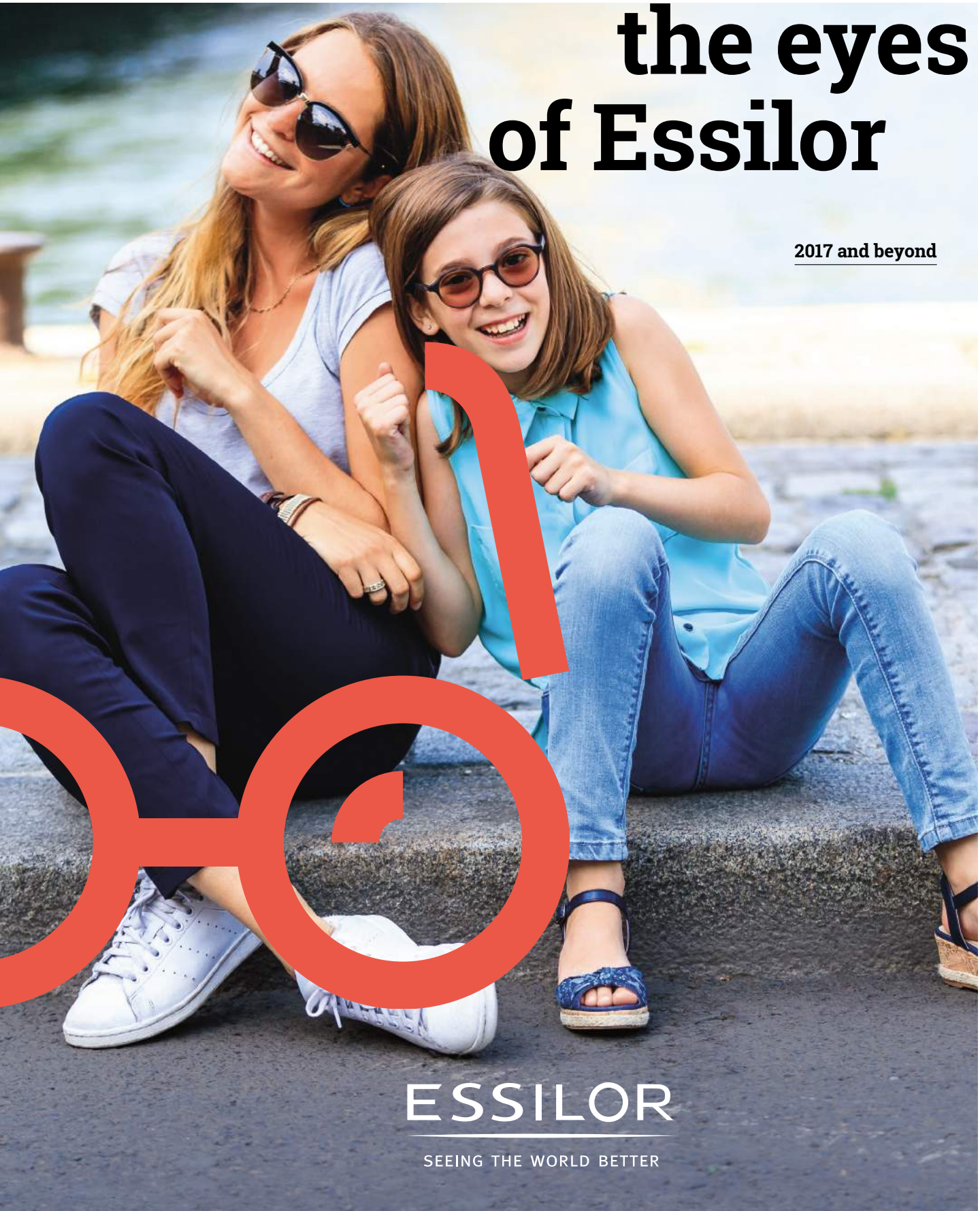
Through the eyes of Essilor

2017 and beyond



ESSILOR

SEEING THE WORLD BETTER

We believe everyone in the world has the right to good vision

Good vision is key to leading healthy, productive lives. It is the foundation for communities to prosper and contribute to global development. For nearly 170 years, Essilor's mission has been to improve lives by improving sight. Our sole focus is to help each of the 7.4 billion people in the world enjoy the best vision possible throughout their lives by providing solutions which correct and protect their vision. It is why we continue to invest in consumer-centric research and development and to expand our reach to new regions and countries. Because we believe everyone in the world has the right to good vision. The Group's 67,000 employees are outstanding ambassadors of this mission. Thanks to their expertise, ideas, and ongoing commitment to innovation and partnership, we continue to advance in bringing good sight to everyone, everywhere.

Message

– HUBERT SAGNIÈRES
Chairman and Chief Executive Officer

As we embark on a new, exciting chapter in our Group's history, it's important to reflect on the progress we have made. In 2017, Essilor advanced its mission of bringing good vision to everyone, everywhere in the world. We did this by continuing to offer the best solutions adapted to the changing and individual vision needs of consumers, by growing our commercial presence in developing markets, and by expanding new distribution channels which ensure that we leave nobody behind. As a result of our constant innovation, our traditional and inclusive business models, and our philanthropic activities, we served the vision needs of over 400 million children, women and men this year across the world. But it's not enough...

Eradicating poor vision... Over 2.5 billion people still suffer from uncorrected poor vision and its very real social and economic consequences, held back from learning, working, and living life to the fullest of their capabilities. And more than 6 billion people still don't protect their vision from sunlight, UV or harmful blue light. Finding new ways to push back the frontiers of poor vision is vital for people's well-being today and the prosperity of the world tomorrow. As a leader in the ophthalmic optics industry, we take that challenge seriously. And we know that collective action is the only way to meet it, which is why we continue to work with a range of partners, from research and academic centers, and government development agencies, to impact investors and international NGOs. Essilor announced its decision in March 2018 to invest a further €19 million in its philanthropic and inclusive business activities. We believe that our renewed commitment will encourage others to combine their strengths with our resources to make a real step change and eradicate poor vision in one generation.

Passionate teams... It is our great fortune to have 67,000 dedicated employees worldwide who work tirelessly each day to help people enjoy the best vision possible. In 2017, we continued to implement workplace well-being and learning and development programs that contribute to our teams' strong levels of engagement. Their commitment was further demonstrated by the sign-up rate in our international employee shareholding program. More than 25,000 Essilor employees chose to become shareholders in 2017, aligning their personal interests with our mission of improving the lives of all 7.4 billion people in the world by improving their sight. This brings the total number of employee shareholders within the Group to more than 35,000 people, which represents 55% of all employees worldwide. It's extremely fulfilling to see that employees across Essilor share the same belief and enthusiasm for our opportunities as a company and as an industry.

A unique governance... The tremendous growth in employee ownership has reinforced Essilor's unique model of corporate governance. For over forty years, Valoptec, our association of employee shareholders, has allowed employees to bring together their ambitions, values, and capital to lay the foundations of the Group's success. Through Valoptec's presence on the Essilor Board, and continuous dialogue with the company's senior managers, a diverse international base of employee shareholders today actively participate in Essilor's corporate life. This brings new perspectives that enrich our decision-making within the Board of Directors – itself very diverse in terms of background and expertise – and the Board's four Committees.

“Opportunities to keep growing our business while contributing to social and economic development are vast.”

A new chapter of our story... Today the opportunities to keep growing our business while contributing to social and economic development are vast. And this year will mark a brand new episode in our journey. By combining forces with Luxottica, we will create a responsible market leader that will give vision an even greater voice and increase our impact on the world's visual health. We are coming together in the shared belief that good vision has the power to change lives – enabling healthy, productive lives and contributing to vibrant local economies. By embarking on this new adventure, we will strengthen our ability to fulfill our mission of improving lives by improving sight. I'd like to thank all our teams across many countries who, over the past year, have worked hard to explain this vision to all our stakeholders.

As Chairman and CEO, and a longtime Essilor employee, today I feel excited and proud. We have continued to grow and we have advanced our mission and the fundamentals of our culture. It's already guided us for 170 years and it's clear it will take us so much further.

The year in highlights

— LAURENT VACHEROT
President and Chief Operating Officer

Group performance

How would you describe Essilor's performance in 2017?

L. V.: On January 16, 2017, Essilor and Luxottica announced their intention to combine. This exceptional announcement set the tone for a year during which our teams proved their outstanding determination to continue strengthening our reach and serving our customers with new, improved products and solutions while in parallel achieving a number of milestones required to prepare for the combination. This strong performance was supported by our streamlined Management Committee and three new Business Committees, created at the end of 2016, which have helped us to speed up decision making and focus our efforts on successfully driving the initiatives that contributed to another year of sound growth in 2017.

Sustained growth

Can you explain in a few words your 2017 financial results?

L. V.: With sales up 6.7% at constant exchange rates and adjusted net profit (attributable to equity holders) up 2.5%(1), our 2017 performance illustrates the strength of our development strategy. Sales momentum picked up between the first and second half, with a sharp acceleration in the fourth quarter in all our businesses. The Lenses and Optical Instruments division performed well, buoyed by the global rollout of product innovations such as the new Varilux® X series™ progressive lens, Crizal® Sapphire™ 360° antireflective lens and Eye Protect System™ as well as strong sales across all geographies and product lines for optical instruments for optometrists and opticians. Robust growth at the Equipment division was driven by optical industry demand for new lens manufacturing technologies. We continued to develop our Sunglasses & Readers division, with solid growth of key brands in the US and across international markets as well as expansion in online retailing. Our e-commerce businesses delivered like-for-like growth of around 15% in 2017. Overall, we continued to provide an ever-growing number of solutions in all price ranges to correct and protect eyesight and prevent visual health risks.

(1) Adjusted. The 2017 accounts are adjusted for non-recurring items related, on one hand, to expenses associated with the proposed combination with Luxottica and, on the other hand, to the positive effects of tax changes in the United States and France.

New partnerships

What role do partnerships play in Essilor's growth strategy?

L. V.: When you have an ambition to bring good vision to each person on the planet, you need an open business model. Partnerships and acquisitions have always been a part of Essilor's DNA. In 2017 we continued to expand our local reach through several different types of partnership. First, we carried out nine acquisitions of distributors and prescription labs, strengthening our presence in existing markets and entering two new markets, Ethiopia and Guatemala, which together represent around 120 million people who need to correct and protect their vision. Second, we worked with more than 300 global and local partners in 2017 to equip over 5 million people in 50 countries with their first pair of glasses. We also signed a new partnership in December with the Australian government to provide affordable vision care for 100,000 low-income consumers in rural Bangladesh. Finally, we entered into a three-year partnership with the Fédération Internationale de l'Automobile (FIA), to raise awareness of the importance of regular eye checks for safe driving, endorsed by the World Council of Optometry.

New products

How has Essilor evolved its innovation process?

J. C.: Innovation at Essilor reflects the world today – networked, collaborative, and creative. By putting consumers' needs at the heart of discussions involving multidisciplinary teams, we're drawing on a diversity of expertise to generate ideas and develop solutions for new needs and expectations. The launch of Varilux® X series™ this year – our most advanced progressive lens yet – is a great example of our consumer-centered innovation. It represents many years of collaboration between researchers, scientists, engineers, designers, physiologists, sociologists, and consumers to understand visual needs and lifestyles. Nearly 3,000 people worldwide participated in its development through focus groups, online exchanges and new methodologies of wearer testing including Essilor's new HouseLab™ – a controlled home environment to observe and evaluate wearer experiences.

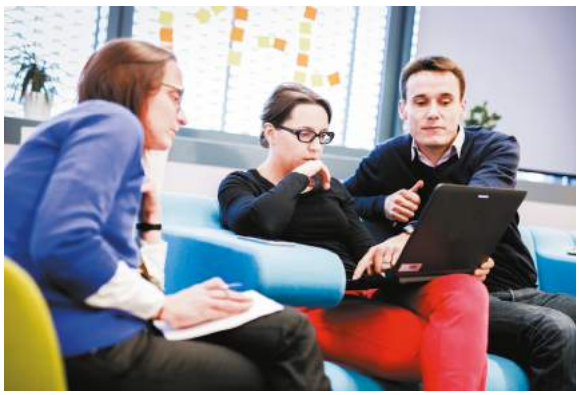
– JEAN CARRIER
Chief Operating Officer

Customer focus

How does Essilor adapt to evolving consumer and customer needs?

P. du S.: Our capacity to globally deploy new products and to tailor solutions to meet the diverse needs of our customers is grounded in several key strengths: a presence at the heart of each local market, a fine tuned global supply chain and the in-depth expertise of teams across our business. The growth of our core Lens, Optical Instruments and Equipment businesses in 2017 highlights the success of the transversal programs we deploy which aim to continually improve the way we innovate, manufacture and distribute products. Collaborative improvement programs such as LIFE and Simplifeye have proved an incredible resource for enhancing quality and service in addition to reducing complexity and simplifying how we work with customers. Over 6,000 people across the Group were involved in programs like these this year, with the single shared objective of finding new ways to better serve our customers and deliver benefits to consumers.

– PAUL DU SAILLANT
Chief Operating Officer



People development

How does Essilor create an inclusive culture and grow its talents for tomorrow?

L. V.: We focus on fostering a company culture that attracts, engages, and enables our teams to contribute their best and grow with us in a more inclusive working environment. In 2017, we increased internal awareness and engagement in areas such as gender, disability, cultural and generational diversity. To support our learning culture, we introduced new regional management development programs and expanded access to our e-learning platform (Essilor U) to operational workers in 10 local languages. A number of initiatives helped us to go further in attracting and developing talents. We launched the COMET program to enable young international talents to work together on business challenges and solutions, some of which are now being implemented. In our digital reverse mentoring program, younger employees acted as mentors to senior leaders. Combining programs like these with increased internal mobility is helping us to ensure our employees can experience a fulfilling career journey and to prepare our next generation of leaders.

Responsible business

How has Essilor continued to progress in its approach to sustainability?

L. V.: In 2017, we built on the sustainability framework that has been guiding our activities over many years to define a 2020 roadmap and to present the relationship between our workstreams and the UN Sustainable Development Goals. Now key Group functions have their own sustainability agenda with clear objectives – from our Group mission for visual health to reducing our environmental impacts, to engaging our employees and ensuring responsible sourcing. All Group entities contribute to our sustainability reporting, enabling us to build a global picture of our business impact across the value chain. We're progressing on transversal initiatives such as Human Rights, water reduction programs, and adapting to climate change with the Group's first complete carbon footprint assessment. We have also strengthened our compliance organization, developing training, guidelines, and tools to support teams in transversal areas of responsibility such as data protection, competition law, and preventing corruption.

13/17
Essilor contributes to 13 of the 17 United Nations Sustainable Development Goals.

Board of Directors

As of February 28, 2018, Essilor International's Board of Directors comprised 13 Directors of five nationalities(1) whose diverse and complementary experience and expertise serve the Group's development. In 2017 Essilor's Directors were highly active in preparing the Group for its new strategic direction with more than 30 Board and Committee meetings.

Hubert SAGNIÈRES
Chairman and Chief Executive Officer of Essilor

Philippe ALFROID
Former Chief Operating Officer of Essilor

Antoine BERNARD DE SAINT-AFFRIQUE
Chief Executive Officer of Barry Callebaut

Maureen CAVANAGH
Vice President Retail Essilor of America, Director representing employee shareholders

Juliette FAVRE
Strategy Project Executive, Global Operations Support, President of Valoptec Association, Director representing employee shareholders

Bernard HOURS
Former Chief Operating Officer of Danone

Louise FRÉCHETTE
Chair of the Supervisory Board of CARE International and Member of the Board of the Global Leadership Foundation

The Board's committees

(1) American, canadian, french, german, singaporean.
(2) In an advisory capacity.

The Audit and Risk Committee

The Audit and Risk Committee monitors matters relating to the preparation and control of accounting and financial information in accordance with French regulation. For any questions related to compliance, internal control or risk management, the Audit and Risk Committee closely coordinates with the CSR Committee in order to establish an overall picture of financial and nonfinancial issues.

The Appointment and Remunerations Committee

The Appointment and Compensation Committee makes recommendations on the appointment of corporate officers and senior managers and assesses the operation of the Board and its

Essilor's Board of Directors reflects the Group's culture and its strong employee shareholding with two Directors representing employee shareholders, one Director representing employees as well as three representatives of the Central Works Council(2). This specificity of Essilor's governance reflects a long tradition that is key to our company's success and which brings a win-win benefit for the Group, its employees and its shareholders.

Annette MESSEMER
Divisional Board Member Corporate Clients, Commerzbank AG

Olivier PÉCOUX
Chief Executive Officer- *Managing Partner* of Rothschild & Co. Group

Laurent VACHEROT
President and Chief Operating Officer of Essilor

Marc ONETTO
Former Senior Vice President Worldwide Operations and Customer Service at Amazon

Jeanette WONG
DBS Group Executive

Delphine ZABLOCKI
Director representing employees

New Board Member

committees. It assesses Essilor's governance in respect of best practices to prevent any conflict of interest concerning a corporate officer or senior managers. The Committee also makes recommendations on the remuneration of corporate officers or senior managers.

The Strategy Committee

The principal purpose of the Strategy Committee is to review Group strategy at regular intervals with regards to products, technologies, growth and finance strategy, as well as its marketing and geographic expansion.

The Corporate Social Responsibility Committee

The main role of the CSR Committee is to ensure that the Essilor Group is even more effective at addressing the economic and societal challenges associated with our mission to improve the lives of as many people as possible by improving their sight. This covers all areas of corporate social responsibility relating to the Group's mission and operations including sustainable development, ethics and compliance matters.

Management Committee

Essilor's Management Committee is composed of 10 members representing 7 nationalities(1). Central to the Group's corporate governance, the Committee is in charge of the strategy and the management of Essilor.

(1) American, canadian, english, french, german, indian, singaporean.

1 — Hubert Sagnières
Chairman and Chief Executive Officer

2 — Laurent Vacherot
President and Chief Operating Officer

3 — Jayanth Bhuvaraghan
Chief Mission Officer

4 — Bernhard Nuesser
President Online

5 — Frédéric Mathieu
Corporate Senior Vice President, Human Resources

6 — Éric Thoreux
President Sun, Readers and China

7 — Hilary Halper
Chief Financial Officer

8 — Jeremy Teo
Chief Strategy Officer

9 — Paul du Saillant
Chief Operating Officer

10 — Jean Carrier
Chief Operating Officer

What are the keys to Essilor's success today and tomorrow?

"Our powerful **mission:** we are raising awareness and improving accessibility to ensure each person on the planet can enjoy the life-changing benefits of good vision."

— Jayanth Bhuvaraghan
Chief Mission Officer

1 billion
people worldwide wear Essilor products every day.

"**Employee shareholding** is a founding principle in our culture. It contributes to our unique **governance** model and strengthens the long-term commitment and engagement of our people."

— Frédéric Mathieu
Corporate Senior Vice President, Human Resources

55%
of employees in 57 countries are Essilor shareholders.

"Our **e-commerce** sites will enable us to reach the growing number of consumers who are using online channels to inform and equip themselves with vision care solutions."

— Bernhard Nuesser
President Online

In 2017, Essilor's online business grew by

15%

What are the keys to Essilor's success today and tomorrow?

"Our strategy of **partnerships** and acquisitions continues to strengthen our market proximity to better serve eye care professionals, distributors and consumers in over 100 countries."

– Hilary Halper
Chief Financial Officer

9 acquisitions
in 2017 in key geographies and market segments, representing combined revenues of €87 million(1).

772 million
active online consumers in China, of whom 97% connect by mobile devices.

(1) On annual basis.

"20% of the world's population lives in **China.** We've strengthened and consolidated our organization to better develop the Chinese optical market and address its fast-evolving multichannel environment."

— Éric Thoreux
President Sun, Readers and China

"Investment in **innovation** enables us to meet diverse and changing needs through the products we develop, the way we bring them to market and the experience we provide to consumers."

— Jeremy Teo
Chief Strategy Officer

Essilor was named one of the

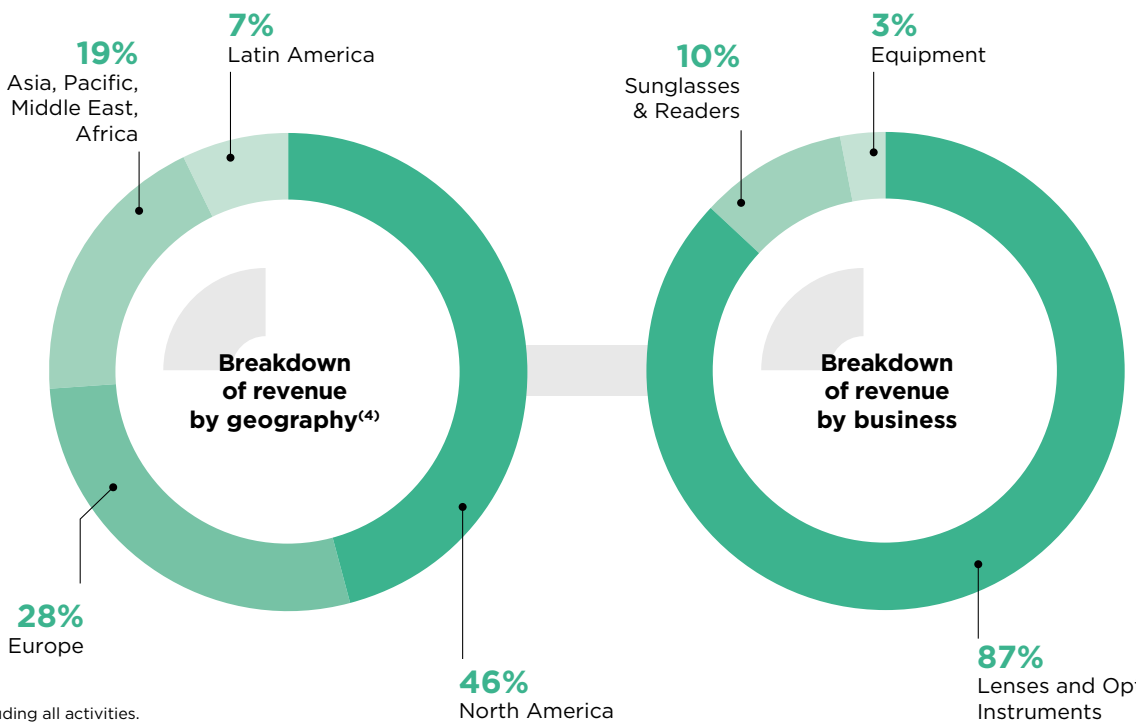
100 most innovative companies in the world by Forbes for the seventh year in a row.

Sustainable growth performance

€7.5 Bn
revenue in 2017: **+6.7%**(1)

A continually increasing net profit(2)
In million euros

(1) At constant exchange rates.
(2) Attributable to equity holders.
(3) Adjusted. The 2017 accounts are adjusted for non-recurring items related, on one hand, to expenses associated with the proposed combination with Luxottica and, on the other hand, to the positive effects of tax changes in the United States and France.



(4) Including all activities.

67,000
employees in 70 countries

34
plants

481
prescription laboratories and edging facilities

14
distribution centers

Tracking our commitments

We have set ourselves sustainability targets for 2020 in key areas linked to our contribution to the UN Sustainable Development Goals and in line with our Group mission. The table below shows our progress on reaching these commitments as of December 31, 2017.

	% of progress to 2020 target	Sustainable Development Goals
Creating wearers		
— Improve the lives of 50 million individuals at the "base of the pyramid"(1) (cumulative, reference year 2013)	27%	
— Create 25,000 primary vision care providers (cumulative, reference year 2013)	23%	
— Invest €30 million in philanthropic visual health programs (reference year 2014)	163%	
Reducing environmental footprint		
— Reduce water intensity by 20%, compared to a 2015 baseline(2)	50%	
— Lower energy intensity by 15%, compared to a 2015 baseline(2)	20%	
Caring for our people		
— Decrease by 30% work-related injury frequency rate (compared to a 2015 baseline) towards a zero-accident goal	47%	
— Give 100% of employees access to Essilor University online training platform	60%	
— 35% of employees as shareholders, with a longer-term ambition of 50%	157%	
Working with society		
— 100% of strategic suppliers receive external CSR audit	92%	
— 100% of preferred suppliers acknowledge Essilor's Supplier Charter	57%	

(1)"Base of the pyramid" refers to underprivileged and high-risk populations characterized by high rates of poverty, living on less than $2.50 a day.
(2) Targets measured per good lens produced across a defined scope of manufacturing facilities with Group's most significant environmental footprint.

Essilor continues to be ranked among the world's best performing companies in terms of sustainability, with inclusion in leading indices such as the Dow Jones Sustainability Index World and Europe, Vigeo Europe 120, and FTSE4Good. In 2017, we were recognized for our leadership in water management by CDP and gained awards for our commitment to the UN Sustainable Development Goals, socially responsible procurement and transparency in communications.

CDP A LIST 2017 WATER

FTSE4Good

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

EURONEXT vigeo eiris INDICES EUROPE 120

Improving lives by improving sight for everyone, everywhere

Our mission drives Essilor teams across the world from USA, Colombia, to Italy, India, the Philippines, and Australia. Whether it's eye care professionals leveraging Essilor's latest technology for patients, inclusive business programs bringing vision care to rural communities, or employee shareholders engaged in the Group's growth, our combined efforts are focused on ensuring that as many people as possible enjoy the benefits of healthy vision.

STORY 1

Dr. Ryan Powell describes why he's enthusiastic about Essilor's Ultimate Lens Package (ULP), which combines four advanced technologies in one lens, including improved arm's length vision for presbyopes and others using digital devices. The ULP is just one way that Essilor helps him provide **"the very best for my customers".**

— Page 22

STORY 2

For the past five years, Servioptica, a leading ophthalmic laboratory in Colombia, has worked with Essilor to improve the country's vision care offer. Servioptica CEO Felipe talks about how he is **leveraging partnership to drive our shared mission** and to build a stronger business.

— Page 26

STORY 3

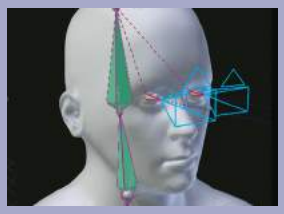
Developing community vision care around the world is the goal of Essilor's inclusive business programs. Eye Mitra™'s Joshi owns an optical store in Jangaon, India, while Vision Ambassadors™ Ratna, Domiana, and Yang bring affordable eye care to underserved rural populations, helping to create thriving local economies.

— Page 30

STORY 4

Seeing clearly was a struggle for Meg, an Australian with Stargardt disease. Until Essilor's Special Lens Laboratory created a unique lens of +70D combining Meg's required correction with x17.5 magnification and giving her new independence in her everyday life. It's another example of how we **never stop pushing the limits.**

— Page 36



STORY 5

Essilor's commitment to **embracing digitalization to drive future growth** takes many forms, from using simulator models to study the effects of visual ageing, developing a digital backbone for the global supply chain, or using virtual reality headsets and other digital dispensing tools to help opticians improve the in-store experience.

— Page 38

STORY 6

World Sight Day was an opportunity for **our suppliers to support our mission** by spreading the word about the importance of good vision. Panalpina organized vision awareness events that targeted truck drivers in China and Thailand, as well as a free eye screening for airport workers in Bangalore. Lucie explains why Panalpina was eager to participate.

— Page 42

STORY 7

Gladys in the Philippines and Jeferson in Brazil have benefited from Essilor's long-term commitment to employee shareholding. The company's "Boost" employee shareholding plan, launched in 2017, saw a record subscription rate from employees eager to share in the company's mission and success. Today more than 55% are **proud to be Essilor shareholders.**

— Page 46

STORY 8

Members of the Valoptec employee shareholder association contribute actively to Essilor's growth and strategy. Thanks to the efforts of Guido in Italy and other country ambassadors, Valoptec's membership is becoming ever more international. **"It's great to play an active role in the Group's strategy."**

— Page 48

Dr. Ryan Powell and other eye care professionals in the US are leveraging Essilor's latest technologies to provide their patients with the ultimate in vision, clarity, and protection in one pair of lenses.

The very best for my customers

For years Dr. Ryan Powell had struggled to find the right solution for early presbyopes in his Kansas City Vision Source Eyecare practice, and his established presbyopes were having difficulty with the intermediate vision in their lenses. He also was looking for a better solution for his patients who spend most of their days using a digital device. But there was no satisfactory solution.

That was until Essilor of America introduced the Ultimate Lens Package (ULP), bringing the best of Essilor's technologies together in a progressive or single vision lens solution. Both combine three benefits in one: sharper vision, reduced reflection, and protection against harmful blue light. *"From an optometrist's standpoint, I can say that these lenses offer phenomenally clear and comfortable vision at all ranges,"* says Dr. Powell, who has been in practice since 2002. *"Today, most of us work in the middle distance, on computer screens or other digital devices, and this is where traditional varifocal lenses are inadequate – intermediate distance isn't great. However, the Ultimate Lens Package with Varilux® X series™ allows you to transition smoothly from far range to close range. It's the first progressive lens to offer smooth transition for high-quality vision at every distance. And for children and adults who need single vision correction, Eyezen™+ gives them just that little bit of relief they need for sharper, more comfortable vision in the digital age."*

The Ultimate Lens Package combines Varilux® X series™ or Eyezen™+ together with two other advanced technologies from Essilor: best-in-class transparency with Crizal Sapphire® 360° UV, *"a whole leap forward, with no reflection at all from any angle and phenomenally clear vision,"* and Transitions® Signature™ VII Adaptive Lenses that block UV rays and help protect against harmful blue light. *"With the Ultimate Lens Package, we can offer our patients perfect vision at all distances with no glare or reflection and in all lighting conditions,"* says Dr. Powell.

"From an optometrist's standpoint, I can say that these lenses offers phenomenally clear and comfortable vision at all ranges."

– Dr. Ryan Powell
O.D.,President,
Vision Source Eye Care

The response from his patients has been extremely enthusiastic. *"One patient was so thrilled that she went online to find literature on it, printed it out, and posted it in the office where she worked to encourage her colleagues to ask her about it!"*

For the launch of this offer, **Essilor provided Dr. Powell with all the materials he needed** to understand the technological innovations involved and explain this new solution – and the three benefits it provides in a single lens – to his patients. *"People tend to think of lenses as having different coatings, one for sun protection, another for anti-reflection… The solution introduces the notion that these are actual components that give you the best possible vision all day, every day."*

The Ultimate Lens Package is just one example of **how Essilor is partnering with ECPs to continue improving lives by improving sight.** The package empowers partners to provide the best visual solutions for their patients while simultaneously growing their business. *"This has given us something that distinguishes us from the online competition and keeps our patients in our practice."* Essilor has also helped Dr. Powell respond to the changing needs of his patients in other ways. The Essilor Experts™ program offers multiple training opportunities, including off-site full-day educational events for his front-end staff to train them in the latest technological advances in optics. Essilor also provides online marketing tools to help him attract new patients, as well as tools to help him track and optimize the results to his business. *"Because we are a small practice, we don't have the time to do these things on our own, so we really appreciate this level of service and corporate support."*

Bringing the best of Essilor's technologies together

Varilux® X series™ with Xtend™ technology offers sharper vision at every distance

Essilor's approach to progressive lens design has always centered around the wearer. Varilux® X series™ is designed to address the key visual challenges of modern presbyopes, and it is the only progressive lens to feature Xtend™ technology, a revolutionary new design calculation that significantly extends the area of sharp vision within arm's reach. With Xtend™ technology, patients no longer have to tilt or angle their head to find "just the right spot" – a common challenge with ordinary progressive lenses. Varilux® X series™ is the product of five years of research and development, studies among thousands of wearers, and 15 new lens design pending patents(1).

(1) 15 pending patents referring to regular, short and personalized versions of Varilux® X series™.

Eyezen™+: defending against eye strain in today's digital world

Eyezen™+ is designed to reduce eye strain for users of the many screens prevalent in today's connected life by helping the eyes adjust as they switch from one screen to another. They reduce strain from digital devices, protect your eyes from harmful blue light, provide sharper vision, and help keep your eyes comfortable throughout the day.

Crizal Sapphire® 360° UV: a new Multi-Angular Technology™ to reduce reflections

Thanks to new calculation tools and the introduction of a new nanolayer, Crizal Sapphire® 360° UV reduces reflections from all directions for less distracting glare, safer nighttime driving, and enhanced UV protection. This is important because we are increasingly exposed to multiple light sources in both indoor and outdoor environments, generating reflections on lenses, a source of discomfort for eyeglass wearers. The 360° Multi-Angular Technology™ is the most sophisticated addition to the Crizal® range, providing best-in-class transparency for optimal clarity and aesthetics.

Transitions® Signature™ VII helps protect from harmful light indoors and outdoors

It isn't always easy to protect your eyes from harmful light, especially in changing weather or when moving from indoor to outdoor activities. Transitions® Signature™ VII are photochromic lenses that automatically adapt to changing light, going from clear to dark and every shade in between. They block both UVA and UVB rays, and reduce exposure to harmful blue light indoors and outdoors.

Leveraging partnership to drive our shared mission

– Felipe Chajin
Servioptica's Chief Executive Officer

Essilor's unique partnership model allows companies like Servioptica in Colombia to use the Group's resources, products, and technologies in order to better serve their customers. Discover how this works with Servioptica's Chief Executive Officer Felipe Chajin.

Servioptica is one of Colombia's leading ophthalmic laboratories and an Essilor partner since 2013. Can you give us a quick overview of the business?

My parents founded Servioptica thirty-five years ago. We have more than 1,000 employees across 28 cities working in 5 laboratories and 31 edging and mounting facilities. We serve more than 3,000 customers, mainly independent optical stores but also "medical care" chains, retail chains, and ophthalmology and optometry clinics.

How has being part of Essilor Group benefited Servioptica?

It's helped us in two main ways. First, we've been able to leverage the company's know-how, resources and capabilities, for example, in improving processes for HR, budgeting and planning, IT, and inventory management. Second, we have had a lot of commercial support and have played a key role in defining and executing Essilor's dedicated strategic business roadmap for Colombia. The Essilor partnership model is exceptional because it takes into account the differences between running a family business and a multinational. In all partnerships the parties concerned can face certain challenges when combining their business strengths, but I think our secret is that both Essilor and Servioptica understood we had to adapt and make concessions to leverage on each other's strengths and together build a stronger and better business, with the important mission of meeting the vision needs of all Colombians. After almost five years of partnership we can say without any hesitation that it has been a successful one.

What do you bring to the Group?

Servioptica has an in-depth knowledge of the local market and the particularities of doing business in Colombia. We also have a very strong entrepreneurial company culture that has helped us become one of the country's leading ophthalmic lens providers, developing the eye care industry here. We're constantly striving towards innovation and excellence in order to increase our positive impact on society. In 2016, Servioptica became the first Essilor company

In 2016, Servioptica became the first Essilor company to be certified as a **"B CORPORATION"**.

to be certified as a "B Corporation" recognizing our high standards in terms of environmental, community, and employee well-being practices.

How would you describe your relationship with Essilor?

We have found a nice balance between being able to grow our business in an entrepreneurial way while also being committed to implementing Essilor's mission and strategy. Most of our work together is carried out with the local Essilor team but some help comes from abroad. For example, Essilor's mission teams have always been eager to support our initiatives in Colombia. And Essilor's top management has always encouraged and supported us both in board meetings and in other managerial meetings.

How does this partnership strengthen your customer relationships?

Being part of the Essilor Group gives us direct access to resources, products and technologies that are developed by an internationally recognized leader in the optical sector. We had access to these before but as a Group partner these enablers are even more readily available to us. We can thereby provide our customers with more tailored, high-quality solutions that help them meet the needs of their consumers and grow their business. We also play a key role in providing them with educative materials on eye health for their staff and their customers, in addition to supporting their back office when required with IT and other service solutions. It's great to operate as one team with Essilor, adding value to our eye care professional customers and successfully launching innovative products to meet vision needs, such as Crizal® Prevencia® lenses, as well as carrying out vision awareness campaigns such as World Sight Day.

How are you working with Essilor to raise awareness and to develop new vision care initiatives?

We have based many of our local initiatives on successful Group projects that were developed in India and China, and on philanthropic programs in the United States and Europe. The Volver Foundation obtained two grants from Essilor, including one which enabled the launch in October 2017 of a mobile vision care van to visit communities in isolated rural areas. This initiative will allow us to carry out 100,000 full eye exams among rural populations that were previously completely unattended. But we want to expand this initiative even further and have set ourselves an ambitious goal: to increase eye care coverage to 75% of Colombia's population of 49 million by 2022. ■

"Being part of the Essilor Group gives us direct access to resources, products, and technologies that are developed by an internationally recognized leader in the optical sector."

– Felipe Chajin
Servioptica's Chief Executive Officer

Bringing vision care to people who are most in need

Servioptica's community efforts in Colombia, through the Volver Foundation, are one example of **Essilor's commitment to local philanthropic initiatives** aimed at making visual health care available to the people who are most in need. The Group has established the Essilor Vision Foundation™ in seven countries and in 2015 launched the Vision For Life™ funds which today finance community vision care programs around the world. In 2017, Essilor's support of over 200 philanthropic programs across 50 countries enabled 3 million people to have their eyes screened and more than 1 million people to be fitted with glasses free of charge.

JOSHI MITTAGADAPALA, EYE MITRA™

Meet Joshi - she's one of 3,700 Eye Mitra™ across 13 states in India who have helped nearly 2 million people in their local communities to see clearly. Eye Mitra™ is a pioneering program providing three benefits in one: developing skills, creating micro-enterprises, and tackling poor vision.

Developing community vision care around the world

We have an ambition to eradicate poor vision in one generation. Meet a few of the 5,700 primary vision care providers we've created since 2013 who are bringing vision correction to their communities. Explore how these inclusive business programs are transforming lives – from the people getting their first pair of glasses, to the life-changing impact of becoming an Eye Mitra™ or Vision Ambassador™.

Included in her training were the skills needed to successfully operate a small business and, just one year after her graduation, Joshi is the top seller in the region.

In 2017, **THE 4TH EYE MITRA™ CONVENTION HOSTED OVER 1,000 EYE MITRA™** in Lucknow, India. The annual convention provides a unique opportunity to unite the community of passionate micro-entrepreneurs to share experiences and learn from each other's successes and challenges.

Eye Mitra™ uplifting lives in local communities

Orphaned at a young age, Joshi Mittagadapala was married by the age of 18, living with her husband's family several hours away from her brother and friends. After the marriage broke down, she was left alone, unemployed and with no money to her name.
When the Eye Mitra™ recruiter came to her village Joshi was reluctant to apply to the program because of her limited formal education. But inspired by her own need for vision correction, she eventually became an enthusiastic participant in the 12-month Eye Mitra™ training, which included both classroom and on-the-job experience.

Today, Joshi is the proud owner of an optical store in Jangaon, in the southern Indian state of Telangana, where she provides primary vision care including refraction, edging, and mounting of glasses. Included in her training were the skills needed to successfully operate a small business and, just one year after her graduation, Joshi is the top seller in the region.
In addition to earning a decent living, Joshi is improving the sight of her local community through access to affordable vision care. She is also improving the lives of her customers.

Take the young boy who was falling behind in school.

He didn't understand why most of the children in his class could answer the teacher's questions quicker than he could. Feeling stupid and ashamed he sat at the back of the class, too afraid to put his hand up. The boy and his father traveled for hours to get his eyes tested in Hyderabad, but the glasses on sale were too expensive. His father had heard about Joshi's shop and was delighted to discover she offered glasses for his son that he could afford. The boy was soon back at school, finally able to see the board clearly and answer all the questions.

Joshi provides a lifeline for many in her community.

For the truck driver too afraid to tell his employer it wasn't safe for him to drive at night because he couldn't see the roads clearly, or a woman in her early fifties who for years had earned extra income for her family by stitching clothes but struggled to thread a needle, the gift of sight is more than just a pair of glasses. It's a means to continue earning a living and providing for a family.
One teenage girl so hated wearing the outdated frames she had worn for years that she would often leave them at home. She was delighted to find trendy and fashionable frames on offer in Joshi's shop and selected a pair that suited her personality perfectly. For the first time she was proud to wear and show off her glasses.
Joshi's store continues to go from strength to strength. Thanks to Eye Mitra™, Joshi is finally independent and financially stable with a business that benefits her life as well as the health and well-being of her village.

Story 3

Tailoring our approach to reach more people

In order to reach its objective of creating 25,000 primary vision care providers by 2020, Essilor launched its Vision Ambassador™ program in 2015. Adapted to each local context, Vision Ambassadors™ are expanding access to simple solutions such as reading glasses and sunglasses.

CHINA
Bringing vision correction to rural China

In China, 340 million people in rural and remote areas live without the vision correction they need. *"In rural areas, old people are unable to travel far from where they live. Poor vision can lead to many problems, such as not being able to read the instructions on medicine,"* says Yang Qi Zheng, a village doctor and Vision Ambassador™ in Suwan Town. *"I'm delighted to be able to offer eyeglasses in my clinic because now I don't have to worry that my customers will take the wrong dosage as they can read the medicine labels clearly."*

90% of the world's 2.5 billion people **WHO SUFFER FROM UNCORRECTED VISION LIVE IN DEVELOPING NATIONS.**

INDONESIA
Using innovative technologies to optimize community vision care

In Indonesia, a country of 250 million people living on 17,000 islands, 30,000 self-trained salespeople, known as *Optik Keliling,* travel from village to village selling glasses. Essilor's 2.5 NVG™(1) division is working to optimize this approach by virtually connecting the *Optik Keliling* with trained eye care professionals through a teleoptometry app, a remote eye exam combined with video conferencing. This allows professionals to verify and issue the prescription. *"Thanks to this system, I feel more confident and reassured that I will find the right prescription for my client,"* says Ratna, *Optik Keliling* for four years.

(1) 2.5 New Vision Generation.

KENYA
Training local people to serve the community

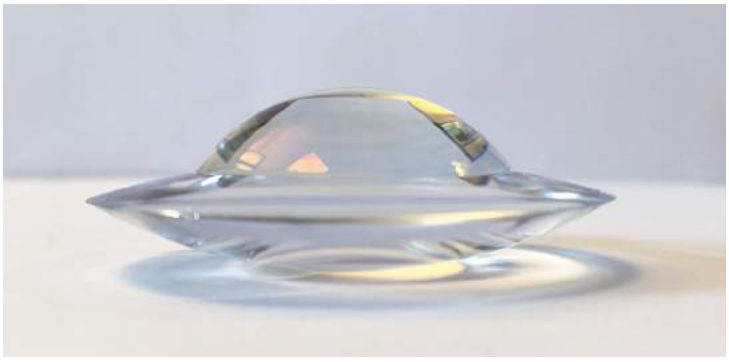
In Kenya, 8 million people suffer from uncorrected poor vision. Many of these people live in towns and villages where access to vision care is limited. Essilor trains community health workers to become Vision Ambassadors™ and provide vision care services. Domiana Mwikali, a community health worker and cooking stove technician, is well known and respected in her community. This strong local connection has made her one of the most successful Vision Ambassadors™ in the country. *"As a community mobilizer, I never thought vision was an issue. Many people, especially older people don't know their lives can be better with a simple pair of reading glasses,"* she says.

Never stop pushing the limits

Here's how a record +70D(1) lens from Essilor helped a patient with Stargardt disease in Australia regain her independence and quality of life.

"Take care of your eyes. Never give up. My new glasses have changed my life!"

— Meg Zatorski
Wearer, Australia



For years, Meg Zatorski had struggled to see clearly in her daily life. Afflicted with Stargardt disease, a common form of juvenile macular degeneration, she had trouble reading even with +40D lenses and a handheld magnifier of +10D. One day, after straining to decipher a favorite recipe, she had had enough. Since her loss of central and peripheral vision couldn't be reversed, she was sure that more powerful glasses were the answer.

A correction of +70D was, as far as the optometrist knew, unheard of...

She went to her optometrist and put the question directly to him: *"Can you provide me with a correction of +70D?"* Philip Fox, the store manager, was bowled over by the request. A correction of +40D was already a technical feat; a +70D was, as far as he knew, unheard of. He knew Meg had asked the same thing of other vision professionals only to hear it was impossible. Undeterred, he decided to put the question

(1) Diopters.

to his Essilor contact. The response came quickly: *"It's a huge challenge, but we will try it."* The manufacturing process for the new lens took place at Essilor's SL Lab (Special Lenses Lab), in France. It involved taking into account the curvature and thickness of two different high-index lenses bonded together using a specially adapted industrial process to give it an antireflective coating. The SL specialists made more than a dozen calculations to design the lens power and geometry. They finally succeeded in creating a unique lens of +70D combining the required correction resulting in a x17.5 magnification.

"Pushing the boundaries to achieve the right solution for Meg has shown how there are no limits to our ambition to improve lives by improving sight, no matter how complex an individual's vision needs."

– Marc Stephan
Head of Essilor's SL Lab

Days later, the new lens was delivered to Meg Zatorski...

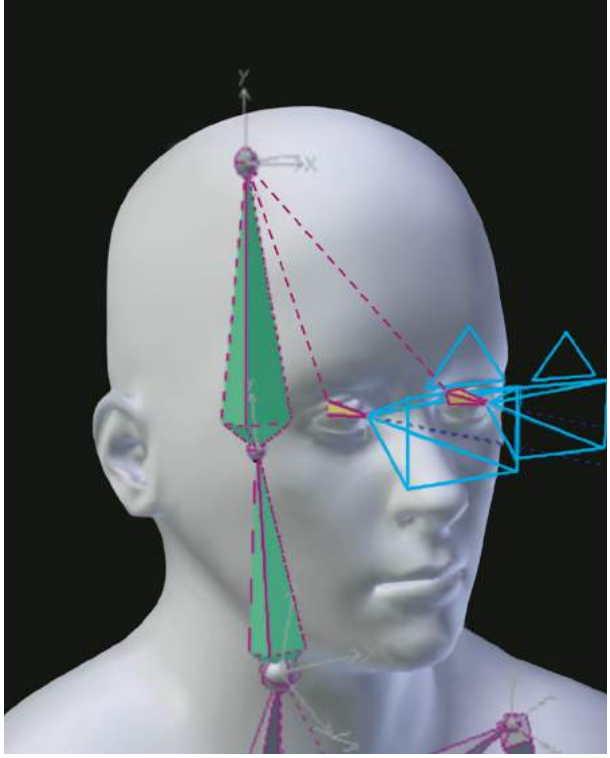
When Meg tried them, she said *"Wow!"* She is enjoying the huge changes the lens has made in her life: *"With the new lens I feel more independent. Having these glasses has helped tremendously."*
"Pushing the boundaries to achieve the right solution for Meg has shown how there are no limits to our ambition to improve lives by improving sight, no matter how complex an individual's vision needs," said Marc Stephan, Head of Essilor's SL Lab.

Finding solutions for everyone

It was yet another breakthrough for the SL Lab, which helps eye care professionals better support the needs of individuals with out-of-the-ordinary problems who require special lenses to correct their vision.
Some 7 million people suffer from extreme ametropia that cannot be corrected with ordinary lenses and 285 million are affected by visual impairment. The story of Meg's new lenses is a striking example of how Essilor fulfills its mission by finding solutions for every individual.

Embracing digitalization to drive future growth

Data and analytics, computational power and connectivity are reshaping industries. Explore how Essilor is embracing the potential of digital solutions to enhance the way it collaborates with customers and partners today and to improve vision care services into the future.



R&D
Using avatars to understand visual ageing

Ageing affects the way the brain processes visual information to guide our balance and spatial orientation which can lead to a higher risk of falls for older people. As part of the Silversight[1] research team studying the effects of visual ageing, Essilor researchers are using advanced digital modeling to better understand how our visual system functions. Spatial navigation uses a mix of different signals both visual and cognitive. Vision – eye movement, gaze direction, etc. – is the important first filter that enables people to react to the environment around them. Testing evaluates the behavior of people wearing sensors performing a series of visual navigation tasks in a controlled lab environment. But it's time-consuming and tiring for older participants. Building on data derived from live testing, the Silversight team has developed a series of simulation models that use avatars programmed to replicate human behavior.

This approach enables researchers to go faster and deeper, using a wider range of variables, for example, programming the avatar with visual impairments such as myopia or untreated cataract, to evaluate the strategies individuals use to navigate. It's part of wider research into visual and cognitive functions to explore why people can find it difficult to move around and what visual solutions could help.

(1) Silversight is a joint public-private research partnership between Essilor, the Vision Institute, and the Sorbonne University in Paris focused on healthy visual ageing, action, and autonomy.

E-commerce
Technologies to meet changing digital habits

As we spend more time online, connecting by phone, tablet, and computer for work, leisure or to buy goods and services, our very behaviors and expectations are changing. In its E-commerce division, Essilor is exploiting new technologies in a quest to improve the consumer journey and better guide people to the vision care advice and solutions they are seeking online. The Internet changes the speed at which people expect to find information or a product that they want to buy. For example, when buying eyeglasses, choosing a frame and a lens that fits personal parameters can take more time than a person is willing to take. Essilor has been exploring how artificial intelligence can make it easier and more enjoyable for someone to find the right visual equipment. There is a seismic shift in digital habits to come, especially in countries like China where online purchasing is a source of entertainment, specifically through social networks. Essilor's teams are putting consumers at the center of an omnichannel journey that blends online and in-store buying, to empower them to be better educated and equipped in terms of their visual health.

“Base of Pyramid”
Digital platforms for better service to rural areas

Low-income customers are no different to any other customer: they expect good-quality eyeglasses delivered on time, at the right price. Essilor is professionalizing the role of primary vision care providers who work in underserved communities by connecting them to a reliable and efficient supply chain for eyewear which is critical for service quality and the cost-to-serve remote communities.
“GO NVG” is a global ordering system giving vision care entrepreneurs access to over 1,400 lens and frame options that in 2017 were shipped to some 45 countries. It was created by enterprising Essilor employees in Singapore, working with a start-up, who set out to adapt the Group’s world-class supply chain methods to the needs of an inclusive business approach.
Essilor’s growing network of 3,700 Eye Mitra™ in India use Nazar, a customized platform with a marketing planning, online catalogue, order management and invoicing system to improve productivity and enhance their customer service. In China, where online buying is growing fast, Vision Ambassadors™ use a dedicated Essilor application on WeChat linked to the Group’s fulfillment systems, to view real-time stock availability and to order and pay for reading glasses or sunglasses that provide vision correction and protection in rural communities.

Digital backbone
A robust, data-driven supply chain

Digitalization drives Essilor’s global supply chain dedicated to producing and delivering over 540 million lenses a year with a high degree of personalization for individual wearers.
Over the last two decades, Essilor has developed a robust digital backbone linking its ecosystem of production sites, prescription labs and distribution centers with over 350,000 customers, to its lens design, ordering and fulfillment systems. It’s a highly data-driven operation, requiring millions of rapid digital exchanges between customers and every part of the value chain from receiving prescription and fitting details to sending manufacturing instructions to a lab. To ensure optimal speed, performance and reliability, Essilor has migrated certain steps as cloud-based services, for example, a powerful calculator capable of generating lens designs to the more advanced personalized measures linked to the Group’s latest Varilux® X series™ progressive lenses.
Essilor is already exploring the future of data-driven manufacturing with the creation of a concept Lab 4.0 at its Dallas campus, as well as exploring how artificial intelligence, machine learning, and collaborative robots can improve planning, production, and customer service.

In store
Digitalizing the vision care experience

From the shop window to measuring and fitting, digital tools are helping to enhance the vision care experience of consumers and enable opticians to provide better patient advice and visual solutions. Between a prescription and a final pair of glasses, there are a number of important steps, from finding the right frames to measuring as many as 20 different parameters so that a pair of lenses meets the unique requirements of each wearer. Using tools like the smart mirror, a tactile interactive mirror equipped with cameras, individuals can select the best adapted frames and visualize how they look with antireflective, photochromic or tinted lens options. Virtual reality headsets give an immersive 360° experience of the vision benefits of different types of lenses. Digital dispensing tools like the Visioffice® system allow opticians to go beyond vision correction to personalize lenses to an individual's physiological parameters – from dominant eye and reading distance to near vision behavior.
Through digitalizing the in-store experience, many opticians can today offer a more seamless service, connecting everything from smart screens, measurement, fitting to edging, mounting, and finishing systems for the benefit of consumers' visual health.

1 IN 5 DRIVERS
CAN'T SEE
THE ROAD
CLEARLY
ARE YOU ONE OF THEM?
World SIGHT DAY
#PutVisionFirst
Take the first step to checking your vision at putvisionfirst.com
ESSILOR

When suppliers support our mission

Panalpina was one of fifty Essilor suppliers in sectors ranging from transport, IT, and infrastructure management to travel and catering services that jumped at the opportunity to help spread the word about the importance of good vision using Essilor's World Sight Day campaign.

It was a cool October morning when people started lining up in the Air India cargo terminal at Bangalore's Kempegowda International Airport. But this was not the usual check-in crowd. Instead, they were waiting to have their eyesight examined in a free eye-screening program offered as part of World Sight Day, an annual event promoted by the World Health Organization to draw international attention to visual impairment issues.

A first success in India

In India, where 550 million people suffer from uncorrected poor vision and having only one qualified optometrist for every 25,000 people, the program was particularly welcome. Ramjee, a 34-year-old security guard, was one of the 450 people who took the test. *"It was a revelation,"* he said. *"I discovered that I wasn't seeing as well as I thought."*

The eye screening was the idea of James Savio, Bangalore airfreight manager of Panalpina, Essilor's freight forwarder for Asia, and carried out with Essilor Manufacturing India Limited and the commissioner of customs.

The team distributed more than 100 reading glasses to drivers, loaders, ground handling staff, securities and office assistants who took the test. Lucie Ghio, Panalpina's account manager for Essilor, supported the initiative in India from the start and coordinated awareness campaigns in China and Thailand.

Better vision for road security

Road users were a target audience for Essilor's #PutVisionFirst™ campaign, which highlighted the fact that one in five drivers can't see the road clearly. From the start, the team at Panalpina was enthusiastic about participating in World Sight Day. *"We thought it was a fantastic idea. Since we work with drivers, we could really relate to the problem of poor sight and the impact this has on our transporters. We know that better vision significantly improves their quality of life and road security,"* said Lucie Ghio.

Since this was the first time Panalpina was participating in World Sight Day, Lucie and her team decided to let each country decide on the most appropriate local action. In Thailand, this involved sending out trucks decked out in colorful #PutVisionFirst™ posters – with a link to an Essilor website offering online vision tests – as they made their rounds transporting airfreight cargo to and from the airport, and Bangkok city center. They also put up posters in offices and warehouses, and handed out flyers to visitors inviting people to take the first step to checking their vision on the website.
"Our employees loved the PutVisionFirst™ website because it was playful and fun. Everyone connected to it to take the eye test. This is important because in Bangkok the population is not well informed about the importance of good vision and road safety."

Panalpina decorated its offices and warehouses with posters **INVITING EMPLOYEES AND VISITORS TO CHECK THEIR VISION** on Essilor's #PutVisionFirst™ website.

In China, where vision problems include an epidemic level of myopia, Panalpina ran a similar awareness campaign with staff, drivers, and visitors. And all countries made full use of social networks.

Contributing to sustainability efforts

"It was a great opportunity for our staff to understand Essilor's business," Lucie Ghio said. *"Being a logistic service provider is no longer just about moving cartons from point A to point B."* Instead, it's about joining Essilor in its mission of improving lives by improving sight. Building a more sustainable business ecosystem, in particular through responsible procurement, is part of Essilor's Supplier Sustainability program.
Mobilizing 50 suppliers across 15 countries for World Sight Day is one example of how Essilor encourages them to contribute to the Group's mission and sustainability efforts. It was an important step and given the positive response, it's not surprising that Panalpina and all the other participating suppliers have already signed up for World Sight Day 2018.

"We know that better vision significantly improves drivers' quality of life and road security."

– Lucie Ghio
Regional Key Account Manager at Panalpina

Sustainability with our suppliers

— Cyrille Brest
Essilor's Group Transport Director

Why is supplier sustainability important for Essilor?

We believe that if we work hand in hand with our suppliers, together we can increase the positive impact of our business in the communities where we work. For the past two years in our Sourcing and Procurement team, we've set out to involve our network of suppliers in different ways. In addition to driving compliance with Essilor's responsible business practices, we engage suppliers in three key areas: promoting visual health through awareness raising and screening actions; responsible sourcing from economically vulnerable populations; and positive environmental initiatives through sharing best practices and implementing eco-responsible approaches.

Why did you decide to engage your transport suppliers in the fight against poor vision?

When I saw the driving visual for the #PutVisionFirst™ campaign, I immediately sensed we could draw in the Group's transporters, since driving is their core business. They were extremely receptive: 48 hours after we contacted them, every single one was on board! It was a unique opportunity to involve them in our commitment to good vision while helping them expand their own social responsibility actions. Five of our major partners signed up: DHL and UPS in France, Panalpina in Asia, Bolloré in Europe, and Expeditors for North and South America.

Essilor's work in engaging suppliers with the Group's mission to achieve greater impact together was recognized at the **2017 WORLD PROCUREMENT AWARDS,** where Essilor won the Corporate Social Responsibility Award.

#PUTVISIONFIRST™ is an Essilor global campaign to create awareness about the importance of good vision. Online vision tests in nine languages were made available on a dedicated website, www.putvisionfirst.com, in order to encourage people everywhere to check their vision.

Proud to be Essilor shareholders

In line with its 2020 target to reach 35% of employee shareholding, Essilor launched its "Boost" international employee shareholding plan in 2017, giving employees the opportunity to be more closely associated with the Group's mission, growth, and financial success. The operation, in 14 countries, saw a record subscription rate, with the result that now 55% of Essilor employees are shareholders.

– Jeferson M. Ramos
Operations Senior Analyst, Essilor Brazil

I was motivated to become a shareholder to have a chance to influence company decisions. Being a shareholder makes me feel I have a stake in the company. It strengthens my involvement with Essilor and drives me to try harder to improve results and contribute to a better performance. Also, in the long run it helps my own financial security. Wanting to support the growth of Essilor is important for all of us. From the moment you acquire shares, your responsibility increases – as you are a part owner in the success of the Group.
There's a real diversity to Essilor's employee shareholding in that it can be offered to top managers as well as operators. In this way, everybody can have the feeling of ownership.

— Gladys P. Collantes
Human Resources,
Local "Boost" Coordinator, Optodev manufacturing plant, Essilor Philippines

Why were employees in the Philippines so motivated to sign up for the employee shareholding plan?

Before "Boost", only certain employees enjoyed the privilege of owning shares. Many others had been eager to participate, so it was great news when the plan was opened to everyone. They were enthusiastic about playing a larger role in the company's development by becoming shareholders.

As the local "Boost" Coordinator, what was your role in the program?

Essentially my role involved coordinating the various lines of communication. We spent a lot of time training our ambassadors on how to explain the plan to employees and to prepare them for any questions. We decided that we should have as many ambassadors as possible to cover all the manufacturing sites and to act as relays, since 30% of our employees are on rotating schedules. It was also important to maintain a strong communication campaign through e-mail blasts and posters.

What were the results?

At Optodev, we were expecting to reach at least 80% but we hit this in the first two days. It was incredible to see the enthusiasm. When we were down to the last 10 employees who didn't know about the plan, even employees who were not ambassadors volunteered to get in touch with them personally. For them it was so important to reach 100%. When we announced that we had reached this at our townhall, the crowd went really wild!

It’s great to play an active role in the Group’s strategy

– Guido Manassero
IT Manager and Country Ambassador for Valoptec, Essilor Italy

I was working for Essilor in France as an Industrial Project Manager ten years ago when I joined Valoptec, the Group's employee shareholder association.

To actually participate in Essilor's governance, to share both its mission and its prosperity through an active, international community of 9,000 other shareholders in 46 countries was a huge plus. It's very unusual to take part in a company's growth and strategy and to feel we make a difference. As members, we are helping Essilor meet its goal of improving vision everywhere, and that is highly rewarding.

What I find terrific about this association?

The fact that Valoptec really connects its members to the company's decision-making process. Our representatives have regular discussions with the company's general management, including the CEO, since three Valoptec members sit on the Board of Directors. As the Group's leading shareholder, we have a say each year in Essilor's strategy and human resources policies, plus we vote Essilor's resolutions at an annual general meeting; so we help create value for the company, share the benefits, and at the same time we share the commitment to fighting poor vision.

I'm very proud to act as Country Ambassador for Valoptec in Italy.

In this role I'm actively trying to sign up more employees. Valoptec is already well represented in Essilor Italy, but we have room to grow because we are just starting to introduce the association in three other business units and companies like Polinelli, a premium reading glasses manufacturer. When I visit them, I explain that joining Valoptec is a huge opportunity to be proactively involved in the Group's future. This is very special and has lots of appeal. We have high ambitions: I think we can develop our membership quickly and be even stronger in the years to come. ■

"Valoptec really connects its members to the company's decision-making process."

Share overview

The Essilor share is listed in the CAC 40 and Euro Stoxx 50 indices. The Essilor share is also included in the following socially responsible investment indices: DJSI World and Europe, MSCI World ESG & SRI and World Low Carbon Leaders, FTSE4Good, STOXX Global ESG Leaders, Euronext Vigeo Europe 120, ECPI indices, and Ethibel Excellence and Pioneer.

€23.9 billion

Market capitalization
at December 31, 2017(2)

€1.53

A dividend increase for the 25th consecutive year
The Board of Directors recommends that shareholders at the General Shareholders' Meeting on April 24, 2018 approve the payment of a dividend of €1.53 per share, an increase of 2% compared with the 2016 dividend. The dividend will be paid as from April 30, 2018 (ex-dividend date on April 26, 2018).

Historical Stock Exchange data

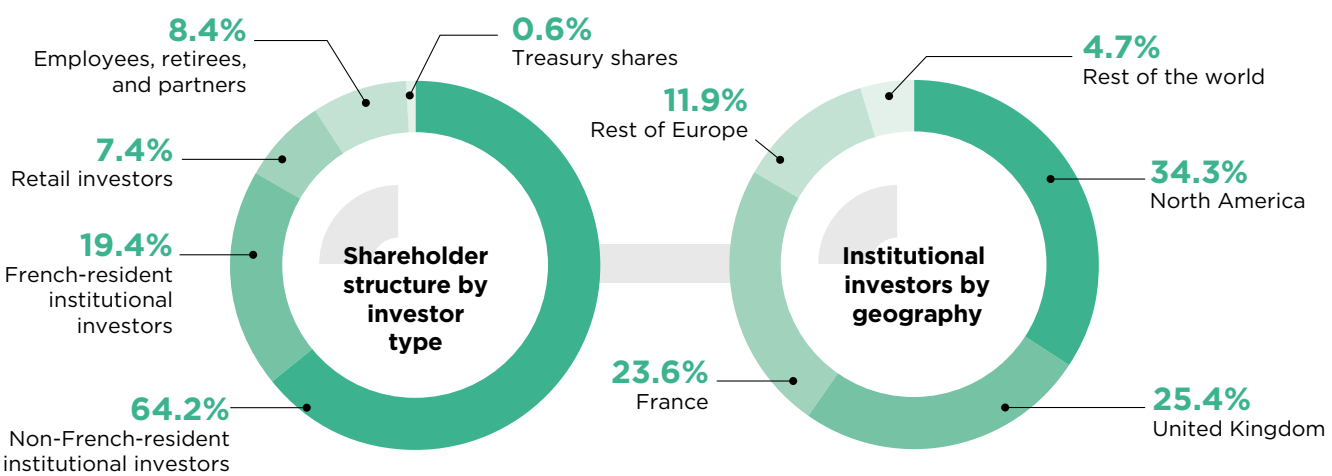
In euros

	2017	2016	2015	2014	2013
HIGHEST PERFORMANCE(1)	121.60	123.45	123.55	92.68	89.70
LOWEST PERFORMANCE(1)	101.00	95.63	88.72	71.11	72.00
DECEMBER 31 CLOSING PRICE	114.95	107.35	115.05	92.68	77.28
ANNUAL PERFORMANCE	+7.1%	–6.7%	+24.1%	+19.9%	+1.7%
CAPITALIZATION AT DECEMBER 31 (in billon euros)(2)	23.9	22.2	22.4	17.9	14.9
DIVIDEND PER SHARE	1.53(3)	1.50	1.11	1.02	0.94

(1) Closing price.
(2) Used for the CAC 40 index.
(3) Subject to shareholders' approval at the April 24, 2018 General Shareholders' Meeting.

An international shareholder base

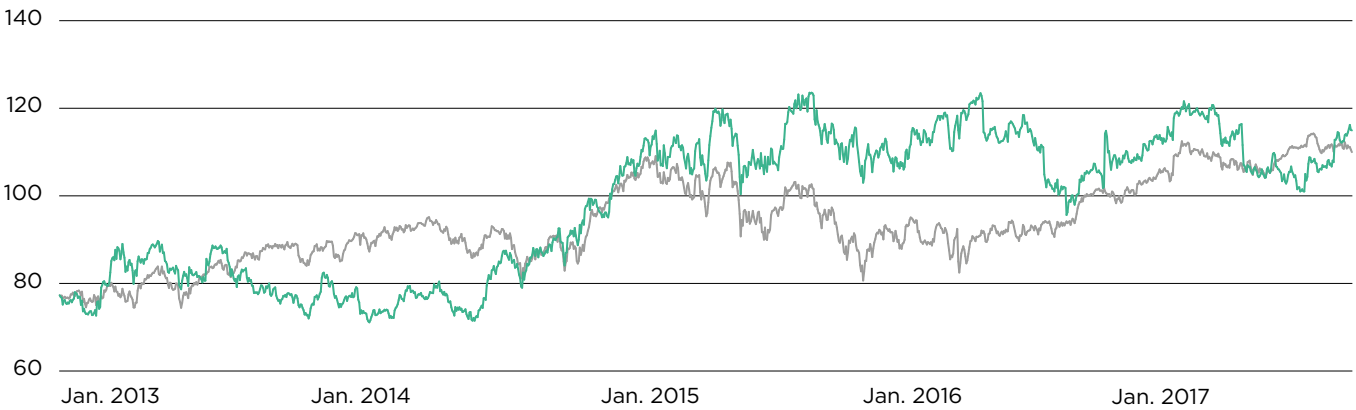
Estimates at December 31, 2017



Relative performance of the Essilor share versus the CAC 40 index over five years

— Essilor — CAC 40[1]

(1) CAC 40 rebased to the Essilor share price at January 2, 2013.



Financial results

Key figures over five years, 2013-2017
In euro millions

	2017 adjusted[1]	2016 reported	2015 reported	2014 adjusted[2]	2013 adjusted[2]
RESULTS					
REVENUE	7,490	7,115	6,716	5,670	5,065
CONTRIBUTION FROM OPERATIONS[3]	1,367	1,321	1,263	1,057	920
CONTRIBUTION FROM OPERATIONS AS A % OF REVENUE	18.3	18.6	18.8	18.6	18.2
OPERATING PROFIT	1,248	1,230	1,183	989	857
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF ESSILOR INTERNATIONAL	833	813	757	642	603
CASH FLOWS					
NET CASH FROM OPERATING ACTIVITIES	1,233	1,194	1,194	1,032	843
PURCHASES OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	308	294	327	232	297
FINANCIAL INVESTMENTS (GROSS)[4]	334	706	780	1,876	502
DIVIDENDS PAID FOR THE PREVIOUS YEAR [5]	325	79[5]	216	198	186
BALANCE SHEET					
EQUITY ATTRIBUTABLE TO PARENT COMPANY OWNERS	6,504	6,688	5,707	4,915	3,756
NET DEBT	1,661	2,062	2,089	1,793	369
PER SHARE DATA (in euros)					
BASIC EARNINGS PER SHARE	3.85	3.79	3.57	3.05	2.87
DILUTED EARNINGS PER SHARE	3.76	3.71	3.50	2.99	2.83
NET DIVIDEND DISTRIBUTED AT THE END OF THE PERIOD	1.53[6]	1.50	1.11	1.02	0.94

(1) The 2017 accounts are adjusted for non-recurring items related, on one hand, to expenses associated with the proposed combination with Luxottica and, on the other hand, to the positive effects of tax changes in the United States and France. (2) Adjusted for non-recurring items arising mainly on the acquisitions of Transitions® Optical Co. Ltd, Coastal and Costa® in 2014 and Xiamen Yarui Optical Co. Ltd. (Bolon™) in 2013. Revenue data are not adjusted. (3) Contribution from operations corresponds to revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs, and other operating expenses). (4) Including share buyback. (5) Theoretical 2015 dividend amounted to €237.1 million. However, the option to receive the dividend in shares was taken up by 67.6% of shareholders and the cash dividend effectively disbursed amounted to €79.1 million. (6) Subject to shareholder approval at the April 24, 2018 General Shareholders' Meeting.

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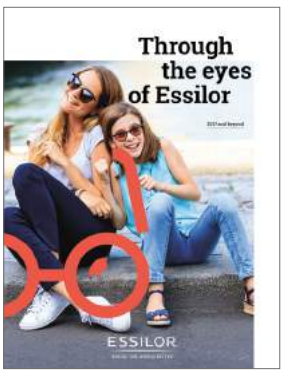

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