

CooperCompanies

2024

# Double Materiality Assessment Report



# CooperCompanies 2024 Double Materiality Assessment

At CooperCompanies, we embrace sustainable growth as a guiding principle—inspiring innovation and driving progress both within our company and for our customers, patients, healthcare providers and the world around us.

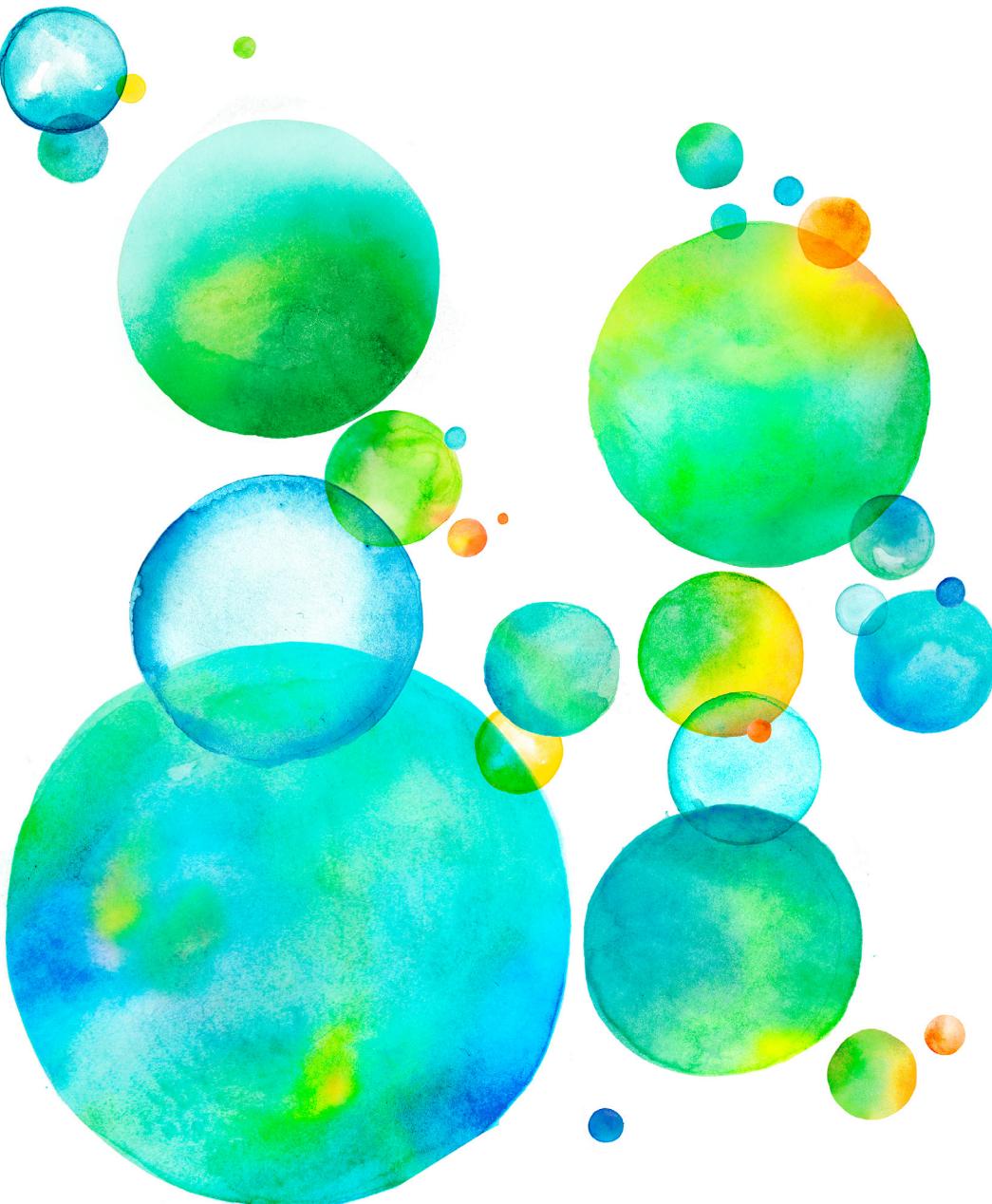
Following our first materiality assessment in 2021, which highlighted the risks and opportunities that Environmental, Social and Governance (ESG) factors pose to our business, we are now moving forward into the next phase of our sustainability journey.

In 2024, we conducted our first “double” materiality assessment, examining the broader environmental and social impacts of our operations, along with the financial risks and opportunities posed by ESG factors. Under the expert guidance of Dr. Todd Cort<sup>1</sup> from the Yale Center for Business and the Environment, along with his independent firm, NPV Associates,<sup>2</sup> we conducted a comprehensive double materiality assessment through stakeholder surveys, one-on-one interviews and a variety of additional inputs. This process helped us evaluate and prioritize topics with the greatest impact on our company, employees, communities and planet.

The results of this double materiality assessment, detailed below, will shape CooperCompanies’ evolving ESG strategy, identifying new strategic opportunities and reducing risks, and ultimately allow us to keep improving lives—one person at a time—for years to come.

<sup>1</sup> Dr. Cort is a Senior Lecturer at the Yale School of Management, the Faculty Co-Director of the Yale Center for Business and the Environment, and the Faculty Director of the Sustainability Program, MBA for Executives. He has worked extensively with companies and investors across industrial sectors, including on integrated programs to meet regulatory requirements while promoting awareness and understanding of sustainability priorities through communications and engagement with communities, regulators, policy makers and internal stakeholders.

<sup>2</sup> Founded in 2014, NPV Associates is a sustainability advisory service bringing together sustainability practitioners from consulting, industry, and academia. NPV is owned by three principals with offices in San Francisco, CA; New Haven, CT; and London, UK. The team includes 15 senior professionals with backgrounds ranging from investment banking, management consulting, environmental management, marketing, communications and design.” <https://npvassociates.com/about/>. Accessed 22 April 2024.

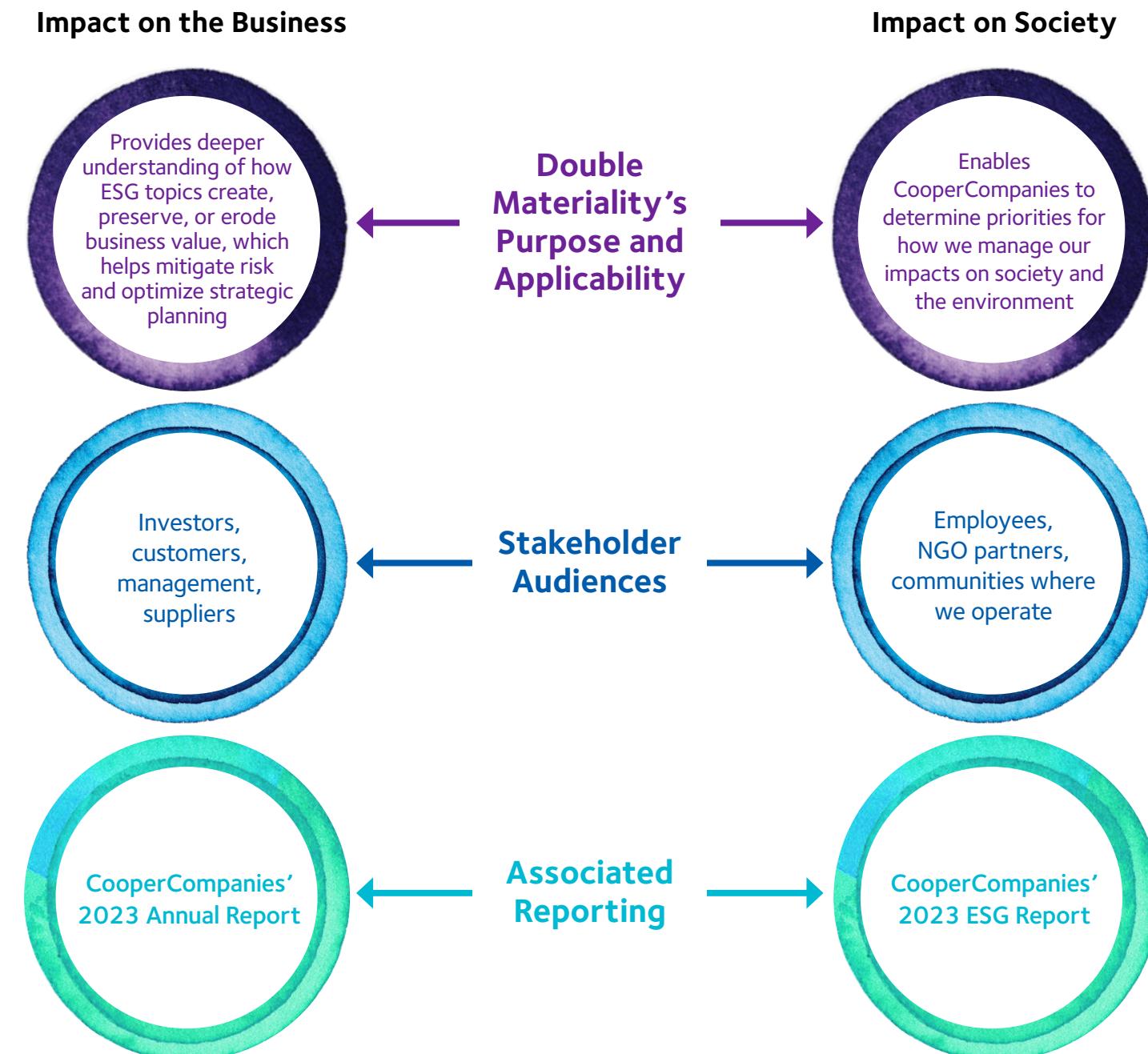


# From Impact Materiality to Double Materiality

In the three years since our last materiality assessment in 2021, the world has undergone a series of significant shifts. Not only have new regulatory and reporting frameworks emerged within the world of corporate sustainability, but our understanding of our company's relationship with the natural world has grown richer, more nuanced and more expansive. We're increasingly aware that addressing these global challenges requires a proactive, concerted approach. To honor these changes and continue to progress our own approach to sustainability and program, we knew it was time to conduct a double materiality assessment—a more comprehensive approach that goes beyond impact materiality.

Double materiality assessments evaluate ESG topic areas that are most material to our business from a financial perspective (i.e., ESG topics that potentially create, preserve or erode business value) and to stakeholders from an impact perspective (i.e., impacts on people, communities and the environment). This two-part approach is in line with our efforts to address all significant aspects of our business' impact on society and the planet, as well as the financial impact of society and the planet on our operations.

Our adherence to this principle aligns with the **Corporate Sustainability Reporting Directive's (CSRD) European Sustainability Reporting Standards (ESRS)**, which stipulate a dual-perspective approach to materiality. By aligning with these standards, we reinforce our commitments to international compliance and enhancing transparency in our ESG reporting. Learnings from this assessment will inform our ESG strategic and disclosure priorities in both the short and long term.



# Our Methodology

## 1. Expert Guidance

Our journey to understand our stakeholders' ESG concerns began under the guidance of Dr. Todd Cort, Faculty Co-Director of the Yale Center for Business and the Environment, and his independent, third-party advisory firm, NPV Associates. Leveraging Dr. Cort and NPV's expertise was a cornerstone of our approach.

## 2. Topic Generation

We then worked with our partners to identify specific ESG topics critical to our operations and our impact on the external world. We compiled a comprehensive list of potentially material ESG topics, drawing upon our previous materiality assessment conducted in 2021 and established and emerging standards and frameworks. These included the ESRS draft standards, the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB)/International Sustainability Standards Board (ISSB).

This work was then augmented with healthcare-specific guidance, reflecting industry best practices and insights, third-party and proprietary research, peer benchmarking, a review of ESG ratings and rankers, and media and megatrend analysis (e.g., rise of artificial intelligence).

## 3. Stakeholder Engagement

To refine our preliminary list of ESG topics, we sought feedback from both internal and external experts—those who know our company and its impact best. Through surveys and interviews conducted by Dr. Cort, we engaged a diverse group of stakeholders that included executive management, board members, investors, corporate customers, suppliers, employees and academic experts.

Through this comprehensive process, we aimed to glean crucial insights on both the positive and negative impacts that sustainability factors may have on our company and how our operations affect the world around us.

## 4. Analytical Depth

Insights gained from our stakeholders provided the raw data for a deeper analysis. We conducted a thorough evaluation of each ESG factor, which Dr. Cort and NPV Associates helped to quantify in terms of potential risks and opportunities. This process involved scoring each topic based on its projected severity, likelihood and alignment with CooperCompanies' strategic objectives.

Each topic was assessed and scored as high-, medium- or low-priority. These rankings not only guided our decision-making processes, but will also serve as the basis for future reporting in line with the CSRD.

Following analysis, data normalization and refinement, we reviewed and validated our list of priority ESG factors with executive management and the Board of Directors, to ensure alignment and accountability across our company.

## 5. Local Impacts, Global Resilience

We recognize the distinct challenges posed to CooperCompanies' operational facilities around the world, such as the increased susceptibility to climate-related events. By conducting rigorous scenario planning—based on the critical ESG factors identified in this report—we intend to work to preemptively address these risks and bolster our company's resilience.

## 6. Transparent Reporting

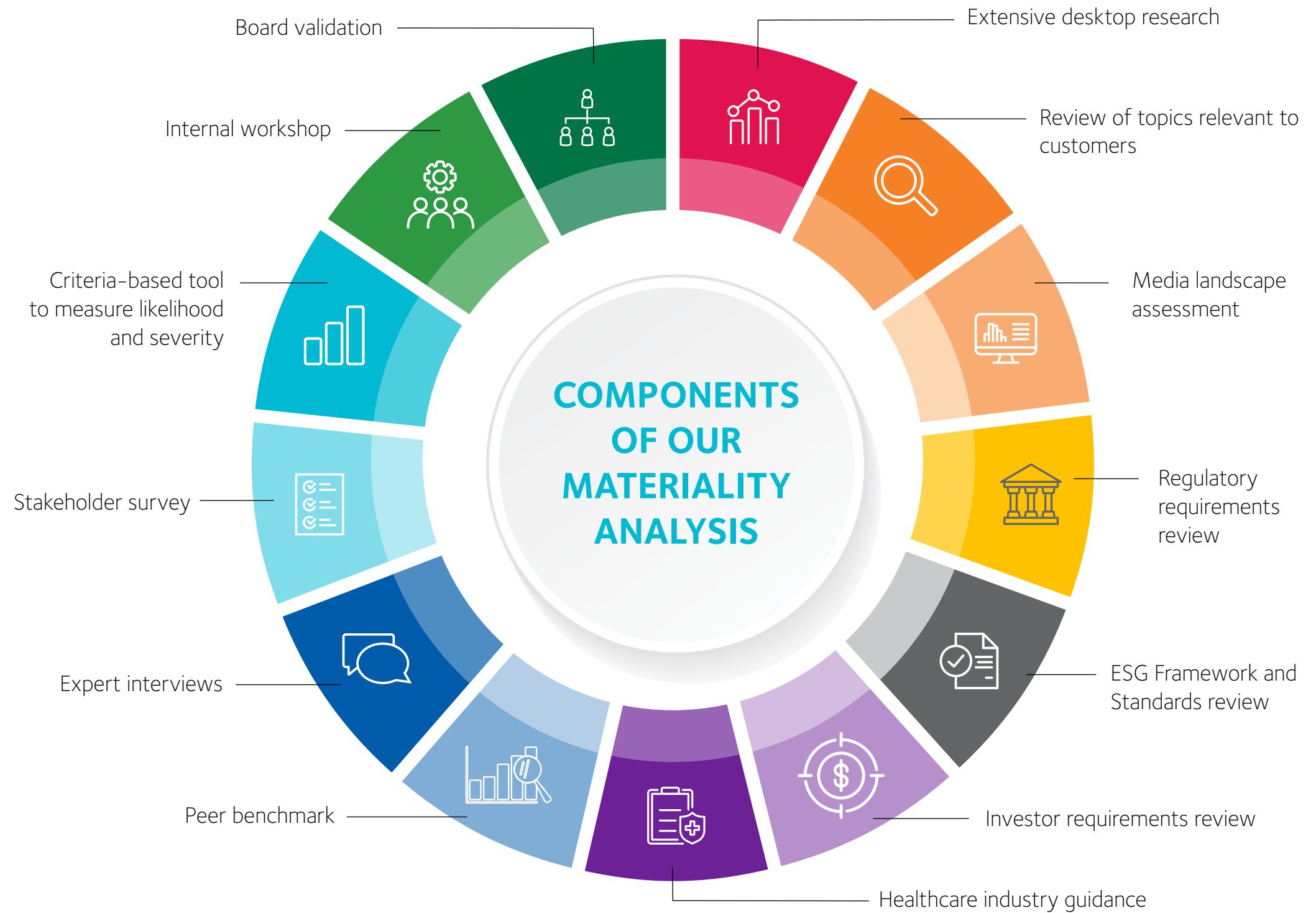
Following detailed analysis and evaluation of data, we're committed to transparent reporting to help our stakeholders access and understand the outcomes of our double materiality assessment.

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## 7. Continuous Improvement

This report is not the end of a process, but a critical link in a chain that will support growth, accountability and positive momentum. By incorporating invaluable feedback through sustained and open dialogue with our stakeholders, we regularly update our ESG programs to enhance our resilience and adapt to new challenges.

Learn more about Stakeholder Engagement on our [ESG Reporting webpage](#).



# CSRD Compliance

In 2024, we took our first steps to align our double materiality analysis with the emerging standards set forth by the European Union's Corporate Sustainability Reporting Directive (CSRD) and the draft Implementation Guidance for Double Materiality from the European Financial Reporting Advisory Group (EFRAG), which is expected to come into force in the next few years.

While the CSRD's guidance provides a framework adaptable to the unique circumstances of individual companies, we took a disciplined approach to align our methodology with these standards, aiming to achieve best-practice outcomes. This involved carefully reviewing our 2021 impact materiality assessment findings against the latest available regulatory frameworks, best practices and the EFRAG's draft guidance.

To this end, we undertook a series of steps to conduct an expanded double materiality assessment, aligning our process with the CSRD recommendations:

## CSRD Recommendations (EFRAG IG 1 Draft Guidance)

Identify actual and potential IROs (impacts, risks and opportunities) related to sustainability matters.

Engage with affected stakeholders during the materiality assessment process.

Assess the material IROs related to sustainability, according to severity and likelihood.

Report on material topics and disclose the methodology used to determine them.

## CooperCompanies' Actions

Reviewed 2021 materiality findings, regulatory frameworks and ESG reporting standards, industry guidance, ESG raters and rankers, and current best practices and megatrends to generate a list of ESG factors.

Engaged with company leaders, board members, investors, academics, suppliers, customers and employees through surveys and interviews.

Developed multiple financial and impact-related criteria against which to evaluate ESG topics based on survey data, interview notes and evidence from literature review/sources.

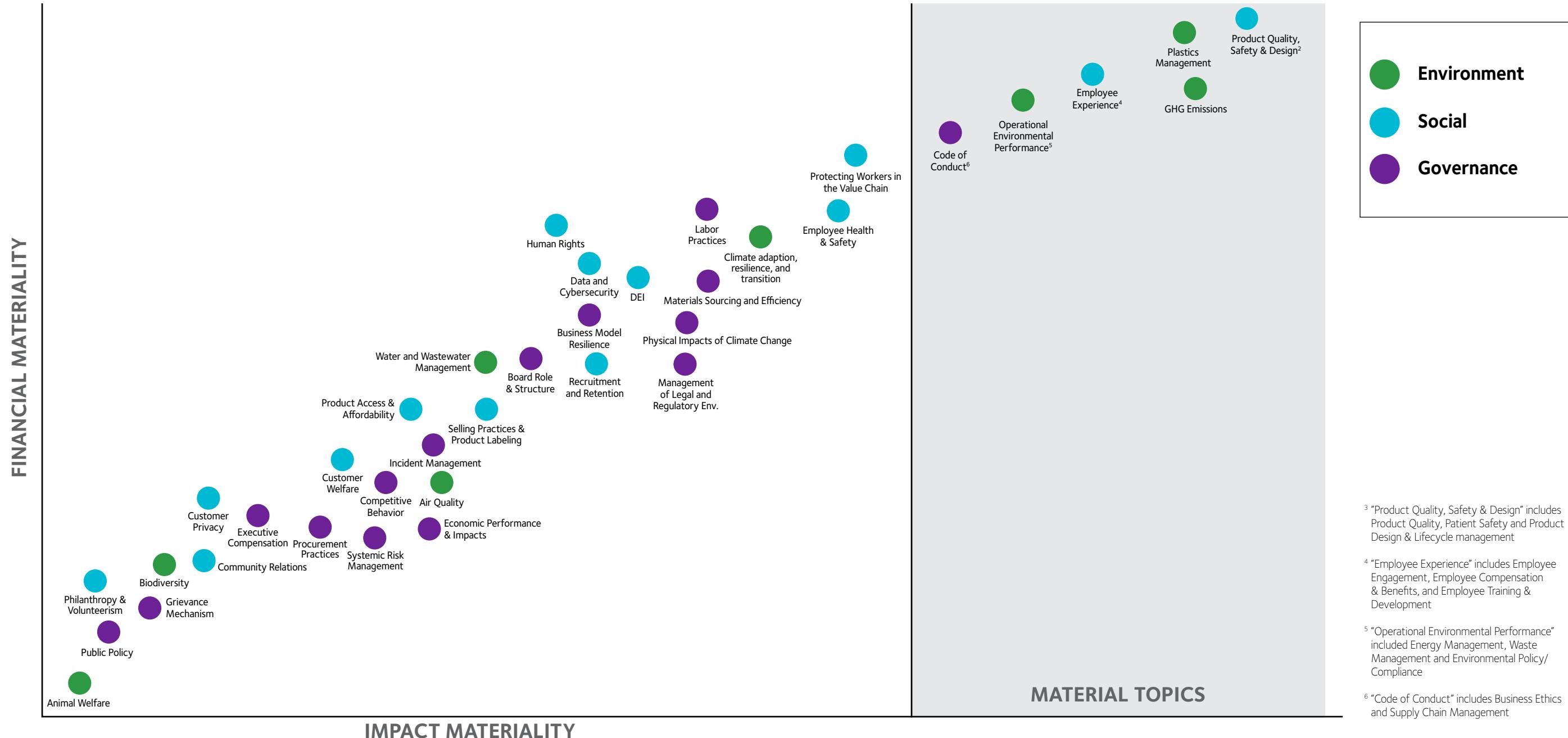
Produced this materiality assessment report and incorporated findings to enrich our 2023 ESG Report with data-driven insights.

# Our Findings

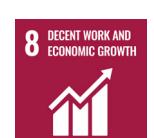
Our 2024 Double Materiality Assessment utilized a rigorous, score-based system to prioritize the wide array of ESG topics material to CooperCompanies. Our surveys and interviews assessed materiality based on “significant impact in Business Significance, Social Impact, Risk and Opportunity”. Based on the assessment of 41 ESG topics, six topics have been identified as “highly significant” to both our business and our stakeholders, and therefore are our priority topics. Each of these priority topics is listed in the table on page 9.



# Double Materiality Matrix



# Sustainable Development Goals

Impact Area	ESG Topic	Aligned United Nations Sustainable Development Goal(s)					
Environment	Operational Environmental Performance	 7 AFFORDABLE AND CLEAN ENERGY	7.2	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2 12.6 12.5 12.7		
	Greenhouse Gas Emissions	 13 CLIMATE ACTION	13.3				
	Plastics Management	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5	 14 LIFE BELOW WATER	14.1		
Social	Employee Experience	 3 GOOD HEALTH AND WELL-BEING	3.7	 8 DECENT WORK AND ECONOMIC GROWTH	8.8		
	Product Quality, Safety & Design	 3 GOOD HEALTH AND WELL-BEING	3.7 3.8	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5		
Governance	Code of Conduct	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5	 17 PARTNERSHIPS FOR THE GOALS	17.16

# Forward-looking Statements

This report contains "forward-looking statements," as defined by the Private Securities Litigation Reform Act of 1995. Statements relating to guidance, plans, prospects, goals, strategies, future actions, events or performance, and other statements, of which are other than statements of historical fact, including all statements, regarding planned ESG programs, and goals, the anticipated impact of ESG activities, and product and technology plans, are forward-looking. To identify these statements, look for words like "believes," "outlook," "probable," "expects," "may," "will," "should," "could," "seeks," "intends," "plans," "estimates," or "anticipates," and similar words or phrases. Forward-looking statements necessarily depend on assumptions, data, or methods that may be incorrect or imprecise and are subject to risks and uncertainties.

Among the factors that could cause our actual results and future actions to differ materially from those described in forward-looking statements are: Adverse changes in the global or regional general business, political, and economic conditions, including the impact of continuing uncertainty and instability of certain countries, man-made or natural disasters that could adversely affect our global markets, and the potential adverse economic impact and related uncertainty caused by these items; the impact of international conflicts and the global response to international conflicts on the global economy, European economy, financial markets, energy markets, currency rates, and our ability to supply product to, or through, affected countries; our substantial and expanding international operations and the challenges of managing an organization spread throughout multiple countries and complying with a variety of legal, compliance, and regulatory requirements; compliance costs and potential liability in connection with U.S., and foreign laws and healthcare regulations pertaining to privacy and security of personal information; a major disruption in the operations of our manufacturing, accounting, and

financial reporting, research, and development, distribution facilities or raw material supply chain; disruptions in supplies of raw materials, particularly components used to manufacture our silicone hydrogel lenses; new U.S. and foreign government laws and regulations, and changes in existing laws, regulations, and enforcement guidance, which affect areas of our operations including, but not limited to, those affecting the healthcare industry; new competitors, product innovations or technologies; reduced sales, loss of customers, and costs and expenses related to product recalls and warning letters; failure to receive, or delays in receiving, regulatory approvals or certifications for products; costs and expenses and the risk of an adverse decision, prohibitive injunction or settlement related to product liability, patent infringement, contractual disputes or other litigation; risks related to ESG issues, including those related to climate change and sustainability; and other events described in our Securities and Exchange Commission filings, including the "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections in the our Annual Report on Form 10-K for the fiscal year ended October 31, 2023.

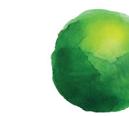
We caution investors that forward-looking statements reflect our analysis only on their stated date. We disclaim any intent to update them except as required by law.

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