

# Alcon

## 2019 Corporate Responsibility Report

See Brilliantly



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# A Message From Our CEO



**Our commitment to corporate responsibility is reflected across the organization from individual associates at every site to the Board of Directors.**

It is my pleasure to present our first Corporate Responsibility Report as a new public company. We've been actively engaged in environmental, social, and governance initiatives (ESG) over our 70+ years in ophthalmology and optometry, and we are pleased to share with you our perspective on corporate citizenship in this inaugural report.

Our mission of helping people **See Brilliantly** is rooted in enabling all of our stakeholders to live life to the fullest, and we take our stewardship role seriously. This year we launched a breakthrough intraocular lens (IOL) called *PANOPTIX* that enables more patients to become spectacle-free after cataract surgery. Our *PRECISION1* contact lens provides consumers with the benefits of a daily SiHy lens, enabling them to enjoy the freedom of long lasting comfort. Our products are subject to some of the highest standards in safety and quality. We are mindful of our obligation to use resources responsibly, and we aspire to improve our sustainability. We compete for talent in 74 countries and challenge ourselves to create a healthy workplace, which our family of more than 20,000 associates can be proud to call home.

Our commitment is reflected across the organization. In 2020, we created a separate Governance and Nomination Committee of the Board of Directors to oversee our initiatives in governance, environmental stewardship, sustainability, and corporate social responsibility. We also established an ESG Executive Steering Committee composed of leaders in R&D, manufacturing, supply chain, compliance, investor relations, and commercial disciplines.

To provide relevant disclosures to our stakeholders, we initiated a comprehensive materiality assessment aligned with the Global Reporting Initiative framework. The results of that four-month study helped guide the preparation of this report. We have focused our disclosure on a discussion of Alcon's Corporate Responsibility framework and four categories: Benefiting Customers & Patients; Caring for Our

Environment; Winning in the Workplace; and Working with Integrity. We recognize that the road to corporate citizenship requires significant reflection and organizational alignment, and it is a journey, not a point in time. While some of our ESG initiatives are more developed, others are still in the early stages. Over the next couple of years, we will gather data and benchmark performance to further inform and evolve our understanding of these areas.

Our passion for good citizenship is demonstrated through our associate and philanthropic initiatives, and our response to COVID-19 exemplifies this commitment. As the public health crisis grew in scale, we acted decisively to protect our associates with new safety protocols, while our teams mobilized the manufacture and donation of personal protective equipment (PPE) and hand sanitizer to frontline workers.

Each year, the Alcon Foundation supports programs that sit at the intersection of our purpose and communities in need. We support organizations and efforts that focus on improving eye sight and on providing eye care services to underserved citizens in communities around the world. Good vision is essential to quality of life, and we will continue to lend our expertise to increasing access to eye care.

These experiences attest to the spirit of our new Alcon. I look forward to continuing this journey with you, and I commit to sharing our progress along the way.

Best,

A handwritten signature in black ink, appearing to be 'David Endicott', written over a white background.

**David Endicott**

Chief Executive Officer  
Alcon Inc.

# Our Story

**Alcon is one of the leading eye care companies in the world, dedicated to helping people see brilliantly in more than 140 countries.**



## Company Overview

With 2019 net sales of \$7.4 billion, we serve a global market valued at \$25 billion, including complementary businesses in Surgical and Vision Care.

- Our Surgical business provides implantable IOLs, consumables, equipment, services, and procedural drops used in cataract, retinal, and refractive surgeries.
- Our Vision Care business covers a broad range of daily disposable, reusable, and color-enhancing contact lenses and lens care products, as well as ocular health products to treat dry eye and allergies.



For more information about our products, please visit [Alcon.com](https://www.alcon.com)

Alcon serves a wide range of customers, including ophthalmologists, optometrists, and other healthcare practitioners, patients, consumers, retailers, distributors, and medical institutions.

Headquartered in Geneva and domiciled in Fribourg, Switzerland, Alcon operates in more than 70 countries and employs more than 20,000 associates representing 90 nationalities. Our largest concentration of associates work in the United States, followed by Germany and Indonesia. We believe our market-leading position and global footprint allow us to benefit from economies of scale, maximize the commercial potential of our product pipeline, grow the market, and expand into new product categories.

20,000+ associates, 47% female

14 first-in-market launches in 2019, including the first trifocal IOL in the US

6 million patients served by Alcon's philanthropy programs from 2009 to 2019

4,000+ surgeons trained in emerging markets under Alcon's Phaco Development Program

40 years of training eye care professionals in underserved communities with Orbis

12.8% reduction of water usage intensity between 2015-2019

25.1% reduction of energy usage intensity between 2015-2019

## Brief History of Alcon

Robert Alexander and William Conner founded Alcon in 1945. The pair opened a small pharmacy in Fort Worth, Texas, under the “Alcon” name (the first syllables of their respective last names). Alcon Laboratories, Inc. began manufacturing specialty pharmaceutical products to address ocular health in 1947. In subsequent years, Alcon opened an office in Canada, formed its surgical division, and began operating internationally. In 1977, a Swiss subsidiary of Nestlé S.A. acquired Alcon, which operated as a wholly owned subsidiary of Nestlé until 2002. In 2001, the entity name officially changed to Alcon Inc. and, in March 2002, Nestlé completed an initial public offering of approximately 25% of Alcon’s outstanding shares. Between 2008 and 2011, Novartis AG acquired all of the outstanding shares of Alcon, creating the Alcon Division of Novartis.

Novartis shareholders approved the spin-off of Alcon in February 2019, and the transaction was completed in April 2019, whereby Alcon became a standalone, independent company. Alcon currently trades on both the SIX Swiss Stock Exchange and the New York Stock Exchange as ALC.

## Alcon Blueprint

People are at the center of everything we do. Alcon recognizes that an engaged, valued workforce drives our success. Our values and behaviors guide our actions and daily business decisions, and provide the foundation for our company culture.

The Alcon Blueprint, first introduced in 2017 and updated in 2019, keeps us focused on the right path as we create shared value for our stakeholders. Our three foundational principles define how we excel in our industry and differentiate ourselves in the marketplace.



For a brief video on Alcon, please visit [We are Alcon](#)

### The Alcon Blueprint is our guide


#### What We Do

##### OUR PURPOSE


We help people [see brilliantly](#)

#### How We Excel

##### OUR FOUNDATIONAL PRINCIPLES

 We care for and delight our [customers](#)

 We pursue and drive [innovation](#)

 We care for and inspire our [people](#)

#### The Way We Work

##### OUR VALUES & BEHAVIORS



**Our purpose is rooted in enabling people to live life to the fullest, and we take our stewardship role seriously.**

**Our values and behaviors guide our decisions and provide a blueprint for our culture.**

Geneva, Switzerland

# About This Report

## Sustainability Governance

Reflecting Alcon's commitment to corporate responsibility as a newly independent company, we created an ESG Executive Steering Committee to guide our decision making. Members of this committee include Alcon's SVP, General Counsel and Corporate Secretary; SVP, Investor Relations and Communications; SVP, Head Global Manufacturing and Technical Operations; and President, Global Business and Innovation (GB&I). The ESG Executive Steering Committee is responsible for identifying and managing Alcon's environmental and social impacts and for overseeing the development of our Corporate Responsibility Report. As part of the Alcon Board of Directors oversight, the Governance and Nomination Committee of the Board of Directors oversees Alcon's sustainability initiatives as part of its charter.

## Materiality

In 2019, Alcon worked with a global sustainability consultancy to conduct a materiality assessment following the Global Reporting Initiative (GRI) process of identification, prioritization, and validation. As part of this process, we conducted a series of interviews with internal leaders and external stakeholders, including associates, shareholders, and customers, and coupled those insights with industry research and our evaluation of Alcon's strategic priorities. Using evidence gathered from these sources, we mapped the relative priority of a wide variety of environmental, social, and economic topics. For the purposes of this report, we use GRI's definition of "material" topics to reflect Alcon's significant economic, environmental, and social impacts or areas that substantively influence the assessments and decisions of stakeholders. In addition to reporting on our material topics, which are indicated with an asterisk in the chart to the right, we also cover other topics in-depth in the pages to follow.

## Defining Report Content

Alcon is aligning our disclosures in this report to the Sustainability Accounting Standards Board (SASB) framework, which overlaps with many of our highest priority topics. The GRI framework also informed our reporting strategy and content. This report provides insights into our governance and management practices (including policies, responsibilities, processes, and initiatives), details the results of our efforts, and highlights our success stories in our highest priority areas. We are committed to transparency when disclosing risks, opportunities, and positive and negative impacts.

### Benefiting Customers & Patients

- Medical Innovation\*
- Product Quality & Patient Safety\*
- Access, Affordability & Pricing\*
- Philanthropy

### Caring for Our Environment

- Sustainable Products & Services\*
- Reducing Our Environmental Footprint

### Winning in the Workplace

- Talent Attraction & Retention\*
- Diversity & Inclusion\*
- Health & Safety

### Working With Integrity

- Business Ethics\*
- Responsible Procurement & Supply Chain
- Cybersecurity & Data Privacy

\* Material topics

Unless otherwise noted, all data refers to 2019.



# Benefiting Customers & Patients

**Our innovation is underpinned by our commitment to patient safety, product quality, and increasing access to the life-changing benefits of eye care.**



## Medical Innovation

Innovation is a foundational principle of our Alcon Blueprint. Our efforts are targeted at addressing many unmet medical and consumer needs, including improving the overall quality of eye care, serving an aging population with growing eye care needs, and increasing access to eye care in emerging markets.

Alcon has made one of the largest commitments to research and development (R&D) in the eye care industry, with more than half of one billion dollars of investments in 2019. Currently, our R&D organization employs more than 1,400 associates, including physicians, doctors of optometry, and PhDs. We are agnostic in our approach to innovation. Our market leading position gives us access to a wide range of potential R&D projects, and it makes Alcon an attractive collaborator for industry partnerships and start-up initiatives.

Our R&D efforts in our Surgical franchise focus on several key areas: expanding IOL capabilities to improve surgical and refractive outcomes; developing equipment and instrumentation for cataract, vitreoretinal, refractive, and glaucoma surgeries; and developing new platforms for diagnostics and visualization. Within Vision Care, we are focused on developing new contact lenses, new manufacturing technology, and novel technologies that safely provide relief from symptoms of dry eye and ocular allergies.



For more information, please visit [Alcon's Innovation site](#) and [Alcon's History of Innovation](#)

**58** product  
approvals in  
major markets

**14**  
first-to-market  
launches  
**100+**  
new patent  
applications

## Innovation Process

We manage our innovation pipeline with a stage gate model that aligns global standards required in product development and potential impacts on our commercial programs. This process reduces the technical, clinical, regulatory, and market risks of a new idea while increasing its odds for commercial success.

## Our Results

In 2019, Alcon received 58 product approvals in our major global markets and introduced 14 first-to-market launches. We also filed more than 100 new patent applications to protect Alcon's assets and investments.

We are pleased to report our performance using accounting metrics from the Sustainability Accounting Standards Board. For more information, please see ESG Performance Data.



## Governance

Project selection, prioritization, and governance are critical components to managing our pipeline and optimizing our investments. The governance structure is designed to accelerate innovation while balancing factors such as customer and patient needs, growth potential, investment requirements, technical and regulatory risk, return on investment, and capital requirements. We use a risk-based approach to manage innovation across our businesses. This approach helps us remain agile as we deploy internal resources. Projects that are low in risk or complexity operate within structured stage gates, while projects of high risk, complexity, or strategic importance operate within our traditional stage gate process and receive high levels of technical oversight and management attention.

### Innovation Committee of the Board of Directors

**Purpose:** Reviews and approves product development and business development and licensing (BD&L) plans

**Members:** Innovation Committee Chairman, three Board Members, with the CEO and President, GB&I as invited guests

**Led by:** Innovation Committee Chair

**Functions:** Reviews strategic and operational innovation plans, develops key performance indicators (KPIs) used to set Long-Term Incentive targets, monitors Tier 1 programs and KPIs, approves business development deal structures, and finalizes Board recommendations

### Executive Committee of Alcon (ECA)

**Purpose:** Approves and monitors the effectiveness of Alcon’s organic and inorganic product development plans

**Members:** CEO, Chief Financial Officer, Regional Presidents, President, GB&I, Chief Transformation Officer, and SVP, Head Corporate Development Strategy, BD&L, and M&A

**Led by:** CEO

**Functions:** Approves strategic and operational plans, drives commercial execution, coordinates intra-franchise tradeoffs, assesses Tier 1 programs, monitors KPIs, approves business development deal structures, and finalizes Board recommendations

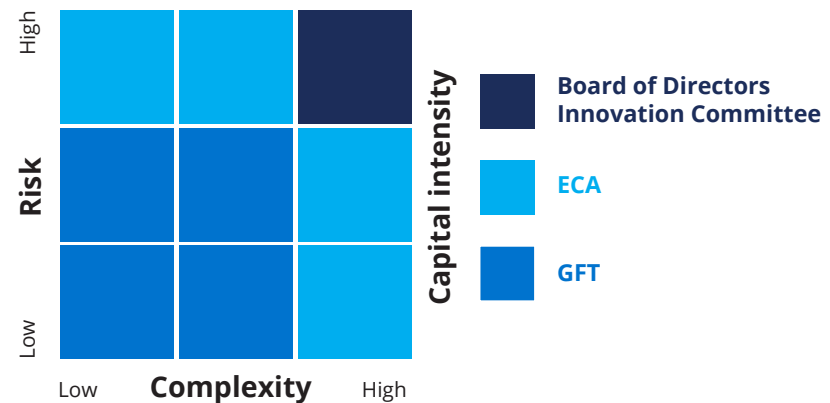
## Global Franchise Team (GFT)

**Purpose:** Oversees Alcon’s organic and inorganic product development, launch sequencing, resource deployment, and BD&L recommendations

**Members:** Senior leaders from R&D, Manufacturing and Technical Operations, Quality, Regulatory Affairs, Market Access, Strategy, Finance and Supply Chain

**Led by:** President of the Surgical or Vision Care franchise, respectively

**Functions:** Performs the strategic assessment of the commercial viability of innovative new products and services, drives portfolio recommendations, manages and guides the stage gate process, and prepares for launch readiness of all programs



**Tier 1:** High risk, high technical complexity or high capital intensity; projects approved by the ECA and governed by the Board of Directors under the guidance of the Innovation Committee and management

**Tier 2:** Moderate risk, moderate technical complexity or capital intensity; projects operate within our stage gate process and are governed by the ECA

**Tier 3:** Low risk, low technical complexity, low capital intensity; projects executed with stage gates and have moderate governance/oversight by the GFT

For more information about our corporate governance, Board and leadership team, please visit Alcon’s Investor Relations site

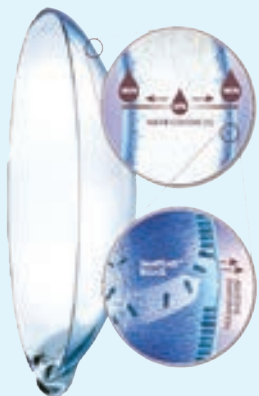
## HIGHLIGHT STORIES

## Polymer Chemistry in Vision Care

Alcon's Vision Care business has built a reputation for being the leader in innovative polymer chemistry for contact lenses. This competency has led to meaningful innovations that improve the handling, use, and comfort of contact lenses. *DAILIES TOTAL1* is the only lens with true water gradient technology that contains 100% water at the surface of the lens. This feature enables a level of comfort and visual acuity that feels like nothing at all is on the eye. This unique lens structure increases water content, so all that touches the patient's eye is a cushion of moisture. In addition, Alcon has created *SMARTEARS* technology to intuitively release natural ingredients that stabilize the tear film to prevent tear evaporation.

Building off of this scientific base, in 2019 Alcon launched a mass market SiHy daily disposable contact lens called *PRECISION1*. Founded on the same principles of polymer chemistry as *DAILIES TOTAL1*, *PRECISION1* meets the needs of a young, active population that expects their lenses to keep up with their lifestyle.

Our expertise in polymer chemistry has paved the way for the most innovative contact lens technology in Alcon's history. This technology provides the foundation to deliver unique product solutions that meet a number of known clinical and patient needs.



### WATER GRADIENT TECHNOLOGY

Increases water content near the lens surface, so all that touches the patient's eye is a cushion of moisture

### SMARTEARS TECHNOLOGY

Intuitively releases natural ingredients that stabilize the tear film to prevent tear evaporation

## ACTIVE SENTRY

The management of fluids during a cataract procedure is essential to a safe and effective removal of the cataract lens. Through ultrasonic technology, a dense cataract can be emulsified. During this process, a significant amount of heat is generated, and saline fluids are used to cool, flush, and stabilize the closed anterior chamber of the eye. In this closed, soft tissue environment, fluid management becomes the essential factor to the success of the surgical procedure.

Over Alcon's rich history in cataract surgery, our engineers have mastered the balance between inflow and outflow of this closed system. The recently introduced *ACTIVE SENTRY* handpiece, an enhancement to the *CENTURION Vision System*, integrates a miniature pressure sensor within the handpiece. This sensor continuously monitors pressure at the surgery site, allowing for almost instantaneous detection of vacuum breaks or fluid surges. Sophisticated software algorithms enable the system to rapidly employ countermeasures to minimize resulting movement within the eye. This innovative, first-to-market technology provides an added measure of confidence and consistency for the surgeon and safety for the patient.



## Product Quality & Patient Safety

Product quality and patient safety are vitally important for Alcon and the medical device industry at-large. Our customers and patients must always feel safe and secure when using our products. Compliance with local, state, federal, and international regulations is critical to Alcon's viability, and limiting the incidence of product quality and safety issues puts us in a better position to help people see brilliantly.



## Governance



### Global Medical Safety

Alcon's Global Medical Safety group, led by our Chief Medical Officer, oversees product lifecycle from development through post-production. The group conducts signal detection on adverse events, prepares benefit-risk assessments, and supports risk management activities for patient safety. The group communicates trends across functions, and cross-functional boards review the trends to make safety and management decisions. As needed, we escalate issues to our Quality Compliance group to conduct a field action assessment to determine if the issue requires market action.



### Quality Compliance

Alcon's Quality Compliance group audits our internal processes and suppliers for compliance with approved processes and procedures. This approach has enabled Alcon to build good standing with health and regulatory bodies for consistently meeting and exceeding applicable regulations.

To uphold regional quality in the countries where we operate, Alcon welcomes all feedback, including concerns from doctors and consumers. Our Vigilance Group determines whether an event is reportable and submits these events to regulatory authorities based on the rules of each country.



### Quality Management System (QMS) Group

Our QMS group is responsible for establishing and maintaining a robust and compliant quality control system across the entire company. QMS regularly monitors industry trends, as well as global and local regulation changes, and adjusts our processes and procedures to adhere to current standards and best practices.

## Quality Management System (QMS)

Our QMS covers all Alcon R&D centers, affiliates, and manufacturing sites. It is certified to ISO 9001 and ISO 13485 Standards, the Medical Device Single Audit Program (covering Australia, Canada, Japan, Brazil, and the US), and it will soon be certified to the new EU Medical Device Regulations (EUMDR).

Our QMS is composed of processes and procedures designed using industry-recognized risk management standards to mitigate risks and reliably produce high quality products. Products are designed and manufactured using the requirements prescribed in our QMS. Once marketed, we conduct periodic risk reviews with our R&D, Global Medical Safety, and Quality teams to monitor the performance of our products, processes, and systems. We reference external standards to keep our QMS consistent with state-of-the-art technology.

Adverse event reporting is one example of how we monitor the health of our products and processes. We train every associate on quality reporting through a robust curriculum that includes adverse event and complaint reporting. Our post market surveillance teams receive training on regulatory requirements, complaint and adverse event tracking, as well as complaint intake procedures to appropriately assess whether to report an event to health authorities. We have controls to manage and monitor our suppliers, and as part of our quality agreements with our suppliers, we include vigilance clauses and provide training on how to report quality complaints and adverse events to Alcon.

### Addressing Customer Complaints

- Complaint submitted by customer or associate
- Complaint logged in management system
- Vigilance assessment for complaint reportability to health authorities
- Complaint metrics tracked in Alcon Quality Analytics (AQA) tool
- Data trends reviewed at relevant manufacturing site
- Specific actions taken to address complaint trends
- Trends consolidated at franchise level and reviewed by management

### HIGHLIGHT STORY

## Quality Evolution at Alcon

Continuous improvement is critical to a robust quality management system. Alcon has coined the term Quality Evolution to highlight the importance of having a culture of quality — starting with **why** we are performing quality activities, knowing that **what** we do creates safe, effective, and reliable products, and improving upon **how** we deliver quality.

Quality Evolution is about thoughtful simplification. Through continuous improvement in quality, we increase our focus on activities that create the most value and reduce the need for reactive measures. As we move forward on our Quality Evolution journey, our initiatives allow us to focus on providing high quality products in a compliant manner.

- **Global Subject Matter Experts Infrastructure:** A community of cross-functional expertise that owns processes associated with various quality systems elements. The community leverages its relevant experience and continuous improvement techniques to keep the procedures concise and current.
- **Alcon Quality Analytics:** Our global metrics dashboard automates our data collection under a single system.
- **Quality Health Summaries (QHS):** Once potential trends in quality issues are identified, we address them aggressively until the trends start to recover in a positive direction. By raising their visibility, we focus on solving the real issues and make sure we address each one correctly the first time.

## Our Results

Our Global sites continue to demonstrate a positive compliance posture through inspections from health authorities and notified bodies, demonstrating a solid quality management system. In the last five years, we've had neither any FDA-initiated Class 1 recalls nor serious findings from regulatory authorities.

For more information, please see ESG Performance Data.

## Access, Affordability & Pricing

Value lies at the center of access and affordability. Our technologies should demonstrate evidence-based value for our patients, customers, and other healthcare decision-makers (HDMs), such as government payors and hospital systems, so they can justify and fund coverage.

### Value Framework

Our Value Framework covers multiple factors we consider when pricing our products. We incorporate the following three factors into our strategy, so our products continue to support future R&D and innovation, allowing us to continually address unmet needs globally.

**Value to clinicians and other HDMs** is the foundation of our Value Framework. Our ability to provide strong evidence of patient outcomes enables our ability to expand insurance coverage for our products and services. Evidence of value includes the clinical outcomes, economic factors, and strategic differentiation of our technologies. Where possible, we translate clinical outcomes to economic value, patient quality of life, and/or improvements in productivity.

**Reimbursement mechanisms and funding flow** are the second factor in our Value Framework. We consider available public and private payment mechanisms to make our products affordable to customers. Where reimbursement does not yet exist, we provide strong evidence of our product value to third-party payors to establish reimbursement programs that make our technologies affordable and accessible.

**Market landscape and global environment** are the third factor in our Value Framework. We consider each country's stage of market development, healthcare infrastructure, population's ability and/or willingness to pay, alternatives available to customers, and even the geopolitical environment. We also evaluate how payment and access in some markets can affect others around the world.

## Governance

Our Market Access Team, reporting to the franchise leaders on the ECA, manages Alcon's access, affordability, and pricing efforts. They collaborate with several internal functions — including R&D and Global Commercial and Franchise Marketing — to clearly communicate evidence-based value when we launch new technologies. The Market Access Team also directs our Health Economics & Outcomes Research team in how we communicate our value proposition with HDMs.



### Increasing Access

Patient access to quality eyecare is core to our business. Alcon has invested significant time and resources to innovate new technologies, pursue reimbursement (public and or private insurance) pathways, and upskill clinicians around the world to improve both outcomes and access to the highest standards. Our Government Affairs and Health Policy country-level leads engage with governmental agencies to create and maintain health policies that support innovation and patient access. We provide Alcon Experience Center tours to HDMs, helping to deepen their clinical understanding and appreciation for our innovation.

## Delivering Affordable, Quality Eye Care

In addition to access, Alcon strives to provide affordable eye care for customers and patients around the world. We are currently developing a wide range of eye care technologies, such as IOLs, to meet both clinical and affordability needs of a broad population. In certain developing markets, we also provide a less expensive alternative phacoemulsification machine to improve access to our technology while providing quality outcomes. Through both recognizing global population health dynamics and applying thoughtful innovation, Alcon can serve a broader number of patients in countries where costs may have otherwise inhibited access to quality eye care.

## Disclosure of Pricing Information

### HC-MS-240a.2

Alcon works to make our products affordable to patients and health systems by assessing local cost and access barriers, as well as by evaluating traditional and innovative reimbursement models. As a global market leader in eye care, Alcon works with HDMs to improve cost, access, and quality. The value we create determines pricing, and we take into account other factors, including geography, customer needs, volume, product cost, and investments. In various countries, we negotiate pricing contracts for our products through competitive tenders and request for proposals (RFPs) which keep the pricing of our products and services within the customer's reach and ability to pay.

## Our Results

Alcon tracks our product price performance in the markets we serve, as well as our incremental reimbursement success rate. In some markets, like Brazil and the US, the weighted average price of our products increased as we launched new product innovation, while our prices decreased in other markets such as India and Spain.

For more information, please see ESG Performance Data.

### HIGHLIGHT STORY

## Bridging the Access Gap

Phacoemulsification (phaco) is the preferred standard of care in cataract surgery. However, in low- to middle-income countries, access to this technology is affected by the lack of training and limited purchasing power.

To increase access to phaco, Alcon provides skills development through our Phaco Development (PD) Program, where a dedicated team of 200+ phaco development specialists supports surgeon training in Russia, China, India, Vietnam, Bangladesh, Indonesia, and Nepal. Since the inception of the PD program, we enrolled more than 4,000 doctors in our ongoing core and advanced PD programs. These doctors have performed approximately five million phaco procedures over the lifetime of the program.

The program has now expanded to build capabilities in additional critical ophthalmic disease areas, including vitreoretinal surgery, glaucoma, astigmatism, and presbyopia management. The program's goal is to build a foundation for a higher standard of care in ophthalmology, making eye care accessible to more people.

In addition to skills training, Alcon also develops products to address the specific needs of certain developing markets. In 2019, Alcon introduced the *LEGION* system to help fill the gap in access to phacoemulsification surgery. This affordable system brings some of the advanced features of the *CENTURION* system, combined with greater serviceability, durability, and portability to developing markets. *LEGION's* breakthrough design rivals the surgical performance of premium machines at a lower per use cost, and it has opened the door to new cataract markets around the world. First launched in India, *LEGION* has received significant enthusiasm among surgeons.

By recognizing global population health dynamics and applying thoughtful innovation, Alcon can serve a broader range of patients in countries where costs inhibit access to quality eye care.







## Philanthropy

Alcon's products have significant positive impacts on our customers and patients, and our philanthropic efforts connect to the UN Sustainable Development Goal of "No Poverty". Improving or restoring a patient's sight can provide a huge economic benefit, not only to the patient who can return to the workforce, but also to caregivers and the broader community. Vision impairment is not merely an inconvenience or a threat to employment and job productivity, but eye problems can also imperil our health and safety, increasing the risk for automobile accidents, workplace injuries, and falls among older adults.

The World Health Organization estimates one billion people have preventable and/or unaddressed vision impairment. To help meet this enormous need, we partner with organizations around the world to provide products and services, train doctors, and increase eye health awareness. We provide many opportunities to support patient care and eye care provider education through medical missions, capacity building, and equipment donation.

The primary focus of Alcon's philanthropy is capacity building. We enhance the skills of optometrists, ophthalmologists, and medical professionals around the world to provide treatments and perform eye surgeries. Alcon directs our charitable contributions to eligible non-profit organizations through two separate entities: the [Alcon Foundation](#), which provides monetary donations, and [Alcon Cares](#), which provides product and equipment donations for medical missions and capacity building around the world.

### Alcon Foundation

More than three quarters of the Alcon Foundation budget supports eye care programs internationally, with the remaining funds assisting local communities. We support optometry programs that provide vision exams, glasses, and other treatments through global non-governmental organizations (NGOs) such as VisionSpring, as well as community partners like Community Eye Clinic in Fort Worth, Texas. We also collaborate with international organizations such as Orbis, Mercy Ships, Helen Keller International, and SightLife to eliminate preventable blindness in underserved communities around the world. With their emphasis on training local eye care teams, these organizations are helping to improve both the volume and quality of eye care in low- and middle-income countries. Practitioners who receive hands-on training with volunteer surgeons, nurses, and technicians go on to provide essential ophthalmic care, transforming lives and communities in countries with high rates of blindness and vision impairment.

The impact of these programs is perhaps most remarkable when doctors who were once trainees become trainers. Dr. Patricia Eyoup Sen completed a three-month Mercy Ships Medical Capacity Building Program aboard the *Africa Mercy* during its 2018 field service program in Cameroon. After participating in more than 300 surgeries, 150 of which she led, Dr. Sen went on to re-open an eye clinic in Garoua, Cameroon that had been inoperative for more than 20 years. A year after completing her mentorship aboard the *Africa Mercy*, Dr. Sen returned to the ship as a volunteer surgeon during its Guinea field service, where she performed 85 cataract surgeries and helped mentor the current class of trainees.

For marginalized populations, the Alcon Foundation also supports community organizations and programs that provide health and social services. Examples include the Boys and Girls Club, shelters for victims of domestic violence, literacy programs, and organizations that address hunger and homelessness.

## Alcon Cares

Through Alcon Cares, we donate products and lend portable phacoemulsification units to organizations that organize and sponsor medical missions. During those medical missions, volunteers treat patients and train local Eye Care Professionals (ECPs). Alcon Cares-supported programs serve approximately 400,000 patients per year. In 2019, Alcon supported more than 500 missions to 69 countries, where volunteer surgeons performed 38,000 eye surgeries and contributed \$63 million in product and equipment donations.

To help address the eye care gap in the US, Alcon Cares partners with volunteer surgeons to provide free surgery to eligible un-insured and under-insured patients in the US. Alcon Cares serves approximately 1,200 patient surgeries a year through this program, with many suffering from advanced cataracts.

## COVID-19 Response

Early in the COVID-19 pandemic, Alcon identified three core areas to support with philanthropic programs: health services, hunger relief, and hygiene. The Alcon Foundation made monetary donations to organizations providing meals for children and seniors, essential supplies to shelters, and public health emergency relief efforts. Recipients included the International Medical Corps and the World Health Organization COVID-19 Solidarity Fund. In addition, several of our Alcon sites supported their local communities through monetary or product donations.



## Volunteerism

Through Alcon in Action, a global day of volunteerism, our associates work toward a common goal of taking action in our communities. We also bring activities onsite to provide volunteer options for associates who cannot leave campus. In 2019, 4,000 associates from 40 sites volunteered at 45 community organizations during our first standalone Alcon in Action day, and many continue to volunteer at those organizations today.

Alcon also provides opportunities for associates to volunteer their expertise. For example, our biomedical engineers and technicians participate in Orbis Flying Eye Hospital programs where they train local practitioners how to use our equipment. These associates often come back with a new outlook and insight on how Alcon helps people, providing them a renewed energy and appreciation for their work and its impact on patients. In 2019, Alcon associates volunteered with Orbis programs in Myanmar and Ghana.



For more information, please visit [Alcon's Corporate Social Responsibility site](#)

**529** medical missions  
**69** countries  
**38,000** eye surgeries

**4,000**  
volunteers  
during our first  
"Alcon in  
Action" day

### HIGHLIGHT STORY

## Alcon's 40<sup>th</sup> Anniversary With Orbis

Orbis, an NGO dedicated to saving sight worldwide by training eye care professionals in low- and middle-income countries, is a pioneer in the prevention and treatment of avoidable blindness. Through its Flying Eye Hospital, award-winning telemedicine platform, Cybersight, and long-term country programs, Orbis and its volunteers and partners help establish and strengthen sustainable eye care in communities around the world. For 40 years, Alcon has been donating ophthalmic equipment, pharmaceuticals, and supplies for Orbis global programs. Biomedical engineers and technicians from Alcon have also shared their technical skills and knowledge to help Orbis partners operate and maintain equipment and strengthen local eye care infrastructure. The Alcon Foundation has sponsored Orbis training programs in China, Ethiopia, India, Indonesia, Mongolia, Myanmar, Panama, Peru, and Vietnam.



Watch a video on [Alcon and Orbis' partnership](#)

# Caring for Our Environment

**We are committed to protecting our associates and managing our environmental footprint as our business grows.**

Fribourg, Switzerland

## Environmental Sustainability

Alcon is committed to growing sustainability by managing our environmental footprint throughout our product life cycle. As we strive toward the utmost safety and product quality, we seek to develop practical solutions to reduce energy and material use and waste.

### Governance

Our core values include protecting the environment and the health and safety of our associates, neighbors, and others who intersect with our business activities.

Alcon's corporate-level health, safety, and environment (HSE) department leads our HSE management activities. This team includes subject matter experts who assist with setting corporate policies and standards and providing tools and training to mitigate risk, drive continuous improvement, and maximize efficiency. Manufacturing sites have dedicated HSE teams, and commercial operation locations have assigned HSE champions to assist in HSE operations on a continuous basis.

#### Sustainable Products & Services

- Implement **post-use recycling** programs
- Embed environmental sustainability into **product innovation** process
- Reduce environmental impact of **packaging**

#### Energy Efficiency & GHG Reduction

- Increase our **renewable energy**
- Reduce fleet **GHG emissions**
- Embed environmental sustainability into **capital investment** evaluation process

#### Operational Waste Reduction

- Increase landfill diversion and increase number of sites with **zero waste to landfill**

#### Water Stewardship

- Improve **water use efficiency** and stewardship at sites with high water use or stress factors

## Sustainability Strategy

The spin-off of Alcon created an opportunity to chart a path towards environmental sustainability as an independent company.

In building our environmental strategy, we listened to Alcon leaders and associates, as well as investors and customers, regarding opportunities to advance our environmental sustainability. Using data gathered from our assessment, we analyzed our performance and identified opportunities for improvement across our business lifecycle.

Our environmental strategy aligns with our purpose, core values, and business strategy. Through our strategic initiatives — sustainable products and services, energy efficiency and greenhouse gas (GHG) reduction, operational waste reduction, and water stewardship — we are able to drive progress toward our sustainability vision.



For more information, please visit [Alcon's HSE policy](#)

## Sustainable Products & Services

As part of our corporate citizenship, it is our responsibility to adopt a product stewardship approach throughout ideation, development, commercialization, and disposal of our products.

### Design With the Environment in Mind

Innovation is an integral part of our business, and the environmental impact of innovation is a major focus area for our company. Safety and quality are paramount in our manufacturing process, and we strive to minimize our products' impact on the environment, including single-use products, which are increasingly being used for convenience and enhanced patient safety. Our R&D teams consider environmental aspects when initiating new designs, and they evaluate opportunities to safely reduce product packaging and post-consumer waste, while delivering breakthrough technology.

Alcon has introduced a new process for evaluating HSE requirements during the design phase for new products. The process, now an internal standard, allows design project teams to evaluate new products and materials against HSE compliance and sustainability metrics. This enables us to screen materials for chemicals of concern, identify opportunities to reduce packaging waste, and improve safety and operational performance.

### Safe Chemical Handling

We care deeply about the safety of our associates, and we take steps to implement the safe handling of chemical substances throughout our manufacturing processes. Each site goes through a chemical approval process to evaluate risk by chemical type, including the effects of exposure on associates, products, and the environment. We determine measures to protect our associates and equipment from each chemical, and we conduct cradle-to-grave assessments for each chemical's transport, arrival, handling, and disposal. As with any raw material, we complete an HSE change management process before introducing the new chemical into our manufacturing process.



### Compliance With Chemical Regulations

#### HC-MS-410a.1

As part of our ongoing commitment to product compliance and sustainability, we strive to reduce and eliminate the impact of chemicals of concern in our products. We comply with global chemical regulations including EU Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH); EU Medical Device Regulation (EU MDR); California Proposition 65 (Prop 65); and EU Restriction of Hazardous Substances (RoHS).

We actively monitor changes to applicable product regulations, as well as their impact on our industry and products, using a centralized enterprise resource planning system designed to monitor, record, and communicate changes and updates in real time. We engage with industry groups, such as the Medical Technology Europe (MedTech EU) and the European Association of the Contact Lens and Lens Care Product Manufacturers (EuromContact), to keep abreast of best practices and industry standards. We have implemented processes to evaluate the use of chemicals and parts throughout our product lifecycle, and we work closely with our suppliers to implement upstream compliance.

## Reprocessing Used or Obsolete Equipment

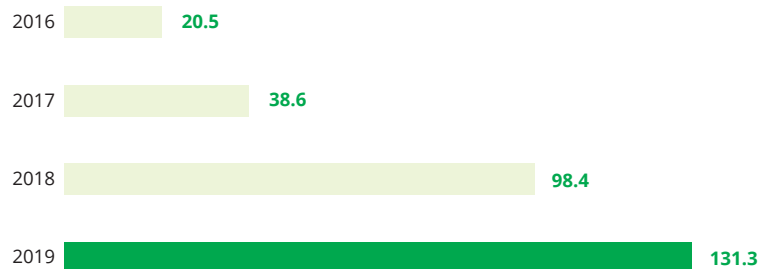
Our program to reprocess used surgical equipment has positive implications for the environment. Upon receiving returned equipment, our technical service engineers replace parts and update the existing technology to restore surgical equipment to Alcon's operational standards. Reprocessed units are used in facilities around the world, as backup or primary equipment for commercial and educational purposes. Our repair centers also reprocess used spare parts. We use environmentally safe methods to dispose of any parts that cannot be reprocessed.

## Our Results

### HC-MS-410a.2

For the SASB Product Design and Lifecycle Management accounting metric, Alcon is reporting the weight of reprocessed parts and systems. Since this program is not yet mature, we are enhancing and streamlining our data collection process. Alcon began actively tracking global reprocessing activity in 2018.

### WEIGHT OF REPROCESSED PARTS AND SYSTEMS REDEPLOYED (METRIC TONS)



### HIGHLIGHT STORY

## AUTONOME Packaging Volume Reduction Project

Sustainability was a guiding principle in the design of our next-generation IOL delivery system. *AUTONOME* provides the reliable, controlled insertion of the IOL into the capsular bag. This device arrives fully assembled with the IOL positioned within the lens bay, thus eliminating the need for separate packaging. The new design reduces the use of single-use plastics in surgical facilities and hospitals.

- 37.5% reduction in packaging surface area compared with old generation, *ULTRASERT*
- 4.6g reduction in total product primary packaging weight compared with old generation, *ULTRASERT*
- 16.9% reduction in total landfill waste and 4.9% reduction in landfill and biohazard waste compared with *ULTRASERT*
- Eliminating overwrap makes it easier for staff to use the device



# Reducing Our Environmental Footprint

Alcon is dedicated to helping people and protecting our planet by conserving our usage of natural resources, implementing energy efficiency programs, and reducing our overall carbon footprint. Each year, we set targets for waste, water, and energy reduction projects, and we monitor results of our ongoing environmental initiatives.

Our manufacturing sites have established environmental management systems, with 17 of 18 manufacturing sites certified to ISO 14001:2015. We strive to minimize our environmental impacts, manage legal compliance, and continuously improve our performance. Our management system tool helps us track completion of our compliance obligations, investigate root causes of non-compliance, and implement corrective and preventive actions.

## Our Results

### Water Management

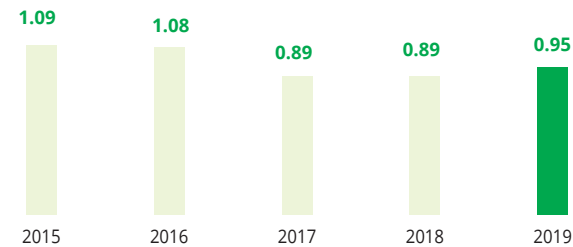
Access to good, quality, fresh water is important for our production processes, and our manufacturing sites account for most of the water usage across the organization. We continue to focus on maximizing our water efficiency and increasing reuse of water. For example, our water recycling program in Singapore resulted in an annual savings of approximately 30.5 megalitres. Overall in 2019, we implemented 12 water-saving projects, such as rainwater collection, water infrastructure upgrades, recycling of processed water, and low-flush restroom renovations. In total, these projects created approximately 75 megaliters in water savings.

### Energy Usage

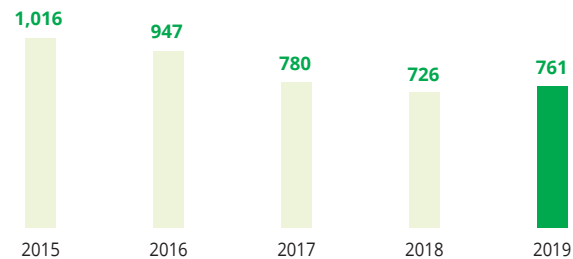
Recognizing the need to prioritize climate action, Alcon is committed to continually improving our energy efficiency across all of our sites.

In 2019, we completed 23 energy saving projects, including lighting and HVAC replacements, upgrades to compressed air equipment, and material upgrades to reduce heat island effects at our facilities. These projects resulted in energy savings of approximately 19,253 gigajoules. For example, our Houston facility invested approximately \$0.5 million in compressed air improvements and LED lighting, which resulted in 7,495 GJ of energy savings. Because of our energy savings activities, our overall energy output has remained relatively flat over the last five years, despite increased manufacturing output.

#### TOTAL WATER USAGE INTENSITY (MEGALITERS/MILLION UNITS PRODUCED)



#### ENERGY USAGE INTENSITY (GIGAJOULE/MILLION UNITS PRODUCED)



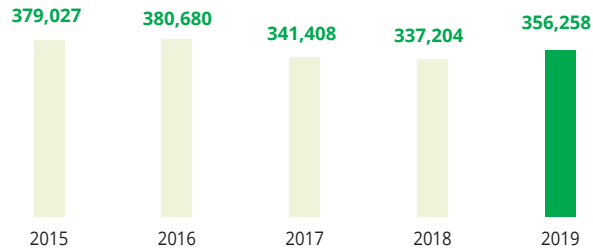
**23** projects  
executed saving  
19,250 GJs  
of energy



## Greenhouse Gas Emissions

Using a market-based approach, our direct (Scope 1) and indirect (Scope 2) GHG emissions, on an absolute basis, were 356,258 metric tons of carbon dioxide equivalent (tCO<sub>2</sub>e) in 2019. With the implementation of energy savings projects in 2019, we avoided 3,781 tCO<sub>2</sub>e greenhouse gases.

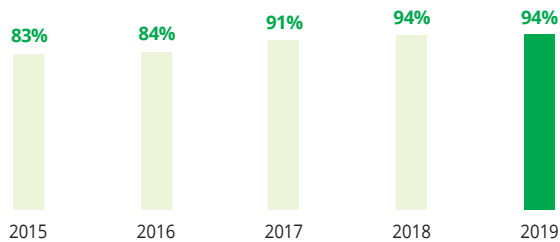
### TOTAL SCOPE 1 & SCOPE 2 GHG EMISSIONS (tCO<sub>2</sub>e)\*



## Waste Minimization

We are working to reduce waste by reusing resources where possible, increasing recycling, generating less hazardous waste, and diverting non-hazardous waste from landfills.

### NON-HAZARDOUS WASTE LANDFILL DIVERSION RATE



For more information, please see ESG Performance Data.

\* Scope 1: total amount of GHG emissions from sources owned or controlled by Alcon and its subsidiaries.

Scope 2: total amount of GHG emissions from sources related to the generation of purchased energy outside the company's boundaries.

\* GHG emissions include carbon dioxide (CO<sub>2</sub>) and hydrofluorocarbons (HFCs)

### HIGHLIGHT STORY

## Circularity in Practice in Our Vision Care Franchise

Our Georgia (US) site introduced a methyl ethyl ketone (MEK) decanting process to separate and recover excess water from MEK waste. This process, also used at our location in Germany, reduces water content in MEK waste from 30-50% to less than 15%, and decreases the MEK waste sent to a third-party vendor by approximately 20%. The reuse of these materials reduced raw material consumption by 200 tons, and has the potential to generate ~\$1.0 million of savings per year.

With our effort to promote materials recycling, approximately 99% of hazardous waste, mainly solvents, is recycled and reused in our production of contact lens products.



**94%**  
of MTO non-hazardous waste diverted from landfill



# Winning in the Workplace

With the successful spin-off  
of Alcon, we are re-energizing  
our culture and providing  
opportunities for growth.

Fort Worth, Texas, USA

## Talent Attraction & Retention

The Alcon [Blueprint](#), which includes our Values & Behaviors, sets the stage for talent and culture at Alcon. It is the bedrock for how we attract, develop, and retain top talent. We seek diverse talent who embody our values and contribute to a culture that enables us to help people see brilliantly. We work with associates to set challenging performance and career goals, offer training and development opportunities, and encourage growth through mentoring, challenging roles and assignments – all while ensuring competitive compensation and benefits.

### Governance

Our SVP, Chief Human Resources Officer, working with the Global Head of Talent Acquisition and the Global Head of Talent Management and Organization Development, develops and manages policies and practices that support and advance the business' strategic direction. By collaborating with business operations and support function leaders, we create comprehensive strategic recruiting and retention plans to meet our human capital needs.

### Talent Attraction

Our talent acquisition process encompasses all facets of workforce planning, employer branding, talent assessment and selection, and onboarding of new associates. In alignment with our [Code of Business Conduct](#), as well as other policies and guidelines, we apply a fair and consistent process to our recruitment and retention approach for all associates.

Our strong benefits package also factors into our talent attraction strategy. We offer competitive benefits for full- and part-time associates, which vary depending on location. Alcon's spin-off has allowed us to drive results by more directly linking performance with employee rewards. We provide short- and long-term incentives in the form of restricted stock grants to eligible associates.

As part of building a strong talent pipeline, Alcon supports STEM education within our communities. Today's science, technology, engineering, and mathematics (STEM) students can become our future associates, and investing in their development is a priority. In 2019, the Fort Worth office hosted a STEM fair that attracted approximately 100 students from local schools. They visited our Alcon Experience Center and wet lab, where they spent the day learning from our scientists and engineers.



We demonstrate our commitment to recruiting a diverse talent pool by conducting college visits to schools that champion underrepresented groups. We also engage with different student groups, including Latino student organizations and the Society of Women Engineers, on activities ranging from resume-building and Alcon campus tours to participation in classroom instruction.

Moving forward, we will be able to measure global key talent acquisition metrics such as time-to-fill, cost-per-hire, and the effectiveness of our sourcing channels through a new human capital management and applicant tracking system.

## Talent Retention

Alcon focuses on the care and growth of our associates through learning and development, performance management, career progression, and associate engagement. We help our associates achieve their career goals by working with them to define development options and pathways. We give them the tools to take charge, as well as learning through mentoring, coaching, training programs, and employee resource groups (ERGs). In addition, various Alcon functions provide specialized training and development to help maintain our competitive edge.

In 2019, as part of our culture and associate engagement effort, Alcon successfully launched an associate survey tool, the Associate Experience Dashboard (AED). The AED gauges associate sentiment on a variety of topics, including connection to our purpose, ability to speak up, and empowerment to make decisions. We encourage managers to share results with their teams and take steps to improve the associate experience. We also use feedback from the survey to improve how we execute organizational change and inform our talent strategy.

## Focus on Performance

Our performance management process focuses on driving performance with the right behaviors. Goal setting and alignment is a company-wide effort initiated by the executive leadership team at the beginning of each year to focus all associates on the company's priorities. Associates use the goal alignment process to set individual performance goals and evaluate performance according to individual goals, as well as Alcon values and behaviors.



## Our Results

In 2019, our AED Engagement Index scored higher than our peers, demonstrating associate optimism and engagement towards achieving our mission. As we navigated significant changes related to our separation process and transformation program, we conducted three short surveys to measure sentiment throughout 2019. We were pleased to find consistency and stability in our associates' sense of purpose and excitement for the future. In addition, we measure and manage turnover at the local level, and we have seen steady improvement over the last several years.

For more information, please see ESG Performance Data.



For more information, please visit [Alcon Careers](#)

## Diversity & Inclusion (D&I)

The breadth, depth, and diversity of our collective experiences differentiate Alcon. We believe we will build an even stronger Alcon by cultivating a more diverse and inclusive culture. Every day we strive to advance the quality of patient outcomes across an incredibly diverse population of patients, providers, and payors. By unleashing the full potential of our people, we accelerate innovation, improve quality, and deliver better patient outcomes.

### Governance

Diversity and Inclusion is co-led by the President, GB&I and the SVP, Chief Human Resources Officer. The Global Head of D&I collaborates with the organization, Human Resources, and Alcon's D&I Counsel to build our D&I programs. Established in 2014, Alcon's Global D&I Counsel is composed of a diverse, cross-functional set of leaders who help set and execute strategy, promote awareness, and evaluate metrics around our D&I efforts.

### D&I Ambassadors

The D&I Ambassador program engages Alcon associates all over the globe to create an inclusive environment. D&I Ambassadors host educational opportunities, such as our Cultural Competency, Unconscious Bias and Psychological Safety programs, as well as activities to celebrate diversity at Alcon. For example, D&I Ambassadors host an annual Diversity Fair to celebrate the 26 countries represented by Alcon associates at the Houston site. Furthermore, in 2019, with the help of the Open Professional Employee Network (OPEN) ERG, Alcon earned a score of 90/100 in the Human Rights Campaign's Corporate Equality Index (CEI), which rates company policies supporting the LGBTQ+ community.

### Employee Resource Groups

Our ERGs provide strong development opportunities for our associates. The ERGs aim to provide programming, mentoring, and professional development while contributing to Alcon's business goals. Each ERG has an executive business sponsor. We have nine ERGs at various Alcon locations, and these groups are now starting to expand outside of North America.



#### ERGs

- African Ancestry Cultivating Excellence
- Alcon Chinese Association
- Administrative Professionals Network
- Latin Employees @ Alcon Driving Success
- Military Affinity Group
- Open Professional Employee Network
- Women Innovating Now
- Working Parents
- Young Professionals

## HIGHLIGHT STORY

## Inclusive Design

In the last decade, the number of female ophthalmologists as a percentage of all surgeons has steadily grown. Historically, product designs have unconsciously catered to men, resulting in unintentional ergonomic disadvantages for women. To address that bias, Alcon is changing our product design approach to be more inclusive of women.

Physical differences in height and hand size, in addition to the potential for repetitive injury, have influenced the design of our new surgical products. Through insights provided by our Women Innovating Now (WIN) ERG, we now consider physical height and hand size in our product design. The first products to be impacted by this research are our surgical visualization system and hand-activated forceps.

Within visualization systems, innovations such as the *ORA Wavefront Aberrometry* and *iOCT* attach to the analogue microscope stack, resulting in an increased height of the microscope's oculars. In extreme cases, this could potentially contribute to the rise of repetitive-use injuries to the cervical spine. With Alcon's *NGENUITY* system, a 3D camera replaces the microscope's oculars, allowing the surgeon to operate with a heads-up view of an OLED display, eliminating potential strain and back injury. This design change eliminates the impact of stack height, resulting in a more ergonomically sound environment.

Through this research, we also recognized that physical differences in users' hand sizes required improvements to our hand-activated forceps. As a result, we have created hand forceps with smaller dimensions in terms of length and circumference of the activation mechanism, as well as reduction of the required hand activation force. These features subsequently enable more surgeons to effectively and comfortably use our products.

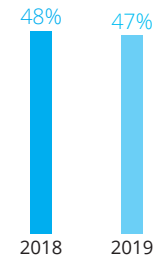
## Training

Our D&I training programs address various dimensions of diversity, including raising awareness, advanced learning, skill-building, and action. Through these programs, we raise awareness about diversity and associates' understanding of cultural differences, and we build inclusive leadership behaviors. We believe we make the biggest impact on diversity and inclusion through education and by embedding it into everything we do.

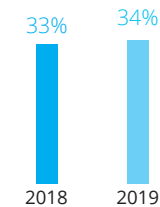
## Our Results

We have identified key focus areas for increasing representation of female and ethnic diversity at supervisor and management levels, as well as at all levels of the company. We recognize the importance of continuing to strengthen our company-wide effort to build a more diverse workforce.

### GLOBAL FEMALE REPRESENTATION



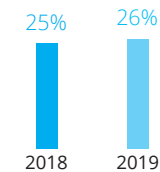
### GLOBAL FEMALE REPRESENTATION (MANAGERS/SUPERVISORS)



### US ETHNICALLY DIVERSE\*



### US ETHNICALLY DIVERSE (MANAGERS/SUPERVISORS)\*



\* Includes American Indian/Alaska Native, Asian, Black/African-American, Hispanic/Latino, Native Hawaiian/Other Pacific Islander, and two or more races.

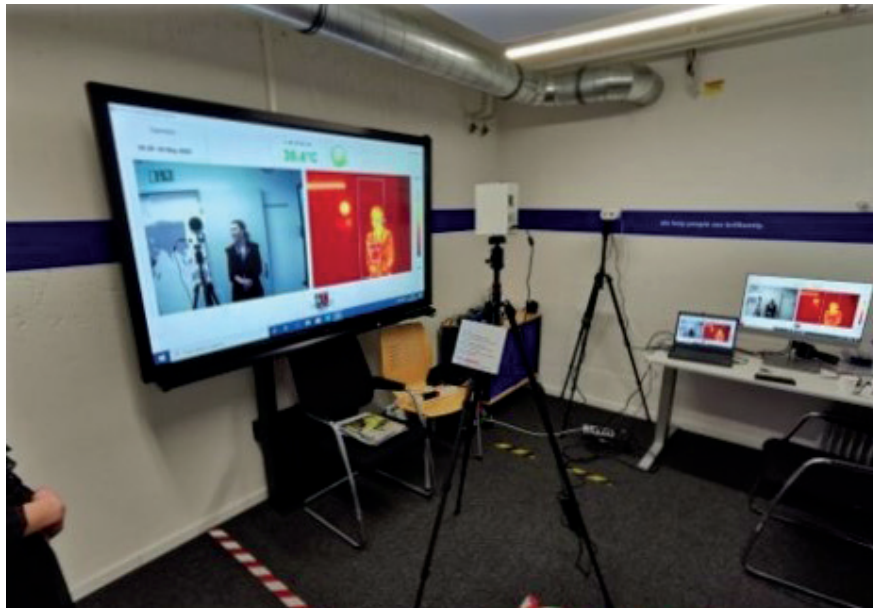
For more information, please see ESG Performance Data.

## Health & Safety

We truly care about people — our associates, visitors to our campus, and our neighbors in the communities where we operate and work. Alcon is committed to fostering a culture of safety and health to help our associates thrive as they meet the demands of running one of the largest eye care organizations with operations in 170 countries.

### COVID-19 Response

During the COVID-19 pandemic, our crisis management teams spearheaded a globally coordinated response to protect our associates around the world. All office-based associates were encouraged to work from home, while our sales and customer service teams delivered remote account management. New safety measures were implemented to protect associates onsite, such as modified workstation arrangements, scheduling changes to reduce the crossflow of people between shifts, enhanced cleaning and sanitization, and temperature screenings prior to entry.



## Governance

At Alcon, our core values include protecting the health and safety of our associates, communities, and the environment. Alcon is committed to creating safe workplaces, reducing environmental impacts across our business lifecycle, and building a strong culture. We believe everyone is responsible for the HSE of our community, and we expect everyone we work with to follow our guidelines. We encourage our associates and partners to report unsafe conditions and behaviors in accordance with our Speak Up for Safety Policy.

Our global HSE department develops our corporate HSE policies and standards, management tools, and training site to mitigate risk and drive continuous improvement. Each Alcon manufacturing site has a dedicated HSE team and a cross-functional HSE Committee. Our commercial locations have designated HSE champions as well. Alcon's annual goal-setting process focuses on continual improvement, taking into consideration results of internal and external assessments, health and safety performance, and changing regulatory requirements.

Alcon's robust HSE change management process outlines requirements for identifying and managing HSE risks associated with capital investment projects and plant modifications, from initiation through handover operations. For alignment, we share standards throughout Alcon locations.



## Safety Management Systems

Our global safety standards play a crucial role in providing a healthy and safe working environment for our associates and visitors. We use risk registers at our sites to identify all HSE risks and necessary controls. Alcon's site leadership reviews our risk action plans annually.

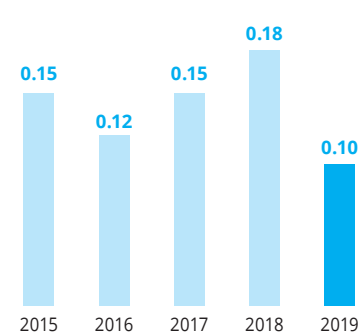
Alcon's site leadership also takes a proactive role in overall safety performance by promoting leadership and associate collaboration on safety with activities, such as management walk-throughs, town hall meetings, and team safety huddles. We have a robust investigation process that quickly identifies actual or potential incidents that could result in a serious injury or fatality. Potentially serious events are communicated to sites to identify the need for corrective actions.

In 2019, we rolled out our Supervisor Boot Camp training to manufacturing site leaders to enhance our culture of safety. The training coaches leaders to correct unsafe conditions, address HSE-related issues, and communicate HSE-related concerns effectively. In 2019, we conducted 42 boot camp sessions at 14 locations, training 597 leaders.

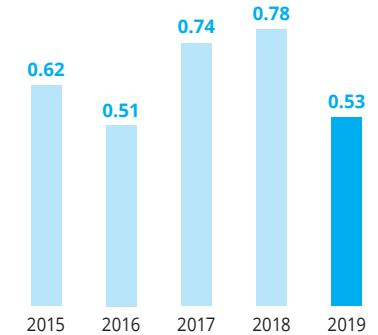
## Contractor Safety

We also evaluate contractor health and safety with a third-party assessor ahead of their arrival on Alcon locations; additionally, we audit their activities while they are on location. We regularly evaluate contractors' compliance with our HSE requirements. Deficiencies in programs and training identified in the pre-screening evaluation are addressed before contractors arrive at a location. Operational performance gaps are immediately corrected to prevent adverse impact to associates, contractors, or visitors.

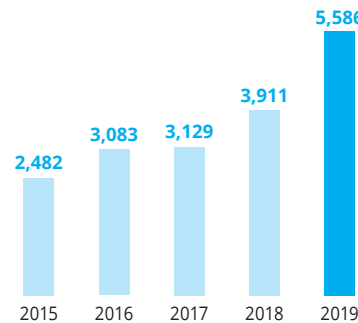
### LOST TIME INCIDENT RATE



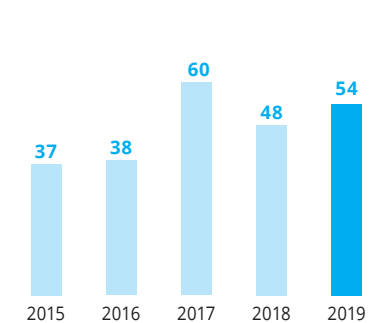
### TOTAL RECORDABLE CASE RATE



### MANAGEMENT WALK-THROUGHS



### NEAR MISS AND GOOD CATCH RATE



For definitions, see footnotes on page 45

7,685

Good Catches fixed by our associates

5,586

HSE management walk-throughs



## Wellness Activities

At Alcon, health and wellness promotion is critical to creating an energized and productive workforce, both on and off the job. Alcon sites worldwide undertook initiatives to promote the health and well-being of associates. During 2019, some of the offerings included access to fitness activities, healthy eating options, annual health checks, flu vaccinations, mental health support, and first aid responders.

## Occupational Health

Our manufacturing sites conduct medical surveillance to better protect our associates. HSE associates collaborate with Occupational Health Group to work through data and implement engineering controls. For example, Alcon Fort Worth North (Texas) installed noise-reducing ceiling tiles in the workplace to protect our associates' hearing at work.

## Our Results

Alcon tracks our safety performance for both associates and contractors. In 2019, the main injuries associates sustained were sprains and strains, while contractors experienced sprains and strains as well as lacerations, cuts, and bites. We are pleased to report no fatalities, and our recordable and high-consequence work-related injuries improved year-over-year.

For more information, please see ESG Performance Data.



### HIGHLIGHT STORY

## Commercial HSE Champions

In 2019, HSE champions were appointed in approximately 75 country organizations. HSE champions are responsible to facilitate of HSE management in each location. They are supported by the Regional HSE business partners, as well as the HSE global technical functions (Safety, Occupational Health & Environmental). Programs are divided into four different categories: emergency preparation and incident reporting, accident prevention and reporting, fire and life safety, and HSE data and documentation. These programs guide the champions on the health and safety management of our commercial associates.

# Working With Integrity

We are committed to doing business the right way, based on the highest standards of integrity.

## Business Ethics

We are committed to doing business the right way, without exception, and we expect our associates to adhere to the highest standards of honesty and integrity. We designed our global ethics and compliance program to promote a culture of ethical behavior in accordance with the Compliance Program Guidance published by the Office of the Inspector General, US Department of Health and Human Services. Alcon's framework of ethics governance covers standards of behavior, associate training, auditing, reporting, and disciplinary actions.

Our **Code of Business Conduct** defines our standards of conduct and the shared responsibility of all our associates and our Board of Directors to act ethically and responsibly. The Code is available in 23 languages, as is the mandatory training and certification covering the Code, which is delivered to all associates annually. We adhere to additional compliance policies including guidance from industry association groups, such as AdvaMed, AbiMed, APACMED, and MedTech, which advise on the appropriate rules of engagement with healthcare professionals. These policies and associated training programs are available in more than 20 languages, and they are updated regularly.



## Governance

The Audit and Risk Committee of the Alcon Board of Directors supervises our global ethics and compliance program and receives regular updates on compliance-related matters. The program, led by the Global Head, Integrity and Compliance under the functional leadership of our SVP, General Counsel and Corporate Secretary, is intended to prevent, detect, and mitigate compliance risk across the organization. Furthermore, the corporate Audit and Compliance Committee, chaired by our Chief Executive Officer, meets quarterly to provide strategic direction and oversight relating to the implementation of the compliance program and management of compliance risks. We have also established similar compliance committees at the regional and country levels.

## Code of Ethics & Healthcare Professionals

### HC-MS-510a.2

The Lens, our global policy on professional practices, defines the requirements for associates interacting with healthcare professionals. The Lens emphasizes five ethical principles that apply to all Alcon interactions with healthcare professionals:

- We must put patients and consumers first
- We must act with clear and proper intent
- We must research for the right reasons
- We must engage appropriately
- We must fund and donate responsibly

We embed this core policy into each of our business operations around the world. We communicate these requirements to our associates through a multi-channel approach that involves formal training on global and local perspectives, quick reference guides to assist with daily activities, and frequent reminders to keep these principles front of mind.

## Preventing Off-Label Use

### HC-MS-270a.2

We are committed to communicating about our products and services responsibly and in a manner that is accurate, truthful, and appropriate for the intended context. We promote our products according to their approved use, and we design our policies and procedures, including The Lens, in accordance with requirements. In 2019, we introduced a new approval process for promotional materials. The process consists of a single global review and approval tool to review, approve, and retain evidence of our promotional materials. We regularly monitor our existing materials for corrective action.

## Monitoring Compliance

We test compliance with our policies and procedures through our auditing and monitoring program on an annual basis. Our global risk and controls assessment process guides these efforts. Our audits provide insights to our different compliance risks by region and country as well as by type of interaction. Any action items identified are tracked, and corrections made in a timely manner. Any violations of our **Code of Business Conduct** or policies are investigated.

## Reporting Concerns

We expect our associates to speak up and report ethical concerns, so we continue to earn and maintain the trust of our stakeholders. Our **Code of Business Conduct** stresses that we build trust by speaking up, and we reinforce the importance of this through training and communications programs, “Speak Up” posters throughout our facilities, and talking points in our leadership communications.

We foster an environment where our associates can ask questions and raise concerns about unethical or inappropriate behavior in good faith, without fear of retaliation. We have processes to enable any associate to speak up at any time. An independent third party maintains Alcon’s Ethics Helpline, which provides 24/7 live and web-based support in 21 languages. All reported concerns are reviewed in a timely manner. For any instances of confirmed misconduct, we carry out appropriate corrective or disciplinary actions up to and including termination of employment.

## Our Results

In the last five years, we have achieved a 98% or better completion rate for Code of Business Conduct Training. We have not incurred any monetary losses resulting from ethics in the five year period ending in 2019.

For more information, please refer to ESG Performance Data.



# Responsible Procurement & Supply Chain

Our stakeholders expect Alcon to apply our values throughout our supply chain. Our commitment starts with procurement and continues through the traceability of our products throughout the distribution chain.

## Governance

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Our Procurement team is tasked with responsible procurement, supplier diversity, and reporting of conflict/critical minerals throughout Alcon's supply chain. In addition, our Supply Chain, Integrity and Compliance, and Quality Operations functions contribute to our supply chain management efforts. Alcon's Integrity and Compliance function evaluates new and existing suppliers for potential risks and works to reduce or eliminate risk issues with appropriate mitigation plans.

We expect our suppliers to meet Alcon's standards in delivery, cost, innovation, and regulatory targets. In order to do so, we collect and track this data through business reviews and when we are evaluating suppliers for new business.

## Third Party Code of Conduct

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We promote the societal and environmental values of the United Nations Global Compact to our suppliers and use our influence, where possible, to encourage their adoption. The **Alcon Third Party Code of Conduct** combines the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and other international standards or accepted good practices. Our **Third Party Code of Conduct** covers numerous ESG topics including labor rights, health and safety, environment, animal welfare, anti-bribery and fair competition, data privacy and information protection, conflict minerals, management systems, and trade sanctions and export controls.



The Third Party Code of Conduct aligns with **Alcon's Code of Business Conduct**. We provide a link to the Third Party Code of Conduct in our Global Master Service Agreement and in our electronic purchase orders. We require our third parties to comply with the standards defined in the Code. Furthermore, we expect third parties to adopt, with their own suppliers, standards that broadly cover the same principles contained in our Third Party Code of Conduct.

## Track & Trace Program

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### HC-MS-430a.2

To maintain traceability of our products within the distribution chain, Alcon applies track and trace procedures that comply with global regulatory requirements. These track and trace procedures monitor end-to-end traceability and identification through all stages of manufacturing and distribution. To maintain the safety and security of the supply chain, Alcon uses Unique Device Identifiers (UDIs) on required medical device packaging and finished product level serialization on all prescription drugs. Both the UDI and drug product serialization incorporate human and machine-readable identification that provides enhanced product tracing at the customer level.

## Critical Materials

### HC-MS-430a.3

Most critical materials and production processes used in the manufacture of Alcon's products are, where possible, dual sourced. Alcon maintains an ongoing risk mitigation project team to manage the risks in our supply chain of critical materials. We conduct business with a wide range of suppliers, and our manufacturing operations are not overly dependent on a single supplier, except where intellectual property and/or other exclusivity agreements exist. Our annual spend with the largest direct material supplier to Alcon accounts for less than 4% of our total annual direct material expenditure.

We seek to understand the origin of the materials that go into our products, and we have adopted a formal Conflict Minerals policy, which we communicate to and enforce with our suppliers. This policy describes our commitment to compliance with conflict minerals requirements, supplier due diligence, and ongoing supply chain evaluation. Annually, we establish and document our process to evaluate our products, in order to identify and assess the presence and sources of conflict minerals in the supply chain. Our Conflict Minerals Core Team uses standardized documentation to capture data, key decisions, and processes and procedures related to the use and sources of conflict minerals in our products. We retain such documentation in accordance with our corporate document retention policy. On May 29, 2020, we published our first **Conflict Minerals Report** as a standalone company.

As we move forward, we are improving our due diligence process by increasing supplier responses to our Reasonable Country of Origin Inquiry (RCOI) in terms of accuracy, timeliness, and completeness.

## Supplier Diversity Program

Alcon continually seeks to identify and collaborate with best-in-class diverse suppliers. To this end, we are committed to building a strong Supplier Diversity Program in the US by:

- Expanding the inclusion of large and small diverse suppliers in the procurement process
- Seeking diverse and/or small suppliers through outreach efforts
- Communicating the value of supplier diversity to stakeholders

- Leveraging supplier diversity results to meet internal and external goals
- Measuring success based on quarterly and annual metrics for supplier diversity

We seek to partner with suppliers in the following categories:

- Women-Owned Business Enterprises (WBE)
- Minority-Owned Business Enterprises (MBE)
- Veteran-Owned Business Enterprises (VBE)
- Small Business Enterprises (SBE)
- Lesbian/Gay/Bisexual/Transgender-Owned Enterprises (LGBT-OWNED)

As a member of the Dallas Fort Worth (DFW) Minority Supplier Development Council and the Women's Business Council Southwest, Alcon participates in various outreach activities to support our supplier diversity goals and objectives. These outreach activities provide an opportunity to promote innovation through the introduction of new products, services, and solutions, as well as to collaborate on industry best practices.

## Our Results

We track our spending on diverse suppliers to measure our impact on diverse and small business enterprises. In 2019, Alcon spent 12% of our US supplier spend on qualified diverse suppliers.

### 2019 DIVERSE SUPPLIER SPEND

Diverse Supplier Category	2019
All Diverse and Small Suppliers	\$226M
Minority-Owned Business Enterprise	\$33M
Women-Owned Business Enterprise	\$50M
Veteran-Owned Business Enterprise	\$7M
Small Business Enterprise	\$199M
LGBT-Owned Enterprise	\$0.31M

For more information, please see ESG Performance Data.

## Cybersecurity & Data Privacy

Complex global legislation regulates the collection, processing, storage, and transfer of personal data related to patients, customers, and associates. As new and enhanced privacy regulations and penalties are enacted around the world, failure to comply with the regulations could negatively affect Alcon's reputation and our stakeholder relationships.

Many of our technological advancements, such as our Digital Health Suite with cloud-based applications, enable exciting opportunities for data collection and analysis while improving customer experiences. However, these advancements also increase our responsibility to protect the personal information entrusted to us.

In 2012, we began a multi-year software implementation project to standardize our digital processes, enhance data transparency, and integrate our information technology systems across our global operations. To do this, we made a significant investment in a new enterprise resource planning software platform. The consolidation of our enterprise-wide data and the rationalization of systems will enable Alcon to better protect information assets under our Cybersecurity and Information Management processes.



## Governance

Alcon's Enterprise Risk Management (ERM) team monitors risks in these areas and regularly reports to the Alcon Board of Directors. Our IT Security team and Intellectual Property & Data Privacy team also support our cybersecurity and certain data privacy efforts. The Alcon Security Operations Center is responsible for our Cybersecurity Incident Management and Response process. Together with the Alcon Crisis Management process, this process oversees consistent cyber management across our business areas.

The Alcon Global Privacy Office (GPO), headed by Alcon's Global Head of Privacy, is responsible for managing our privacy compliance. The Global Head of Privacy reports directly to our SVP, General Counsel and Corporate Secretary, supported by regional privacy officers across North America, Europe, and local privacy teams worldwide. The GPO works in close cooperation with our IT Security, Legal, and Compliance functions. The GPO is represented on the Alcon Audit and Compliance Committee, and this office participates in our ongoing ERM process. Our Global Privacy Program aims to protect privacy with an effective framework of policies, procedures, and training that addresses the management of personal data.

Our Global Policy on the Protection of Personal Data establishes global requirements for the fair and lawful collection, processing, handling, and protection of personal data by and on behalf of Alcon. Protecting this information is crucial to preserving our stakeholders' trust in Alcon, as well as protecting our brand and reputation.

In addition, we continually monitor compliance with privacy-related laws in each of our markets around the globe, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), General Data Protection Regulation (GDPR) in Europe, and many other national privacy and cybersecurity laws.

## Training & Education

We center our cybersecurity training and education on user awareness. We cover key topics, such as:

- Phishing
- Malware
- Cyber best practices
- High-level security risks

We provide general information and education using multiple channels to educate and alert associates. We also provide general, function-specific, and regionally relevant data privacy training.

Alcon's security and compliance model is aligned with internationally recognized industry standards for security, such as those from the National Institute of Standards and Technology (NIST) and the International Organization for Standardization (ISO). Alcon is currently executing a transition of assets related to its spin-off from Novartis, and the company is using specific protocols to maintain the effectiveness of its security program during the process.



## Our Results

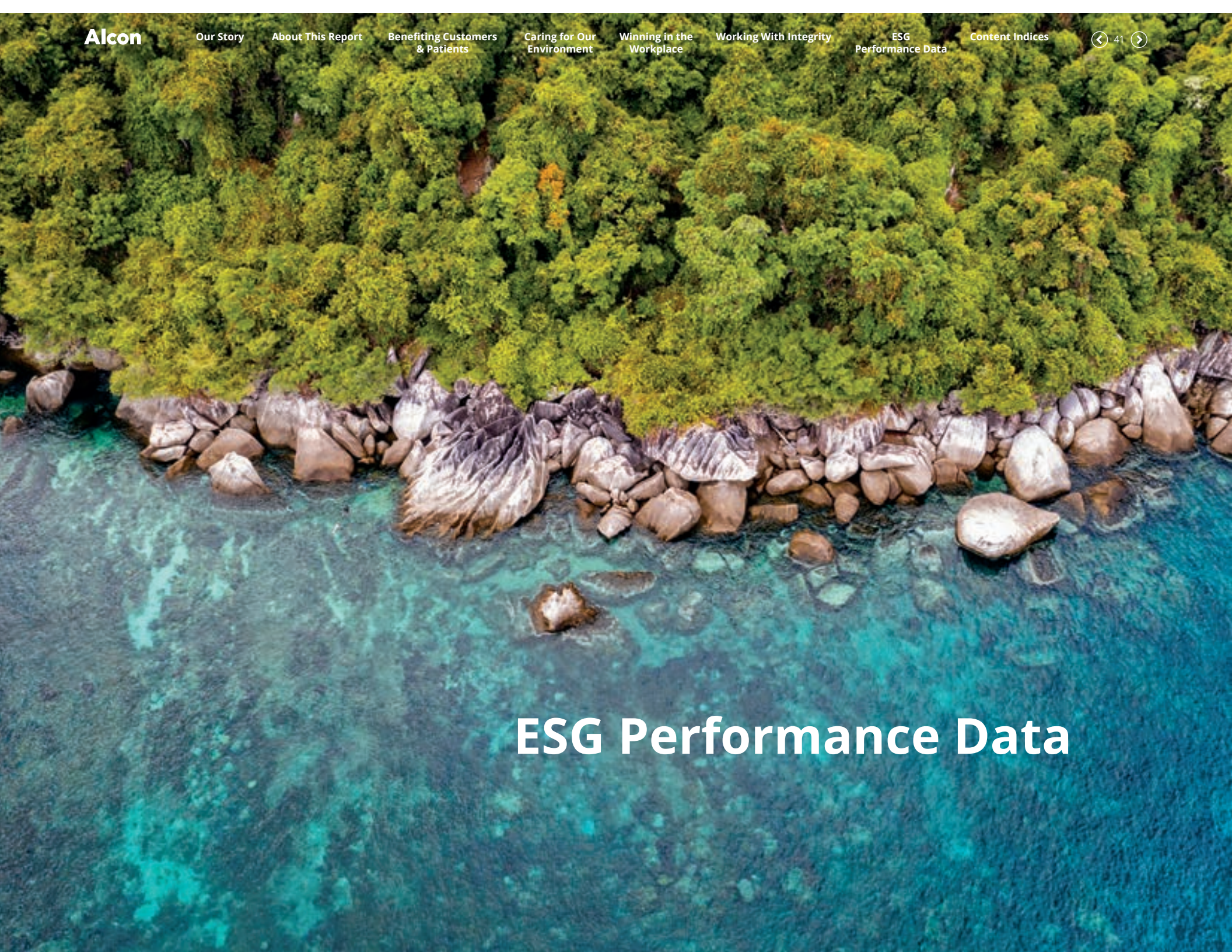
Alcon measures the effectiveness of our cybersecurity and data privacy efforts in many ways.

<b>Education</b>	All full-time associates undergo information security training and phishing testing, and based on testing outcomes, information security training is adjusted to address deficiencies
<b>Customer Satisfaction</b>	System downtime caused by information security incidents
<b>Strategy</b>	Information security maturity based on standard security frameworks for the industry
<b>Staffing/Spending</b>	Dedicated resources to IT Security and Compliance functions in key roles; percentage of IT budget allocated to IT Security
<b>Audit/Compliance</b>	Information security related audit issues
<b>Security Incidents</b>	Number of priority 1 and 2 incidents
<b>Vulnerability</b>	Percentage of devices with current security software; percentage of systems with no critical vulnerabilities
<b>Exception Management</b>	Number of security standard exceptions on high-risk systems



For more information, please visit [Alcon's Responsible Business Practices site](#)





# ESG Performance Data

	2015	2016	2017	2018	2019
<b>R&amp;D PRODUCTIVITY</b>					
Number of first-to-market launches	12	8	10	14	14
Number of product approvals (major markets) <sup>1</sup>	16	26	43	64	58
<b>QUALITY MANAGEMENT SYSTEM</b>					
<b>Number of recalls issued SASB HC-MS-250a.1</b>					
Number of FDA-initiated recalls	—	—	—	—	—
Class I	—	—	—	—	—
Class II	—	—	—	—	—
Class III	—	—	—	—	—
<b>Total recalls for medical device products</b>	5	3	3	3	1
Recalls in non-US markets (medical device)	5	3	1	3	—
Recalls initiated voluntarily and not reported to FDA - class III (medical device)	—	—	—	—	1
<b>Total recalls for medical device products (units)</b>	349,822	266,074	558,274	53,712	79
Recalls in non-US markets (medical device)	129,144	208,572	93	15,060	—
Recalls initiated voluntarily and not reported to FDA (medical device)	—	—	—	—	79
<b>QUALITY MANAGEMENT SYSTEM</b>					
<b>Products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database SASB HC-MS-250a.2</b>	—	—	—	1 <sup>2</sup>	—
<b>Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience SASB HC-MS-250a.3</b>	—	—	—	—	—
<b>Number of FDA enforcement actions taken in response to violations of Current Good Manufacturing Practices (CGMP), by type SASB HC-MS-250a.4</b>	—	—	—	—	—

<sup>1</sup> US / EU / Canada / Japan / Brazil / Korea / Australia / China / Russia / India

<sup>2</sup> CyPass Micro-Stent System

	2015	2016	2017	2018	2019
<b>RELATIVE PRICE PERFORMANCE</b>					
Ratio of weighted average rate of net price increases in the US (for all products) to the annual increase in the US CPI <b>SASB HC-MS-240a.1</b>	N/A	N/A	N/A	N/A	0.73
<b>PHILANTHROPY<sup>3</sup></b>					
Number of medical missions supported	549	646	554	593	529
Number of surgeries	34,000	47,000	34,000	36,000	38,000
Number of people treated	393,000	484,000	392,000	414,000	308,000
<b>ENVIRONMENTAL PERFORMANCE</b>					
<b>Water consumption</b> (megaliters) <b>GRI 303-5</b>					
Total water consumption from all areas (megaliters)	3,373	3,616	3,293	3,524	3,793 <sup>4</sup>
<b>Waste by type and disposal method</b> (tons) <b>GRI 306-2</b>					
Total hazardous (tons)	18,836	19,206	19,784	20,462	20,993
Total non-hazardous (tons)	18,559	17,078	19,878	21,797	25,655 <sup>4</sup>
<b>Energy intensity</b> (gigajoules/million units produced) <b>GRI 302-3</b>					
Energy intensity ratio for the organization (gigajoules/million units produced)	1,016	947	780	726	761 <sup>4</sup>
<b>Emissions intensity</b> (tons of GHG/terajoule) <b>GRI 305-4</b>					
GHG emissions intensity ratio for the organization on-site generated energy (t/TJ)	55	57	56	55	55
GHG emissions intensity ratio for the organization purchased energy (t/TJ)	151	151	143	142	141

<sup>3</sup> For safety reasons, Alcon does not support medical missions to countries with US State Department Level 4 travel advisories. In 2018, Alcon supported 79 missions to Haiti. In 2019, Haiti was at a Level 4 for several months, which affected mission activity.

<sup>4</sup> Includes 67 Commercial Operations sites in 2019.

	2015	2016	2017	2018	2019
<b>TALENT ATTRACTION &amp; RETENTION</b>					
Total turnover rate	11.7%	11.4%	9.3%	8.7%	9.0% <sup>5</sup>
Voluntary turnover rate	7.2%	7.1%	6.0%	5.8%	6.0%
<b>DIVERSITY &amp; INCLUSION</b>					
Global female representation				48%	47%
Global female representation (managers/supervisors)				33%	34%
US ethnically diverse <sup>6</sup>				42%	44%
US ethnically diverse (managers/supervisors) <sup>6</sup>				25%	26%
<b>SAFETY PERFORMANCE</b>					
<b>Work-related injuries</b>					
<b>GRI 403-9</b>					
Employee fatalities	—	—	1	—	—
Contractor fatalities	—	—	—	—	—
High-consequence work-related injuries (excluding fatalities) — associates	Not Tracked	1	—	1	—
Recordable work-related injuries (including fatalities) — associates	196	155	143	148	143
<b>Work-related injury rate</b>					
<b>GRI 403-9</b>					
Employee fatalities	—	—	0.01	—	—
Contractor fatalities	—	—	—	—	—
High-consequence work-related injuries (excluding fatalities) — associates	Not Tracked	0.003	—	0.005	—
Recordable work-related injuries (including fatalities) — associates	0.62	0.51	0.74	0.78	0.53
Employee Total Recordable Case Rate (TRCR) <sup>7</sup>	0.62	0.51	0.74	0.78	0.53
Employee Lost Time Incident Rate (LTIR) <sup>8</sup>	0.15	0.12	0.15	0.18	0.10

<sup>5</sup> Total turnover rate in 2019 was calculated manually, due to the transition to a new human resources software application for our associates in the UK and Ireland in October 2019.

<sup>6</sup> Includes American Indian/Alaska Native, Asian, Black/African-American, Hispanic/Latino, Native Hawaiian/Other Pacific Islander, and two or more races.

<sup>7</sup> Total Recordable Case Rate (TRCR): Indicator represents the frequency of recordable cases (injury and illness) for all Alcon associates and third-party personnel. It is calculated as follows: number of all work-related recordable cases divided by the number of hours worked by Alcon associates and third party personnel and multiplied by 200,000.

<sup>8</sup> Lost Time Incident Rate (LTIR): Indicator represents the frequency of work-related lost time cases (injury and illness). It is calculated as follows: the total number of work-related cases of injury or illness with lost time is divided by number of hours worked by Alcon associates and third party personnel and multiplied by 200,000.

	2015	2016	2017	2018	2019
<b>BUSINESS ETHICS</b>					
Code of Business Conduct Training completion rate	99%	99%	99%	98%	98%
Number of grievances filed per year	955	842	607	473	513
<b>Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption</b> <b>SASB HC-MS-510a.1</b>	—	—	—	—	—
<b>Total amount of monetary losses as a result of legal proceedings associated with false marketing claims</b> <b>SASB HC-MS-270a.1</b>	Not Tracked	Not Tracked	Not Tracked	—	—
<b>RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN</b>					
Percentage of (1) entity's facilities participating in third-party audit programs for manufacturing and product quality <b>SASB HC-MS-430a.1</b>	100%	100%	100%	100%	100%
Percentage of (2) Tier 1 suppliers' facilities participating in third-party audit programs for manufacturing and product quality <b>SASB HC-MS-430.2</b>	Not Tracked	Not Tracked	Not Tracked	Not Tracked	100%

# Content Indices

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# SASB Index

SASB Topic & Code	Accounting Metric	Report Section	Omissions
<b>Activity Metric</b> <b>HC-MS-000.A</b>	Number of units sold by product category.	ESG Performance Data	Given the breadth and diversity of Alcon's product portfolio, Alcon does not disclose this data.
<b>Affordability &amp; Pricing</b> <b>HC-MS-240a.1</b>	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the US Consumer Price Index.	ESG Performance Data	
<b>Affordability &amp; Pricing</b> <b>HC-MS-240a.2</b>	Description of how price information for each product is disclosed to customers or to their agents.	Access, Affordability & Pricing; Disclosure of Pricing Information	Disclosure does not include whether the range, median, or typical price are provided to customers; does not include the frequency of confidentiality clauses in purchasing agreements with health care providers that restrict them from sharing with third parties the price they paid.
<b>Product Safety</b> <b>HC-MS-250a.1</b>	Number of recalls issued, total units recalled.	ESG Performance Data	
<b>Product Safety</b> <b>HC-MS-250a.2</b>	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database.	ESG Performance Data	
<b>Product Safety</b> <b>HC-MS-250a.3</b>	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience.	ESG Performance Data	
<b>Product Safety</b> <b>HC-MS-250a.4</b>	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices, by type.	ESG Performance Data	
<b>Ethical Marketing</b> <b>HC-MS-270a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims.	ESG Performance Data	

SASB Topic & Code	Accounting Metric	Report Section	Omissions
<b>Ethical Marketing</b> <b>HC-MS-270a.2</b>	Description of code of ethics governing promotion of off-label use of products.	Business Ethics - Preventing Off-Label Use	
<b>Product Design &amp; Lifecycle Management</b> <b>HC-MS-410a.1</b>	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products and meet demand for sustainable products.	Sustainable Products & Services - Compliance With Chemical Regulations	
<b>Product Design &amp; Lifecycle Management</b> <b>HC-MS-410a.2</b>	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies.	Sustainable Products & Services - Reprocessing Used or Obsolete Equipment	Alcon replaced this metric based on the lack of available data.
<b>Supply Chain Management</b> <b>HC-MS-430a.1</b>	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality.	ESG Performance Data	
<b>Supply Chain Management</b> <b>HC-MS-430a.2</b>	Description of efforts to maintain traceability within the distribution chain.	Responsible Procurement & Supply Chain - Track & Trace Program	
<b>Supply Chain Management</b> <b>HC-MS-430a.3</b>	Description of the management of risks associated with the use of critical materials.	Responsible Procurement & Supply Chain - Critical Materials	Disclosure does not identify the critical materials that present a significant risk to Alcon's operations, the type of risk(s) they represent.
<b>Business Ethics</b> <b>HC-MS-510a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption.	ESG Performance Data	
<b>Business Ethics</b> <b>HC-MS-510a.2</b>	Description of code of ethics governing interactions with health care professionals.	Business Ethics - Code of Ethics & Healthcare Professionals	



# GRI Index

General Disclosures		Report Section or Direct Response	Page
<b>ORGANIZATIONAL PROFILE</b>			
<b>GRI 102: General Disclosures 2016</b>	102-1: Name of the Organization	Alcon Inc.	
	102-2: Activities, brands, products, and services	Our Story - Company Overview	5
	102-3: Location of headquarters	Our Story - Company Overview	5
	102-4: Location of operations	Our Story - Company Overview	5
	102-5: Ownership and legal form	Alcon is a publicly traded company traded on the New York Stock Exchange and SIX Swiss Exchange.	
	102-6: Markets served	Our Story - Company Overview	5
	102-7: Scale of the organization	Our Story - Company Overview See our 2019 Annual Report for additional information on net revenues and quantity of products provided in 2019.	5
	102-8: Information on employees and other workers	As of 2019, approximately 41% of our full time associates are based in the US, followed by 10.4% in Germany and 5.1% in Indonesia.	
	102-10: Significant changes to the organization and its supply chain	As of 2019, Alcon completed its spinoff from Novartis, and it is trading as an independent company.	
<b>STRATEGY</b>			
<b>GRI 102: General Disclosures 2016</b>	102-14: Statement from senior decision-maker	A Message From Our CEO	3
<b>ETHICS AND INTEGRITY</b>			
<b>GRI 102: General Disclosures 2016</b>	102-16: Values, principles, standards and norms of behavior	Our Story - Alcon Blueprint; Business Ethics	6; 35
	102-17: Mechanisms for advice and concerns about ethics	Business Ethics - Reporting Concerns	36
<b>GOVERNANCE</b>			
<b>GRI 102: General Disclosures 2016</b>	102-18: Governance structure	The Governance and Nomination Committee oversees the Company's global strategy for corporate governance, environmental stewardship, sustainability, and corporate social responsibility. See the Governance section of our website for additional information on Alcon's governance structure.	
	102-20: Executive-level responsibility for economic, environmental, and social topics	Sustainability Governance	8
	102-23: Chair of the highest governance body	The Chair of the Alcon Board of Directors is a separately held position from the Chief Executive Officer.	

General Disclosures	Report Section or Direct Response	Page
102-24: Nominating and selecting the highest governance body	See the Governance and Nomination Committee Charter.	
102-32: Highest governance body's role in sustainability reporting	Alcon's Governance and Nomination Committee reviewed and approved this Corporate Responsibility Report.	
<b>REPORTING PRACTICES</b>		
<b>GRI 102: General Disclosures 2016</b>		
102-45: Entities included in consolidated financial statements	See our 2019 Annual Report for a list of all entities included in our consolidated financial statements.	
102-46: Defining report content and topic boundaries	About this Report - Defining Report Content	8
102-47: List of material topics	About this Report - Materiality	8
102-48: Restatements of information	As this is Alcon's first Corporate Responsibility Report, we have not made any restatements of information for 2019.	
102-49: Changes in reporting	As this is Alcon's first Corporate Responsibility Report, we have not made any significant changes in reporting for 2019.	
102-50: Reporting period	This 2019 Corporate Responsibility Report covers Alcon's operations from January 1, 2019, through December 31, 2019, unless otherwise indicated.	
102-51: Date of most recent report	This is Alcon's inaugural Corporate Responsibility Report as an independent company.	
102-52: Reporting cycle	We plan to publish a Corporate Responsibility Report annually.	
102-53: Contact point for questions regarding the report	For further questions, please email the Investor Relations team at investor.relations@alcon.com.	
102-54: Claims of reporting in accordance with the GRI Standards	We referenced the GRI Standards in the development of this Sustainability Report.	
102-55: GRI Content index	Content Indices - GRI Index	49-51
102-56: External assurance	Alcon is not conducting external assurance of our Corporate Responsibility Report at this time.	

<b>GRI Topic-Specific Disclosures</b>		<b>Report Section or Direct Response</b>	<b>Page</b>
<b>ENERGY</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Reducing Our Environmental Footprint - Energy Usage	24
	103-2: The management approach and its components	Environmental Sustainability Strategy	21
	103-3: Evaluation of the management approach	Reducing Our Environmental Footprint - Energy Usage	24
<b>GRI 302: Energy 2016</b>	302-3: Energy intensity	ESG Performance Data - Environmental Performance	43
<b>WATER</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Reducing Our Environmental Footprint - Water Management	24
	103-2: The management approach and its components	Environmental Sustainability Strategy	21
	103-3: Evaluation of the management approach	Reducing Our Environmental Footprint - Water Management	24
<b>GRI 303: Water and Effluents 2018</b>	303-5: Water consumption	ESG Performance Data - Environmental Performance	43
<b>EMISSIONS</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Reducing Our Environmental Footprint - Greenhouse Gas Emissions	25
	103-2: The management approach and its components	Environmental Sustainability Strategy	21
	103-3: Evaluation of the management approach	Reducing our Environmental Footprint - Greenhouse Gas (GHG) Emissions	25
<b>GRI 305: Emissions 2016</b>	305-4: Emissions intensity	ESG Performance Data - Environmental Performance	43
<b>EFFLUENTS AND WASTE</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Reducing Our Environmental Footprint - Waste Minimization	25
	103-2: The management approach and its components	Environmental Sustainability Strategy	21
	103-3: Evaluation of the management approach	Reducing Our Environmental Footprint - Waste Minimization	25
<b>GRI 306: Effluents and Waste 2016</b>	306-2: Waste by type and disposal method	ESG Performance Data - Environmental Performance	43
<b>TALENT ATTRACTION AND RETENTION</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Talent Attraction & Retention	27
	103-2: The management approach and its components	Talent Attraction & Retention	27-28
	103-3: Evaluation of the management approach	Talent Attraction & Retention - Our Results	28
<b>GRI 401: Employment 2016</b>	401-1: New employee hires and employee turnover	ESG Performance Data - Talent Attraction & Retention	44
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Health & Safety	31
	103-2: The management approach and its components	Health & Safety	31-33
	103-3: Evaluation of the management approach	Health & Safety - Our Results	33
<b>GRI 403: Occupational Health and Safety 2018</b>	403-9: Work-related injuries	ESG Performance Data - Safety Performance	44
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Diversity & Inclusion	29
	103-2: The management approach and its components	Diversity & Inclusion	29-30
	103-3: Evaluation of the management approach	Diversity & Inclusion - Our Results	30
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1: Diversity of governance bodies and employees	ESG Performance Data - Diversity & Inclusion	44

# Company Topic-Specific Disclosures

Other Disclosures		Report Section or Direct Response	Page
<b>MEDICAL INNOVATION</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Medical Innovation	10
	103-2: The management approach and its components	Medical Innovation	10-12
	103-3: Evaluation of the management approach	Medical Innovation - Our Results	10
<b>Self-Selected Metrics</b>	Number of first-to-market launches	Medical Innovation - Our Results; ESG Performance Data - R&D Productivity	10, 42
	Number of product approvals (major markets)	Medical Innovation - Our Results; ESG Performance Data - R&D Productivity	10, 42
<b>PRODUCT QUALITY AND PATIENT SAFETY</b>			
<b>GRI 103: Management Approach 2016</b>	103-1: Explanation of the material topic and its boundary	Product Quality & Patient Safety	13
	103-2: The management approach and its components	Product Quality & Patient Safety	13-14
	103-3: Evaluation of the management approach	Product Quality & Patient Safety - Our Results	14
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<b>SUSTAINABLE PRODUCTS AND SERVICES</b>			
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<b>Self-Selected Metric</b>	Weight of reprocessed parts shipped (metric tons)	Sustainable Products & Services - Reprocessing Used or Obsolete Equipment	23

# Glossary

Acronym	Definition	Page Number
AbiMed	Brazilian Association of Industry of High Technology Medical and Hospital Equipment, Products, and Suppliers	35
AdvaMed	The Advanced Medical Technology Association	35
AED	Associate Experience Dashboard	28
APACMed	Asia Pacific Medical Technology Association	35
AQA	Alcon Quality Analytics	14
ASC	Ambulatory Surgery Center	
BD&L	Business Development & Licensing	11
CEI	Corporate Equality Index	29
CEO	Chief Executive Officer	3
CGMP	Current Good Manufacturing Practices	42
CNO	Chief Nursing Officer	
CO <sub>2</sub>	Carbon Dioxide	25
CPI	Consumer Price Index	43
D&I	Diversity & Inclusion	29
DFW	Dallas - Fort Worth	38
ECA	Executive Committee of Alcon	11
ECP	Eye Care Provider	18
ERG	Employee Resource Group	28
ERM	Enterprise Risk Management	39
ESG	Environmental, Social, and Governance	3
EU CLP	European Classification, Labeling, and Packaging	22
EUMDR	European Union Medical Device Regulation	14
EUROMCONTACT	European Association of the Contact Lens and Lens Care Product Manufacturers	22
FDA	Food and Drug Administration	14
GB&I	Global Business and Innovation	8
GDPR	General Data Protection Regulation	39
GFT	Global Franchise Team	11
GHG	Greenhouse Gas	21
GPO	Global Privacy Office	39
GRI	Global Reporting Initiative	8
HDM	Healthcare Decision Maker	15
HFC	Hydrofluorocarbons	25
HIPAA	Health Insurance Portability and Accountability Act	39
HSE	Health Safety Environment	21

Acronym	Definition	Page Number
HVAC	Heating, Ventilation, and Air Conditioning	24
IOL	Intraocular Lens	3
ISO	International Organization for Standardization	40
KPI	Key Performance Indicator	11
LGBT	Lesbian, Bisexual, Gay, and Transgender	38
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer/ Questioning, and Other	
LED	Light-Emitting Diode	24
LTIR	Lost Time Incident Rate	44
MBE	Minority-Owned Business Enterprises	38
MedTech EU	Medical Technology Europe	22
MEK	Methyl Ethyl Ketone	25
MTO	Manufacturing and Technical Operations	29
NGO	Non-Governmental Organization	17
NIST	National Institute of Standards and Technology	40
OLED	Organic Light-Emitting Diode	30
OPEN	Open Professional Employee Network	29
PD	Phaco Development	16
PPE	Personal Protective Equipment	3
QMS	Quality Management System	13
R&D	Research & Development	3
RCOI	Reasonable Country of Origin Inquiry	38
REACH	Registration, Evaluation, Authorization, and Restriction of Chemicals	22
RFP	Request for Proposal	16
RoHS	Restriction of Hazardous Substances	22
SASB	Sustainability Accounting Standards Board	8
SBE	Small Business Enterprises	38
SiHy	Silicone Hydrogel	3
STEM	Science Technology Engineering Mathematics	27
TRCR	Total Recordable Case Rate	44
UDI	Unique Device Identifiers	37
UN	United Nations	17
VBE	Veteran-Owned Business Enterprises	38
WBE	Women-Owned Business Enterprises	38
WIN	Women Innovating Now	30

# Legal Disclaimers

## Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipate,” “intend,” “commitment,” “look forward,” “maintain,” “plan,” “goal,” “seek,” “target,” “assume,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements Alcon makes regarding its liquidity, revenue, gross margin, effective tax rate, foreign currency exchange movements, earnings per share, its plans and decisions relating to various capital expenditures, capital allocation priorities and other discretionary items, and generally, its expectations concerning its future performance and the effects of the COVID-19 pandemic on its businesses.

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product recalls or voluntary market withdrawals; data breaches; the implementation of its enterprise resource planning system; its ability to attract and retain qualified personnel; the accuracy of its accounting estimates and assumptions, including pension plan obligations and the carrying value of intangible assets; legislative and regulatory reform; the ability of Alcon Pharmaceuticals Ltd. to comply with its investment tax incentive agreement with the Swiss State Secretariat for Economic Affairs in Switzerland and the Canton of Fribourg, Switzerland; its ability to operate as a stand-alone company; whether the transitional services Novartis has agreed to provide Alcon are sufficient; the impact of being listed on two stock exchanges; the ability to declare and pay dividends; the different rights afforded to its shareholders as a Swiss corporation compared to a US corporation; and the effect of maintaining or losing its foreign private issuer status under US securities laws. Additional factors are discussed in Alcon’s filings with the United States Securities and Exchange Commission, including its Form 20-F. Should one or more of these uncertainties or risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated. Therefore, you should not rely on any of these forward-looking statements.

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