



Sustainability Report

2022

Word from CEO

Dear stakeholders,

As the CEO of Bod Lenses, I am proud to present our first sustainability report for the year. **At Bod Lenses, we believe that sustainability is not just a buzzword, but a core value that guides our actions and decisions.** As a leading manufacturer of individualized prescription optical eyeglass lenses, we understand the importance of integrating sustainable practices into every facet of our operations.

Our commitment to sustainability is continual. We recognize the significant role Bod Lenses plays in the eyewear industry and are dedicated to being a leader in environmental stewardship and social responsibility. This report is a testament to our efforts in that direction.

From product design to distribution, we prioritize sustainable practices. We diligently monitor and manage our material and energy consumption, aiming to minimize our carbon footprint. Our focus on renewable energy sources, exemplified by our goal to establish a 5 MW PV park, underscores our dedication to a greener future.

But sustainability isn't just about numbers and metrics. It's about people – our employees, customers, and partners.



We are committed to fostering a safe and inclusive workplace where diversity is celebrated and employee well-being is a priority. Our programs, such as parental leave, employee benefits, and safety protocols, reflect this commitment.

Furthermore, our pledge to responsible waste management drives us to recycle and recover energy from our waste, ensuring minimal impact on the environment. As we move forward, we aim to further reduce packaging waste and strengthen our supplier assessment processes with an ESG questionnaire.

This report is a snapshot of our journey, but it's far from the final destination. We remain persistent in our pursuit of sustainability, knowing that each step we take today will shape a better tomorrow. **I invite all stakeholders to join us in this endeavour, as together, we can make a meaningful impact on the world around us.**

Thank you for your continued support.

Sincerely,

Vytautas Tuminas
CEO, Bod Lenses



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Introduction

This Bod Lenses, UAB sustainability report covers the company's activities during the period of January 1st to December 31st, 2022.

This sustainability report has been prepared in reference to the GRI¹ Standards (update 2021). The disclosures were guided by industry-by-industry materiality principle proposed by SASB². Disclosures also represent the company's contribution to the United Nations Sustainable Development Goals (SDG).

The report has been prepared for the first time. In the following years, the sustainability report will be released annually (II quarter). We understand the importance of different stakeholder perspectives and concerns, so we'd appreciate your feedback on this report and our performance. Please email us at tadas.radavicius@bodgroup.com (contact person Tadas Radavičius, Sustainability Manager)

¹ **GRI** (Global Reporting Initiative) is an independent international organization that has developed a comprehensive framework for sustainability reporting. The GRI Standards provide guidelines and principles for organizations to report on their economic, environmental, social, and governance performance.

² **SASB** (Sustainability Accounting Standards Board) is an independent nonprofit organization that focuses on developing and disseminating sustainability accounting standards for companies to use in disclosing material, financially relevant sustainability information to investors.



Business model

Bod Lenses, UAB is a Private limited liability company (LLC) / Closed joint stock company. The company's headquarters and laboratory are located at Mokslininkų str. 6A, Vilnius, Lithuania.

Bod Lenses is an independent manufacturer of individualized prescription (Rx) optical eyeglass lenses distributed within the B2B sector. Optical eyeglass lenses laboratory is the largest in the Baltic region and Northern Europe.

Bod Lenses, UAB produces a wide range of single-vision, progressive, office, and bifocal lenses with high-quality lens coatings and tinting options. Laboratory's daily production capacity is 4,000 lenses.

Bod Lenses exports more than 80% of its manufactured products to Europe and other markets³. Bod Lenses emphasizes the importance of technology and cooperation, constantly expanding its network of distributors in more than 20 countries. Bod Lenses' most important export markets are France, UK, Spain, Portugal, Italy and Greece

Bod Lenses laboratory meets the highest quality requirements with the newest equipment providing the market with excellent ophthalmic lenses using IOT design.

We seek to help our customers to experience the best possible vision and improve their lifestyles. Due to our individual and customized solutions, Bod Lenses can fulfill customer demands. A strong team of passionate Bod Lenses professionals is committed to delivering high-quality products while prioritizing sustainable practices throughout our value chain and business relationships.

We seek advanced and research-based solutions to gain the trust and loyalty of our long-term business partners and clients. Bod Lenses differs because of its authentic technology approach, impeccable quality, and versatile team that adapts to changes.

³ **Due** to the ongoing Russia aggression towards Ukraine, Bod Lenses has suspended all operations and export to Russia and Belarus.

Sustainability approach

At **Bod Lenses**, we are committed to integrating sustainable practices in every aspect of our operations, from product design to distribution.

We recognize the critical role we play in the eyewear industry and aim to be a leader in environmental stewardship and social responsibility.

Responsible Production:

Extended Product Lifespan:

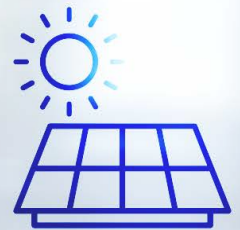
We produce eyeglasses with durability and timelessness in mind, promoting longer product lifespans. By creating quality products that can withstand the test of time, we reduce the need for frequent replacements and minimize waste.

Waste Reduction and Recycling:

Throughout our production process, we actively seek ways to minimize waste generation. Our manufacturing facilities employ recycling and waste reduction measures to ensure responsible waste management.

Renewable energy:

As part of our commitment to environmental stewardship, we have adopted a comprehensive renewable energy approach to reduce our carbon footprint and promote clean energy alternatives.



Materiality analysis













In 2022 **Bod Lenses** implemented the first materiality analysis following the **GRI** guidelines. The analysis allowed us to identify our sustainability priorities and determine the content of the sustainability report.

Materiality analysis was conducted in the following steps:



One
life - see
it well.

Based on the 35 survey responses from our stakeholders, the below-listed topics are considered material:

ESG areas	Aera	Topic	Sustainable development goals
Environment	Energy used and CO2 emissions	Reducing CO2 Emissions by increasing renewable energy in company's operations	  
Environment	Water and waste	<ul style="list-style-type: none"> • Amount of hazardous waste generation • Amount of chemical consumption • Amount of tin consumption • Number of chemical spill incidents • Minimizing external waste by selecting packaging based on shipment size • Reduce transportation costs per unit • Reduce consumption of office paper • Responsible sorting • Reduction of mixed waste or the amount of non-hazardous waste generated. 	  
Social	Employee welfare, engagement, human rights, diversity. Contributing to the community	<ul style="list-style-type: none"> • Competitive and transparent payment system • Employee loyalty/reducing turnover rates • Employee safety • Growth of social benefits • Employee development • Diversity • Integration of disabled employees 	  
Social/governance	Product safety and quality	<ul style="list-style-type: none"> • Quality management system • Reduction of external and internal defects 	
Governance	Governance	<ul style="list-style-type: none"> • Process control and management through LEAN, ISO, TOC, AGILE • Investments in innovation (technology and equipment) • IT / data protection 	 

Governance

Bod Lenses, UAB is located in Lithuania and is part of the **BOD Group** producing optical lenses, solar modules & LFP batteries. In 2022 BOD Group consisted of 293 employees & BOD Lenses had 91 employees.

The company group has five board members:



Board chairman is **Vidmantas Janulevičius**, who is also the president of Lithuania Confederation of Industrialists. The confederation represents the voice of various business associations.



Vladas Sakalauskas, supervises & manages real estate. Integrates high-quality standards from his vast experience working & volunteering in the army.



Žygimantas Vaičiūnas, previous Lithuania energy minister in the years 2016-2020. He has experience in the EU commission and Lithuania energy-related projects.



Mantas Rimkus, company group CFO/COO with vast experience in finances & banking.



Nerijus Pačėsa brings vast experience in strategic management and entrepreneurship from various organizations. He utilizes his sales and marketing skills within the company group.

Company group consists of experienced board members from diverse field to lead the company growth

Bod Lenses economic performance in 2022

REVENUE

9.236.836

€

EMPLOYEES WAGES AND BENEFITS

2.041.346

€

57%

of employees have supplementary pension savings in addition to obligatory one.

Bod lenses received a 10.500 EUR subsidy from the national innovation agency to investigate product export opportunities.

Bod lenses ensures that there is no corruption presence in the company. The procurement department implements the “double-check” principle. Each of the purchases needs to be reviewed by at least two people.

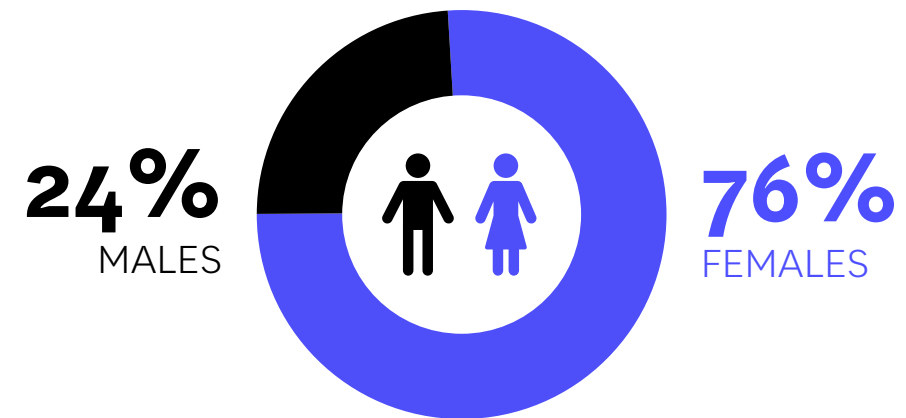
Social impact

EMPLOYEES

Bod Lenses has 91 employees, governance positions are shared by 7 males and 7 females. The governance structure based on age is as follows: 4 employees up to 30 years old & 10 employees between 30-50 years old. Male to female ratio of all of the employees is 33% males & 67% females. Ages of all employees are as follows: 22 employees up to 30 years old, 55 employees between 30-50 years old, 14 employees above 50 years old.

Based on their position (8 different positions), employees earn different hourly wages. The hourly payment for each position has 4 different categories. The first category is the new employees. To enter the second category, specific performance needs to be achieved in each position. The third category includes employees that reached KPI's of their jobs. 4th category is the team leaders who become instructors for the new employees.

NEW EMPLOYEES 2022



Distribution by age group:



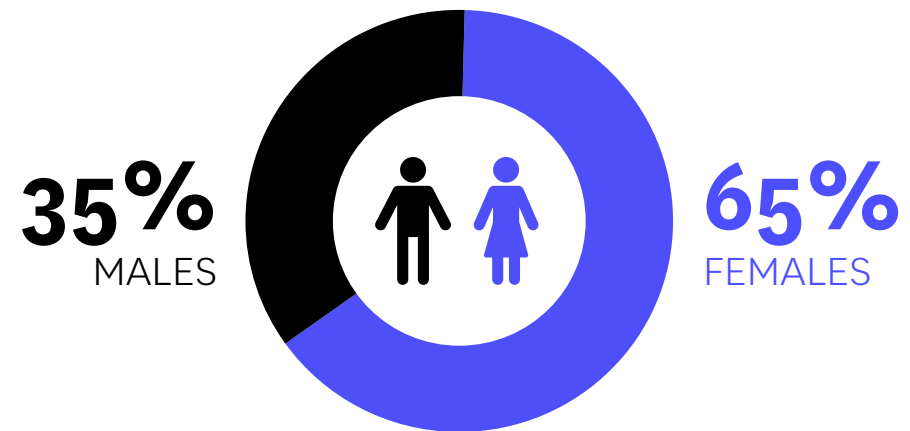
Social impact

All personnel are provided with comprehensive accident insurance coverage. Employees are entitled to receive government-sponsored parental leave benefits. Additionally, they are eligible for retirement benefits administered by the government.

Amenities for night shift employees include a daily provision of soup. All employees find valuable weekly snack offerings, celebratory birthday cakes and presents, employee discounts, additional vacation day on their birthdays, and the option to embrace hybrid work.

At present, there are six employees availing parental leave benefits.

TURNOVER RATE



Distribution by age group:



ISO standards:

Bod Lenses adheres to the following ISO standards:



ISO 9001:2015
(quality management system)



ISO 14001:2015
(environmental management system)



ISO 45001:2018
(occupational health and safety management system)



ISO 13485:2016
(medical device quality management system)

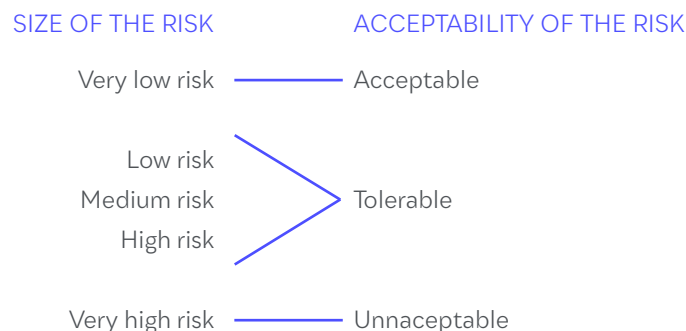


Risk assessment

We comply with national laws regarding work safety & fire hazard regulations. **Third-party company SDG, UAB conducted an evaluation of potential job-related hazards.** The risks were assessed following the criteria in the table below (based on BS 8800:2004 standard):

	Low impact	Medium impact	High impact
Low probability	Very low risk	Low risk	Medium risk
Medium probability	Low risk	Medium risk	High risk
High probability	Medium risk	High risk	Very high risk

The risks classification are as follows:



For tolerable risks, BOD Lenses takes the following actions:

- Take action to eliminate the risk
- Reduce the risk
- Stop processes related to the risk until the elimination of the risk or risk reductions are implemented.

The most recent risk assessment was conducted in 2022. Two issues were identified and following corrective actions had to be made in order to further meet the legal requirements:

- Increase space between storage goods & lighting sources.
- Reduce inventory of goods near the firefighting cluster.

Seven actions were suggested on a voluntary basis:

- To renew the first aid kit.
- To place chemical storage units on pallets (or something else to reduce chances of leakage).
- To indicate the types of chemicals in storage units.
- To renew materials that are used to wash chemicals during emergencies.
- To classify storage units based on the hazardous chemicals classification system.
- To place warning signs near hot alloys.
- To adjust the lid for tank opening.

All of these actions were implemented successfully.

Employees Health & Safety

Employees can anonymously report any illegal activity within the company, for example hazardous situations etc. Employees can do that by contacting the company's CEO or human resources. Within two days, the report is investigated. **The employee is protected from any harm (being fired as such), the whistleblower holds no responsibility, etc.**

Bod Lenses has a policy & action plan for employees removed from work to avoid injury or illness. The first step is to inform human resources if the suspected employee acts bizarrely (uncoordinated movements as such). It is followed by an Alco tester check (to see if the employee is intoxicated). It is followed by filling a report, description, and then the action is taken (removing from the workplace as such).

Work-related accidents are monitored and reported. Employees are educated to report any accident either verbally or in written form. Within 10 days the report is investigated. Accidents are categorized into dangerous actions, dangerous conditions & small accidents.

The employees decided in voting not to establish employees' safety committee.

Employees underwent comprehensive first aid training, ensuring representation from diverse departments and shifts to guarantee immediate assistance in the event of an accident.

Bod Lenses has implemented ISO 45001:2018, an occupational health and safety management system covering all employees.

In 2022, a single minor accident was recorded. Considering a total of 124,399 working hours, the documented accident resulted in company accident rate of 1.61. Furthermore, Bod Lenses has subscribed to platforms providing information on work regulations, laws, and taxes. All employees have access to these services, allowing them to access valuable resources, watch tutorials, and even seek expert guidance on these platforms.

Bod Lenses monitors discrimination accidents. Throughout the year of 2022, there was no report of this type of accident.

Environmental Impact

MATERIALS & ENERGY CONSUMPTION

In 2022 Bod Lenses consumed 97 tons of non-renewable materials to produce the lenses. Materials consumption per lens is 0,161 kg/lens.

Bod Lenses 2022 electricity consumption in total was 1 113 164 kWh. Out of a total of 116, 113 kWh was used for geothermal pumps that provides Bod Lenses factory & offices with heating & cooling. Energy consumption per product is 1,85 kWh/lens.





Environmental Impact

CO₂ EMISSIONS

Regarding emissions, we have 12.12 tons of **Scope 1** emissions attributed to our owned cars.

Additionally, we have 17,881 CO₂ tons of **Scope 2** emissions resulting from our electricity consumption. These calculations were based on Lithuania's national grid CO₂ emissions at 154g/kWh. Our building, which houses both manufacturing facilities and offices, employs heat pumps with 108 boreholes in the ground. These heat pumps utilize the consumed electricity to provide the building with both heating and cooling

Scope 3 emissions include emissions from business travels using rented cars and flights. To calculate emissions from car fuel consumption, we used the GHG protocol tool. In 2022, the total CO₂ emissions from business trips with cars were 132.3 tons. For flights, we used the International Civil Aviation Organization calculator, considering the capital cities of departure and arrival countries to calculate CO₂ emissions. In total, 11.9 tons of CO₂ were emitted due to flights. The combined Scope 3 emissions amount to 144.1 tons.

When considering the emissions from Scope 1 and Scope 2, Bod Lenses' emissions rating per produced product is 0.0499 kg CO₂ per lens.”

Environmental Impact

WASTE

In 2022, **Bod Lenses** accumulated a total of 106.8 tons of waste, with 80.8 tons classified as hazardous and 25.93 tons as non-hazardous.

Regarding recycling efforts, a total of 87.762 tons were tons were **recycled: 76,7 tons of hazardous waste and 11,1 tons of non-hazardous waste.**

Furthermore, 18.98 tons of waste (4.18 tons hazardous and 14.8 tons non-hazardous) were subjected to burning for energy recovery.

On a product basis, Bod Lenses generates approximately 0.178 kg of waste per lens.

* Statistics were provided by Bod Lenses partner taking care of waste management and recycling operations



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Sustainability goals for 2023

- To set up a 5 MW PV park to produce and accommodate entire energy needs of our company group. This initiative will enable us to generate the required electricity through renewable sources, effectively offsetting our Scope 1-2 emissions.
- To reduce packaging waste by using smaller boxes.
- To assess suppliers with an ESG questionnaire.

GRI

content index

The statement of use: **Bod Lenses** has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with references to the GRI standards.

GRI 1 used: GRI1: Foundation 2021.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 5
	2-3 Reporting period, frequency and contact point	Page 4
	2-6 Activities, value chain and other business relationships	Page 5
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 8
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GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 11
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GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 17

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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 18
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	305-4 GHG emissions intensity	Page 18
GRI 306: Waste 2020	306-3 Waste generated	Page 19
	306-4 Waste diverted from disposal	Page 19
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 12
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 13
	401-3 Parental leave	Page 13
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 14
	403-2 Hazard identification, risk assessment, and incident investigation	Page 15
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 16
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 16
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 12