

# Alcon Supply Chain and Modern Slavery and Human Trafficking Statement

## Company Overview

Alcon is the largest eye care device company in the world, with over USD 7 billion in sales during the year ended 31 December 2019. Based on its sales for this period, Alcon is the number one company globally in ophthalmic surgical devices and the number two company globally in vision care. Headquartered in Geneva, Switzerland, Alcon has over 70 years of history in the ophthalmic industry, operates in over 70 countries, and serves consumers and patients in over 140 countries.

We are committed to being a company that is reliable and trustworthy, and to operating our business consistent with the highest standards of ethics and integrity. As a healthcare company, we are committed to promoting the health and well-being of our associates, the people who work in our supply chain, and of the patients and consumers who use our products.

We believe that all people should be treated with dignity and respect, and therefore, we recognize the importance of maintaining and promoting fundamental human rights. Our commitment to operating our business with integrity and accountability includes respecting worker rights, complying with employment and human rights laws, and preventing any child labor, modern slavery, or human trafficking from occurring in any part of our business operations or supply chain.

Various jurisdictions have enacted laws that require certain companies to make public statements about their efforts to eliminate slavery and human trafficking. These laws include the UK Modern Slavery Act of 2015, Section 54, Part 6, the U.S. State of California Transparency in Supply Chains Act of 2010, and the Australia Modern Slavery Act 2018 (Commonwealth Act). This statement describes our business practices and efforts related to this topic.

## Business Structure

Alcon researches, develops, manufactures, distributes, and sells a full suite of eye care products within two key businesses: surgical and vision care. The surgical business focuses on ophthalmic products for cataract surgery, vitreoretinal surgery, refractive laser surgery, and glaucoma surgery. Alcon's broad surgical portfolio includes implantable lenses, consumables, and surgical equipment required for these surgeries and supports the end-to-end needs of the ophthalmic surgeon. The vision care business comprises daily disposable, reusable, and color-enhancing contact lenses and a comprehensive portfolio of ocular health products, including products for dry-eye, contact lens care, and ocular allergies, as well as ocular vitamins and redness relievers.

At the end of 2019, we reorganized our global business structure into a new framework, with management teams aligned under Innovation and R&D, manufacturing, and the two global business franchises (surgical and vision care), all supported by appropriate corporate operations and control functions. These management changes streamlined our reporting structure and accountabilities within functions, business units, and geographies, allowing more visibility and oversight to their respective leaders. Our chief procurement officer has accountability for overseeing procurement and supply chain activities.

## **Integrity and Compliance Program**

Alcon is committed to conducting its business with integrity and has in place a global ethics and compliance program designed to support legal and ethical conduct and prevent and detect violations of the law and our company policies. Some key elements of our integrity and compliance program include:

**Policies** – Alcon's Code of Business Conduct ("Code") is the foundation of our global compliance program. It sets clear expectations for operating with integrity, consistent with Alcon's values and in compliance with external requirements. The Code defines what we stand for and how we conduct our business. "People" are included in our core values and behaviors.

The Code includes provisions that affirm Alcon's commitment to maintaining fundamental human rights, including respecting the rights of workers, and Equal Opportunity Employment. We take pride in maintaining a diverse and safe working environment. Our global policies do not permit discrimination in recruiting, hiring, training, promotion, or other employment practices based on race, color, religion, gender, national origin, age, sexual orientation, gender identity, marital or veteran status, disability, membership in an association, or other legally protected subject. Our Code demands a culture of integrity and accountability and requires remedial action for known policy breaches. Alcon also has in place more detailed company policies and procedures that align with the Code principles to guide the daily work of Alcon associates.

In addition, Alcon has a Human Resource (HR) Principles Guideline that outlines how Alcon's HR function supports the company's strategic goals, including a commitment to developing associates through HR processes, services, and tools. Alcon is committed to treating associates fairly and with respect.

We also conduct targeted, risk based due diligence to pre-screen companies with which we do business against various risks, including risks related to anti-bribery, conflicts minerals, fair labor standards, finance, information security, privacy, quality, safety and the environment, and trade compliance.

**Training** – Alcon trains all associates on its Code annually, and provides additional, targeted training to associates on requirements that apply to their respective job functions.

Our 2019 Code training course, completed by 98% of our associates worldwide, featured content emphasizing the need to maintain a respectful work environment by:

- Showing respect for all people
- Treating people fairly and without discrimination
- Not engaging in improper conduct
- Being inclusive and courteous
- Not disparaging others or engaging in any physical or verbal harassment of colleagues

The training also emphasized the importance of complying with company expectations for maintaining a healthy, safe, and secure workplace, as well as Alcon's commitment to building

trust through integrity as an ethical global citizen. The training included these statements demonstrating our advocacy for Fair Labor Standards:

- We believe that all workers deserve to be treated with respect and dignity.
- We respect and protect the workers' rights of our own employees and workers impacted through our supply chain
- We support human rights and efforts to eliminate modern slavery and human trafficking
- We require these same commitments from our suppliers
- Speak up when you see actions inconsistent with these expectations

In addition, all associates in the United Kingdom received a specific training to enhance their awareness of the UK Modern Slavery Act at the end of 2019. The training included competency based questions.

**Monitoring and Auditing** – We conduct selective, risk based monitoring and auditing of our program to assess its effectiveness. We refine our program to address any gaps identified and risks triggered by changes in Alcon business activities and/or changes in external requirements.

In the UK, Alcon is subject to the UK Labour Standards Assurance System (LSAS) requirements, which mandate supplier due diligence and labor standards for medical suppliers to the UK's National Health Service. For 2019, Alcon received independent verification to Level 3 LSAS compliance, indicating that Alcon has a robust system for implementing and maintaining its LSAS program, with evidence that Alcon is addressing defined risks.

**Alcon Ethics Helpline and Reporting** – Our associates and suppliers are expected and encouraged to speak up, ask questions to seek guidance or clarification, and report ethical concerns in good faith and without fear of retaliation. Clear instructions about this are addressed in our Code of Business Conduct and related annual training as well as in periodic communications to our associates. The channels available for speaking up include the Alcon Ethics Helpline, an independently managed, secure and confidential online and telephone service available 24 hours a day, 7 days a week, in multiple languages. The Alcon Ethics Helpline is available not only to our associates, but also to third parties, including our suppliers.

## **Alcon Supply Chain**

We engage an extensive network of suppliers worldwide. We expect all of our suppliers globally to comply with our Alcon Third Party Code of Conduct, which outlines our expectations for third parties who conduct business with or on behalf of Alcon to operate consistent with the same high standards of integrity to which we hold ourselves. This includes meeting our commitment to conduct business in a socially and environmentally responsible manner. The Third Party Code of Conduct prohibits Alcon suppliers from using child labor or forced labor of any kind, including bonded, indentured or involuntary prison labor or from engaging in any other form of slavery or human trafficking. It also requires fair treatment of supplier's workers. We take these precautions to verify that our suppliers meet these

expectations:

- We select suppliers based on their merit and quality of goods or services.
- Before contracting with suppliers, and periodically thereafter, we conduct due diligence on our suppliers through a tiered, risk-based program.
- We verify that appropriate provisions are included in supplier contracts to reflect suppliers' obligation to comply with the law, the Alcon Third Party Code of Conduct, and applicable principles of relevant Alcon policies, and communicate these expectations to our suppliers.
- We require suppliers to provide appropriate training to their employees to fulfill these obligations.
- We rely on audits of supplier activities as they relate to Alcon business, to confirm supplier compliance with contractual commitments, performance and quality standards, and the Alcon Third Party Code of Conduct.

We remain committed to supporting human rights and global efforts to eliminate modern slavery and human trafficking.

Approved by the Alcon Board of Directors on 28 February 2020 and signed on its behalf by:



David Endicott

Chief Executive Officer and Member, Alcon Board of Directors