



# Alcon Third Party Code of Conduct



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## A. Introduction

Alcon is committed to being an ethical global citizen. High performance with integrity is an Alcon strategic imperative. Alcon requires its third party business partners ("Third Parties") to comply with the principles stated in this Alcon Third Party Code of Conduct ("Code"). Third Parties include any business partner that provides goods or services to Alcon, and the Third Party's agents or subcontractors. For the purposes of Sections 6, 7, 8, 9, and 10 of The Code, Third Parties also include distributors, wholesalers, licensors, licensees, and other technology and business partners that do not provide goods/services to Alcon, and to each of their respective agents or subcontractors; if these Third Parties also provide goods or services to Alcon, then this Code applies in full to them. Alcon Third Parties are also expected to adopt, with their own suppliers, expectations that broadly cover the same principles stated in this Code.

Adherence to the Responsible Business Requirements stated in this Code is one of the criteria used by Alcon to select and evaluate Third Parties. The Third Party and Alcon recognize that the Third Party is an independent third party, not subject to Alcon's control or direction. The Third Party nevertheless understands that any decision by Alcon to purchase from it is contingent upon, and is made in reliance on, its agreement to honor and comply with this Code, and to comply with it as well as with legal and industry code requirements applicable to the Third Party's business relationship with Alcon.

The Third Party understands that this Code, and applicable legal and industry code requirements, may change from time to time, and hereby agrees to stay informed of and abide by any changes in this Code and the related applicable requirements. The Third Party acknowledges that their engagement is never used by Alcon to create an incentive or reward for prescribing or recommending Alcon products or to secure any improper business advantage for Alcon.



## B. Responsible Procurement Requirements

**1 Labor Rights** – Third Parties must be committed to upholding the human rights of workers and treating them with dignity and respect, including in the respects outlined below. A worker is any employee, director, officer, staff, or personnel engaged or employed by an Alcon third party business partner, including agency workers engaged on a permanent, temporary, or casual basis.

**1.1 Freely Chosen Employment** – The Third Party must not use forced labor, including, bonded, indentured, or involuntary prison labor or engage in any form of slavery or human trafficking. Transporting, harboring, recruiting, transferring, or receiving workers by means of threat, force, coercion, abduction, or fraud for labor or services is prohibited.

**Forced Labor – Management Systems:** An HR manager should be designated at each site to verify that all onsite workers have freely chosen to be there and are fully paid for the work they do.

**Prison Labor:** A third party must not use prison labor unless it is voluntary, and this has been communicated clearly to Alcon. Where voluntary prison labor is used, the third party must follow all applicable local laws and international guidance (see, for example, the relevant content from the International Labor Organization’s [Q&As on Business & Forced Labor](#)).

**Notice Periods:** Workers must be free to leave their jobs after reasonable notice and be paid on time and in full for the work they have done prior to leaving.

**Retention of Identity Papers/Passports:** Workers must not be required to hand over their identity papers to secure employment unless required to do so by local law. If this is the case, workers must always have access to their papers.

**Freedom of Movement:** Workers must be able to freely come and go from the site, or onsite accommodation, at all times and not be controlled by security guards (e.g., monitored during breaks, followed to the toilets, etc.)

**Cash Deposits:** Workers must not be required to pay “deposits” to secure a job or employer-provided accommodations, nor required to pay excessive “deposits” for tools, training, or personal protective equipment necessary to carry out their jobs safely.

**1.2 Child Labor and Young Workers** – Third Parties must not use child labor. The International Labor Organization notes “Not all work done by children should be classified as child labor that is to be targeted for elimination. Children’s or adolescents’ participation in work that does not affect their health and personal development or interfere with their schooling, is generally regarded as being something positive.” Accordingly, whether particular forms of work may involve “child labor” will depend on a child’s age, type and hours of work performed, and the related working conditions.

**Child Labor - Management Systems:** An HR manager should be designated to verify there are adequate procedures and processes in place to monitor the ages of workers at each site.

**Child Labor:** Children below the local legal minimum working age, the age of compulsory education, or the ages set out in the International Labor Organization Core Conventions (whichever is higher) must not be employed. A child is:

- Any young person below the ages defined in the International Labor Organization Core Conventions, which is 15 in Developed Countries or 14 in Less Developed Countries.
- Any young person below the local legal minimum working age where this is higher than 15.
- Any young person below the age of local legal compulsory education if this is higher than 15.

**Remediation:** If children are found working, the Third Party must:

- Remove the child from the workplace immediately.
- Put in place a suitable remediation measure or plan to support the welfare of the child(ren), which may involve covering the cost of the child(ren)’s formal or vocational training, accommodation, and/or other costs as necessary.

**Young Workers:** Young people under the age of 18 who are legally able to work, must not carry out any hazardous work (chemical handling, strenuous physical labor, etc.) or work night shifts. All applicable local laws must be followed, including those regarding access to education, training, health checks, and number of hours allowed to work.

**1.3 Non-Discrimination** - Third Parties must provide a workplace free of harassment and discrimination. Subject to requirements under local law, workers must not face harassment or discrimination at any time (from recruitment to leaving employment) for any reason, such as race, color, age, gender, gender identity, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, pregnancy, or marital status. Potential recruits must not be pregnancy-tested unless required by local law and pregnant women must not be discriminated against.

**Non-Discrimination – Management Systems:** An HR manager should be designated to verify there are adequate procedures in place at each facility to prevent discrimination as well as manage effective discipline. All workers must know to whom they can report incidences of discrimination.

**1.4 Fair Treatment** – Third Parties must provide a workplace free of, and without threat of, any harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers.

**Fair Treatment – Management Systems:** An HR manager should be designated to verify policies are in place requiring that all workers receive fair treatment. Workers should understand disciplinary and grievance procedures, and fines imposed on workers as part of a disciplinary action must be legal and fair. Supervisors and managers found abusing workers must be disciplined.

**Harassment or Abuse:** Workers must neither face nor be threatened with bullying, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse.

**Role of Security Personnel:** Workers must not be subjected to unreasonable body searches. Physical security searches should be performed only by authorized parties, according to local legal standards, and by same-sex security guards.

**Fair Treatment – Bribery:** Workers must not have to pay other workers to avoid victimization or obtain preferential treatment.

**1.5 Wages, Benefits, and Working Hours** – Third Parties must pay workers according to applicable wage laws, including minimum wages, overtime hours, and mandated benefits. Third Parties must communicate in a timely manner to workers the basis upon which they will be paid and communicate to them whether overtime is required and the wages to be paid for overtime.

**Wages and Working Hours – Management Systems:** A system must be in place to monitor the hours and wages paid to all agency staff onsite, and complete hours and payroll records must be kept for all workers onsite.

**Wages:** Workers must not be required to do unpaid work. Workers' monthly pay, or piece rate, must be at least at local legal minimum wages or industry benchmarks. Payments must be paid regularly and in full, in accordance with local laws.

**Overtime Pay:** Overtime must be paid according to all local laws, and where these do not exist, as a minimum at the same rate as normal pay, but preferably at a premium rate.

**Benefits and Bonuses:** All legally required benefits and bonuses are to be paid to workers on time and in full.

**Working Hours:** Working hours are to be aligned with local laws or industry benchmarks.

**Overtime Hours:** Overtime must be voluntary, and workers must not regularly work more than 12 hours of overtime per week.

**Time-off and Breaks:** Workers must be given time off and breaks in accordance with local laws.

**Communication:** Payment terms must be communicated to workers before they start and confirmed in writing. Workers must receive written pay slips.

**Deductions:** Deductions for disciplinary issues, lateness, and absence are to be taken only in accordance with local laws.

**1.6 Freedom of Association** – Third parties are encouraged to have open communication and direct engagement with workers to resolve workplace and compensation issues. Third Parties are expected to respect the rights of workers, as set forth in local laws, to freely join or not join labor unions, seek representation, and join workers' councils. Workers must be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation, or harassment.

**1.7 Working onsite at an Alcon facility** – To the extent Third Parties have any workers providing services onsite at an Alcon facility, the workers must follow any additional Alcon policies and requirements that apply to Alcon's own workforce, including the provisions for demonstrating integrity and respect in the workplace stated in Alcon's Code of Business Conduct, available through the link on Alcon.com under About Us → [Responsible Business Practices](#).

**2 Health, Safety, and Environment** – This section for Health, Safety, and Environment (HSE) outlines the basic HSE principles and concepts to which Alcon expects adherence throughout its supply chain. Alcon expects each Third Party to understand the applicable HSE requirements for its specific products or services, and to augment those requirements as necessary. The effectiveness of the protections should be verified by trained and experienced or certified subject matter experts.

**2.1 Health and Safety** – Third Parties must comply with all applicable health and safety laws and regulations by providing a safe and healthy working environment and, if applicable, safe and healthy company living quarters. Third parties must have programs and systems in place to:

**Hazard Information:** Provide workers with safety information relating to hazardous materials and education to protect them from potential hazards. Hazardous materials can include but are not limited to raw materials, isolated intermediates, products, solvents, cleaning agents, and wastes.

**Risks and Process Safety:** Identify both occupational and process hazards. They should quantify such hazards, define the risk levels appropriately, and have programs and systems in place to prevent or mitigate these risks (e.g., catastrophic releases of chemicals, fumes, dust).

**Worker Protection:** Protect workers from exposure to chemical, biological, and physical hazards (including physically demanding tasks) in the workplace and company-provided living quarters.

**Emergency Preparedness and Response:** Develop and distribute emergency plans across their facilities and company-provided living quarters. and to minimize the potential impact of any emergency by implementing suitable emergency plans and response procedures.

**2.2 Environment** – Third Parties must comply with applicable environmental laws and regulations, and have processes and systems in place to:

**Environmental Authorizations:** Verify that all required environmental permits, licenses, and information registrations are obtained and their operational and reporting requirements and restrictions followed.

**Waste and Emissions:** Verify the safe handling, movement, storage, recycling, reuse, or management of waste. Any generation and disposal of waste, emissions to air and discharges to water, with the potential to adversely impact human health or the environment (giving priority to Active Pharmaceutical Ingredients) must be appropriately minimized, properly managed, controlled and/or treated prior to release into the environment.

**Spills and Releases:** Prevent and mitigate accidental and diffusive spills and releases to the environment.

**Sustainability and Efficiency of Resources:** Optimize the use of all relevant resources sustainably, such as energy, water, and materials.

**3 Conflict Minerals** – Third Parties are expected to support Alcon’s commitment to seek to identify, reduce and, where possible, eliminate the use of certain minerals known as 3TG (Tin [Cassiterite], Tantalum [Coltan, Columbite-Tantalite], Tungsten [Wolframite] and Gold as defined in the U.S. 2010 Dodd-Frank Act, Section 1502) that have been identified as included in Alcon’s products. These minerals, known as Conflict Minerals, have been determined to have directly or

indirectly financed or benefitted armed groups in the Democratic Republic of Congo (DRC) or its adjoining countries. The support expected includes:

- Helping to identify the source of 3TGs in products, components, or materials they supply to Alcon, including the smelter or refiner where such 3TGs were processed and the country of origin of the 3TGs, where possible through reasonable means
- Cooperating with Alcon in its due diligence process (and any Third Party representative that Alcon engages to assist it with such due diligence or its Conflict Minerals reporting obligations) and in responding to requests for information relating to minerals used in our products
- Providing, upon request, reasonable evidence of the Third Party's performance of similar due diligence with respect to any of their suppliers or sub-contractors involved in the production of the materials or products supplied to Alcon or any components of those materials or products, and
- Working with Alcon to assess opportunities for alternative sources of Conflict Minerals.

**4 Animal Welfare** – Regulatory health authorities worldwide often require that new medical therapies are first tested on animals before they are tested on humans. Alcon is committed to upholding high standards of animal welfare and care whenever animals are involved in an Alcon study or procedure. Third Parties who perform Alcon-initiated studies involving animals (e.g., contract research organizations, universities, and other companies) are expected to comply with the principles listed below, including the three, key internationally accepted ethical principles known as the “3 Rs” (listed first below), as well as with applicable local and national laws relating to animal welfare. If the local/national laws are stricter, those requirements must be followed.

- *Replace* tests with non-animal testing methods wherever possible and appropriate.
- *Reduce* the number of animals used in each experiment to the minimum necessary to provide scientifically meaningful results.
- *Refine* testing to use the least invasive methods feasible.
- Use alternatives to animal testing wherever scientifically valid and acceptable to regulators.
- Respect the inherent integrity of the animal and its contribution to research.
- Manage animals in way so they experience the minimum amount of discomfort, distress, or pain, and use appropriate methods for sedation, analgesia, or anesthesia.
- Treat and care for animals respectfully in accordance with the needs of the given species and individual, as defined by current veterinary care and guidelines for animals used in experiments.
- Have competent, well-trained, and experienced personnel execute animal care and experiments.
- Procure only animals specifically bred for research purposes, except for some agricultural animals when required.
- Provide appropriate care and attention when transporting animals to using appropriate devices and/or facilities in accordance with applicable animal welfare guidance and related legal requirements.

## **5 Trade Sanctions and Export Controls**

**Restricted or Sanctioned Persons or Entities:** Third Parties and their affiliated companies, shareholders, or directors,

- Must not have been previously, or be currently, listed on any restricted or sanctioned parties or entities list, including without limitation, any of the following (collectively, the “Lists”):



- The U.S. Treasury Department's [List of Specially Designated Nationals and Blocked Persons](#) ("SDN List")
- The U.S. Commerce Department's [Denied Persons List](#)
- The UK [Sanctions List](#), or
- The list of [Organizations and Entities Subject to Swiss Financial Sanctions](#).
- Must not have been previously, or be currently, fifty percent (50%) or more owned or controlled by, or acting on behalf of, or at the instruction of, one or more of any restricted party or sanctioned person or entity on the Lists; and
- Must immediately inform Alcon by email (@ RPS.GTC@alcon.com) if, while they are an Alcon business partner, either of the following occurs:
  - They, their affiliated companies, shareholders, or directors are placed on any government list of restricted or sanctioned persons or entities; or
  - They become owned 50% or more, individually or in the aggregate, by one or more person on any government list of restricted or sanctioned persons or entities.

**Transactions Involving Restricted or Sanctioned Persons or Entities – Third Parties must not:**

- Sell or otherwise provide to Alcon products or services sourced directly or indirectly from
  - Any person or entity listed on any of the Lists; or
  - Any person or entity fifty percent (50%) or more owned or controlled by a person or entity that appears on any of the Lists.
- Sell, provide, or otherwise transfer, directly or indirectly, Alcon products or services:
  - To any person or entity listed on any of the Lists
  - To any person or entity fifty percent (50%) or more owned or controlled by a person or entity on any of the Lists; or
  - In any Territory subject to sanctions by the United States, the UK, the EU, Switzerland, or Singapore.

**6 Anti-Bribery** – Third Parties must comply with applicable anti-bribery laws and industry codes. Third Parties must not bribe any public official or private person and must not accept any bribes, nor use any intermediaries, such as agents, advisers, distributors, or any other business partners, to commit acts of bribery.

**Facilitation Payments:** Facilitation payments are prohibited, irrespective of whether local law permits them.

**Gifts, Hospitality, and Entertainment:** Gifts, hospitality, and entertainment must never be offered, promised, or provided with the intent of causing the recipient to do something favoring the Third Party and/or Alcon, to reward such behavior, or to refrain from doing something disadvantaging the Third Party and/or Alcon. To the limited extent any gifts, hospitality, or entertainment are permitted under applicable local law and industry codes, they must be modest, reasonable, and infrequent, so far as any individual recipient is concerned. Any stricter limitations under Alcon policies must also be observed, including the prohibition on providing gifts and entertainment to healthcare professionals, and restrictions on providing anything of value to government or public officials.

**Grants, Donations, and Other External Funding:** Grants, donations, and other external funding must not be given to receive, or create a perception of receiving, an improper commercial advantage in return.

**Political Financial Support:** If a Third Party chooses to provide political financial support, the support must be provided in compliance with all applicable laws, and industry codes, and must not be made with the expectation of direct or immediate return for the Third Party or Alcon.

**Lobbying:** Lobbying is not to be misused for any corrupt or illegal purposes, or to influence any decision improperly.

**Public Officials:** Any relationship between the Third Party and public officials must comply with the laws and ethical rules to which they are subject (i.e., any applicable laws in the particular country relating to public officials or that have been imposed by their employer). Any permitted benefit conveyed to a public official must be allowed under the applicable local law and ethical rules, fully transparent, and properly documented and accounted for in company books and records.

**7 Conflicts of Interest** – Third Parties are expected to avoid any transactions, relationships, or activities that appear to present conflicts of interest and should have a process for identifying, preventing, and managing appropriately any conflicts of interest involving their employees, owners, and investors.

**8 Fair Competition** – Third Parties are expected to:

- Comply with all fair competition and antitrust laws and regulations
- Conduct their business consistent with fair and vigorous competition
- Employ fair business practices, including accurate and truthful advertising, and
- Respect the intellectual property rights of Alcon and other parties, including their patents, trade secrets, and confidential information.

**9 Data Privacy and Information Protection** – Third Parties must establish and maintain adequate personal data and information security protection for the information that they, and any third parties acting on their behalf, process. Third Parties must operate in a manner that is consistent with applicable data protection and privacy laws and aligned with industry standards for the protection and security of all information, including Personal Information.

**Data Protection and privacy laws and legislation include the following:**

- The EC Data Protection Directive (Directive 95/46/EC)
- The Swiss Federal Act on Data Protection of 19 June 1992; and
- All other applicable laws relating to or impacting the processing of Personal Data of a data subject and/or its privacy.

**Personal Data/Personal Information is:**

- Any information relating to an identified or identifiable person, including without limitation electronic data and paper-based files that contain information such as name, home address, office address, e-mail address, age, gender, family information, profession, education, professional affiliations, or salary
- Non-public personal information, such as national identification number, passport number,

social security number, driver's license number

- Health or medical information, such as insurance information, medical prognosis or treatment, diagnosis information, or genetic information, including coded clinical trial patient data
- Sensitive personal information, such as race, religion, disability, trade union memberships or sexuality, and
- Any data or information that is qualified as Personal Information or Personal Data under the applicable Data Protection Legislation.

**Proper Protection of Data and Personal Information:** Third Parties must have the proper organizational structure, processes, and procedures to protect the confidentiality, integrity, and availability of information, including confidential business information and Personal Information, against accidental, unauthorized, or unlawful loss, destruction, alteration, disclosure, use, or access.

**Proper Security Measures:** Third Parties must have in place adequate policies and procedures to address technical and organizational security and take reasonable steps to keep them current, and to confirm compliance with the same on a periodic basis. Third parties must meet, at minimum, the information security controls stated in their agreements with Alcon.

**Compliance with Cross-Border Transfer Restrictions:** Third Parties must have adequate process requirements and safeguards to comply with all applicable laws that govern cross-border data transmissions.

**Data and/or Information Breach Notification:** Third Parties must notify Alcon of any suspected or actual data breach concerning the services/deliverables/goods provided to Alcon. Third Parties must assist Alcon appropriately in any investigation and response to a data or information breach.

**10 Reporting Concerns to Alcon** – Alcon wants to be made aware of any concerns regarding or related to Alcon business. Concerns may be reported through the Alcon Ethics Helpline [here](#) or through the link available on Alcon.com under About Us → [Responsible Business Practices](#). Alcon does not condone or tolerate retaliation against anyone who submits a report to the Alcon Ethics Helpline or who participates in the investigation of a matter reported to Alcon.

**11 Monitoring, Auditing, and Management Systems** – To demonstrate their commitment to and accountability for complying with this Code and related laws and industry codes, as well as their contractual obligations to Alcon, Third Parties are expected to cooperate with and support Alcon, upon reasonable prior notice, in monitoring and/or exercising its right to audit compliance with the expectations of Third Parties under this Code. Third Parties are also expected to have in place appropriate risk management systems to address the topics addressed in this Code. Examples of such management systems include:

- **Resources:** Allocation of appropriate resources to support compliance.
- **Third-Party Relationships:** Processes to prevent sub-contracting, or other engagement of separate third parties to act on behalf of Alcon or to represent Alcon, without prior written consent from Alcon. Third parties may not sub-contract or assign their obligations under their Alcon contract or authorize other third parties to act for or represent Alcon, without prior written consent from Alcon.

- **Documentation:** Maintaining documentation necessary to demonstrate compliance with applicable laws, industry codes, and Alcon contract obligations.
- **Books and Records:** Preparing and maintaining books and records that document accurately and in reasonable detail all matters related to the supplier's business with Alcon.
  - Books and records must include an accounting for anything of value (including payments gifts, hospitality, entertainment, or anything else of value) provided on behalf of Alcon, or out of funds provided by Alcon.
  - "Off-the-books" accounts and false or deceptive entries in supplier's books and records are prohibited. All financial transactions must be documented, regularly reviewed, and properly accounted for. A copy of this accounting must be made available to Alcon upon request.
  - Internal financial controls and approval procedures must be put and place and be followed
  - The retention and archiving of books and records must be consistent at minimum with the Third Party's own standards and tax and other applicable laws and regulations. More specific record retention requirements may be agreed between the parties.
- **Training and Education:** Educating their employees to make ethical decisions in compliance with laws, industry codes, and Alcon contract requirements. Alcon may, at its discretion, require a Third Party to arrange and deliver training, to a standard satisfactory to Alcon, in any of the subject-areas within the scope of this Code at the Third Party's expense. Such training must be delivered to whatever population of the Third Party's management, employees, agents, intermediaries, contractors, and suppliers is fulfilling the Third Party's obligations under the Alcon agreement.
- **Continual Improvement:** Continually improving by setting performance objectives, executing implementation plans, and taking necessary corrective actions to address deficiencies identified by internal or external assessments, inspections, and management reviews. In some cases, where a Third Party has shown and continues to show a material commitment to improving their performance in matters within the scope of the Code, Alcon is willing to work with them to bring about such improvements through engagement and collaboration. This may include audits, monitoring of development and progress in meeting remediation action plans, referring suppliers to external experts, and other reasonable steps to support continual improvements.