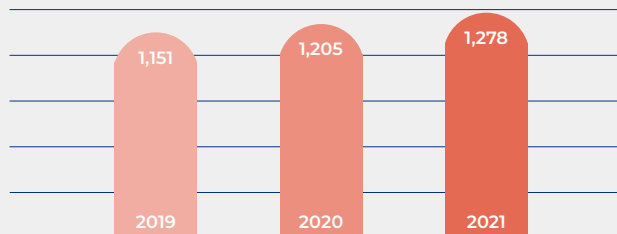
1. Adjusted diluted EPS is a non-GAAP financial measure. See page 95 for a GAAP to non-GAAP reconciliation.



### Expanding our presence

Quality eye care and eyewear for more Americans

Stores in operation:

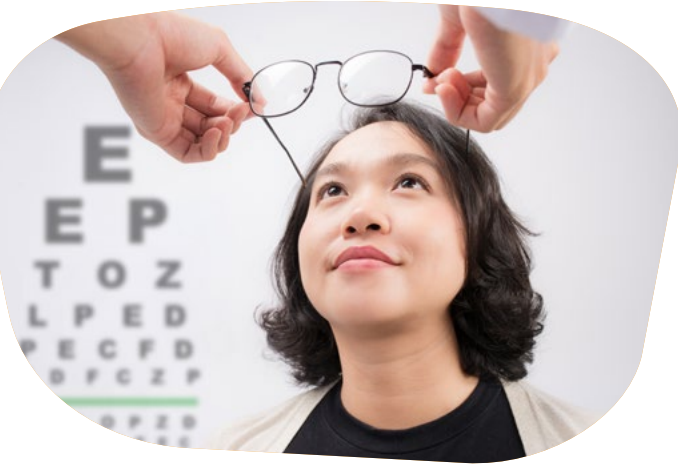


**>850**

Stores opened since 2006

## Record level of operating cash flow in 2021





## Our business performance

We believe that our customer value proposition, combined with our SEE+G framework, will enable us to continue delivering for stockholders, customers and other key stakeholders for many years to come.

### Growing our presence

By opening new stores, we grow our business and expand our impact. In addition to helping more people see and live their best, our growth also creates jobs for purpose-driven individuals who want to support the well-being of their local communities.

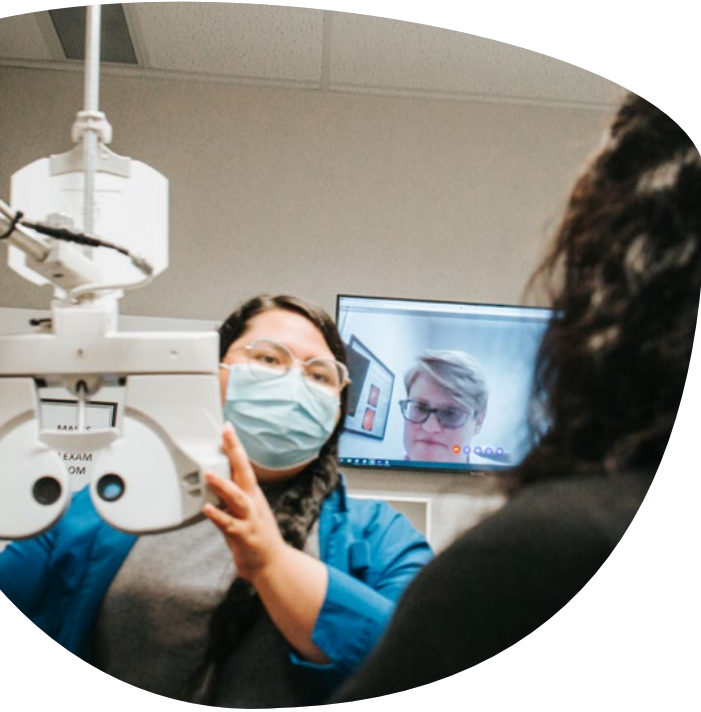
In 2021, we opened 75 new stores across our brands. Several demographic trends — such as aging populations, increased use of computer/mobile screens and a growing focus on health and wellness — will increase Americans' needs for quality eye care and eyewear. We want to be sure we are there for them, which is why we will continue to invest in expanding our presence into the future.

Our disciplined expansion strategy is designed to leverage our distinct value proposition and our recognized

America's Best and Eyeglass World brand names.

Our bundled offers are among the lowest priced offerings of any national chain. In 2021, we offered two pairs of eyeglasses including an eye exam for \$69.95 at America's Best and two pairs of eyeglasses for \$78 at Eyeglass World. In 2021 alone, we sold more than 1.2 million pairs of glasses at these low price points. Despite modest increases to these prices in 2022, we believe that our offering continues to deliver industry-leading value for our customers.

We've already opened 39 stores as of July 2, 2022, guided by our target of at least 80 new stores for the year — with a focus on accelerating the rollout of Eyeglass World stores.



## Increasing access through remote medicine

In addition to opening new stores, we're also increasing access to eye care through our new remote medicine initiative. Remote medicine technology allows eye exams to be provided to more people, especially those who live in areas without easy access to an optometrist. Remote eye exams connect patients in National Vision locations with optometrists across the country, increasing the number of available appointments at each participating location. In 2021, remote eye exams were piloted at more than 35 of our locations in Georgia. Based on the results, we plan to expand through 2022. For more detail on how remote medicine enhances our societal impact, see page 18.

To support the rollout of remote medicine, we began transitioning the optometry offices in our stores to electronic health records. After a successful launch in the Atlanta area in 2021, we will be continuing this transition in 2022. We provide more detail on the patient benefits of electronic health records on page 20, and the environmental benefits on page 59.

**For more on our 2021 financial performance, check out our:**

- [2021 Annual Report on Form 10K](#)
- [2022 Proxy Statement](#)
- [Other investor disclosures](#)



## Societal Impact

We are in the business of impacting lives. Through affordable and accessible eye care and eyewear, we help people see their best to live their best — no matter their budget.

Our business model means we are also uniquely qualified to help address the global vision crisis — helping broaden our societal impact to reach all corners of the globe.



## Our Societal Impact highlights

Through our business and our philanthropic activities, we have a meaningful impact on people in the U.S. and around the world.

# 8+ million lives impacted



## 7.6M

**Customer lives impacted**

(up from 6.5 million in 2020)<sup>1</sup>



**Launched remote medicine initiative**



**Launched register donation program**



## >1M

**Additional lives impacted<sup>2</sup> by philanthropic programs**

5X the number of lives impacted in 2020



## >21,000

vouchers for free eye care or eyewear provided through National Vision Cares



## 500,000

frames collected from optical company peers and donated to partner organizations around the world



## \$2.75M

donated by **National Vision** and **20/20 Quest** to strategic nonprofit partners, optometry schools, and social causes to alleviate the global vision crisis



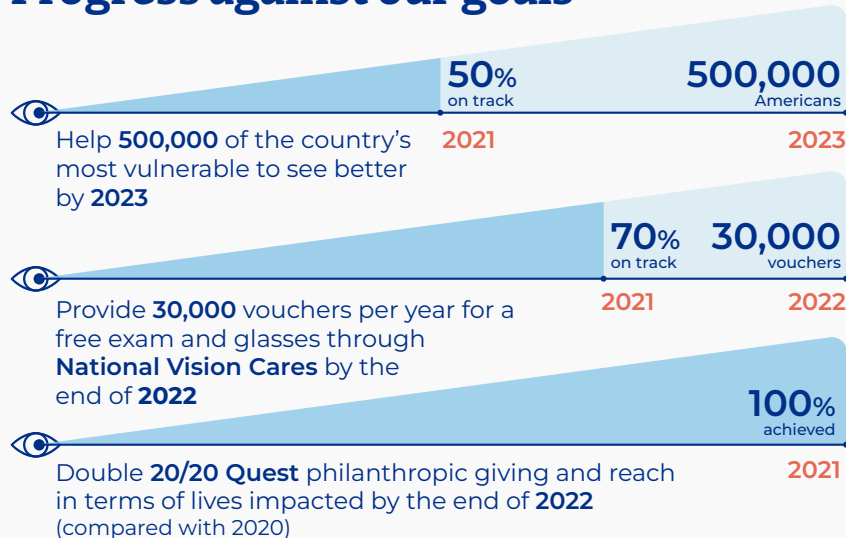
## \$165,500

donated to **20/20 Quest** by National Vision employees

1. Numbers relate to total customers served. As part of our commitment to enhance the accuracy and reliability of our report, we have restated the 2020 figure (6.5 million). The figure disclosed in our 2020 Corporate Responsibility Report (7.9 million customers served) was based on total customer store visits, instead of distinct customers.

2. Additional lives impacted refers to anyone receiving eye care and eyewear through 20/20 Quest's charitable programs, National Vision Cares and other voucher programs, and the Made Locally, Given Globally program.

## Progress against our goals



Enabled by our first-ever multiyear grant to **RestoringVision** (page 25)

National Vision Cares reached 10x more people than in 2020 (page 25)

Learn more in the section on our community impact (page 24)

## Looking ahead

We're excited for what the future holds for our societal impact. In addition to advancing progress against our existing goals, we also aim to:

- By the end of 2022, we seek to have remote medicine enabled in up to 300 of our stores
- Help 5 million people to see in the next 5 years through our philanthropic programs





## Our customer impact

Societal impact is inherent in our business model. Sight impacts every component of our lives, and the eye care and eyewear that our associates and the National Vision Doctor of Optometry network bring to patients and customers has the potential to fundamentally change people's lives for the better.

### Customer affordability and accessibility

By focusing on the accessibility and affordability of our eye care services and eyewear products, we can amplify our societal impact and our business success.

#### Maintaining affordability

We seek to deliver exceptional value and convenience to our customers while maintaining one of the lowest price points in the industry and a wide selection of high-quality, affordable products. By keeping our price point low, we help low-income and underserved populations in the U.S. access vision care through all of our brands.

In 2021, through our America's Best brand, we offered two pairs of glasses for \$69.95, including a free eye exam. We also offered two pairs

of glasses for \$78 at Eyeglass World, many of which are crafted on site and available for pickup on the same day that they're ordered. Despite modest increases to these prices in 2022, we believe that our offering continues to deliver industry-leading value for our customers.

#### Expanding access through remote medicine

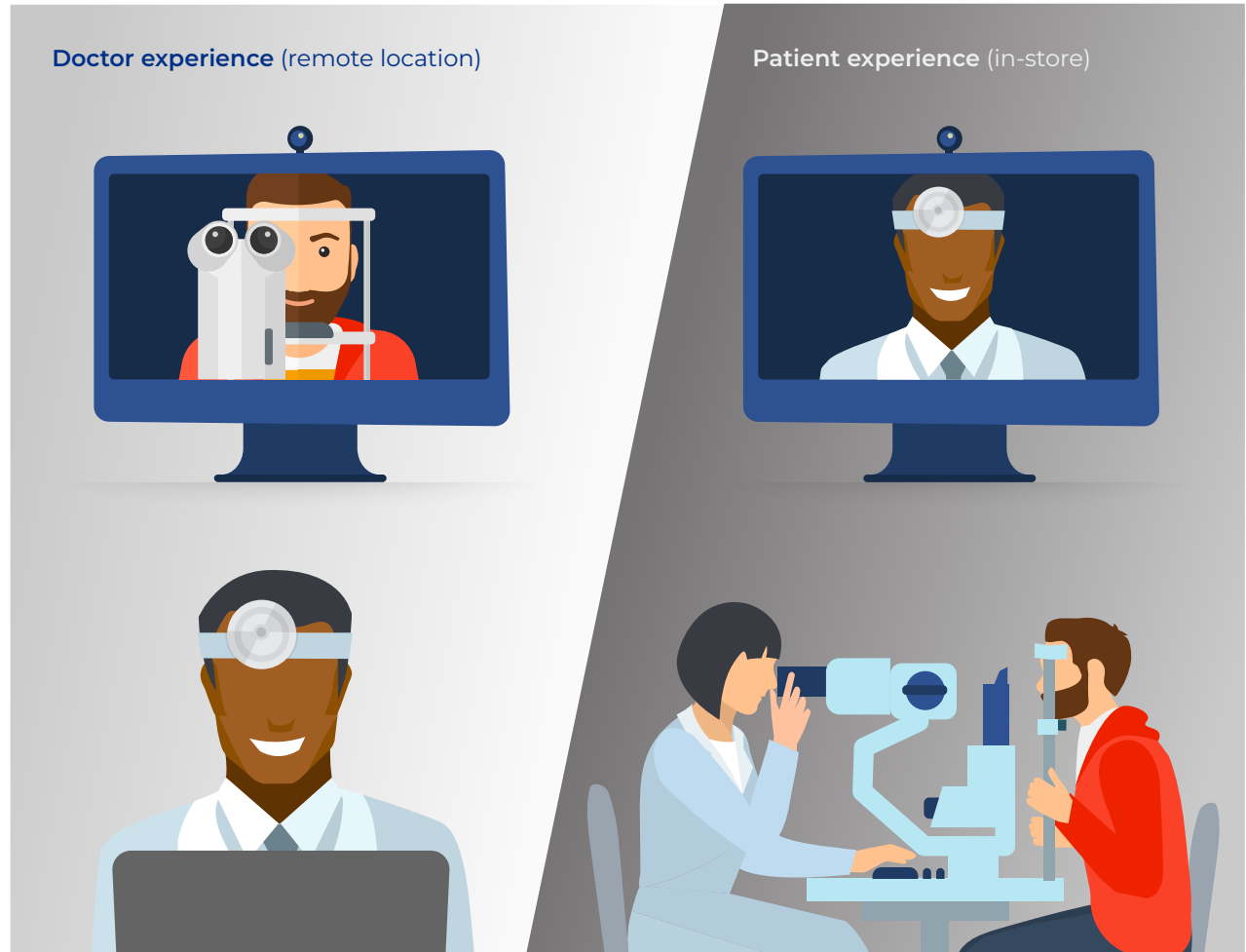
Many Americans do not have easy access to an optometrist. This shouldn't prevent them from accessing the eye care that they need, which is why we are investing in remote medicine capabilities. Patients who take advantage of remote medicine visit our stores in person, receiving complete pre-testing from qualified optometric technicians prior to the eye examination. Optometric technicians stay in the room throughout the exam to assist the remote optometrists.

### Expanding access through remote medicine (continued)

Using equipment in their remote office, optometrists interact live with patients while completing all remaining aspects of the eye exam via remote exam equipment and technology. This one-on-one time during the exam builds the critical doctor-patient relationship and ensures that the care patients receive in our stores remains at the high standard we expect.

Remote medicine technology allows us to provide access to quality eye care to more patients, especially those in markets that otherwise may not have a local optometrist. It also has the benefit of increasing the number of appointments available in stores with a limited number of optometrists on site.

In 2021, we piloted the introduction of remote medicine in more than 35 stores in Georgia. The success of our pilot program has set the stage for us to expand remote medicine technology across the country from 2022 onward. By the end of 2022, we seek to have remote medicine enabled in up to 300 of our stores.

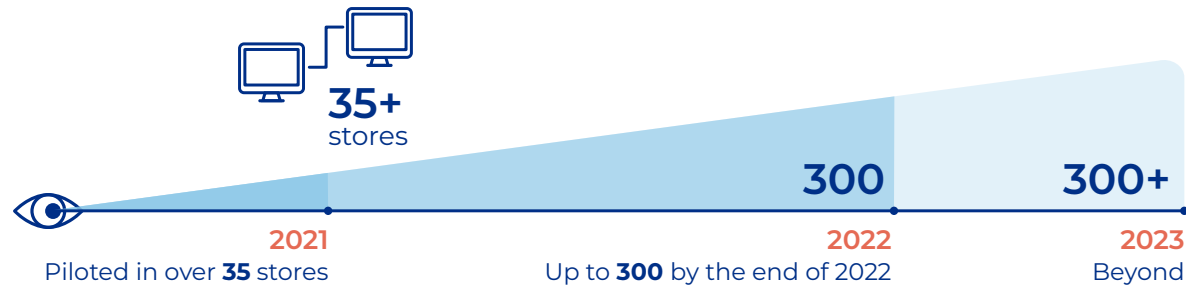


### Remote medicine

At our stores with remote medicine technology, patients complete the exam with the assistance of an optometric technician at the store — while the optometrist participates from a remote location. Remote medicine enhances eye care accessibility to more Americans, and meets the same standard state requirements as exams administered by an on-site optometrist.



## Expanding access through remote medicine in our stores



As part of our remote medicine initiatives, we are transitioning from paper-based to electronic health records. Storing patient records electronically has the dual benefits of giving remote optometrists secure access to patient records and improving the overall patient experience. For more on the environmental benefits of electronic health records, see page 59. For more on our data security and privacy procedures, see page 69.

When rolling out electronic health records and remote medicine at our stores, we provide thorough training to all associates and optometrists. Training is tailored to individual

roles and responsibilities, and ensures that patients receive the same quality of care as they would expect from an in-person appointment. We educate our associates in everything from appointment scheduling and electronic health records, to assisting the remote optometrist with eye exams. Optometrists receive detailed education on the new technology and exam flow to ensure that they can confidently deliver high-quality eye care remotely.

We use a combination of electronic learning through our Learning Management System and in-store learning programs that coincide



with the launch of electronic health records and remote medicine. Learn more about our employee training programs on page 44.

Remote optometrists have access to a full suite of technology to ensure that they have a smooth connection with their patients, including computers, enhanced web access and data protection software, as well as high-quality in-store cameras and computer systems to capture detailed imagery of patients' eyes. These tools ensure that remote appointments are easy, safe and secure, and that patients receive the same quality of care as they would expect from an in-person appointment.

## Customer service and satisfaction

Listening to our customers helps us identify areas that we should work to improve. We conducted more than 100,000 customer experience surveys in 2021, and gathered valuable insights into what is working well and how we could do even better.

One way we continuously enhance the customer experience is through store upgrades. We launched a store refresh program in 2021 to present our customers with a new, more modern experience when they visit our stores. As part of this program, we are implementing changes to store layouts and associate workspaces to improve the experience for everyone involved. Future store upgrades will also include energy efficiency improvements, detailed on page 58.



### CASE STUDY

## COVID-19 safety measures for customers

The safety of our customers when they visit our stores is paramount. The continuing COVID-19 pandemic presented challenges throughout 2021 that required constant adjustments to our response.

Our safety protocols, which are designed to protect associates, doctors, customers and patients, are regularly reviewed and updated by our Safety Committee. Throughout 2021, the Safety Committee kept on top of pandemic-related regulations and restrictions across the country, and provided materials to support our stores as necessary. We continued to provide appropriate PPE (such as masks and hand sanitizer) in our locations and ensured our

cleaning protocols and educational signage were aligned with the Centers for Disease Control and Prevention and other health association recommendations.

We also updated our scheduling and screening protocols for guests that had COVID-19 symptoms in order to keep our stores as safe as possible. Given the small footprint of many of our stores, we continued to manage the number and flow of people in our stores when necessary. Finally, we provided training and materials to our associates related to treating patients kindly and safely, and regularly engaged our people to understand their comfort with day-to-day customer contact.

## Reference information on customer impact

### Customer affordability and accessibility

Our low-cost operating model enables us to deliver exceptional value and convenience to our customers while maintaining one of the lowest price points in the industry and a wide selection of high-quality, affordable products. Our focus on affordability and accessibility also helps build customer trust — as we work hard to ensure that more and more people can see their best. Above all other considerations, we focus on our mission of providing high-quality and low-cost eye care and eyewear in decisions we make across our business.

Some of the ways we maintain our low price point include:

- The footprint of our retail stores is light. We keep our stores small relative to other retail spaces and we seek to incorporate highly efficient lighting and heating and cooling systems to keep operating costs down.
- We do business with fewer, larger product suppliers. This helps us establish long-term relationships with product suppliers whose values align with ours and allows us to maintain our low-cost profile.

- We make investments in equipment and technologies to provide quality care efficiently and that enable our labs to run more cost-effectively. We are always looking for ways to increase efficiencies and increase access to eye care and eyewear for more people, and that means staying abreast of the latest technologies in both optometric equipment and lab equipment.

Our efficient store operations, combined with our centralized lab and distribution centers, allow us to capably shift inventory across our network to meet customer expectations.

### Customer experience

We want to create experiences where each patient and customer feels genuinely cared for across National Vision locations. We work hard to ensure that any optometrist associated with National Vision is well supported so they can focus on delivering the best possible care to their patients. It is critical that we continually monitor how satisfied patients and customers are with their experience.

We have set up multiple listening posts at key points in the customer journey to better understand how our customers feel about their

experience with our brands. We measure our net promoter score as well as customer satisfaction across various customer touch points to ensure that we are delivering a high-quality experience that will foster new customer acquisition as well as retention. Customer net promoter scores, satisfaction scores and other customer survey feedback are shared with leadership teams, communicated back to associates and optometrists as appropriate, and used to inform procedural improvements across our operations where relevant.

The National Vision Customer Care Center provides support for patients and customers of our optical stores who have questions or comments over the phone or email. We also regularly monitor and respond to inquiries on our brand social media accounts. To manage calls that come into the Customer Care Center, we have a customer service ticketing system that segments incoming customer inquiries to allow for greater efficiency in our response efforts.

## Reference information on customer impact

### Clinical Advisory Panel

To keep National Vision up to date on innovations in the optometry space, we have a Clinical Advisory Panel of 10 doctors who evaluate all potential products, examination equipment and clinical operating procedures before they are deployed to the optometry offices in our locations. Members of the Clinical Advisory Panel serve for one year and any optometrist practicing in the National Vision network may apply. Serving on the Clinical Advisory Panel helps doctors in our network build leadership skills and contribute positively to the patient experience.

### Peer review process

Optometrists practicing in the National Vision network are required by their respective employers to adhere to their relevant state board regulations and maintain the required licenses and credentials. In collaboration with the various independent practices within the network, we have also established a peer review process to hold doctors to a consistent and high standard of clinical competence. Area doctors, optometrists that are charged with training

and oversight of doctors within their respective practices, assess the doctors practicing within their region. These assessments include chart audits and observation sessions to ensure that doctors are providing quality care to all patients.

### Product quality and safety standards

The optical industry is highly regulated in the United States. All frames or lenses sold in our stores must meet national and state standards for quality, durability, health and safety. We also use a company-wide set of quality standards, which often exceed what is required by law, to guide the development of our products.

We communicate our quality standards to our product suppliers, and each factory we partner with must pass an annual audit with an external third party to demonstrate they meet our quality standards. National Vision also makes every effort to purchase products from suppliers that do not contain known hazardous materials, and we use product signs and labels as required by law, such as California's Safe Drinking Water and Toxic Enforcement Act (also referred to as Proposition 65).

National Vision is also dedicated to sourcing all components and materials used to produce our private label products from product suppliers that share our values and standards regarding human rights, environmental responsibility and ethics. Our social compliance audit process assesses the health and safety practices in place at select product suppliers' facilities, and monitors practices across our factory network. Additionally, National Vision supports the goal of ending violence, human rights violations and environmental devastation through the application of our strict Conflict Minerals Policy. See page 70 for more information on our approach to supply chain management.



#### CASE STUDY

## Consumer and associate giving

In 2021, we established a store donation program that allows customers to contribute to 20/20 Quest at the time of checkout. Patients and customers responded immediately, donating more than \$36,000 in the first months of the program. National Vision joined our customers by matching the donations to 20/20 Quest up to \$100,000.

In addition to National Vision's corporate donations and customer donations through the store donation program, associates made donations of more than \$165,500 to support 20/20 Quest. The combined total donations are helping provide eyeglasses to people around the world in need.



## Our community impact

Our U.S. business drives a philanthropic engine that amplifies and extends our impact beyond the markets where we operate — including the millions affected by the global vision crisis.

National Vision and our charitable foundation, 20/20 Quest, support a range of philanthropic programs to bring eye care and eyewear to people who otherwise would struggle to meet their vision needs. We partner with national and international organizations in this mission — providing screenings, eye exams, eyeglasses and refractive error solutions to the optically underserved.

We structure our philanthropic activities according to three pillars:

- Extending our impact in the U.S.
- Collaborating with partners to address vision loss around the world
- Implementing global systems change for vision care and access



## Extending our impact in the U.S.

We activate our mission in the U.S. to help people who can't afford eye care and eyewear through our National Vision Cares program, and by partnering with nonprofit organizations like RestoringVision.

### Supporting our communities

National Vision Cares is a program that enables associates in our stores to provide vouchers for free eye exams and glasses to people in their communities in need of eye care. In 2021, we made National Vision Cares one of our central priorities, and allocated more than \$400,000 in funding to expand the program's reach and impact. This funding supported outreach to communities across the U.S., as well as an increase in the number of vouchers offered from each store. As a result of these efforts, the program delivered eye care and eyewear to over 21,000 low-income members of our communities in 2021. This is more than 10 times the number of people we reached in 2020, and puts us on target to achieve our goal of reaching 30,000 people per year through the program by the end of 2022.

### Expanding access to eye care

Through our long-time partnership with RestoringVision, we continued a collaboration with Americares to provide support to people in the U.S. who are significantly below the poverty line. Those in need can visit any of the nearly 1,000 Americares clinics and health centers across the U.S. and receive free glasses along with many other health offerings provided by Americares and its partners. Through the program, reading glasses have been dispensed in 160 clinics across 35 states to serve those with the greatest need. Many of the clinics where the glasses were dispensed are Free and Charitable Clinics or Federally Qualified Health Centers operating on annual budgets of less than \$100,000. Most of the clinics rely on volunteers and could not have supported vision programs in their clinics without this support.

The demand for RestoringVision's programs has grown significantly due to the impact of the COVID-19 pandemic and rising rates of poverty around the world. In response, National Vision and 20/20 Quest awarded RestoringVision its first-ever multiyear grant in 2021, committing \$500,000 over two years. Multiyear grants allow RestoringVision to implement large projects to create sustainable, equitable access to glasses for people in need. Our grant to RestoringVision aims to bring clear vision to 500,000 Americans in need by 2023.

### Vision care for local children

National Vision has long been the largest corporate sponsor of Prevent Blindness Georgia (PBGA), an organization targeting vision improvement across the state. PBGA expanded its work in 2021 to support children who had received vision screenings but had not yet received follow up eye care and treatment. National Vision provided financial donations, volunteer assistance and in-kind donations of eye drops to support PBGA's Comprehensive Children's Vision Program — piloted at three vision clinics in Hall County, Georgia. Thanks to the program, over 400 children who had failed a vision screening were able to receive comprehensive eye exams. Any child who received care through this program was eligible to receive free eyewear, and PBGA provided more than 300 children with prescription glasses.

**>\$114,000**

donated to  
Prevent Blindness Georgia  
in 2021





## CASE STUDY

## Optometrist scholarship programs

Enabling the next generation of eye care professionals is key to continuing to fight the global vision crisis. In addition to providing support to our associates, we award three optometry student scholarships each year through our National Vision Scholarship Program. In 2021, the sixth year of the program, we gave winning students a total of \$7,000 in funding. We donated the same amount to support the National Optometric Student Association scholarship program, which encourages students to continue their work in primary care, particularly in underserved minority communities. National Vision is proud to support optometry students in their educational pursuits. This is in addition to our O.D. Tuition Reimbursement Program, which offers up to \$20,000 for education expenses toward a Doctor of Optometry degree.



### Optometry school support

Optometrists are the heart of our business, providing the eye care services that are critical to our operation. They are also often the first touch point a patient has into the healthcare system and are able to identify a myriad of non-optical diseases, playing an important role in primary care.

For this reason, we believe supporting the advancement of optometric education is essential. We currently collaborate with and support optometry schools around the country, donating more than \$1.4 million since 2016 — including more than \$500,000 just in 2021.

Additionally, CEO Reade Fahs sits on the Board of Salus University's Pennsylvania College of Optometry and in 2021 received Salus University's Presidential Medal of Honor in recognition of the impact of his charitable endeavors and efforts to increase access to optometric education.

## >\$500,000

contributed to optometry schools in 2021



## Addressing vision loss across the globe

Through trusted partnerships, National Vision provides know-how, funding and people power to bring vision care to those in need worldwide. We work with organizations that share our values, ambitions and commitment to improving lives around the globe.

### Made Locally, Given Globally

Made Locally, Given Globally is a giving program operated through our Eyeglass World stores. As customers purchase glasses at Eyeglass World, employees make additional pairs to be donated to someone in need in a developing country.

In 2021, Made Locally, Given Globally donated more than 59,000 pairs of glasses, the most we have donated in any single year, resulting in a total of over 130,000 pairs of glasses produced since the program started in 2019. These donations provided free eyewear to people with vision impairment in 30 countries around the world.

This program also provided key support to our strategic partner, RestoringVision as they continued to expand their operations in 2021.

“**This initiative has enabled us to expand our program to address a broader range of vision issues.**

The Made Locally, Given Globally program is transforming the lives of people who have had a lifetime of blurry vision due to the lack of access to glasses in some of the world’s most impoverished communities.”

**Pelin Munis, Ph.D.,**  
Executive Director of  
RestoringVision



## CASE STUDY

## National Vision supports World Help

For more than a decade, National Vision has proudly supported humanitarian clinics and volunteer mission trips that provide free eye care and eyewear to people in need around the world. Our support includes donating frames, sunglasses and readers — as well as loaning or donating optometric equipment. Most of our support is done in connection with trips organized through Volunteer Optometric Services to Humanity/International, but we also support missions that our associates and optometrists in our network are involved in.

David Workman, an associate in National Vision's Information Technology team, worked with our philanthropy team to provide glasses to World Help, a humanitarian organization dedicated to helping people in impoverished countries around the world. David has personally been supporting World Help for a decade. In 2019, thanks to David, we began supplying readers and sunglasses to World Help for mission trips in Guatemala.

After a pandemic-related hiatus in 2020, we resumed our support of mission trips in 2021, sending approximately 1,000 readers and sunglasses to Guatemala again. Our support has expanded to Honduras and Uganda in 2022, and now also provides mission trips with eye drops and medical equipment.



# 100,000

vision screenings pledged by National Vision towards IAPB's Love Your Eyes goal of 1 million pledges in 2021

# >3.6M

vision screenings by National Vision and other global organizations, exceeding IAPB's goal of 1 million pledges

## Pledging to Love Your Eyes

Through our engagement with the International Agency for the Prevention of Blindness (IAPB), we participated in the Love Your Eyes campaign in 2021. Love Your Eyes set a target to test 1 million pairs of eyes before World Sight Day, an internationally recognized day in October each year focused on the global issue of eye health. National Vision pledged to conduct 100,000 vision screenings toward this target and IAPB exceeded their target with more than 3.6 million tests pledged by organizations around the world.

## Expanding access where need is the greatest

Grace for Impact is a nonprofit international development organization that focuses on expanding access to high-quality healthcare and education in low-income countries. National Vision donated 500,000 frames to Grace for Impact in 2021 alone, which are being distributed throughout their network of health professionals and local community organizations.

## Supporting safe vision care through the COVID-19 pandemic

Through a partnership with VisionSpring and 10 other organizations, National Vision helped launch the Clear Vision Collective (CVC) in 2019, an initiative to bring together committed parties across the optical industry to set up a sustainable model for vision care. The CVC focuses on vision care in Bangladesh, and over the last 2.5 years, the collective has screened more than 250,000 children and adults for vision impairments. Thanks to our collective efforts in 2021, we established the first clear vision district in Sherpur and increased access to eye care for uncorrected refractive error from 20% to more than 40% in a district of more than 1.3 million people.

In addition to our ongoing work with the CVC, National Vision made a donation of \$100,000 to VisionSpring in 2021 to support COVID-19 relief work in India. This donation not only provided necessary PPE and other medical equipment, but also supported VisionSpring's core mission to deliver Vision Access Programs. VisionSpring developed the first COVID-safe vision outreach protocols, and has continued to provide vision care where it's needed most around the world — in informal settlements, factories, tea gardens, artisan cooperatives, transport hubs and rural villages.



## Implementing global systems change for vision care and access

Beyond the work that we do to improve individual eyesight, we believe it's important to create broadscale, systemic solutions for care and access around the world.

### Leadership in international collaboration

The IAPB works to be the voice of vision-related global health care. National Vision has joined in this global initiative with a 20/20 Quest representative serving on the Board of Trustees of IAPB. In 2021, National Vision took an active leadership role in The Coalition for Clear Vision, a new IAPB global coalition for addressing correctable vision loss by the end of 2050. National Vision's involvement in 2021 included our Senior Vice President Jacqueline Grove serving as interim executive director and serving with CEO Reade Fahs in leadership roles on the Steering Committee.



### CASE STUDY

## 2030 In Sight Live

As part of our membership in IAPB, we participated in the 2030 In Sight Live conference held in March of 2022 in Dubai. The event brought together leaders from across the eye health sector from around the world to discuss the solutions to achieve the new IAPB 2030 In Sight strategy. As part of the event, our CEO Reade Fahs participated in a key session focused on how NGOs can better partner with private sector businesses to accomplish mutual social goals.

By 2030, we want to see a world where:

- No one experiences unnecessary or preventable sight loss and everyone has an opportunity to achieve their full potential
- Eye care and rehabilitation services are accessible, inclusive and affordable to everyone, everywhere, whenever they are needed
- People understand the importance of caring for their own eye health and demand access to services, free from the weight of any social stigma



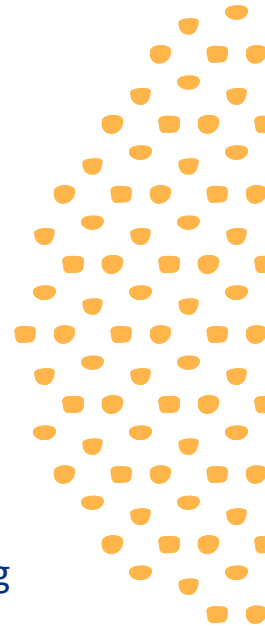
### Adoption of new global targets

Thanks in part to the IAPB's efforts, the World Health Assembly (an initiative of the World Health Organization) adopted two new global targets to address the causes of preventable blindness and vision impairment in May 2021. The targets focus on increasing effective coverage of uncorrected refractive error by 40% and effective coverage for cataract surgery by 30% by 2030. Together, these targets provide a much-needed mechanism to monitor global progress on eye health and to hold governments accountable. The IAPB is supporting advocacy for these new targets at a country level. The agency is working to raise the profile of these new targets to drive action, including the reporting of baseline and 2025 data to effectively track progress.

Further support for global alignment on addressing the vision crisis came from the first ever U.N. resolution on vision in July 2021. 'Vision for Everyone — Accelerating Action to Achieve the Sustainable Development Goals' was unanimously passed by all 194 U.N. countries and with 115 co-sponsors. The resolution ties eye health to the Sustainable Development Goals and calls on the international community to help the estimated 1.1 billion people who currently do not have access to eye care by 2030.

“**An eye test for a child can be the difference between inclusion and exclusion;**  
a pair of prescription glasses, the difference between access to information and seeking a livelihood and not.”

**W. Aubrey Webson**  
Ambassador to the  
United Nations





## Reference information on philanthropic giving

### Governance and management of giving programs

Our philanthropic efforts are led by our Senior Vice President of Talent Development; Culture; Diversity, Equity and Inclusion; and Philanthropy. The National Vision Board receives regular updates on our philanthropic goals and initiatives.

### 20/20 Quest

20/20 Quest is a National Vision sponsored 501(c)(3) charitable foundation chartered for the purpose of providing screenings, eye exams, eyeglasses and refractive error solutions to the optically underserved in both the United States and abroad. In addition to financial donations, 20/20 Quest has helped people all over the world receive glasses through frame and lens donations from manufacturers, optical chains and individuals.

### National Vision Cares

Through our domestic National Vision Cares program, we empower doctors and associates to support people in need in their local communities. 100% of our stores have access to the National Vision Cares Program.

Each month, we provide stores with vouchers for a free eye exam and pair of glasses to give to eligible patients, customers or individuals in the community in need of vision care and who do not have vision insurance or participate in governmental healthcare programs, including those who have suffered major financial setbacks or have been affected by natural disasters. Stores are encouraged to reach out to local organizations, schools and other entities to help identify people that need assistance.

### Prevent Blindness Georgia

Prevent Blindness Georgia directly serves the Georgia community through initiatives such as a mobile clinic that offers free eye exams and low-cost eyeglasses to uninsured or low-income adults living at shelters and senior centers, and running screening programs for children ages three to five in daycares and schools across the state. 20/20 Quest is represented on the Board of Directors.

Learn more about Prevent Blindness Georgia on their [website](#).

### RestoringVision

RestoringVision is a global nonprofit dedicated to creating equitable access to vision services and eyeglasses for individuals living on less than \$2 a day worldwide. Since 2007, National Vision has partnered with RestoringVision to advance its mission to empower lives by restoring vision for millions of people in need. We have made significant and consistent contributions through several philanthropic programs including mission trips, employee giving, glasses sponsorships and in-kind donations of glasses. We also collaborate with RestoringVision on our Made Locally, Given Globally program, established in 2019.

We have also played a vital role in helping the organization build a sustainable supply chain and set strategic priorities through our participation on the RestoringVision Board, including Kevin Hassey representing 20/20 Quest as Chairman of the Board, and our CEO Reade Fahs serving as a member of the Board.

Learn more about RestoringVision on their [website](#).

## Reference information on philanthropic giving

### VisionSpring

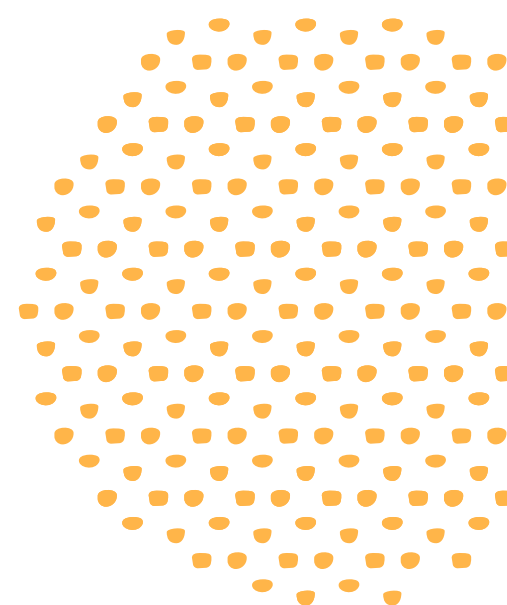
VisionSpring is a social enterprise focused on bringing affordable, quality glasses to people around the world that need them. Since its founding in 2001, VisionSpring has reached a cumulative 8.7 million low-income customers in 21 countries with the eyeglasses they need to work, learn and drive safely, unlocking \$1.8 billion in increased income earning potential. VisionSpring's goal is for low-income people to utilize eyeglasses as a means to improve their daily functioning, productivity and income earning potential, which create the possibility of a more prosperous life. CEO Reade Fahs has served as Chairman of the Board since 2010.

Learn more about VisionSpring on their [website](#).

### International Agency for the Prevention of Blindness

National Vision is an active supporter of the global eye health agenda through membership in the IAPB, where we support important global advocacy work. In addition to a representative from 20/20 Quest serving on the IAPB board, National Vision has taken an active leadership role in an IAPB global coalition for addressing correctable vision loss, The Coalition for Clear Vision. The ambition of the coalition is to catalyze and leverage the strength of industry and NGOs to deliver new market strategies and effective delivery models that support and enable equitable access to essential vision services in low-income countries, where the need is greatest.

Learn more about the IAPB on their [website](#).





# Employees

Our success relies entirely on the dedication of our associates and network of doctors. Through our associate engagement and development activities, we connect our people with our purpose and help them grow and develop with the business. We seek to build and sustain a diverse workforce representative of the communities we serve, and to ensure that every associate and optometrist in our network feels comfortable bringing their best selves to work each day.



## Our Employee highlights

An engaged and capable workforce, supported by an inclusive culture, underpins everything we do.

### Employee engagement and well-being



**13,674**

full-time and part-time associates



**76%**

associate engagement score



**>2,200**

optometrists in the National Vision Doctor of Optometry network



**>\$350,000**

provided through National Vision Crisis Relief Fund

### Employee development



**>2,100**

associates promoted



**>500**

associates trained to support our newest stores



Established values-based competency framework

### Diversity, equity and inclusion (DEI)



**69%**

Women in management<sup>1</sup>

1. Senior Manager and above



**53%**

BIPOC (Black, Indigenous and people of color) associates



Further integrated DEI into our Code of Conduct

CEO **ACTION** FOR DIVERSITY & INCLUSION

CEO Reade Fahs signed CEO Action for Diversity & Inclusion™ pledge

### Looking ahead

In 2022 and beyond, we will:

- Continue engagement surveys for associates and optometrists
- Use our values-based competency framework as the foundation for career growth and development
- Deliver inclusive leader training to 1,500 leaders by end of 2023

## Employee engagement and well-being

National Vision is a people-focused organization. We listen to our people and respond to their concerns so they can focus on our mission — making eye care and eyewear more affordable and accessible. By caring for our associates and optometrists in our network, we make it easier for them to care for customers and patients.

### Listening to our associates

We're always seeking to understand how we can enhance the employee experience at National Vision. We conduct separate surveys for our associates and the optometrists in our network (page 37) to better understand the issues most important to people in different positions.

In November 2021, we conducted an associate engagement survey covering a subset of associates that work in our headquarters, retail management and labs. Highlights from the associate engagement survey are shown to the right.

In addition, we were pleased to see above-benchmark results for the "Growth and Development" and "Teamwork" categories. Overall, surveyed associates indicated they were proud to work for National Vision, that they enjoy working with their team and they have confidence in the future of the company.

### 76% Engagement score

Engagement questions help us learn what motivates our associates and inform actions we can take to help them thrive

### 82% Empowerment score

Empowerment questions help us deliver a work environment that drives better performance

### 84% DEI score

(see page 48 for more on our DEI efforts)

### 86% Ethics and Integrity score

### 89% Customer Service score



The survey also helped us understand how we can support our people a bit more — such as through work-life balance, enhancing work processes and managing work-related stress (see page 39 for more on our approach to health and well-being). Detailed survey results and data insights are available to our leadership team as a dashboard, and high-level results are shared throughout the company. Our people team provides training to leaders to ensure that they understand how to access results and data insights. Once they complete training, leaders are able to share the results of the survey with their teams in open meetings that foster conversations about the associate experience.



## Supporting the optometrists in our network

Doctors play a vital role in making our mission possible, which is why we work hard to create an environment where optometrists will want to spend their entire career. We survey optometrists in our network each year to gauge their satisfaction and understand ways to enhance their experience working with us. In 2021, 75% of optometrists who responded to the survey said they would recommend their practice to a colleague, and more than two-thirds said they were likely to spend their career at their current practice.

In 2021, we supported optometrists in a variety of ways, including our mentorship program. Over 170 doctors benefited from virtual or in-person mentorship programs in 2021. Formal mentorship meetings covered a range of topics including efficiency improvements, tips for handling challenging cases, information on available products for low-income patients, and opportunities to meet with senior leadership and peers.

>2/3

of optometrists in our network surveyed said they were likely to spend their career at their current practice.







#### CASE STUDY

## Our new Regional Clinical Directors

As a doctor-centric organization, we're always trying to think of ways to support the optometrists in our network to deliver the best patient care possible. Starting in October 2021, we added five Regional Clinical Directors to the Clinical Services team to provide additional support and guidance.

Regional Clinical Directors are highly skilled clinicians that enhance the support available to optometrists across the network. The newly-created role also provides an opportunity for the Regional Clinical Directors to explore a career in clinical administrative leadership.

## Benefits plans that meet our people's needs

Through comprehensive benefits and other types of support, we support the physical, mental and financial well-being of our people.

We offer comprehensive health coverage to full-time employees of National Vision (page 42 provides additional information on our benefits plans). We regularly seek feedback from our people to ensure our plans meet their needs and to expand the proportion of our workforce benefiting from the programs.

Acting on employee feedback, we enacted several changes to benefits programs in 2021. Our paid parental leave policy now provides a full month of paid time off for new parents following the birth or placement for surrogacy, adoption or foster care of a child. We also developed a personal finance management resource to support associates with budgeting and spending habits, short- and long-term savings goals, student loan management and retirement planning.

## Looking after mental health

In early 2021 we increased our communication efforts related to mental health, including the launch of SupportNetwork. SupportNetwork is a robust, confidential resource that helps associates and their immediate family members seek support to address life's challenges. SupportNetwork provides professional counseling and referrals to address a wide array of personal and work-related concerns like anxiety, depression, marriage and relationship problems, grief and loss, substance abuse, anger management, stress and more. Users can access resources on their own time, join moderated anonymous group sessions and contact licensed clinicians 24/7 for personalized, immediate assistance. We communicate the availability of SupportNetwork and other resources to our associates through the benefits portal, store portal, monthly newsletters and program fliers in stores so that everyone who needs to use these resources is able to do so.

## Financial support

In 2019, we set up the National Vision Crisis Relief Fund as a way to care for our people in times of need. The Fund received more than \$840,000 in donations from associates, doctors and outside organizations in 2021, including a 200% match from National Vision. In 2021, the fund provided more than \$350,000 to over 250 associates to help them through difficult situations, including challenges related to the COVID-19 pandemic. Since its creation, associates have received over \$1.3 million from the Fund, with over 95% provided since the beginning of the pandemic.

We also offer scholarships to associates' children enrolling in college. In 2021, we awarded eight scholarships worth \$10,000 each (\$2,500 annually for a total of four years). We plan to increase the number of new scholarships from eight to 10 in 2022, providing yet more support to our people. To learn about the educational support that we offer for our own associates, see page 45.

>\$1.3M

provided to associates since 2019 through the Crisis Relief Fund

74

scholarships worth

\$632,500

provided to associates since 2006 to support college costs for their children



#### CASE STUDY

## COVID-19 safety measures for employees

The COVID-19 pandemic rapidly evolved in 2021, as did guidance from public health experts. Navigating the COVID-19 pandemic and keeping our people safe remained an important focus for us. As the pandemic response has changed, we have kept up to date with guidelines established by the U.S. Centers for Disease Control and Prevention (CDC), other health entities, and state and local regulations.

Our Safety Committee kept on top of pandemic-related regulations and restrictions across the country, and provided materials to support our stores as necessary. We continued to provide appropriate PPE (such as masks and hand sanitizer) in our locations as well as continuously updating our cleaning protocols and educational signage to align with CDC and other health association recommendations.

Health and safety initiatives implemented for the benefit of our people, customers and communities are described on page 21.

In addition to looking after the physical health of associates and doctors in our network, we continued to offer financial and mental health support, such as:

- Frequent and transparent communication from our executive leadership team
- Additional paid leave options
- Personal leave and schedule accommodations
- Centralized support to address COVID-19 questions and concerns, including those regarding the availability of vaccines
- Mental health support through our 24/7 Support Network
- Financial support for eligible team members through the National Vision Crisis Relief Fund

## Reference information on employee engagement and well-being

### Board and management oversight

Our employee engagement and well-being efforts are led by our Senior Vice President, Chief People Officer. The National Vision Board receives updates on these and other topics as part of regular organizational updates.

### Tracking engagement

Employee engagement is a measure of our people's commitment to National Vision's mission and values. We track engagement by surveying associates and doctors within our network. Associate engagement surveys provide an engagement score, among other metrics, that we use to understand the pulse of our organization and to inform employee engagement initiatives. Doctor surveys ask for information about optometrists' satisfaction with National Vision systems, processes and equipment. Doctor surveys help us understand how we can better support optometrists so they can focus on patient care.

Other ways that our people can offer their views on the employee experience include:

- Personal conversations with managers
- Town Hall and monthly meetings
- Reaching out directly to the Employee Relations team
- SERVE: real time chat with management and Retail Support Center staff
- InTouch: anonymously share ideas, feedback, concerns and compliments

### Occupational Health and Safety

Our health and well-being efforts are built on a foundational commitment to the safety of our associates and doctors in our network. We comply with all Occupational Safety and Health Administration guidelines and state regulations. At each of our labs and distribution centers, there are specific leaders responsible for the management of associate safety. For example, lab directors organize and run safety trainings for local associates, some of which are conducted through our Learning Management System and others through in-person instruction. For our retail locations, we provide support to managers and field leaders in understanding and complying with all applicable laws and regulations.

### National Vision Crisis Relief Fund

Our Crisis Relief Fund, launched in 2019, exists to allow our people to support each other. All employee donations to the fund are matched 2:1 by National Vision. The fund helps associates and doctors in our network facing financial hardship as a result of a natural disaster, family emergency, illness, or other unexpected events. We work with a third-party vendor to manage donations, review applications and distribute resources. All donations to the fund go directly toward helping National Vision associates and optometrists in our network. Associates and doctors in our network can visit the fund's [website](#) to determine their eligibility and submit applications for support. They can also use the site to contribute to the fund or sign up to donate through regular payroll deductions.

## Reference information on employee engagement and well-being

### Our benefits programs

We take pride in providing a robust benefits and comprehensive wellness program designed to keep our associates, and their families, healthy, safe and secure. Our benefits team works hard to create offerings that meet the needs of our associates throughout their careers and gathers feedback regularly through benefits surveys to ensure our offerings align with their priorities. We take a comprehensive approach when developing our benefits plans, considering the physical, mental, emotional and financial well-being of our associates and their families.

### Health & Well-being Benefits

- Medical and dental coverage
- Health Savings Account (HSA) with company contribution
- Flexible Spending Accounts (FSA) — medical and dependent care FSA
- Employee Assistance Program
- Company-paid basic life insurance
- Associate, spouse and child supplemental life insurance
- Other ancillary benefits such as accident, critical care, legal and identity theft shield
- Short- and long-term disability insurance
- Holidays and paid time off
- Smoking cessation program
- Wellness programs
- Health fairs

### Financial Benefits

- Retirement savings programs with company match
- Associate eyewear/gift coupon
- Wellness incentive program offered to associates participating in the medical plan
- Non-tobacco user discount for those enrolled in the medical plan
- Exclusive discount program on products, facilities and services
- Scholarship program offered to associates' children enrolling in college
- Company-paid financial wellness benefit from Goldman Sachs Ayco





## Employee development

We seek to support our people throughout their career journey — from onboarding to achieving their professional goals. Our associates and the optometrists in our network have access to training, mentoring and external educational opportunities. We've also established competency frameworks and career development pathways — helping give our people clarity and confidence as to what their futures could hold.

### Formalizing our competency and development frameworks

We understand that our associates want to know how they can grow and develop with the business. To provide greater clarity, we have developed a values-based competency model, supported by approaches to individual development plans and succession planning.

Applying the competency model across the organization is an ongoing focus for our training organization, which will seek to use the model with our mid-level managers in 2022 and store managers in 2023. The model defines key skill and knowledge requirements for associates to develop their careers within National Vision, and will be used to guide the development of individual development plans in the future.

Our values-based competency model is also informing our succession planning process. The process helps us match our talented associates with new roles and positions, helping our people grow, learn and succeed through their careers. In 2021, we conducted focused succession planning exercises with field leaders and our senior leadership — helping to formalize how they can support the ongoing development and success of their teams.



## CASE STUDY

## Optometric Technician development pathways

Optometric Technicians are vital support staff who provide pre-screening and testing before an optometrist sees a patient. Our Optometric Technicians are an important link between the doctors in our network and their patients, and are a key enabler of our mission to make eye care and eyewear accessible to as many people as possible. Based on feedback from field managers and doctors in the network, recruiting and retaining Optometric Technicians became a focus point in 2021.

A retention strategy uniquely designed for Optometric Technicians was built to reward advancement, including an expanded training program and pre-defined pathways for certification and career advancement. We have also added additional support systems for our new Optometric Technicians, including in-store mentorship and on-the-job training aides. We will continue to develop the career path in 2022 so that our Optometric Technicians have even more opportunities to grow their personal skillsets and career opportunities within National Vision.



## Developing store managers

Our new Training Store Manager program is an investment in supporting our store managers — more than 40% of whom began as entry-level National Vision associates — during their critical first steps as new managers.

The program offers high-performing store managers the opportunity to certify as Training Store Managers through a five-week certification process focused on coaching, self-awareness, giving and receiving feedback, and time management. Once participants are certified as Training Store Managers, they provide onboarding and training support to store managers across their district. In addition to providing valuable support to new managers and new store teams, the program provides our associates with a new avenue for leadership opportunities and professional development.

After the Training Store Manager program launched in May, we selected and certified more than 60 Training Store Managers across the country in 2021, and we have continued to expand the program in 2022.

The Training Store Manager program builds on our culture of developing and promoting our associates — over 2,100 associates were promoted in 2021.

## Supporting further education

Our annual Continuing Education Symposium makes it easy for full-time optometrists practicing in National Vision's network to earn their required Council on Optometric Practitioner Education (COPE) approved CE credits — while also getting together with peers and National Vision leadership. In 2021, we offered Continuing Education Symposiums in Dallas, Texas; Orlando, Florida; Scottsdale, Arizona; and online. Over 1,500 optometrists, representing over two-thirds of our network, participated in a 2021 Continuing Education Symposium.

Other ways we supported the further education of our people include:

- Providing financial support to nearly 600 National Vision associates to prepare for the American Board of Opticianry (ABO) and National Contact Lens Examiners (NCLE) exams. Of those, 388 associates took either the ABO or NCLE national exam in 2021.
- Supporting nine new applicants to our O.D. Tuition Reimbursement Program, which offers up to \$20,000 for education expenses toward a Doctor of Optometry degree.

## Our newest doctors

New graduate optometrists who begin their careers with practices in our network have robust support from day one. We leverage the expertise of the Area Doctor network to support new graduates, and in 2021 we increased the amount of time that new graduates spend with experienced Area Doctors during the onboarding process. In addition to acting as mentors, Area Doctors help create training materials to help graduates understand common clinical cases. These training cases are distributed throughout the network on a monthly basis, and equip everyone practicing in the National Vision network to diagnose common patient cases correctly and efficiently.



### CASE STUDY

## New grads get glasses

New grads don't really know what to expect outside of their exam room — so we want them to go through the entire patient experience as part of their training. During onboarding week, new grads fill out patient intake forms, get a thorough examination by an experienced doctor in the network, select frames and order glasses with a blue light upgrade.

## Reference information on employee development

### Board and management oversight

National Vision's Senior Vice President, Talent and Development; Diversity, Equity and Inclusion; Culture; and Philanthropy leads the administration of training and development activities at National Vision. National Vision's Senior Vice President, Chief Medical Officer, in consultation with the independent practices, oversees training and development of the optometrists in the National Vision network. Our Board receives regular updates related to employee matters and succession planning.

### Our Learning Management System

We are on a continuous journey to strengthen our culture and expand our training and development programs to support our associates throughout their careers, from onboarding to achieving their professional goals. We rely on a mix of instructor-led training and web-based training to engage associates.

Training modules are housed on our online Learning Management System (LMS), which is also used to track completion of training. We use the LMS to:

- Conduct onboarding training for new associates
- Administer required annual refresher trainings for existing associates
- Provide role-specific training to new and existing associates
- Engage our people on our SEE+G framework, such as through DEI training modules

Our onboarding process is the foundation that our associates build on throughout their careers at National Vision. As we continue to grow, we are implementing programs to train our new hires more efficiently and consistently. Onboarding is about more than compliance — it also focuses on National Vision's workplace culture and values.

To ensure our training programs support the skills development most relevant to our business and associates, we regularly conduct assessments and solicit feedback on the offerings. By collaborating with different groups across the organization, the people development team identifies gaps and areas of interest and designs specific trainings to meet emerging needs.

### Mentoring programs for optometrists

Our Clinical Services and Administration department, an entire team led by optometrists and dedicated solely to doctors' needs, provides continuous support to the doctors in our network. An important aspect of our support system comes through peer-to-peer mentorship. We create a range of opportunities for the doctors affiliated with the National Vision network to connect through Area Doctor Networks. As doctors are onboarded by their respective employers, they are assigned an Area Doctor within that practice who leads the onboarding process and serves as a long-term resource.

## Reference information on employee development

### Supporting optometrists in patient service

The doctors that practice in our network are critical for National Vision to deliver on our mission to make eye care and eyewear more accessible and affordable. We work hard to ensure that any optometrist affiliated with the National Vision network is well supported so they can focus on delivering the best possible care to their patients. More information on how we support optometrists is available on our [website](#).

To keep National Vision up to date on the newest innovations in the optometry space, we have a Clinical Advisory Panel comprised of 10 doctors who evaluate all potential products, examination equipment and clinical operating procedures before they are deployed to the optometry offices in our locations. More information on the Clinical Advisory Panel is provided on page 23.

### Continued education support

Through supporting the continuing education requirements of our network of optometrists, or providing financial contributions to external certifications for our associates, we build the capabilities of our associates and network of optometrists while ensuring National Vision stays ahead of industry developments.

We provide associates looking to become certified by the American Board of Opticianry and National Contact Lens Examiners with access to examination preparation and a grant to cover related fees. Associates are invited to apply to participate in the preparation course and are eligible to receive a compensation increase if they pass the certification exams.

The National Vision Doctor of Optometry tuition reimbursement program provides reimbursement of education expenses, up to \$20,000, towards an optometry degree from an approved and accredited U.S.-based college of optometry.

Any current National Vision associate who has worked on a full-time schedule for a minimum of one year, or on a part-time schedule for two years, is eligible to participate in the program.

This benefit allows participants to receive reimbursement for money spent on academic fees, books, exams and coursework successfully completed towards an optometry degree.

Each year, we hold a Continuing Education Symposium for full-time optometrists practicing in the National Vision Doctor of Optometry network, where they have the opportunity to earn all required continuing education credits at one time for no cost to them. The symposium includes 22 hours of continuing education (approved by the Council on Optometric Practitioner Education) over a three-day period, as well as an opportunity for doctors to hear business updates and network with peers and National Vision leadership.

Symposium participants don't have to worry about the barriers associated with receiving continuing education — registration and travel costs, ensuring the credits will meet the requirements for each state license held, or having to find someone to fill in during the time away from the office — because National Vision takes care of all of it, a benefit valued at \$3,000 per optometrist.



# Diversity, equity and inclusion

At National Vision, we want every associate and doctor in our network to feel comfortable bringing their full selves to work each day. Our DEI strategy focuses on building a diverse workforce that can connect with our customers, underpinned by an inclusive company culture.

## DEI is embedded into our culture

When we created our values-based competency framework (page 43), we made sure that DEI considerations were front and center. The framework helps us develop associates that are trained not only to be more inclusive leaders, but also to build and recognize diverse teams. By building DEI into recruitment, promotions and professional development processes, we are embedding DEI discussions and awareness into all aspects of our company — making National Vision a great place to work for all our people, while continuing to attract diverse talent, capabilities and perspectives.

### DEI training

Another way we embed DEI into our culture is through training activities that seek to raise awareness of why diversity matters, help our people recognize unconscious bias, and ensure our stores remain a safe and welcoming environment for everyone. DEI training focus areas in 2021 included:

- Interviewer bias training
- Bystander intervention training
- An inclusive leadership training program

### CASE STUDY

## External commitments and recognition on DEI

In May of 2021, our CEO Reade Fahs signed the CEO Action for Diversity & Inclusion™ pledge — a public affirmation of our commitment to DEI from the very top of the organization. National Vision was the first optical retailer to join the coalition of over 2,000 business leaders. Signing the pledge is more than just a gesture — it commits us to delivering concrete initiatives intended to advance DEI within the company. In addition, we're proud of the unsolicited external recognition we have received for our DEI efforts in 2021.





## CASE STUDY

# National Vision recognizes Pride Month 2021

In June 2021, National Vision marked Pride Month with a program of activities to commemorate the continuous fight for equal justice under the law for LGBTQ+ individuals. Throughout the month, our DEI team promoted LGBTQ+ awareness and education modules that were available to all employees through our Learning Management System. We invited management teams to complete a series of these courses focused on understanding pronouns, gender identity, sexual orientation and coming out at work, and then attend a Lunch & Learn titled “LGBTQ+ in the Workplace.” The Lunch & Learn included participation from National Vision’s senior leadership and special guest speakers Georgia State Senator Kim Jackson and Jamie Ferguson, Executive Director with the Atlanta Pride Committee.



## Associate Resource Groups

We understand that building an inclusive culture means providing an environment where associates can share their stories and learn from each other. In last year’s report, we described the work of four informal Associate Resource Groups, whose work centered on informing the development of our DEI strategy across recruitment and employment branding, training and education, mentoring and career development, and community services and activities. With the finalization of our DEI strategy in 2021, the work of these groups was completed, paving the way for a refreshed Associate Resource Group structure moving forward.

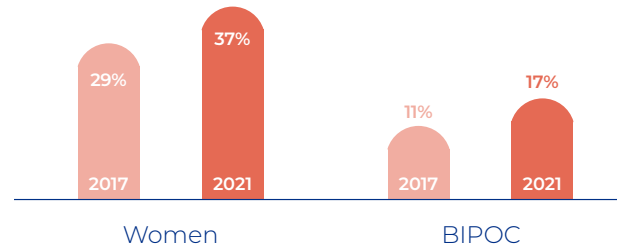
Looking ahead, our Associate Resource Groups will act as more inclusive, people-focused spaces that celebrate the wide range of backgrounds, races, ethnicities, sexual orientations, religions and gender identities that make up National Vision. The groups will act as employee-led support systems for our people, open to anyone at National Vision. They will recommend impactful change and improvements, provide developmental opportunities for top talent, increase collaboration opportunities and create more space for belonging within the business. The Women@NV Associate Resource Group launched in April 2022, and we expect other groups to be formalized in the near future.



## Find and grow diverse leaders

With over half of our associates identifying as BIPOC, and strong female representation across the company, we're proud of the diversity of our workforce (see page 52 for company DEI data). Our focus continues to be on ensuring that the full diversity of our workforce is also reflected at leadership levels. Although we've increased female and BIPOC representation in leadership since 2017, we know we still have work to do.

Executive (RVP, VP and above):



As part of our effort to find and grow diverse leaders, we integrated DEI considerations into the formal succession planning meetings with all of our regional vice presidents, vice presidents and senior vice presidents in 2021. At these meetings, we provided unconscious bias training to help with fair evaluation and to identify high-potential individuals for advancement within the company. Evaluations feed into our Emerging Leadership Program, which supports high-potential individuals from historically underrepresented groups with targeted work experiences and mentorship.

## Strengthen policies to eliminate systemic equity issues

We recognize that DEI efforts need to be supported by the right policies, benchmarked against best-in-class expectations. We reviewed and updated corporate policies in 2021, with a view to implementing leading positions on gender equity, racial equity and sexual orientation. Updates have included:

- Adding a new section to National Vision's Code of Conduct memorializing our commitment to DEI and affirming our expectations of our associates (see page 64 for more on our Code of Conduct updates in 2021)
- Including a focus on diverse talent within our values-based competency framework (page 48)

## Fostering diversity in the optical industry

In addition to our programs focused on DEI within our own operations, we collaborate with external organizations to champion diversity in our communities and the greater optical industry.

One of our external partnerships is with the Optical Women's Association, which is dedicated to advancing mentorship, leadership and professional development in the optical industry. National Vision increased our sponsorship in 2021, moving from a gold sponsor to a platinum sponsor level. Several National Vision associates serve on its board of directors and committees.

Another partnership is with Black Eyecare Perspective, which focuses on increasing Black representation through cultivating networks between Black eye care professionals and the eye care industry.

National Vision was a platinum sponsor for Black Eyecare Perspective's second annual Impact HBCU event, which aims to create a pipeline for Black students at historically Black colleges and universities (HBCUs) and beyond into optometry. National Vision associates participated at Impact HBCU and other events, and created a framework for our affiliated doctors to support monthly Pre-Optometry Club meetings, beginning in 2022.

We also continued our support for Salus University's Pennsylvania College of Optometry's (PCO) Summer Enrichment Program. In its first year with National Vision as its sole sponsor, 14 students completed the program in July 2021. The Summer Enrichment Program provides students with continuity in academic support, as well as reassurance that the students can successfully navigate the academic rigor and will meet their goal of becoming an optometrist. All 14 of the students that completed the program will be attending PCO in the fall, and contributed to the college meeting its Black Eyecare Perspective pledge for Black students to represent at least 13% of each incoming class.

**“I joined the Optical Women's Association because the ‘cause’ could not be more relevant.**

**This amazing organization provides a network of powerful women that all support the mission of promoting the leadership role of women in our industry. It has been a privilege to work with, be inspired by, and learn from such an amazing group of distinguished professionals.”**

**Megan Molony**  
**National Vision's Chief**  
**Merchandising Officer,**

has been a member of OWA since 2017 and currently serves as Board Member and Co-Chair of the Professional Development Committee.

## People data

	2020	2021
<b>Number of optometrists in our optometrist network</b>	>2,000	>2,200
<b>Number of associates</b>	12,954	13,674
Workforce healthcare coverage	N/A	58%
<b>% IDENTIFYING AS A WOMAN</b>		
Optometrist network	53%	53%
Total associate population	76%	76%
Store manager	70%	71%
Management (SM and above)	68%	69%
Executive (RVP-VP and above)	36%	37%
<b>% IDENTIFYING AS BIPOC</b>		
Optometrist network	45%	46%
Total associate population	53%	53%
Store manager	39%	40%
Management (SM and above)	37%	37%
Executive (RVP-VP and above)	13%	17%

People data is reported as of each year's fiscal year end.

In 2021, we moved from presenting a blended average of our workforce throughout the year to a number as calculated at the end of the reporting period. We have restated the 2020 figures to align with the 2021 method, which may result in changes to the 2020 numbers when compared with our 2020 Corporate Responsibility Report.

Data in this section regarding the total number of optometrists is inclusive of all optometrists in the National Vision Doctor of Optometry network (optometrists employed by us or by professional corporations or similar entities owned by eye care practitioners with whom we have contractual arrangements or by independent optometrists with whom we have contracted). The remaining Optometrist network identification data is only inclusive of optometrists employed by us or by professional corporations or similar entities owned by eye care practitioners with whom we have contractual arrangements.

	2020	2021
<b>AGE DISTRIBUTION</b>		
<b>Optometrist network</b>		
Under 30	15%	15%
30–50	53%	52%
Over 50	32%	33%
<b>Total associate population</b>		
Under 30	41%	39%
30–50	38%	38%
Over 50	21%	23%
<b>Store manager</b>		
Under 30	10%	10%
30–50	59%	57%
Over 50	31%	32%
<b>Management (SM and above)</b>		
Under 30	9%	9%
30–50	59%	57%
Over 50	33%	34%
<b>Executive (RVP-VP and above)</b>		
Under 30	0%	0%
30–50	51%	48%
Over 50	49%	52%



## Reference information on DEI at National Vision

### Board and management oversight

Our DEI efforts are led by our Senior Vice President of Talent Development; Culture; Diversity, Equity and Inclusion; and Philanthropy. The National Vision Board receives regular updates on progress against our DEI objectives, and senior leaders receive regular updates on the diversity within their respective teams.

### DEI integration into policies and employment procedures

Our stance on and commitment to DEI is communicated in our Code of Conduct's DEI section. All associates have an expectation to treat others with dignity and respect at all times and are expected to exhibit conduct that reflects inclusion at work.

Our Nondiscrimination Policy makes clear that National Vision will not tolerate discrimination, harassment, or other unwelcome conduct. Engaging in such behavior results in disciplinary action, which may include termination. We continue to expand the integration of DEI across our policy framework (page 50).

Training courses covering DEI topics are integrated into onboarding and annual refresher training for associates. We also provide allyship training for associates at the vice president level and above. Other DEI-related educational initiatives available to our people include:

- Quarterly Lunch & Learns that help associates learn from each other
- Events and information associated with our DEI calendar, which marks days and months of observance important to different racial, ethnic and cultural groups (such as Pride Month, Dr. Martin Luther King, Jr. Day of Service and Women's History Month)
- A comprehensive set of terms and definitions (DEI Terms and Definitions Guidance) to introduce common vocabulary, prevent misunderstandings and misinterpretations, and promote open dialogue around equity and inclusion

We have also integrated DEI into recruitment activities. All of our recruiters are now AIRS® Diversity training certified. The AIRS® Diversity and Inclusion Recruiter course teaches strategies to locate diverse candidate pools, build effective talent pipelines that include diverse and underrepresented groups, and work with hiring managers to elevate diversity and inclusion in recruiting. We have also focused on building a more diverse recruiting team, which helps us better reach candidates of different backgrounds and ensure a fair hiring process for all of our candidates.

## Reference information on DEI at National Vision

### More information on our external partnerships

In addition to our programs focused on fostering DEI within our own operations, we also collaborate with external organizations to champion diversity in our communities and the greater optical industry.

Key collaborations include:

- **Optical Women's Association:** As part of our commitment to championing female representation and leadership, National Vision has long been involved with this association dedicated to advancing mentorship, leadership and professional development for women in the optical industry. Learn more about OWA's work [here](#).
- **Black Eyecare Perspective:** In 2020, National Vision was among the first optical companies to partner with Black Eyecare Perspective to help raise awareness for and increase BIPOC representation in the field of optometry. We continue to support the organization through financial sponsorship and employee participation in industry events. Learn more about Black Eyecare Perspective's current initiatives [here](#).
- **Pennsylvania College of Optometry Summer Enrichment Program:** In 2020, through our America's Best Contacts & Eyeglasses brand, National Vision pledged to re-establish the Summer Enrichment Program that had been offered for nearly four decades from Salus University's Pennsylvania College of Optometry (PCO). The program was discontinued after 39 years due to loss of funding and support. Our donation of \$300,000 over a five-year span is helping to advance the program's goal to improve the admissions, retention and graduation rates of underrepresented minority applicants and will help reach up to 100 potential new PCO/ Salus students.



# Environment

We're committed to addressing our environmental impacts — because it's the right thing to do for society, for the planet and for our long-term success.



## Our Environment highlights

We continue to understand and act on opportunities to enhance environmental performance.



### Energy efficiency upgrades at distribution centers and labs



### Completed second greenhouse gas emissions inventory



### Reducing paper waste through electronic health records

**“By focusing on resource efficiency, we can maintain our strong value proposition and reduce our environmental impact.”**

**Bob McKinzie**

Senior Vice President, Manufacturing and Distribution

### Looking ahead

In 2022 and beyond, we will:

- Target >150 store lighting upgrades in 2022
- Use energy audits to inform our emissions reduction trajectory
- Use waste audits to understand waste management opportunities



## Our environmental performance

With the objective of providing eye care and eyewear to value-conscious customers, we are dedicated to keeping our operating costs low. Our commitment to operational efficiency includes being mindful of our emissions, water and waste footprint. When opening new stores, refurbishing our existing facilities and setting up our offices, we do so with energy efficiency and resource conservation in mind.



### Energy and emissions

A strong understanding of our environmental performance helps us identify the most effective ways to enhance our efficiency and reduce our impact. We completed our greenhouse gas (GHG) inventory for the 2021 reporting period — building on the experience producing our first GHG inventory last year. As with the 2020 inventory, our 2021 inventory focused on National Vision's Scope 1 and 2 emissions for the calendar year. We use the Operational Control approach as defined by the GHG Protocol, which means that we include activities where National Vision or its subsidiaries have full authority to introduce and implement operating policies.

This approach gives the most complete understanding of the impact of our operations and provides the most actionable insights as we work to reduce our energy use and emissions.

	2020	2021
<b>GHG emissions (tCO<sub>2</sub>e)</b>		
<b>Scope 1 GHG emissions</b>	<b>8,935</b>	<b>9,093</b>
<i>from fuel use at facilities</i>	5,189	4,726
<i>from fuel use in vehicles</i>	346	271
<i>from fugitive sources</i>	3,401	4,096
<b>Scope 2 GHG emissions (location-based)</b>	<b>20,543</b>	<b>22,252</b>
<i>from purchased electricity</i>	20,543	22,252
<b>Energy use</b>		
<b>Fuels (GJ)</b>	<b>1,027,553</b>	<b>938,086</b>
<b>Purchased electricity (kWh)</b>	<b>53,118,530</b>	<b>58,296,376</b>

GHG inventory data is compiled and reported on a calendar year basis.

Energy and emissions data for 2020 has been restated, and thus differs from what was published in our 2020 Corporate Responsibility Report. The restatement was due to enhanced procedures detailed on page 58.



## CASE STUDY

## Ensuring high-quality emissions data

We published our first GHG inventory, for the 2020 reporting period, in our 2020 Corporate Responsibility Report. We learned a lot during that process, including the challenges of securing quality data from locations and partners across the country. To address these challenges and enhance data quality, we added an additional level of internal controls when compiling this year's GHG inventory.

The additional controls added to this year's inventory resulted in a recalculation of our 2020 GHG inventory, which is restated in the table on page 57. The restated values differ from what was published in our 2020 Corporate Responsibility Report because of:

- Improved application of operational control guidance within the GHG Protocol
- Resolved data management issues
- Checks to ensure dataset completeness across all National Vision locations

More detail on these improvements is available on page 85, within the remarks for GRI 102-48.



As shown in the table on page 57, our total Scope 1 and 2 emissions increased by around six percent in 2021. Our 2020 GHG inventory reflected impacts of the COVID-19 pandemic on our operations, including temporary store closures and reduced production. Given this, we expected emissions to increase in 2021 as business activity recovered.

Looking ahead, our 2021 GHG inventory provides a strong baseline for us to use as we seek to decouple National Vision's growth from carbon emissions. We will continue to prepare and publish annual GHG inventories, with a view to demonstrating continued decreases in emissions intensity resulting from energy efficiency and other emissions reduction activities.

### Enhancing energy efficiency

Most of our Scope 1 and 2 emissions are related to energy use at our facilities, and we are committed to doing what we can to reduce facility emissions. We understand that energy efficiency investments can both reduce emissions and save costs, and we are excited to have launched our LED upgrade program in 2021. LED lights are more than 75% more energy efficient than incandescent lighting, and each bulb lasts up to 25 times longer before needing to be replaced.

We started by upgrading the facilities that use the most electricity — our distribution centers and labs. With our distribution centers and labs upgraded in 2021, we will focus on rolling out LEDs at our retail stores next. We anticipate upgrading over 150 stores by the end of 2022.

“**Thanks to the LED replacement in our store, patients can read the fine print on the reading card so much easier.**”

**Stephan Kolberg**  
Eyeglass World Store Manager

## Resource use and waste

We're committed to growing and operating our business in an environmentally responsible way. That means equipping our new facilities with efficient technology, taking advantage of ways to reduce water use and enhancing waste management.

### Waste management

Much of our waste management is handled by third parties, due to the nature of the lease agreements for National Vision stores. We make an effort to divert waste from landfill, including by recycling where it is possible.

Some of the waste generated in our labs results from the creation of prescription lenses. We purchase blank polycarbonate, plastic and high-index lenses that are about the size and shape of a hockey puck, and grind each blank into the right shape for individual prescription lenses. The excess material is called swarf, and historically has been sent directly to landfill.

In 2021, we continued to experiment with ways to improve our swarf management. At our lab in St. Cloud, Minnesota, we worked with a local partner to recycle swarf — diverting more than 100,000 pounds of plastics from landfills from May 2021 through January 2022.

Across our labs, briquetters improve our management of swarf. Briquetters are machines that collect polycarbonate waste and press it into compact briquettes that are one-twentieth of the size of the starting material. These can be hauled away by our waste management partner more efficiently, and any material that we are unable to recycle takes up significantly less space in landfills.

Management of swarf is an ongoing challenge, and we continue to look for ways to improve the diversion of waste generated by our operations. Swarf is just one opportunity area for us as we enhance waste management across our operations. Looking ahead, we plan to complete waste audits at key facilities to inform a targeted waste management strategy for National Vision as a whole.

### Reducing paper use

Our rollout of electronic health records has benefits beyond enhancing patient care (page 18). Prior to the implementation of electronic medical records, all patient records created and maintained by optometrists in our network were kept in paper form. Moving to a digital system will eliminate most of the need for paper use in the optometry offices in our locations. Along with less paper, we also use less toner and other related office supplies, many of which are expensive and difficult to recycle.



### Water management at our labs

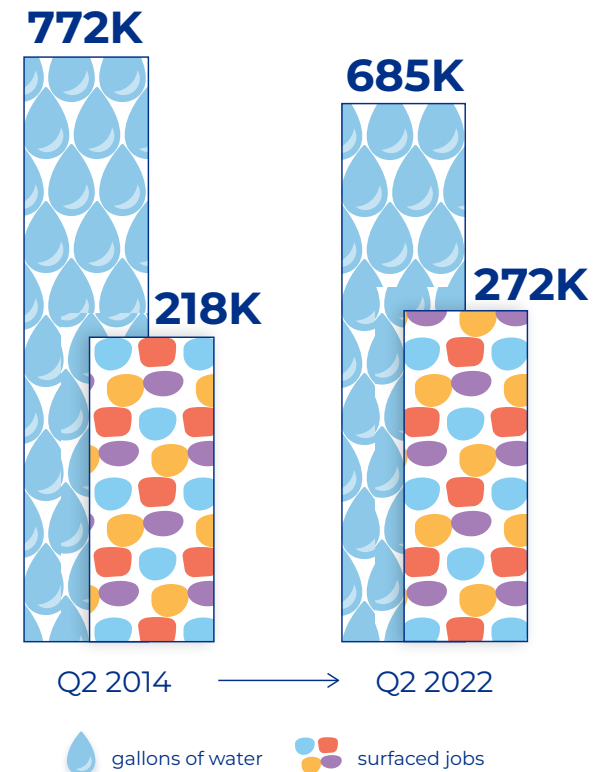
National Vision is not a significant user of water across most of our operations, but we believe in acting as good stewards of natural resources regardless of the scale of our use. We continuously improve the water-intensive aspects of our operations to reduce our impact on local water systems.

One of the most impactful initiatives has been the installation of closed-loop coolant technology that we use with our lens manufacturing equipment. The process of manufacturing lenses relies on the use of water as coolant while shaping lenses to the prescription and shape that a customer requires. Historically, this water would have been filtered and sent to a drain. Since 2014, National Vision labs have been implementing closed loop systems, where coolant is filtered and then re-used — helping reduce water use by as much as 30% per surfaced job.

A “surfaced job” refers to the process of cutting and polishing a pair of blank lenses to create a prescription. Approximately two thirds of all glasses that we produce are surfaced. The remaining lenses are referred to as “single vision finished”, which means that we purchase lenses that are already cut and polished to a prescription, and our lab only cuts them to the proper shape and size to fit into a frame.

At our St. Cloud, Minnesota lab, for example, a pair of prescription lenses that are surfaced in our labs today use approximately one gallon less water than a pair manufactured before we implemented water-reduction measures. Across the facilities where these improvements have been made to our optical labs, we estimate a total of more than 1.9 million gallons of water avoided since we began to implement improvements.

### Water use at our St. Cloud lab (2014 vs 2022)



### gallons of water used per surfaced job



## Reference information on environmental performance

Our approach to managing our environmental impact focuses on improving the efficiency of our operations, while retaining our position as an affordable provider of eye care and eyewear. As the second largest optical retail company in the U.S., in 2021 National Vision's footprint included more than 1,200 stores in 44 states and Puerto Rico. We also have a network of labs across four domestic locations — Lawrenceville, Georgia; Plano, Texas; St. Cloud, Minnesota; and Salt Lake City, Utah — and we utilize outsourced, third-party owned international locations in China and Mexico. We run distribution centers in Columbus, Ohio and Lawrenceville, Georgia, and a Retail Support Center in Duluth, Georgia. As we grow our operational footprint, we are focused on doing the right thing and growing sustainably.

### Facilities environmental standards

Environmentally conscious decision-making not only helps us conserve resources and reduce costs, it also helps us improve the customer experience and provide safe workspaces for associates and doctors practicing in our locations.

Nearly all of our facilities are in leased spaces, which influences the kinds of environmental considerations we can prioritize. We have a set of environmental standards that we apply to our retail facilities for the setup and maintenance of our stores.

These include:

- Prioritizing the use of dimmable LED lighting, motion sensors, smart controls and energy-efficient heating, ventilation and air conditioning (HVAC) systems to reduce our energy footprint
- Installing low flow toilets and taps to reduce water consumption
- Selecting ceiling tiles made of recycled materials
- Purchasing green label certified carpet
- Applying window tinting to promote efficient energy usage, reduced glare and reduced HVAC costs
- Applying low or zero volatile organic compounds (VOC) paints
- Keeping the footprint of our stores small where possible, which reduces overall energy use for heating and cooling

## Reference information on environmental performance

### Energy and GHG emissions

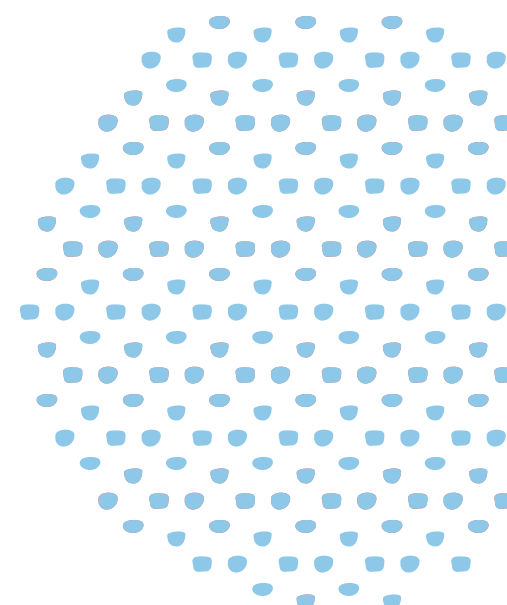
National Vision uses energy across its stores, distribution centers, labs and corporate offices. Energy used is in the form of electricity purchased from the local grid or fuels combusted on site, such as using natural gas to produce heat via a boiler or furnace.

When sourced from fossil fuels, our energy use creates GHG emissions. We are committed to tracking our GHG emissions with a view to reducing these emissions into the future. We prepare and publish a GHG inventory annually, per a process defined in our GHG Inventory Management Plan. Our GHG inventory uses the Operational Control approach of the GHG Protocol, which suggests that a company has operational control over an operation (and thus its emissions) if it has the full authority to introduce and implement its operating policies at the operation.

CO<sub>2</sub> (carbon dioxide), CH<sub>4</sub> (methane) and N<sub>2</sub>O (nitrous oxide) emissions are included for stationary and mobile combustion, and electricity consumption. Relevant HFCs (hydrofluorocarbons) are included for refrigerant leakage emissions. All air conditioning units before 2010 are assumed to use R22 as a refrigerant, while all air conditioning units sold after 2010 are assumed to use R410.

Global warming potential values are sourced from the Intergovernmental Panel on Climate Change Fourth Assessment Report (AR4). Emissions factors for electricity and fuels were sourced from the U.S. Environmental Protection Authority. Emissions factors for refrigerants were sourced from the U.K. Department for Environment, Food and Rural Affairs.

When compiling our GHG inventory, we use quality assurance and outlier analysis methods to identify data irregularities and enhance data integrity where required.







# Governance

We progress our mission every day with integrity, honesty and a commitment to strong corporate governance. Upholding high ethical standards also helps us build trust with our investors, develop confidence in our consumer-facing brands and maintain the respect of associates and doctors in our network.



# Advancing corporate governance

We continue to integrate our SEE+G framework throughout our corporate governance — factoring environmental and social considerations into policies, procedures and our wider ways of working.

## Board oversight of ESG

When we set up our SEE+G framework, we recognized the critical importance of integrating ESG throughout the company. We elevated ESG considerations by incorporating them into our corporate governance documents, including board committee mandates. Our Nominating and Corporate Governance Committee oversees the effectiveness of our ESG strategies, policies, goals, initiatives and programs, including the implementation of our SEE+G activities and the review of our annual Corporate Responsibility Report. The Committee met four times in 2021 to oversee our SEE+G initiatives, including consideration of our 2020 Corporate Responsibility Report. More information about our Board of Directors and their activities can be found in our [2022 Proxy Statement](#).



### CASE STUDY

## Enhancing our Code of Conduct

At National Vision, our Code of Conduct reflects our commitment to the highest standards of ethical business conduct. In 2021, we reviewed our Code of Conduct and added new sections to better reflect our mission, vision and values.

We added a Diversity, Equity and Inclusion section with a view to creating an inclusive and respectful work environment. The updated [Code of Conduct](#) also recognizes and embraces the characteristics that make our associates unique and incorporates diversity training to enhance understanding across the organization.

We also added an Information Privacy and Security section to remind associates of the importance of maintaining the confidentiality of information entrusted to them. For more information, see our updated [Code of Conduct](#) and our [Equal Employment Opportunity Notice](#).

## We're proud to have been recognized by 50/50 Women on Boards for the gender diversity of our Board of Directors.



### Board structure

At National Vision we are always striving towards best practices in corporate governance. After engaging with our stockholders, we decided to phase out our classified Board structure. At our 2021 annual stockholders' meeting, our stockholders approved the management proposal to eliminate the classified Board structure, and, beginning with our 2022 annual stockholders' meeting, our directors will stand for re-election for one-year terms based on their current director class. By the 2024 annual meeting, the Board will be completely declassified and all directors will stand for election annually.

The Board considers and fully appreciates the value of a diversity of viewpoints, background and experiences (including age, gender, race and ethnicity) as important to the selection of directors. In 2021, the National Vision Board had four women directors and two ethnically/racially diverse directors.

### Data privacy and security

We value the trust that patients and customers place in us to safeguard their medical information, which is why data privacy and security is a key priority for us. In 2021, we provided our associates with additional training to support data security through increased awareness of phishing attacks. We did not experience any material data breaches in 2021.

### National Vision Board characteristics

	2020	2021
Independence	89%	89%
Average Tenure	3 years	3 years
Average Director Age	59 years	58 years
Women Directors	44%	44%
Ethnically/Racially Diverse Directors	22%	22%

## Reference information for corporate governance

### Corporate governance

Our Board of Directors is composed of directors with a range of expertise, including individuals with optical and specialty retail industry experience. Eight of nine directors on the Board are independent. We maintain strong institutional director knowledge through regular senior management engagement, annual Board and committee self-evaluation and discussion, consistent regulatory updates and access to continuing education. The Board has three committees: Nominating and Corporate Governance, Compensation, and Audit. Membership on those committees is composed of 100 percent independent directors. Our Corporate Governance Guidelines establish the roles, responsibilities and expectations of the Board, and each committee has its own charter. As noted in its charter, the Nominating and Corporate Governance Committee has oversight responsibilities with respect to corporate responsibility, sustainability and ESG topics.

Further description of our commitment to strong Board governance, including structure and composition, stockholder engagement, director biographies and oversight of risk management are available in our [2022 Proxy Statement](#).

### ESG-related governance

To help drive progress on our SEE+G focus areas, we developed a corporate responsibility organizational structure with executive leadership starting with the Chief Executive Officer and oversight coming from the Nominating and Corporate Governance Committee of the Board of Directors. Additionally, the Compensation Committee oversees the development and implementation of human capital management, succession and executive compensation plans, including consideration of emerging ESG trends and best practices. The Audit Committee is responsible for overseeing the Company's enterprise risk management program, which includes ESG topics such as cybersecurity and data privacy.

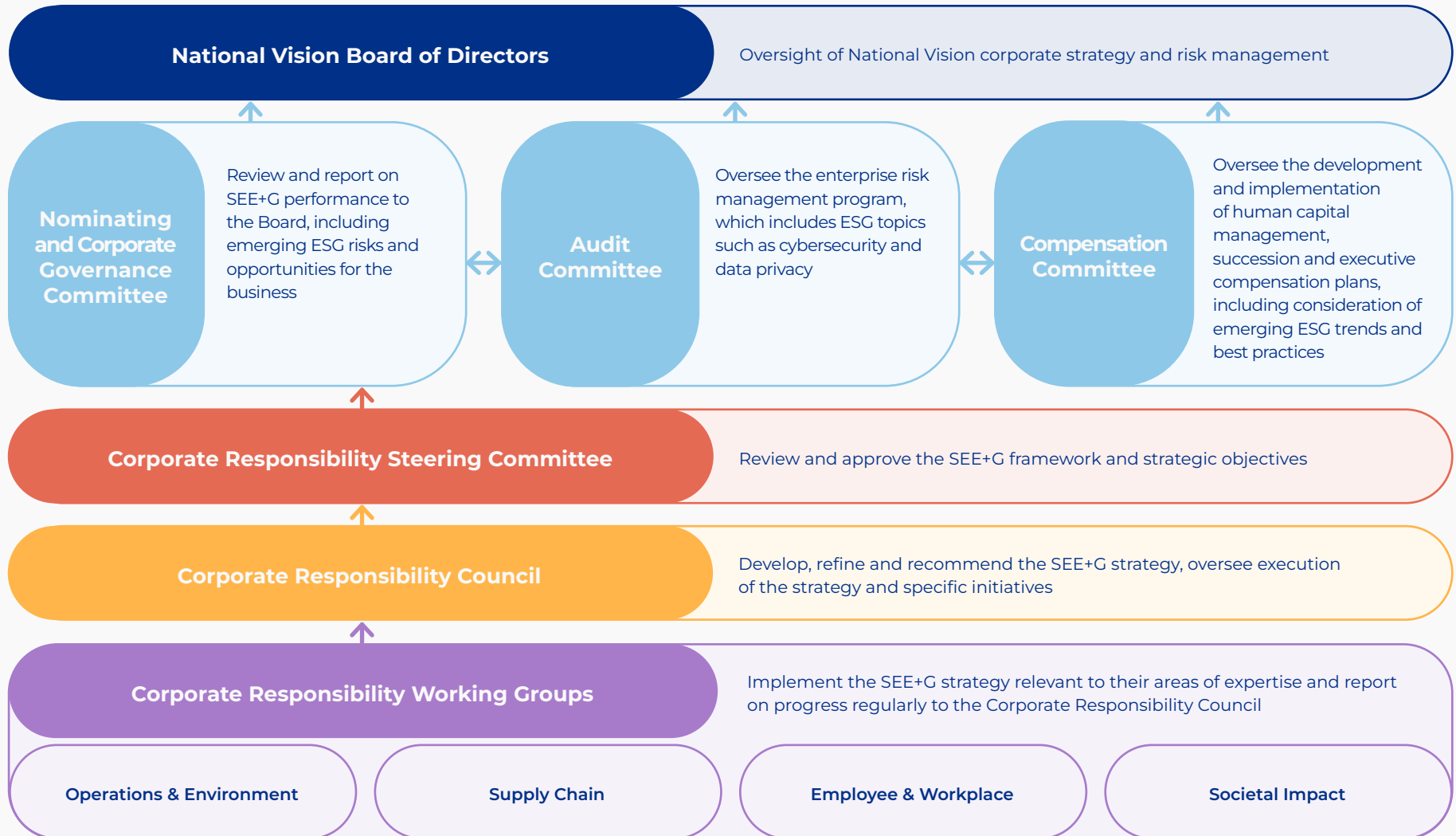
From there, responsibility cascades down through the structure with our Corporate Responsibility Steering Committee, Corporate Responsibility Council and a number of working groups with dedicated strategies. Our General Counsel serves as executive sponsor of our SEE+G strategy, chairs the Corporate Responsibility Steering Committee and provides regular updates to the Nominating and Corporate Governance Committee and Board.

The Corporate Responsibility Steering Committee is made up of senior management members and meets several times a year to discuss initiatives and hear progress reports from the Corporate Responsibility Council. The Council, composed of leaders from various business departments including operations, finance, supply chain, merchandising and others, reports to the Steering Committee and works on prioritizing ESG issues and impact. The Council improves strategies, performance and disclosure and shapes the evolution of our ESG strategy and agenda while also providing management and oversight of the working groups.

## Reference information for corporate governance

### National Vision's accountability structure and responsibilities

Responsibilities of each group are as follows:





## Reference information for corporate governance

### Ethics and compliance

Empowering our associates to do what is right is one of our core values. From onboarding onwards, we emphasize that each associate has an essential role to play in promoting an environment where ethical and compliant behavior and integrity thrives. The central pillar of our ethics and compliance program is our [Code of Conduct](#) (the Code), which plays a vital role in fostering a culture of integrity, from the Board through our executives, to all associates. National Vision is committed to conducting all aspects of its business in accordance with the highest legal and ethical standards. This Code requires that all company personnel conduct their activities in full compliance with all applicable anticorruption laws, including without limitation, the U.S. Foreign Corrupt Practices Act.

Our Board is charged with reviewing the Code at least annually. The document covers a range of topics including integrity and compliance, non-retaliation, discrimination and harassment, fair labor standards, protecting customer information, marketing, conflicts of interest, anticorruption, and government and media relations.

During onboarding, new associates are provided access to a copy of the Code as well as training on topics including how to spot and address sexual harassment in the workplace; complying with the Health Insurance Portability and Accountability Act (HIPAA) and Americans with Disabilities Act (ADA); how to identify and avoid phishing campaigns; anti-corruption materials; and an introduction to National Vision's health and safety standards.

We use an online platform to conduct annual refresher trainings on select ethical topics for associates and introduce new topics as needed. We actively encourage our associates to speak up when they have questions or concerns related to ethical conduct, by:

- Maintaining an open-door policy where associates are empowered to approach their supervisor, human resources, the legal department or the compliance officer directly
- Offering an ethics telephone hotline to all associates through various internal communications and on our internal website portals
- Reinforcing our Whistleblower Policy which emphasizes zero tolerance for any discrimination or retaliation against whistleblowers

Reported concerns are monitored by the National Vision human resources and compliance teams who work in close collaboration to follow up and address concerns. Our compliance officer provides a quarterly report to the audit committee of the Board, which includes a summary of the number and nature of any submissions through the hotline.

### Grievance procedure

National Vision contracts with an independent third-party company, Lighthouse, to serve as a communication channel between management and associates and contractors. Associates and contractors may use Lighthouse's InTouch Compliance Helpline to ask questions, seek guidance, or report concerns anonymously and confidentially. InTouch is available 24 hours a day, 365 days of the year.

## Reference information for corporate governance

### Data security and privacy

Maintaining robust data security and privacy practices enables National Vision to collect, organize and protect patient and customer information, while also safeguarding company intellectual property (IP) and employee data. As a retailer, healthcare provider and employer, we must manage our own customer, patient and employee data. We also are a business associate and practice manager to optometry practices; therefore, we also must manage confidential patient records and employee information for those optometry practices. We are dedicated to protecting all patient, customer, associate and company information and we strive to adhere to all applicable laws and regulations. More information about how we collect, use, share and safeguard patient information may be found in our HIPAA Notice on the National Vision [website](#).

Our Chief Technology Officer (CTO) oversees our approach to data security and cybersecurity and serves as part of the National Vision senior leadership team. The Vice President of Information Technology (IT) infrastructure collaborates with the CTO and a supporting team to maintain and update the company's technology infrastructure and corresponding safety measures. The CTO reports quarterly to the audit committee of the Board, covering the present state of data security and cybersecurity efforts at National Vision, introducing emerging risks and challenges, and outlining next steps for the team.

National Vision has a [Privacy Policy](#) that outlines how and why we collect, use, share and maintain consumer information and an internal Cybersecurity Policy to establish consistent data safeguards across our facilities. The data privacy security and cybersecurity space is rapidly evolving, and our team strives to align National Vision's policies and processes with the most updated laws, regulations and best practice standards. Our framework aligns with the National Institute of Standards and Technology (NIST) cybersecurity framework.

Our data security team oversees and implements many security controls to minimize the risk or impact of any breach or unauthorized disclosure of our confidential and sensitive data, including protected health and personal information. These controls include industry leading endpoint protection and response software (anti-virus), network intrusion detection devices, a robust vulnerability management program, IT and third-party risk management programs, and multifactor authentication.

National Vision provides annual security awareness training for all corporate and store associates via the centralized Learning Management System. These trainings cover general security awareness topic such as social engineering threats, safe internet browsing, password security, sensitive data handling (including personal health information), physical security and privacy rules for any associate processing patient and customer credit cards.

Furthermore, the National Vision data security team administers monthly phishing testing and training to all associates who have access to a company email address.

The security of the National Vision network is monitored 24x7x365 by a Security Operations Center (SOC). The data security team and SOC consistently work to prevent realization of any attacks by threat actors. National Vision also conducts third-party HIPAA risk assessments to identify and catalog any potential risks to health data.

Our CTO collaborates with our information security team to conduct periodic table-top exercises and testing of our data security, incident response policies and procedures. We also periodically conduct exercises with an external partner to stress test our data security systems and practice our company-wide response tactics. These efforts help National Vision identify possible data security vulnerabilities, which our data security team then work diligently to address and strengthen those areas of our security infrastructure.

If any significant risks are identified, they are remediated in a timely manner.

In addition to managing our data security programs and communicating standards to associates across all National Vision facilities, the data security team leads efforts to identify opportunities to digitize recordkeeping, improve workflows and increase efficiencies. The team goal is to simplify the patient and customer experience and make it easier for our associates to do great work.



“**National Vision is proud to maintain partnerships with suppliers that have lasted for years.**

We look forward to deepening these partnerships with a focus on enhancing our collective ESG performance.”

**Jared Brandman**  
Senior Vice President,  
General Counsel and Secretary

## Supply chain governance

We seek out long-term relationships with suppliers that share our values and high operating standards. We partner with our suppliers to extend our SEE+G framework down our supply chain — upholding our commitments related to health, safety and labor.

### Understanding supply chain ESG risk

We're focused on enhancing our understanding of environmental and social issues across our supply chain. The nature and significance of these issues vary according to supplier categories, shown to the right.

Looking ahead, we expect to complete a formal assessment of ESG risk across supply chain categories, helping us define ESG expectations and engagement activities across our supply chain.

#### Our supplier categories

##### Product suppliers:

Manufacture and provide us with frames, contact lenses, or eyeglass lenses (a mix of U.S. and overseas suppliers)

##### Facility suppliers:

Provide equipment, cleaning, maintenance and other services for our distribution centers, labs and stores (predominantly U.S. suppliers)

##### Corporate suppliers:

Provide office supplies, consulting and other services that support our corporate operations (predominantly U.S. suppliers)

## Supplier social compliance

In 2021, we continued our third-party social compliance audits of private label frame manufacturers and labs within our product supplier population, which we have done every year since 2016. The audits consider a wide range of factors, from compliance with local laws to ethical treatment of workers and safe working conditions. Refer to page 72 for more detail on our supplier social compliance audits.

During the year, third-party audits were completed at a total of 14 supplier sites (11 frame manufacturing locations and three labs). Audits noted no violations in child or forced labor, harassment, discrimination or workers’ rights across all sites. At four facilities, corrective action plans were implemented to address deficiencies and checked using follow-up audits where appropriate.

	2020	2021
Third-party social compliance audits completed	12	14
Number of facilities requiring corrective actions following audit	2	4



### CASE STUDY

## Looking ahead at more environmentally sustainable products

We’re excited to partner with our suppliers on product innovations that reduce our environmental impact. Starting in 2022, we began offering net plastic neutral contact lenses — where an equal amount of plastic to what is used in the contacts is collected and recycled.

These collaborations are just the beginning. We’re working with our suppliers to identify opportunities for products made of bio-based and recycled materials. As we advance our understanding of supplier capabilities and of ESG risks and opportunities across our supply chain, we will direct our efforts to where we can have the greatest impact.

## Reference information for supply chain governance

### Supply chain management

We provide product suppliers with a copy of our Supplier Code of Conduct (Supplier Code), which is also publicly available on our [website](#). Product suppliers that have access to our networks are required to complete a security assessment as well as provide any industry certifications they have, and we make it a contractual requirement for these suppliers to have adequate privacy programs in place.

Before entering into contractual arrangements with product suppliers in regions outside the U.S. and Europe, we conduct on-site visits with each potential supplier. This helps establish a good foundation on which to develop trusting and respectful relationships. We partner with a third-party provider to conduct social compliance audits of key product suppliers on an annual basis. Representatives from the third-party provider conduct interviews with employees and walk through the facility as part of the audit process.

Through the audits, product suppliers are assessed for compliance with National Vision standards for health, safety and labor as outlined in the Supplier Code, as well as compliance with country-specific regulations.

Each audited supplier receives a score based on the results of the audit. The score corresponds to a color-ranking system composed of four groups scaled from no violations through multiple, critical violations. If an audited supplier scores below a certain threshold on the social compliance audit, a corrective action plan is created that specifies the concerns that should be addressed within a specific timeframe. After the timeframe passes, a representative from the third party revisits the facility to ensure correct implementation of the fix. If a supplier does not address concerns surfaced through the audits within the required timeframe, the supplier's agreement is subject to termination. Our compliance officer reports annually on the social compliance audit process and outcomes to the audit committee of the Board.

### Conflict Minerals Policy

While conflict minerals are not typically an input for any of the products or services provided by National Vision, we maintain a Conflict Minerals Policy with which we require all factories which manufacture our direct import frames to comply. To ensure adherence with this policy, our suppliers confirm annually that they are not using conflict minerals and provide legal documentation as evidence to that claim. The Conflict Minerals Policy may be accessed on our [website](#).



# Looking ahead

## Advancing our ESG journey

We believe it is our responsibility to help bring sight to those in need of vision correction, no matter their budget. In 2022 and beyond, we'll continue to scale our initiatives, forge partnerships and develop needed infrastructure, and launch new programs that will help us help others to see better. A summary of key forward priorities across our SEE+G framework is provided here.

We will continue working tirelessly until everyone who needs it can access quality vision care. Our vision is a world where everyone can see clearly. That will be a world that is worth seeing.



Help  
**500,000**

of the country's most vulnerable to see better by 2023



By the end of 2022, we seek to have remote medicine enabled in up to 300 of our stores



Help  
**30,000**

people per year through National Vision Cares



Help **5m**  
people to see in the next five years through our philanthropic programs



Continue engagement surveys for associates and optometrists



**1,500**  
leaders to receive inclusive leader training by end 2023



Use our values-based competency framework as the foundation for career growth and development



Finalize and implement our DEI strategy



**>150**  
targeted store lighting upgrades in 2022



Use energy audits to inform our emissions reduction trajectory



Use waste audits to understand waste management opportunities



Advance ESG expectations for our suppliers in our Supplier Code and related documents



Work with product suppliers to offer eco-friendly glasses and contact lenses



## Our priority ESG topics

National Vision conducted a sustainability materiality assessment in 2020 to help identify and rank the most important ESG topics to our business and to our stakeholders. Key stakeholder groups include customers, associates, doctors, stockholders, suppliers, business partners, and local and global communities.

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The assessment consisted of the following steps:

1. Creating a list of important topics specific to National Vision from inputs including internal and external stakeholder interviews; benchmarking of peer and customer public reporting; research on best practices; and expectations of reporting frameworks and rater and ranker organizations
2. Analyzing the topics based on both importance to external stakeholders and importance to National Vision
3. Hosting a workshop with key stakeholders from National Vision to align on the prioritization of topics

The priority topics identified by our assessment are provided in the table below, along with a description of why the topics are considered important from the perspective of business success and/or stakeholder impact.

PRIORITY TOPIC	DESCRIPTION OF IMPORTANCE TO BUSINESS AND/OR STAKEHOLDERS
<b>Product affordability and accessibility</b>	<p>Keeping products affordable and accessible to a larger group increases the total addressable market for National Vision, and allows the company to take advantage of greater economies of scale. Meeting the needs of value-conscious customers is also a brand differentiator for National Vision.</p> <p>Keeping cost of care low allows uninsured and low-income people access to eye care, glasses and contact lenses. For those that need them, eyeglasses have enormous benefit to productivity, income potential, educational outcomes and safety (including mortality rates).</p>
<b>Employee wellness, benefits and development</b>	<p>Investing in employee wellness, benefits and development can lead to lower training costs and reduce turnover. Employees recognize when their wellness and development are prioritized, which can lead to greater engagement and discretionary effort. Providing employees with access to preventative care and paid time to access it also decreases the number of leave days resulting from acute illness.</p> <p>Health and benefit programs improve employee mental and physical health outcomes. Providing development opportunities give employees job skills and experience that increase their capabilities and earning potential for life.</p>
<b>Employee diversity, equity and inclusion</b>	<p>Focusing on employee diversity, equity and inclusion can enhance productivity and revenues through ensuring diverse employee perspectives and building trust with diverse customers. It can expand the talent pipeline and also reduce risks associated with discrimination and harassment.</p> <p>Focusing on employee diversity, equity and inclusion enhances psychological safety for employees, and improves job prospects for diverse members of communities where National Vision operates.</p>
<b>Governance, ethics and compliance</b>	<p>Strong corporate governance, ethics and compliance systems help earn trust from investors and customers (with impacts on revenues and cost of capital). A lack of strong corporate governance can result in heavy fines from regulators.</p> <p>Strong corporate governance and ethics reduces the likelihood of negative impacts to stakeholders and the environment.</p>

PRIORITY TOPIC	DESCRIPTION OF IMPORTANCE TO BUSINESS AND/OR STAKEHOLDERS
<b>Product impact and innovation</b>	<p>Investing in innovative products can lead to increased sales, but investments that do not find a market fit will negatively impact the company's finances. Over the long term, investments in innovative products and service offerings may impact the broader market for optical care.</p> <p>Innovations in eye care and eyewear may increase the positive health impacts of National Vision products. Innovations in process may reduce negative environmental impacts.</p>
<b>Product quality and safety</b>	<p>High-quality products and services are more competitive. Customers who are happy with their products develop trust in National Vision's brands and are more likely to make repeat purchases. Failing to produce safe, high-quality products degrades trust and opens National Vision up to fines from regulators and lawsuits.</p> <p>High-quality eye exams and glasses can significantly impact patient and customer quality of life. Low quality eye exams can have far-reaching medical impact on patients and customers. Given the capacity for disease detection, the quality of services offered may directly impact a person's health.</p>
<b>Data privacy and cybersecurity</b>	<p>Strong data privacy policies build trust with stakeholders, which may lead to increased customer retention and improved sales. Companies may face heavy fines for improper handling of personal information (particularly sensitive health data), and can lose revenue if their systems are compromised in ways that slow or stop operations.</p> <p>Data breaches or service interruptions directly impact stakeholders who have entrusted National Vision with their personal information. Patients, customers and employees are particularly impacted if financial or medical information is compromised.</p>
<b>Philanthropy and community giving</b>	<p>Strategically allocated corporate philanthropy can have far reaching impacts on a company's competitive context, and foster a social license to operate where stakeholders are more likely to give National Vision the benefit of the doubt. Donations of eye exams and glasses may increase the overall market of people who wear glasses in the long term.</p> <p>Philanthropy and community giving can produce social good in the areas where businesses operate. Beyond the stakeholder receiving corporate philanthropic giving, employee fulfillment and job satisfaction may be improved when the company is perceived as supporting local causes.</p>

PRIORITY TOPIC	DESCRIPTION OF IMPORTANCE TO BUSINESS AND/OR STAKEHOLDERS
<b>Socially responsible supply chain</b>	<p>Taking proactive steps to manage supply chains may make National Vision a preferred partner for future expansion into retail chains or make ongoing relationships with Fred Meyer or Walmart easier to maintain. Non-compliance may lead to fines or other sanctions from regulators, may require remediation expenses and can impact National Vision's brand, reputation and customer/industry partnerships.</p> <p>Safeguarding human rights benefits employees, customers, suppliers and the communities where they operate through improving working conditions for people and reducing the risk of human rights abuses. Failing to monitor suppliers throughout the supply chain may result in National Vision unknowingly supporting human rights abuses and/or environmental damage.</p>
<b>Transparency and disclosure</b>	<p>Transparency and effective disclosure can lead to improved stock performance and lower cost of capital by increasing trust from investors. Failing to provide complete disclosure may result in shareholder resolutions against National Vision.</p>
<b>GHG emissions and energy use</b>	<p>The TCFD has established categories of climate-related financial risk/opportunity:</p> <ul style="list-style-type: none"> <li>• Policy and legal: higher compliance costs, insurance premiums, reduced demand for products and services resulting from fines and judgements</li> <li>• Technology: capital investments in technology development for less carbon intensive processes, increased costs to deploy new practices and processes</li> <li>• Market: demand changes due to shifting consumer preferences, increased production costs, increased energy volatility, change in revenue mix and sources</li> <li>• Reputation: reduced revenue from decreased demand for goods and services, decreased production capacity from supply chain interruptions, negative impacts on employee attraction and retention, reduction in capital availability</li> </ul> <p>Reductions in GHG emissions benefit the environment, and by extension impact everyone through mitigating climate change</p>
<b>Resource use and waste</b>	<p>Resource efficiency lowers operating costs for National Vision and helps to insulate the company from price fluctuations. Efficiencies can also decrease costs associated with waste treatment and disposal.</p> <p>Reducing competition for scarce resources, including water, improves availability for other stakeholders. Hazardous waste from operations or suppliers can also have adverse impacts on local communities and the natural environment.</p>



# Appendices

- SASB Index
- GRI Index
- SDG Index
- Non-GAAP Reconciliation



# SASB Index

National Vision has used the SASB Standard for Multiline and Specialty Retailers & Distributors to inform the content in its 2021 Sustainability Report. Our SASB Index indicates where readers can locate select disclosures requested by the standard, including applicable reasons for omission. We will continue to enhance the comprehensiveness of our reporting over time.

TOPIC	CODE	DISCLOSURE	REFERENCE
Energy	CG-MR-130a.1	(1) Total energy consumed	2021 Sustainability Report, page 57
		(2) percentage grid electricity	100%
		(3) percentage renewable	0%
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	2021 Sustainability Report, page 69
	CG-MR-230a.2	(1) Number of data breaches	2021 Sustainability Report, page 65
		(2) Percentage involving personally identifiable information (PII)	
		(3) Number of customers affected	
Labor Practices	CG-MR-310a.1	(1) Average hourly wage	Our average hourly wage is over \$14/hour.
		(2) Percentage of in-store employees earning minimum wage, by region	The majority of our associates earn above the minimum wage in all states in which we operate.
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	We include monetary losses as a result of legal proceedings associated with labor law violations in our 2021 Annual Report, PDF page 45, Legal Proceedings.

TOPIC	CODE	DISCLOSURE	REFERENCE
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management	2021 Sustainability Report, page 50
		Percentage of gender and racial/ethnic group representation for (2) all other employees	
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	We include monetary losses as a result of legal proceedings associated with labor law violations in our 2021 Annual Report, PDF page 45, Legal Proceedings.
Product Sourcing, Packaging & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Efforts to evaluate the social sustainability performance of product suppliers is described on pages 23 and 72, 2021 Sustainability Report. Initial progress in offering products aligned with environmental sustainability criteria is described on page 71, 2021 Sustainability Report.
	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	2021 Sustainability Report, page 23
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	We continually consider opportunities to reduce the environmental impact of our packaging while maintaining our commitment to providing top quality and value to our customers.
Activity Metrics	CG-MR-000.A	Number of: (1) retail locations	1,278
		Number of: (2) distribution centers	2
	CG-MR-000.B	Total area of: (1) retail space	4,082,474 square feet
		Total area of: (2) distribution centers	170,000 square feet

# GRI Index

The GRI Standards assist organizations to publicly disclose their most important impacts and methods for managing these impacts. The GRI Standards seek to enhance corporate transparency and accountability, and are the most widely used sustainability reporting standards. National Vision has used the GRI Standards to inform the content in its 2021 Sustainability Report, helping to promote the consistency and comparability of our disclosure. Our GRI Index indicates where relevant content pertaining to GRI disclosures can be located in our most recent Sustainability Report, 10-K, Proxy Statement or on our [website](#).

CODE	DISCLOSURE	LOCATION / RESPONSE
General Disclosures		
Organizational Profile		
102-1	Name of the organization	National Vision Holdings, Inc.   NASDAQ: EYE
102-2	Activities, brands, products and services	2021 Annual Report, PDF page 8, 9, 11
102-3	Location of headquarters	2435 Commerce Ave, Building 2200 Duluth, Georgia 30096
102-4	Location of operations	2021 Annual Report, PDF page 6
102-5	Ownership and legal form	2021 Annual Report, PDF page 1
102-6	Markets served	2021 Annual Report, PDF page 8
102-7	Scale of the organization	2021 Annual Report, PDF page 7
102-8	Information on employees and other workers	2021 Annual Report, PDF page 13
102-9	Supply chain	2021 Annual Report, PDF page 28, 31, 49, 51
102-10	Significant changes to the organization and its supply chain	2021 Annual Report, PDF page 8, 51
102-11	Precautionary Principle or approach	National Vision has proactively put in place mechanisms to address potential impacts of its products and services. For more information, see 2021 Sustainability Report, page 23 and page 72.

CODE	DISCLOSURE	LOCATION / RESPONSE
102-12	External initiatives	<p>National Vision endorses the following voluntary environmental and social standards/charters/principles:</p> <ul style="list-style-type: none"> <li>• CEO Action Pledge for Diversity and Inclusion</li> <li>• The Coalition for Clear Vision</li> <li>• Clear Vision Collective</li> <li>• Global Reporting Initiative</li> <li>• International Agency for Preventing Blindness (IAPB)</li> <li>• United Nations Sustainable Development Goals</li> </ul>
102-13	Membership of associations	<p>National Vision contributes advocacy and leadership through membership in the following associations related to our SEE+G sustainability strategy:</p> <ul style="list-style-type: none"> <li>• Clear Vision Collective</li> <li>• The Coalition for Clear Vision</li> <li>• EYElliance</li> <li>• International Agency for Preventing Blindness (IAPB)</li> <li>• Optical Women's Association</li> <li>• RestoringVision</li> <li>• VisionSpring</li> </ul>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	CEO Letter, 2021 Sustainability Report, pages 5-6
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and norms of behavior	Our Mission, Vision and Values, 2021 Sustainability Report, pages 9 and 11
102-17	Mechanisms for advice and concerns about ethics	Reference information for corporate governance, 2021 Sustainability Report, page 68



CODE	DISCLOSURE	LOCATION / RESPONSE
<b>Governance</b>		
102-18	Governance structure	2022 Proxy Statement, PDF page 10
102-20	Executive-level responsibility for economic, environmental and social topics	Reference information for corporate governance, 2021 Sustainability Report, pages 67-69
102-21	Consulting stakeholders on economic, environmental and social topics	Our priority ESG topics, 2021 Sustainability Report, pages 74-77
102-22	Composition of the highest governance body and its committees	2022 Proxy Statement, PDF page 14, 19
102-23	Chair of the highest governance body	2022 Proxy Statement, PDF page 16
102-24	Nominating and selecting the highest governance body	2022 Proxy Statement, PDF page 14, 16
102-25	Conflicts of interest	2022 Proxy Statement, PDF page 20
102-26	Role of highest governance body in setting purpose, values and strategy	2022 Proxy Statement, PDF page 22
102-27	Collective knowledge of highest governance body	2022 Proxy Statement, PDF page 19
102-28	Evaluating the highest governance body's performance	2022 Proxy Statement, PDF page 18
102-29	Identifying and managing economic, environmental and social impacts	2021 Sustainability Report, page 74
102-31	Review of economic, environmental and social topics	2021 Sustainability Report, page 63
102-32	Highest governance body's role in sustainability reporting	2021 Sustainability Report, page 63
102-35	Remuneration policies	2022 Proxy Statement, PDF page 25-26
102-36	Process for determining remuneration	2022 Proxy Statement, PDF page 25-26
102-37	Stakeholders' involvement in remuneration	2022 Proxy Statement, PDF page 26
102-38	Annual total compensation ratio	2022 Proxy Statement, PDF page 39, 48
102-39	Percentage increase in annual total compensation ratio	2022 Proxy Statement, PDF page 51

CODE	DISCLOSURE	LOCATION / RESPONSE
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	Our priority ESG topics, 2021 Sustainability Report, page 74
102-41	Collective bargaining agreements	2021 Annual Report, PDF page 13
102-42	Identifying and selecting stakeholders	Stakeholders viewed as strategic partners are those who have a significant interest and/or impact on areas that are most material to our company.
102-43	Approach to stakeholder engagement	<p>Our approach to stakeholder engagement takes many forms depending on the group or the nature of the topic we are engaging on. It ranges from one-way information channels to deep engagement and dialogue in certain situations where we are developing new policies or practices to regular and ongoing engagement either directly or through our memberships in impact/advocacy organizations.</p> <p>Specific examples of our engagement in 2021 include ongoing stockholder engagement (2022 Proxy Statement, PDF pages 58-62), collaboration with strategic partners to meet the vision care needs of underserved populations around the globe (2021 Sustainability Report, pages 18-20), feedback surveys on our health and wellness benefits program with associates and doctors (2021 Sustainability Report, pages 38-42) and direct engagement, communications and training related to our new DEI Strategy (2021 Sustainability Report, pages 48-54).</p>
102-44	Key topics and concerns raised	See Sections noted above in 102-43 for information on key topics and concerns raised.

CODE	DISCLOSURE	LOCATION / RESPONSE
<b>Reporting practice</b>		
102-45	Entities included in the consolidated financial statements	2021 Annual Report, PDF page 8
102-46	Defining report content and topic Boundaries	About this Report, 2021 Sustainability Report, pages 3-4 Our priority ESG topics, 2021 Sustainability Report, pages 74-77
102-47	List of material topics	Our priority ESG topics, 2021 Sustainability Report, pages 75-77
102-48	Restatements of information	<p>The effects of any restatements of data or information are indicated in accompanying text and/or footnotes.</p> <p>As stated on page 57 of the 2021 Sustainability Report, energy and emissions data for the 2020 reporting period was restated in this year's report. The restated data enhances our alignment with the GHG Protocol through:</p> <ul style="list-style-type: none"> <li>• Classifying fugitive emissions as Scope 1 instead of Scope 2</li> <li>• Classifying emissions from purchased electricity outside of our operational control (such as Vision Center locations inside select Walmart stores and Vista Optical locations inside selected Fred Meyer stores and in select military exchanges) as Scope 3 instead of Scope 2</li> </ul> <p>The need to restate 2020 energy and emissions data also resulted from enhanced internal data quality procedures, such as:</p> <ul style="list-style-type: none"> <li>• Estimating natural gas data for sites where data was not available</li> <li>• Identifying outliers and working with our utility data partner to correct any outliers caused by data integrity concerns such as meter misreads</li> </ul>

CODE	DISCLOSURE	LOCATION / RESPONSE
102-49	Changes in reporting	There were no significant changes from previous reporting periods in the list of material topics and topic boundaries.
102-50	Reporting period	January 2, 2021 – January 1, 2022 (National Vision fiscal year), except for our greenhouse gas inventory which is reported on a 2021 calendar year basis (January 1, 2021 – December 31, 2021)
102-51	Date of most recent report	Our most recent previous report is our 2020 Corporate Responsibility Report, published October 2021.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="mailto:CorporateResponsibility@nationalvision.com">CorporateResponsibility@nationalvision.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	We referenced the GRI standards while developing this report.
102-55	GRI content index	2021 Sustainability Report, pages 81-92
102-56	External assurance	External assurance has not been obtained over the data or content within the 2021 Sustainability Report (with the exception of financial metrics on pages 13-14 which were subject to standard financial audit).
<b>Priority topics</b>		
<b>Product affordability and accessibility</b>		
103-1	Explanation of the material topic and its Boundary	<p>Societal Impact: Customer affordability and accessibility, 2021 Sustainability Report, pages 18-20</p> <p>Reference information on customer impact, 2021 Sustainability Report, pages 22-23</p> <p>Our priority ESG topics, 2021 Sustainability Report, pages 74-77</p>

CODE	DISCLOSURE	LOCATION / RESPONSE
103-2	The management approach and its components	Societal Impact: Customer affordability and accessibility, 2021 Sustainability Report, pages 18-20  Reference information on customer impact, 2021 Sustainability Report, pages 22-23
103-3	Evaluation of the management approach	
No directly relevant GRI Disclosure		In 2021, through our America's Best brand, we offered two pairs of glasses for \$69.95, including a free eye exam. We also offered two pairs of glasses for \$78 at Eyeglass World, many of which are crafted on-site and available for pickup on the same day that they're ordered. Despite modest increases to these prices in 2022, we believe that our offering continues to deliver industry-leading value for our customers.
<b>Governance, ethics and compliance</b>		
103-1	Explanation of the material topic and its Boundary	Governance: Advancing corporate governance, 2021 Sustainability Report, page 64
103-2	The management approach and its components	Governance: Advancing corporate governance, 2021 Sustainability Report, pages 64-69  Reference information for corporate governance, 2021 Sustainability Report, pages 66-69
103-3	Evaluation of the management approach	
205-2	Communication and training about anti-corruption policies and procedures	Reference information for corporate governance, 2021 Sustainability Report, page 68
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions were pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation.



CODE	DISCLOSURE	LOCATION / RESPONSE
<b>Employee wellness, benefits and development</b>		
103-1	Explanation of the material topic and its Boundary	<p>Employees: Employee engagement and well-being, 2021 Sustainability Report, pages 36-40</p> <p>Employees: Employee development, 2021 Sustainability Report, pages 43-45</p> <p>Reference information on employee engagement and well-being, 2021 Sustainability Report, pages 41-42</p> <p>Reference information on employee development, 2021 Sustainability Report, pages 46-47</p> <p>Our priority ESG topics, 2021 Sustainability Report, page 75</p>
103-2	The management approach and its components	Employees: Employee engagement and well-being, 2021 Sustainability Report, pages 36-40
103-3	Evaluation of the management approach	<p>Employees: Employee development, 2021 Sustainability Report, pages 43-45</p> <p>Reference information on employee engagement and well-being, 2021 Sustainability Report, pages 41-42</p> <p>Reference information on employee development, 2021 Sustainability Report, pages 46-47</p>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>Employees: Employee engagement and well-being, 2021 Sustainability Report, pages 36-40</p> <p>2021 Annual Report, Human Capital Management page 14</p>
404-2	Programs for upgrading employee skills and transition assistance programs	<p>Employees: Employee development, 2021 Sustainability Report, pages 43-45</p> <p>2021 Annual Report, Human Capital Management, page 14</p>

CODE	DISCLOSURE	LOCATION / RESPONSE
<b>Employee diversity, equity and inclusion</b>		
103-1	Explanation of the material topic and its Boundary	<p>Employees: Diversity, equity and inclusion, 2021 Sustainability Report, pages 49-52</p> <p>Reference information on DEI at National Vision, 2021 Sustainability Report, pages 53-54</p> <p>Our priority ESG Topics, 2021 Sustainability Report, page 75</p>
103-2	The management approach and its components	Employees: Diversity, equity and inclusion, 2021 Sustainability Report, pages 49-52
103-3	Evaluation of the management approach	Reference information on DEI at National Vision, 2021 Sustainability Report, pages 53-54
405-1	Diversity of governance bodies and employees	<p>Employees: Diversity, equity and inclusion, 2021 Sustainability Report, page 50</p> <p>Corporate Governance &amp; Ethics: Governance, 2021 Sustainability Report, page 65</p>
<b>Philanthropy and community giving</b>		
103-1	Explanation of the material topic and its Boundary	<p>Societal Impact: Our community impact, 2021 Sustainability Report, pages 24-31</p> <p>Reference information on philanthropic giving, 2021 Sustainability Report, pages 32-33</p> <p>Our priority ESG topics, 2021 Sustainability Report, page 76</p>
103-2	The management approach and its components	Societal Impact: Our community impact, 2021 Sustainability Report, pages 24-31
103-3	Evaluation of the management approach	Reference information on philanthropic giving, 2021 Sustainability Report, pages 32-33

CODE	DISCLOSURE	LOCATION / RESPONSE
413-1	Operations with local community engagement, impact assessments and development programs	Societal Impact: Our community impact, 2021 Sustainability Report, pages 24-31
	Total philanthropic giving	Societal Impact: Our Societal Impact highlights, page 17
<b>Product quality and safety</b>		
103-1	Explanation of the material topic and its Boundary	<p>Societal Impact: Our customer impact, 2021 Sustainability Report, pages 18-21</p> <p>Reference information on customer impact: product quality and safety standards, 2021 Sustainability Report, pages 22-23</p> <p>Our priority ESG topics, 2021 Sustainability Report, page 76</p>
103-2	The management approach and its components	<p>Societal Impact: Our customer impact, 2021 Sustainability Report, pages 18-21</p> <p>Reference information on customer impact: product quality and safety standards, 2021 Sustainability Report, pages 22-23</p>
103-3	Evaluation of the management approach	
416-1	Assessment of the health and safety impacts of product and service categories	Societal Impact: Ensuring Product Quality and Safety, 2021 Sustainability Report, page 23
<b>Data privacy and cybersecurity</b>		
103-1	Explanation of the material topic and its Boundary	<p>Governance: Advancing corporate governance, 2021 Sustainability Report, page 65</p> <p>Governance: Reference information on corporate governance, 2021 Sustainability Report, page 69</p> <p>Our priority ESG topics, 2021 Sustainability Report, page 76</p>

CODE	DISCLOSURE	LOCATION / RESPONSE
103-2	The management approach and its components	Governance: Data privacy and security, 2021 Sustainability Report, page 65
103-3	Evaluation of the management approach	
		Reference information for corporate governance: data privacy and security, 2021 Sustainability Report, page 69
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We report breaches of customer data as required by applicable U.S. and global laws. We address risks related to data privacy and cybersecurity in our annual SEC filings.
<b>Energy use and emissions</b>		
103-1	Explanation of the material topic and its Boundary	Environment: Our environmental performance: Energy and emissions, 2021 Sustainability Report, pages 57-58
		Reference information on environmental performance, 2021 Sustainability Report, pages 61-62
		Our priority ESG topics, 2021 Sustainability Report, page 77
103-2	The management approach and its components	Environment: Our environmental performance: Energy and emissions, 2021 Sustainability Report, pages 57-58
103-3	Evaluation of the management approach	
		Reference information on environmental performance, 2021 Sustainability Report, pages 61-62
305-1	Direct (Scope 1) GHG emissions	2021 Sustainability Report, page 57
305-2	Energy indirect (Scope 2) GHG emissions	2021 Sustainability Report, page 57
305-4	GHG emissions intensity	4,373 metric tons CO2e per billion USD revenue Includes Scope 1 and Scope 2 emissions
305-5	Reduction of GHG emissions	Environment: Energy and emissions, 2021 Sustainability Report, pages 57-58
302-1	Energy consumption within the organization	Environment: Energy and emissions, 2021 Sustainability Report, pages 57-58


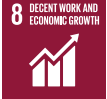
CODE	DISCLOSURE	LOCATION / RESPONSE
302-3	Energy intensity	0.00055 GJ per USD revenue Includes fuels and purchased electricity.
302-4	Reduction of energy consumption	Environment: Energy and emissions, 2021 Sustainability Report, pages 57-58
<b>Socially responsible supply chain</b>		
103-1	Explanation of the material topic and its Boundary	Governance: Supply chain governance, 2021 Sustainability Report, pages 70-71  Reference information for supply chain governance, 2021 Sustainability Report, page 72  Our priority ESG topics, 2021 Sustainability Report, page 77
103-2	The management approach and its components	Governance: Supply chain governance, 2021 Sustainability Report, pages 71-72
103-3	Evaluation of the management approach	Reference information for supply chain governance, 2021 Sustainability Report, page 72
414-1	New suppliers that were screened using social criteria	Governance: Supply chain governance, 2021 Sustainability Report, page 71



# SDG Index

The United Nations adopted 17 Sustainable Development Goals (SDGs) in 2015, as part of its 2030 Agenda for Sustainable Development. These SDGs are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone around the globe. We support this call to action and see close alignment of many of our activities.

SDG	TARGET	NATIONAL VISION ACTION/INITIATIVE
 <b>SDG 3: Ensure healthy lives and promote well-being for all at all ages</b>	<b>3.8:</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	<ul style="list-style-type: none"> <li>• Business model of providing access to affordable products and services, page 9</li> <li>• Made Locally, Given Globally program in partnership with RestoringVision, page 27</li> <li>• Service and donations provided through National Vision Cares Program, page 25, 32</li> <li>• Partnership with RestoringVision and Americares, page 25</li> <li>• Sponsorship of Prevent Blindness Georgia, page 25, 32</li> <li>• Robust health benefits, including physical, financial and mental health, page 38-42</li> <li>• National Vision Crisis Relief Fund, page 41</li> <li>• National Vision Support Network, page 39</li> </ul>
	<b>3.D:</b> Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks	<ul style="list-style-type: none"> <li>• Advocacy work and leadership through membership in the International Agency for the Prevention of Blindness (IAPB), page 29</li> <li>• Partnership with RestoringVision, page 32</li> <li>• Partnership and governance efforts with VisionSpring and the Clear Vision Collective, page 29, 33</li> <li>• Member of EYElliance, page 82</li> <li>• Support of VOSH (Volunteer Optometric Services to Humanity) International and SVOSH (Student VOSH), page 28</li> </ul>

SDG	TARGET	NATIONAL VISION ACTION/INITIATIVE
 <b>SDG 5: Achieve gender equality for all women and girls.</b>	<b>5.4:</b> Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate	<ul style="list-style-type: none"> <li>Increased amount of paid parental leave for associates, page 38</li> <li>Provided extended leave in certain circumstances for associates during COVID-19, page 40</li> </ul>
	<b>5.5:</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	<ul style="list-style-type: none"> <li>Launched new DEI Strategy, which includes, among other things, a focus on representation of women at leadership levels, page 48</li> <li>Sponsorship of, and engagement in, Optical Women's Association, page 51</li> <li>Signatory to CEO Action Pledge for Diversity &amp; Inclusion™, page 82</li> <li>America's Best Employers for Diversity (Forbes), page 48</li> <li>America's Best Employers for Women (Forbes), page 48</li> <li>Award from 50/50 Women on Board for gender balance on Board of Directors, page 48</li> </ul>
 <b>SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all</b>	<b>8.5:</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> <li>Launched new DEI Strategy, which includes, among other things, a focus on representation of women at leadership levels, page 48</li> <li>Sponsorship of ABO and NCLE professional certification for associates, page 45</li> <li>Training Store Manager program, page 44</li> <li>OD Tuition Reimbursement program, page 45</li> <li>Sponsorship of Black Eyecare Perspective program, page 51</li> <li>Sponsorship of Salus University's Pennsylvania College of Optometry Summer Enrichment program, page 51</li> <li>Scholarships for BIPOC optometrists, page 51</li> <li>Allyship training for all National Vision Vice Presidents and above, page 53</li> </ul>
	<b>8.6:</b> By 2020, substantially reduce the proportion of youth not in employment, education or training	<ul style="list-style-type: none"> <li>Sponsorship of Prevent Blindness Georgia, page 25, 32</li> </ul>

# Non-GAAP Reconciliation

## Reconciliation of GAAP and Non-GAAP Financial Measures

Company Non-GAAP measures have been presented as supplemental measures of financial performance that are not required by, or presented in accordance with U.S. GAAP, because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. We use the Company Non-GAAP measures to supplement U.S. GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation and to compare our performance against that of other peer companies using similar measures.

The Company uses certain Non-GAAP financial measures to supplement the Company's financial information presented in accordance with GAAP and aid understanding of the Company's business performance. Our non-GAAP financial measures do not represent a comprehensive basis of accounting. For additional details regarding the reconciliation of GAAP and non-GAAP financial measures, see the Company's most recent Annual Report on Form 10-K filed with the SEC on February 28, 2022. This information is also available in the investors section of the Company's [website](#).

## Adjusted Diluted EPS

We define Adjusted Diluted earnings per share (EPS) as diluted earnings per share, adjusted for the per share impact of stock compensation expense, loss on extinguishment of debt, asset impairment, litigation settlement, secondary offering expenses, management realignment expenses, long-term incentive plan

expenses, amortization of acquisition intangibles, amortization of debt discounts and deferred financing costs of our term loan borrowings, amortization of the conversion feature and deferred financing costs of our 2025 Notes when not required under U.S. GAAP to be added back for diluted earnings per share, losses (gains) on change in fair value of derivatives, other expenses, and tax benefit of stock option exercises, less the tax effect of these adjustments.

The presentations of these measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- they do not reflect costs or cash outlays for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations, and;
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, EBITDA and the Company Non-GAAP measures should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness.

The following table reconciles our Adjusted Diluted EPS for the periods presented:

IN THOUSANDS, EXCEPT PER SHARE AMOUNTS	FISCAL YEAR 2021	FISCAL YEAR 2020	FISCAL YEAR 2019
<b>Diluted EPS</b>	<b>\$1.43</b>	<b>\$0.44</b>	<b>\$0.40</b>
Stock compensation expense <sup>(a)</sup>	.15	.13	.16
Loss on extinguishment of debt <sup>(b)</sup>	—	—	.12
Asset impairment <sup>(c)</sup>	0.05	0.27	0.11
Litigation settlement <sup>(d)</sup>	0.02	0.05	—
Secondary offering expenses <sup>(e)</sup>	—	—	0.00
Management realignment expenses <sup>(f)</sup>	—	—	0.03
Long-term incentive plan expense <sup>(g)</sup>	—	—	0.03
Amortization of acquisition intangibles <sup>(h)</sup>	0.08	0.09	0.09
Amortization of debt discounts and deferred financing costs <sup>(i)</sup>	0.02	0.14	0.02
Losses (gains) on change in fair value of derivatives <sup>(j)</sup>	(0.03)	0.05	—
Other <sup>(k)</sup>	(0.01)	0.03	0.08
Tax benefit of stock option exercises <sup>(l)</sup>	(0.15)	(0.10)	(0.12)
Tax effect of total adjustments <sup>(m)</sup>	(0.08)	(0.19)	(0.16)
<b>Adjusted Diluted EPS</b>	<b>\$1.48</b>	<b>\$0.91</b>	<b>\$0.75</b>
<b>Weighted average diluted shares outstanding</b>	<b>96,134</b>	<b>82,793</b>	<b>81,683</b>

Note: Fiscal years 2021 and 2019 include 52 weeks. Fiscal year 2020 includes 53 weeks. Some of the totals in the table above do not foot due to rounding differences.

(a) Non-cash charges related to stock-based compensation programs, which vary from period to period depending on the timing of awards and performance vesting conditions.

(b) Reflects write-off of deferred financing fees related to the extinguishment of debt.

(c) Reflects write-off of primarily property, equipment and lease-related assets on closed or underperforming stores.

(d) Expenses associated with settlement of certain litigation.

(e) Expenses related to our secondary public offerings.

(f) Expenses related to a non-recurring management realignment described on Form 8-K filed with the SEC on January 10, 2019.

(g) Expenses pursuant to a long-term incentive plan for non-executive associates who were not participants in the management equity plan. This plan was effective in 2014 following the acquisition of the Company by affiliates of KKR & Co. Inc. (the "KKR Acquisition").

(h) Amortization of the increase in carrying values of finite-lived intangible assets resulting from the application of purchase accounting to the KKR Acquisition.

(i) Amortization of deferred financing costs and other non-cash charges related to our long-term debt, including amortization of the conversion feature related to the 2025 Notes of \$10.0 million for fiscal year 2020. We adjust for amortization of deferred financing costs related to the 2025 Notes only when adjusting these costs is not required in the calculation of diluted earnings per share in accordance with the if-converted method under U.S. GAAP. Amortization of debt discount and deferred financing costs total \$0.6 million, \$0.3 million and \$0.2 million for the three months ended January 1, 2022, January 2, 2021 and December 28, 2019, and \$2.1 million, \$1.9 million and \$1.3 million for the fiscal years 2021, 2020 and 2019, respectively.

(j) Reflects losses (gains) recognized in interest expense on change in fair value of de-designated hedges of \$(2.9) million and \$(0.6) million for the three months ended January 1, 2022 and January 2, 2021, and \$(3.3) million and \$4.0 million for fiscal years 2021 and 2020, respectively.

(k) Reflects other expenses in (n) below, including the impact of stranded tax effect of \$(2.1) million for fiscal year 2021 associated with our interest rate swaps that matured in 2021, and immaterial debt issuance costs for the three months ended January 2, 2021 and \$0.1 million and \$0.2 million for fiscal years 2021 and 2020, respectively.

(l) Tax benefit associated with accounting guidance requiring excess tax benefits related to stock option exercises to be recorded in earnings as discrete items in the reporting period in which they occur.

(m) Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates.

(n) Other adjustments include amounts that management believes are not representative of our operating performance (amounts in brackets represent reductions in Adjusted Operating Income, Adjusted Diluted EPS and Adjusted EBITDA) including our share of (gains) losses on equity method investments of \$0.6 million for the three months ended December 28, 2019; and \$(2.4) million and \$1.8 million for fiscal years 2021 and 2019, respectively, and other expenses and adjustments which are primarily related to excess payroll taxes on stock option exercises, executive severance and relocation.



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