

## **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 6.8 billion in sales during the year ended 31 December 2020. 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 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 working to prevent 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.

Our global business structure features 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. Our reporting structure and accountabilities within functions, business units, and geographies, allow visibility and oversight to their respective leaders. Our procurement leadership team 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.

Alcon is committed to treating associates fairly and with respect. The Code includes 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 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.

The Code also emphasizes 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.

Demonstrating our commitment to, and advocacy for, Fair Labor Standards, the Code includes the following statements:

### **Fair labor standards**

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. We are committed to respecting worker rights, complying with employment and human rights laws, and to preventing any child labor, modern slavery, or human trafficking from occurring in any part of our business operations or supply chain.

Our Code further reinforces a general culture of integrity and accountability and requires remedial action for known breaches of the law and/or company policies. 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. The Code includes an expectation that associates speak up whenever they see actions inconsistent with any of the Code expectations.

**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, including to those responsible for risk assessment, due diligence, and supplier engagement.

Our 2020 Code training course, completed by 97% of our associates worldwide, required all associates to verify they have read, understood, and will follow the Code.

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. Further training is planned for UK associates during 2021.

**Alcon Ethics Helpline and Reporting** – Our associates 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. We also offer Alcon associates related annual training and communications. 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 third party contractors and suppliers.

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

## **Alcon Supply Chain**

We engage an extensive network of suppliers worldwide. Our supply chain for surgical and vision care products includes purchasing component parts for manufacturing intricate surgical equipment, contact lenses, and related medicinal products. The highest fair labor standards risks in Alcon's supply chain relate to the following key materials:

- Electronics, electronic components and circuit boards, IT and telecoms hardware, and surgical instruments or equipment, in particular when sourced (whether directly or indirectly) from certain countries in Asia; and
- Metal raw materials from mines in jurisdictions affected by conflict or with poor labor rights performance or a high prevalence of or vulnerability to modern slavery.

We expect all of our suppliers globally to comply with the Alcon Third Party Code of Conduct, which outlines our expectations for third parties who conduct business with or on behalf of Alcon to operate to the same high standards of integrity to which we hold ourselves. This includes meeting our commitment to conducting business in a socially and environmentally responsible

manner.

By committing to the Alcon Third Party Code of Conduct, Alcon suppliers agree not to use child labor or forced labor of any kind, including bonded, indentured or involuntary prison labor. They also agree not to engage in any other form of slavery or human trafficking. The Alcon Third Party Code of Conduct also requires suppliers to treat their workers fairly. We take the following precautions to help 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 targeted, risk-based due diligence on our suppliers through a tiered, risk-based program, to assess risks related to anti-bribery, conflicts minerals, fair labor standards (including modern slavery), information security, privacy, quality, safety and the environment, and trade compliance. Over the course of 2020, we reviewed and enhanced our risk based assessment and due diligence processes across several risk areas, including fair labor standards.
- We include appropriate provisions 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. We require Alcon pre-approval for any sub-contracting.
- We perform risk-based audits of supplier activities as they relate to Alcon business, to confirm supplier compliance with contractual commitments, performance, and quality standards. In 2020, we continued supplier audits according to plan. However, due to COVID restrictions, 65% of these audits were done remotely beginning in March, leveraging video technology to enable visual inspection to supplement document reviews. Some suppliers refused admission, which led to rescheduling of some audits.
- As a publicly traded entity, we report annually to the U.S. Securities and Exchange Commission on our supply chain due diligence in connection with conflict minerals.

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. In December 2020, 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.

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

Approved by the Alcon Board of Directors and signed on its behalf on 28 April 2021 by:



David Endicott  
Chief Executive Officer and Member, Alcon Board of Directors