



Alcon

2020 Corporate
Responsibility Report

See Brilliantly

Times of uncertainty, challenge and change test us all. Throughout our entire 75-year history as a company, our commitment to helping the world **See Brilliantly** has never wavered.

This steadfast commitment was the story of 2020 for Alcon.

Contents

4 Message From Our CEO

5 About Alcon

- 7 2020 Report Highlights
- 8 Our Approach to Sustainability
- 8 Prioritizing What's Material
- 8 Reporting Frameworks
- 9 Purpose and Impact

10 Managing During COVID-19

- 11 Protecting Our Associates
- 12 Serving Doctors, Patients and Customers
- 12 Serving Our Community

13 Benefiting Our Customers and Patients

- 14 Medical Innovation
- 18 Product Quality and Patient Safety
- 19 Clinical Trial Standards
- 20 Access, Affordability and Pricing
- 22 Philanthropy

27 Winning in the Workplace

- 28 Talent Attraction and Retention
- 30 Training and Development
- 31 Engagement
- 32 Diversity & Inclusion
- 35 Health and Safety

37 Caring for Our Environment

- 39 Global Environmental Sustainability Strategy
- 40 Sustainable Products & Services
- 40 Environmental Sustainability Scorecard
- 42 Environmental Management System
- 42 Reducing Our Environmental Footprint

46 Working With Integrity

- 47 Business Ethics
- 48 Ethical Marketing & Interactions with Healthcare Professionals
- 49 Bribery and Corruption
- 49 Fair Competition Practices
- 49 Training & Awareness
- 50 Monitoring Ethics Compliance
- 50 Speak Up Culture
- 51 Responsible Procurement and Supply Chain
- 53 Cybersecurity and Data Privacy

54 ESG Performance Data

59 Content Indices

- 60 SASB Index
- 62 GRI Index
- 68 TCFD Framework
- 69 Disclaimer

A MESSAGE FROM OUR CEO

For more than 75 years, Alcon has been guided by its purpose of helping the world See Brilliantly. Last year, we demonstrated our unwavering commitment to this purpose as we faced significant challenges with a new global health pandemic. It is my pleasure to share with you, in our second Corporate Responsibility Report, how Alcon managed the crisis, protected our associates, served our customers, and advanced our agenda for long-term value creation.

Last year, as the pandemic began to take shape, we assembled our Alcon Crisis Management team (ACM) early to coordinate our global actions. Within days, the ACM implemented a series of global and local protocols, processes, and procedures to keep associates safe and maintain business continuity.

While many of our corporate associates transitioned to remote work, thousands of associates in manufacturing plants, warehouses, and distribution centers remained in their current work environments to continue to deliver an uninterrupted supply of products and services to our customers. Our teams rapidly implemented on-site safety protocols that mitigated the risk of infections across our global sites

and also supported productivity for our remote workers. I can't thank them enough for their determined efforts to serve patients.

Throughout the pandemic, we have maintained full employment and salary levels. In addition, we collaborated with the industry on safety protocols and workflow strategies, engaged our customers with educational content and practice resources, and transitioned our philanthropy efforts to support critical needs in our communities. I am proud of the way our company responded to the healthcare crisis.

Despite significant uncertainty, we also remained steadfastly committed to our strategic initiatives and innovation agenda. We stayed on course with our separation activities, substantially completing our separation in the first half of 2021, and made great progress with our transformation efforts. With the continued implementation of our new contact lens manufacturing lines, we launched a new contact lens brand this year. We maintained steady investments in our innovation pipeline and introduced a new stage-gate process to align our cross-functional teams at the start of every project. As part of our product design process, we began integrating environmental sustainability requirements to support our commitment to reducing waste and increasing circularity in our products.

At the core of our success are Alcon's people and culture. This past year, we continued to build on our values with new programs that support our associates. Because we believe we are building a company whose best innovations are informed by diverse perspectives, we established D&I as an enterprise-wide priority with specific management objectives. Our Diversity and Inclusion (D&I) office and Executive Diversity Council renewed our D&I strategy and utilized our employee resource groups for input.

Finally, we are making progress with our environmental sustainability efforts. Our materiality assessment has shaped our priorities in the management of carbon emissions, waste, water, and energy and we have detailed our strategy and action plan in this report. We are currently taking the steps to holistically assess our global environmental footprint. When completed, this study will inform our future strategy in sustainability.

I want to acknowledge the enormous resilience of our associates this year, especially our frontline workers, whose dedication demonstrated our commitment to patients and customers during the global health crisis. They continue to drive our purpose in creating a world where everyone has the ability to See Brilliantly.



David Endicott
Chief Executive Officer
Alcon Inc.



About Alcon

Alcon is the global leader in eye care, dedicated to helping people see brilliantly. With our 75-year heritage, we are a leading eye care company operating in over 75 countries and serving patients in more than 140 countries. Our significant investments in Research and Development support our track record of innovation that has created a history of industry firsts.

\$6.8B

2020 net sales

23,000+

associates

140+

countries served

100+

pipeline products under
development

Our business focus

VISION CARE

We are one of the largest manufacturers of contact lenses and lens care products. Our Vision Care portfolio offers a broad range of daily disposable, reusable, and color-enhancing contact lenses and a comprehensive portfolio of ocular health and pharmaceutical products. These include products for dry eye, glaucoma, contact lens care, and ocular allergies, as well as ocular vitamins and redness relievers.

SURGICAL

We offer the industry's most complete line of ophthalmic surgical products, enabling surgeons to achieve the best results for their patients. Our surgical portfolio includes technologies and devices for cataract, retinal, and refractive surgery, as well as advanced technology intraocular lenses to treat cataracts and refractive errors, like presbyopia and astigmatism.

Vision Care \$3.1B (45%)

○ Ocular Health (40%)

- Dry eye products
- Allergy eye drops
- Contact lens solution

○ Contact Lenses (60%)

- Daily lenses
- Reusable lenses
- Cosmetic lenses

Surgical \$3.7B (55%)

○ Implantables (30%)

- Monofocal intraocular lenses (IOLs)
- Advanced technology IOLs

○ Consumables (53%)

- Dedicated consumables
- Custom surgical packs
- Procedural products

○ Equipment/Other (17%)

- Cataract equipment
- Retinal equipment
- Refractive equipment
- Diagnostic and visualization
- Equipment service
- Procedural eye drops



2020 REPORT HIGHLIGHTS



Benefiting our customers and patients

- ◉ \$600+ million in R&D investments
- ◉ ~5,000 surgeons trained under our Phaco Development Program have performed surgeries on over 6 million eyes since 2008
- ◉ 130 medical missions in 50 countries in 2020



Caring for our environment

- ◉ Integrated sustainability into our product development process
- ◉ Certified ~95% of manufacturing sites to ISO 14001 with a goal of 100% in 2021
- ◉ 3 sites using 100% renewable purchased energy
- ◉ Zero Manufacturing Waste policy, with ~60% of sites 100% landfill-free for non-hazardous waste disposal



Winning in the workplace

- ◉ Provided full employment and kept our associates safe during COVID-19
- ◉ Created a Office of Diversity and Inclusion to advance our D&I initiatives
- ◉ 49% global female representation for entire labor force
- ◉ Alcon recognized as employer of choice



Working with integrity

- ◉ Sourced ~14% of US procurement spend from diverse suppliers
- ◉ 99.5% of full time associates completed our mandatory Code of Conduct training
- ◉ Matured the cybersecurity program and substantially stood up Alcon's new enterprise system infrastructure

Our Approach to Sustainability

We are committed to fostering a sustainable business that supports the well-being of our associates, customers, communities, and planet. We strive to integrate environmental, social, and governance (ESG) objectives into our decision-making to deliver long-term value for all of our stakeholders. The Board of Directors, principally through the Governance and Nomination Committee, oversees Alcon's sustainability initiatives as part of its charter.

Prioritizing What's Material

Our stakeholders and third-party reporting frameworks guide our actions and reporting. To identify the sustainability issues most important to our business, we undertook a materiality assessment in 2019. Alcon worked with a sustainability consultancy to conduct a materiality assessment following the Global Reporting Initiative (GRI) process of identification, prioritization, and validation. For the purposes of this report, we use GRI's definition of "material" topics to reflect Alcon's most significant economic, environmental, and social impacts. In addition to reporting on our material topics, we also cover other significant topics in depth in the following pages.

Reporting Frameworks

This is our second Corporate Responsibility Report since becoming an independent company in 2019. This report provides insights into our governance and management practices (including policies, responsibilities, processes, and initiatives), details the results of our efforts, and highlights success stories in our highest priority areas. We are committed to transparency in our disclosures. Unless otherwise specifically stated, this report covers Alcon's 2020 performance.

We use the Sustainability Accounting Standards Board (SASB) Medical Equipment & Supplies standard, along with the GRI framework in our reporting. This year, we have also begun using Task Force on Climate-related Financial Disclosure (TCFD) to guide our reporting and discussions with the Alcon Board and our management team regarding the risks of climate change.

Alcon Board of Directors

Governance and Nomination Committee

ESG Executive Steering Committee

Corporate Affairs, Human Resources, Innovation,
Legal, Manufacturing and Quality

Responsible for identifying and managing Alcon's
environmental and social impacts

ESG Working Group

Philanthropy, Investor Relations,
IT and Privacy, Health, Safety
and Environment (HSE), Human
Resources, Legal and Compliance,
Market Access, Procurement,
Supply Chain, Quality and R&D

Environmental Sustainability Committee

Purpose and Impact

We help people
See Brilliantly
by creating products
that restore vision.

The need to improve access to quality eye care is evident. More than 1 billion people are living with uncorrected vision impairment, and 90% of these individuals live in low- and middle-income countries (LMIC). However, there are also areas in some of the world's wealthiest countries where eye care is scarce and healthcare system gaps limit access to eye care.

Vision impairment is more than an inconvenience. It can compromise independence and threaten economic security. Eye problems can also imperil our health and safety, increasing the risk for automobile accidents, workplace injuries, and falls among older adults. Vision impairment undermines quality of life, often contributing to higher rates of depression and anxiety and greater social isolation. It also has significant economic implications, not only to the patient, but to caregivers, family members and the broader community. The Lancet Global Health Commission estimates vision impairment resulted in \$411 billion in lost economic productivity in 2020.

Alcon is committed to alleviating the health and economic burdens of uncorrected vision impairment. We partner with local, regional, and global eye care non-profits to elevate eye health as a priority. We also direct resources to political advocacy, eye health awareness, quality eye care treatment, eye care systems, and workforce development. (see Philanthropy on page 22 for more information)

1 billion people living with
some form of uncorrected
vision impairment¹

90% of vision impairment
is preventable or treatable

\$411 billion global
productivity loss from
vision impairment²

(1) World Health Organization, World Report on Vision, October 2019

(2) The Lancet Global Health Commission on Global Eye Health, February 2021

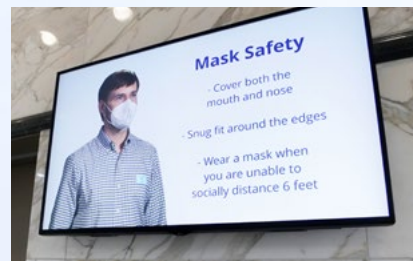
Managing During COVID-19

Protecting Our Associates

Our crisis management team spearheaded our globally coordinated COVID-19 response to protect associates around the world. By leveraging enhanced safety and sanitation protocols, our manufacturing and distribution associates safely continued operations without disruption to production.

At the onset of the pandemic, we implemented new safety measures to protect associates on-site, such as modified workstation arrangements, reducing the crossflow of associates between shifts, enhanced cleaning and sanitization, use of personal protective equipment and pre-entry temperature screenings. All office-based associates were encouraged to work from home, while our sales and customer service teams delivered remote account management.

We also recognized the need to keep our teams mentally and physically healthy. The challenges arising from a global health crisis require leaders to think differently. It was critical to not just focus on what we said or did, but how we make our teams feel supported, connected, and valued.



We developed an Employee Engagement Toolkit to help our leaders engage with their teams. The toolkit provided guided check-in conversations and ways to build online communities, so everyone maintained a sense of belonging. We also developed a toolkit for our customers to use within their organizations.

Our regional and country leaders continue to partner with our global crisis team to oversee local case data and public health advisories. We are providing Re-entry Toolkits and strategies to support associates as they transition back into the workplace.

We are creating intentional opportunities for meaningful conversations to foster a high level of awareness. In addition to frequent engagement surveys, our people leaders are engaged in regular two-way dialogue through town halls, coffee chats, one-on-one engagement and skip-level meetings. Furthermore, we continue to support associates' physical and mental health, psychological safety and work flexibility while some of our locations transition back to the office.



Serving Doctors, Patients and Customers

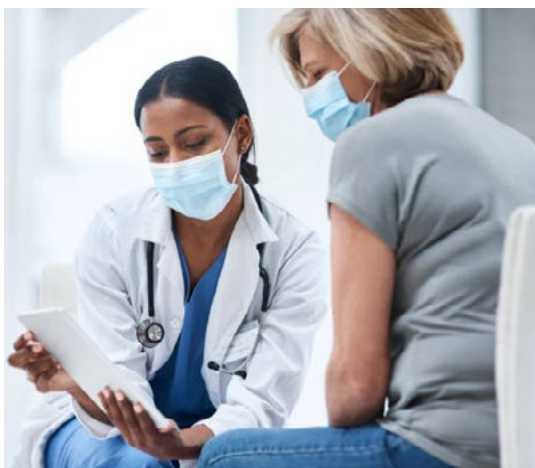
The crisis demanded an even greater focus on patients, doctors, and customers than ever before. We collaborated with the industry to develop new safety protocols and patient workflow strategies, resources to guide our customers in navigating governmental economic relief programs and managing the transition. We invested in resources to educate customers on the safe use of contact lenses and leveraged our online fulfillment platform in the US to allow consumers to procure their contact lenses while optometrists' offices were closed.

Our ability to maintain business continuity also enabled us to meet our customers' needs despite varying stages of reopening and government-mandated restrictions. Our supply chain team executed mitigation plans to secure critical materials and minimize supply chain disruption. Better demand forecasting and the use of enterprise-wide systems and procedures helped maintain strategic inventory reserves for key products and new product launches. We have selectively built multiple sources and distribution pathways for critical components and strengthened our relationship with single-source suppliers, which will increase the resilience of our supply chain.

We invested in developing future skills and expertise in the many markets we serve. Spurred by COVID-imposed lockdowns, in 2020 we started Alcon On, an online platform for training, to assist doctors in real-time in the operating room. This program provided mentoring and assistance to more than 8,000 medical practitioners in 2020. Following the success of this program, we plan to scale Alcon On in 2021 and beyond as a means of providing more effective, timely, and cost-efficient support to ophthalmologists.

Serving Our Community

To address the devastating impact of the COVID-19 pandemic, Alcon developed procedures for safe and effective donations. Our corporate philanthropy identified three core support areas: health services, hunger relief and hygiene. The Alcon Foundation donated ophthalmic equipment, vision care products, and personal protective equipment to support frontline workers during the pandemic. Many of our sites extended our corporate support, initiating additional efforts in their local communities.



BENEFITING OUR CUSTOMERS AND PATIENTS

We serve customers, patients, and society by driving innovation, delivering product quality and safety, and increasing access to eye care.



Medical Innovation

Alcon's annual research and development investment is among the largest in the eye care industry.

In 2020, we invested over \$600 million toward the creation of innovative products to meet our customers' and patients' needs, with 78 new product approvals in major markets and 8 first-in-market launches in 2020, including the first non-diffractive intraocular lens, *Vivity*. Our R&D organization employs more than 1,400 people, including physicians, doctors of optometry, engineers, scientists, and PhD holders.

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.

2020 INNOVATION HIGHLIGHTS

\$600M+

invested toward the creation of innovative products

78

new product approvals in major markets

8

first-in-market launches¹

Vivity

the first non-diffractive extended depth of focus intraocular lens

1,400

R&D associates employed

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



Our R&D priorities:

- Advanced technology intraocular lenses that improve visual outcomes
- Equipment and instrumentation for cataract, vitreoretinal, refractive, and glaucoma surgeries that improve safety, accuracy, and efficiency
- Diagnostics and visualization
- Digital health solutions to improve medical practice efficiency
- New contact lenses and lens designs
- Presbyopia-correcting technology
- Dry eye and ocular allergy drops

New Product Highlights

2020 was one of the most prolific years in Alcon's history of innovation.



Vivity

Vivity is the first and only extended depth of focus intraocular lens (IOL) with the Wavefront Shaping X-Wave technology. It is ideal for cataract patients wanting to see clearly far away and at arm's length, while still enjoying functional near vision. In 2020, Alcon introduced *Vivity* in Europe, Australia, and Latin America, and in 2021, Alcon brought *Vivity* to the US.



PRECISION 1

PRECISION1 is our newest daily silicone hydrogel contact lens, which brings long-lasting comfort and water gradient technology to a wider base of wearers. Alcon launched *PRECISION1* sphere and *PRECISION1* for Astigmatism, expanding its portfolio of spherical, toric, and multifocal lenses. The launch of *PRECISION1* for Astigmatism expands our offering for astigmatic patients who have historically been underserved by the eye care industry. In 2021, Alcon brought *PRECISION1* to Europe and Japan.

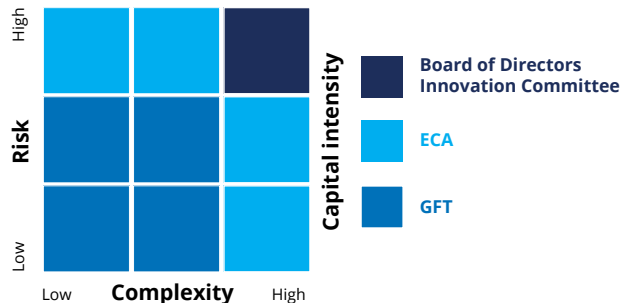


Pataday

In 2020, we received FDA approval to switch *Pataday* with olopatadine from Rx to over-the-counter, making the number one prescribed allergy drop ingredient accessible to more patients. Last year, we introduced two formulations, *Pataday* Once Daily Relief and *Pataday* Twice Daily Relief, and in early 2021 we brought *Pataday* Extra Strength over-the-counter, offering customers and patients a full 24 hours of eye allergy relief.

Governance and Oversight

Project selection, prioritization, and governance are critical components for 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 methodology to facilitate agile innovation. Projects that are low in risk or complexity operate within a scaled stage-gate process, while high risk and complex projects operate within our traditional stage-gate process and receive increased levels of technical oversight and management attention.



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

Alcon Board of Directors

Innovation Committee

- Oversight into R&D initiatives
- Monitor progress of Tier 1 programs
- Develop key performance indicators for long-term incentives

Executive Committee of Alcon (ECA)

- Led by our CEO
- Monitor Tier 1 and Tier 2 programs
- Track key performance indicators
- Finalize Board recommendations

Global Franchise Team (GFT)

- Oversight over Tier 3 projects

In 2020, we refined our stage-gate process to be more inclusive of critical stakeholders during the ideation and development processes with two important changes. First, we increased multifunctional representation in the process, which now includes R&D, manufacturing, quality, regulatory, clinical research, legal, market access, marketing, finance and commercial teams. The program strengthens our focus on key stakeholders and project management, drives greater speed of implementation, reduces cost of goods, and considers environmental sustainability and market impact as key factors.

Second, we launched an ideation program to identify new product or market opportunities. Ideation takes strategic or crowd-sourced ideas and conducts short studies for rapid evaluation. This program enables us to be more intentional about investing in adjacencies and white space opportunities that could improve patient outcomes and quality of life.

Increased multifunctional representation to bring concepts to market more rapidly

Launched an ideation program to identify new product or market opportunities

Product Quality & Patient Safety

Product quality and patient safety are at the center of everything we do. Our standards and focus on continuous improvement are high, and we have well-established, rigorous safety procedures designed to comply with all quality and safety laws and regulations in every country where we distribute our products.

Oversight and Process

Alcon has an independent Quality organization to assure autonomy of oversight. The Quality function hosts regular management review forums related to product and process quality.

Global Medical Safety

Our Chief Medical Officer oversees medical safety and leads Alcon's Global Medical Safety group. The group monitors for quality and potential adverse events and supports risk management activities for patient safety. Our team also reviews safety trends cross-functionally to make safety and management decisions. As needed, the group escalates issues to our Quality Compliance group to determine whether they require market action.

Quality Compliance

Alcon's Quality Compliance team audits our internal processes and suppliers for compliance with approved processes and procedures. By continuously auditing our internal compliance, we have built good standing with health authorities and regulatory bodies for consistently meeting and exceeding applicable regulations. During the COVID-19 pandemic, we actively engaged health authorities and regulatory bodies to adapt to inspection and audit for remote execution, ensuring continued regulatory oversight

Chief Executive Officer

SVP, Global Quality

Quality Leadership Team

Technical Operations Quality, Compliance and Audit, Quality Management Systems, eCompliance and Data Integrity, Post-Market Quality (including Vigilance), Regional Affiliate Oversight

of our operations and maintenance of required certifications. We flexed our internal audit procedures toward virtual auditing, completing audits as planned for our internal operations as well as external suppliers and service providers.

The Quality Compliance team reviews events with the potential to adversely affect product quality or pose a risk to regulatory compliance, conducting market actions if warranted.

Our Post-Market Quality team determines whether an event is reportable and submits these events to regulatory authorities based on the rules of each country. Alcon product and process experts thoroughly investigate all concerns about our products. We also use customer feedback to drive product enhancements.

Quality Management System (QMS) Team

Our QMS team is responsible for establishing and maintaining a robust and compliant quality assurance system across the entire company. The QMS team regularly monitors industry trends, as well as global

and local regulatory changes, and adjusts our processes and procedures to adhere to current standards, regulations, and best practices.

Our QMS uses industry-recognized risk management standards to mitigate risks and reliably produce high-quality products. We design and manufacture our products using the requirements prescribed in our QMS. We reference external standards and comply with all relevant regulatory requirements.

Global subject matter experts provide cross-functional expertise to support our quality process and use continuous improvement tools to streamline our processes and maintain the effectiveness of our procedures.

We design our products to exceed customer expectations and manufacture products to high-quality standards using state-of-the-art technology. As part of our relentless effort to continuously improve our quality systems, Alcon collaborates with industry stakeholders, public-private partnerships, and government agencies to benchmark best practices and improve product quality and safety. In addition to the routine audits conducted by our internal teams, regulatory bodies around the world also verify the safety and compliance of our products and operations.

QUALITY MANAGEMENT SYSTEM

- Covers all Alcon sites
- Certified to ISO 13485 and MDSAP (Medical Device Single Audit Program) for Australia, Canada, US, Japan and Brazil
- Ongoing certification for EU Medical Device Regulation
- Requires contract manufacturers to be certified to relevant standards, including ISO 13485 and local regulations

Risk Assessments and Monitoring

Once products are 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 set quality targets for the various key performance indicators, review our quality metrics monthly, and perform quarterly reviews with our management team. Alcon Quality Analytics (AQA), our global metrics dashboard launched in 2020, automates our data collection under a single system. Through the AQA dashboard, we detect, review and address emerging quality trends. We continually improve the dashboard to meet our business requirements. When needed, we complement the AQA dashboard with Quality Health Summaries, a tool that allows us to closely monitor and correct underlying causes of identified product issues, as well as proactively monitor the performance of new product launches.

Alcon is actively engaged in the Medical Device Innovation Consortium's Case for Quality Collaborative Community, where medical device stakeholders work together to enhance device quality and patient safety.

Participants include:

- **US Food and Drug Administration (US FDA)**
- **Medical Device Companies**
- **Healthcare Providers**
- **Payor Organizations**
- **Trade Associations**
- **Education Institutions**

As part of our participation, we have proactively engaged with and received positive feedback from the US FDA on our continuous improvement efforts. Our quality system benefits from ongoing collaboration and feedback from critical regulatory stakeholders like the US FDA.

We also maintain a dedicated Corrective and Preventive Action program that outlines the procedures to investigate incidents and implement corrective and preventive actions in the event of a product safety complaint or other issue. Our investigations identify the root cause and prescribe appropriate action based on the risk level. We are committed to transparency on product issues — see our ESG Performance Table in the appendix of this report.

Training

All personnel, especially those performing tasks that may affect product quality, are required to complete necessary education and qualification to perform their work. Associates are regularly trained to ensure they maintain the required level of competence and consistently meet all applicable federal, state, and local government regulations and guidelines.

Clinical Trial Standards

Alcon is committed to conducting safe and ethical clinical trials. We have established policies and procedures to ensure full compliance with global regulatory requirements and our own high standards.

The Alcon Quality Manual requires that Alcon must conduct or support clinical investigations only if they are ethically defensible and scientifically valid. Investigations must be conducted in compliance with Good Clinical Practices and international and national regulations, laws, and guidelines, such as ISO 14155 and ICH E6, where applicable, and with the ethical medical research principles outlined in the Declaration of Helsinki.

Our policies and standards apply to all Alcon-sponsored clinical investigations regardless of therapeutic area or geographic location of the study sites, as well as to all locations and affiliates that conduct clinical investigations with human subjects. We protect the welfare of clinical investigation subjects, including their safety, right to privacy and protection of data, and protection from abuse, in accordance with all applicable regulations. Our policies on post-trial access to products direct how we supply our products to a country before they are approved. Using the appropriate ethical- and regulatory-compliant mechanisms, certain products can be imported into a country prior to approval to allow healthcare professionals access to products that would otherwise be unavailable for their patients. We manage these cases under the local law and regulations of the country from where the request originates.

We monitor all clinical trials to ensure safety and compliance. In the case of an issue, we track clinical trial violations through an internal system, where we document non-conformances and corrective and preventive action plans. We regularly report to the FDA and other regulatory bodies any required issues during our clinical trials.

All Alcon-sponsored studies are registered, and results are posted on public databases where and when required, in accordance with applicable regulation in a given jurisdiction. These include, for example, clinicaltrials.gov, the European Union Clinical Trials Register, and the Australian and New Zealand Clinical Trials Registry.

Our Value Framework

We consider multiple factors when developing our market access strategies:

Value to clinicians, healthcare decision makers and patients

is the foundation of our Value Framework. By providing strong evidence of positive patient outcomes, we can support and expand funding and/or insurance coverage for our products and services. Evidence of value includes clinical outcomes, efficiency, 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 is the second factor in our Value Framework. We consider available public and private payment mechanisms to make our products affordable to patients, doctors, and customers. Where reimbursement does not yet exist, we provide strong evidence of our product value to payors to develop funding pathways that make our technologies accessible.

Market landscape and global environment is the third factor in our Value Framework as we seek to price our products in a way that is accessible to the local market. We consider each country's stage of market development, healthcare infrastructure, the population's ability and/or willingness to pay, and alternatives available to customers.

Access, Affordability & Pricing

Sustainable patient access to quality eye care is core to our business. Alcon has invested significant resources to innovate new technologies, expand reimbursement pathways (public and/or private insurance), and teach new skills to clinicians around the world to improve patient outcomes and eye care access.

Alcon partners with healthcare decision makers to improve cost, access, and quality of care. Our Market Access team reports to our Presidents of Surgical and Vision Care franchises and supports global access by working with regional and local payors to support reimbursement for products and procedures. The Market Access team collaborates with R&D, clinical research, marketing, and commercial teams to create economic evidence that supports the patient and societal benefit for the newly launched technologies. The Market Access team also directs activities in Health Economics and Outcomes Research. This research is used to communicate an evidence-based value proposition with patients, customers, payors and healthcare decision makers.

Pricing That Fosters Access

We consider local market conditions and access barriers, and evaluate traditional and innovative reimbursement models in determining price. Furthermore, we take into account factors including geography, customer needs, volume, product cost, and investments. In various countries, we negotiate pricing contracts for our products through competitive tenders and requests for proposals (RFPs), which keep the pricing of our products and services within our customers' reach and ability to pay.

Alcon tracks our product price performance in the markets we serve, as well as our incremental reimbursement success rate. In some markets, like the US and Australia, the weighted average price of our products has increased, while our prices have decreased in other markets such as India and China.

Phaco Development (PD) Program

Access to cataract services is often limited and rudimentary in low-income and/or remote areas of the world. Delayed or lack of treatment can lead to patients being needlessly blind. The Vision Loss Expert Group estimates that 17 million of the 43 million people living with blindness are “cataract blind.” As the population ages, the demand for cataract surgery and well-trained cataract surgeons in low-income areas will only increase. If we’re not able to meet that demand, more people will lose their sight. Fortunately, there is a solution.

The key to addressing this cataract care crisis is twofold: training and distribution. Our training is focused on upskilling ophthalmologists so that they are proficient in the latest techniques and technologies. It is equally important to consider how to best optimize distribution of those ophthalmologists so that services are available in underserved cities. This approach makes eye care and all the opportunity that comes with it available to low-income, underserved populations.

Alcon’s Phaco Development (PD) program is the world’s preeminent course in empowering surgeons to provide sustainable cataract patient care in underserved communities. Alcon partners with ophthalmic teaching institutions to provide surgical training that is often not available in medical school or residency programs. A dedicated Alcon team of more than 200 phaco development specialists (PDS) support surgeon training in Russia, China, India, Vietnam, Bangladesh, Indonesia, and Nepal to increase capacity and access to phacoemulsification (phaco) —the standard of care in cataract surgery.

The intensive PD instruction includes wet labs, hands-on surgical training on advanced technology, lectures, and video-assisted teaching. We supplement and reinforce the PD course training conducted at PD training centers with continuous, onsite operating room support.

Alcon PDS travel to PD participant hospitals and work shoulder-to-shoulder with hospital eye care teams, making sure they use best practices and newly learned skills to deliver the best outcomes for patients.

The program curriculum and standards attract top talent who are seeking career development opportunities in an environment supported with advanced technology. PD faculty use the International Council of Ophthalmology–Ophthalmology Surgical Competency Assessment Rubrics (ICO-OSCAR) to score each surgery and assess trainees’ skills against international standards.

The PD program is helping transform the eye care landscape in underserved markets. Successfully completing this training gives surgeons the experience and skills to deliver consistent, high-quality patient outcomes. As doctors learn new skills and patient outcomes improve, demand for phaco cataract procedures increases. Whereas most PD participants had been performing basic cataract surgery prior to joining the PD program, participant follow-up indicated 92% of participants in India were performing phaco in their practice at the end of year one.

Since its inception in 2008, Alcon’s PD program has enrolled nearly 5,000 surgeons in core and advanced phacoemulsification courses, and those PD participants have performed six million sight-enhancing or restoring phaco procedures in Asia and Russia. The patients are primarily in underserved cities where care had previously been limited or unavailable. Building on the PD program’s success, we have expanded this development model and program to train doctors on vitreoretinal surgery through the Alcon Vitreoretinal Development Program in China and India.

In 2020, the PD program was responsible for

- >1,200 courses conducted
- >390 new doctors trained
- ~1,100,000 procedures provided by PD-participating doctors



17 million people are
cataract blind

5,000 surgeons enrolled
in PD program

6 million phaco procedures
performed

Philanthropy

Rooted by our corporate mission of helping people see brilliantly, Alcon's philanthropy efforts focus primarily on increasing access to eye care. Working with our extensive network of partners and programs, we strive to provide quality eye care services, enhance eye care systems, and increase the capacity of eye care providers through services, systems, and talent development.

A variety of factors, including cost, distance, quality of care, system capacity, and lack of eye health awareness, limit individuals' ability or willingness to get eye care. The Alcon Foundation and Alcon Cares support and actively engage with non-profit organizations like EYEliance, Orbis, SEE International, and VisionSpring to identify and address barriers to care in underserved areas around the world.

Alcon's charitable contributions support eligible non-profit organizations through two separate entities: the Alcon Foundation, which provides monetary donations, and Alcon Cares, which provides product and equipment donations.

The Alcon Foundation supports eye care programs in underserved areas around the world, as well as community-based initiatives. These initiatives strengthen and revitalize our local communities and help address essential issues, including food, insecurity, homelessness, literacy, and healthcare.

We support optometry programs that provide vision exams, eyeglasses, and other treatments through global non-governmental organizations (NGOs) such as VisionSpring, as well as community partners like the Community Eye Clinic in Fort Worth, Texas. We also collaborate with international NGOs such as Orbis, Mercy Ships, Helen Keller Intl, 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.

Alcon Cares donates surgical equipment to help expand capacity for free or low-cost services to eligible patients in partner hospitals and clinics. In addition, Alcon Cares donates products and lends portable phaco units to organizations that organize and sponsor medical missions. During those medical missions, volunteer medical teams treat patients and train local eye care professionals. Alcon Cares-supported programs have served approximately 400,000 patients per year. In 2020, Alcon Cares supported more than 130 missions to 50 countries, where volunteer surgeons performed more than 10,000 cataract and other surgeries and treated close to 85,000 people. Alcon Cares donated \$20 million in products and equipment in 2020. To help address the eye care gap in the US, Alcon Cares partners with volunteer surgeons to provide free surgery to eligible uninsured and underinsured patients in the US.



Alcon Cares donated
\$20 million in products
and equipment in 2020

Volunteer surgeons
performed 10,700
cataract and
other surgeries

Advocacy Programs

Advocacy programs that encourage discussion and collaboration with Ministries of Health optimize solutions for growing public health issues. For example, EYelliance unites Ministries of Health, NGOs, and other stakeholders to replicate and scale service-delivery models for increased access to affordable eye care and eyeglasses. Alcon Foundation is supporting EYelliance's 2020 – 2021 National Eye Health Initiative in Liberia, which is creating a robust, government-managed national eye care system that serves children and adults. Working with EYelliance, the Liberian Ministry of Health re-categorized and elevated eye health as a standalone health issue and created new roles to manage and execute the national eye health program rollout.



Education and Awareness of Eye Health

People often are not aware of the benefits of cataract surgery and accept going blind as an inevitable part of aging, which is an avoidable outcome. Programs that train and deploy community health workers are highly effective in increasing awareness of eye health, particularly in rural areas. Community health workers are trusted resources for their neighbors. They dispel misinformation, share facts, and connect patients to well-trained eye care providers. Alcon Foundation supports Sightsavers' program in Nampula, Mozambique that trains community health workers to perform screenings and refer patients for care.

Treating Unmet Eye Care Needs

Cataract surgery and eyeglasses are two of the most effective means of all health care interventions. Because treatments for cataract surgery and refractive error could address more than 90% of unmet eye care needs, we direct the majority of our philanthropic support to these areas. We support patient cataract surgery education, services, vision screenings, exams, and eyeglasses in underserved areas with targeted monetary, product, and equipment donations. And given our focus on quality of care and patient outcomes, increasing access to phaco surgery – the international standard of care – is a priority.

Building Capabilities and Capacity

Increasing access to care requires a larger and more skilled eye care workforce. There are entire countries that have a shortage of trained ophthalmologists, optometrists, ophthalmic nurses, and ophthalmic technicians. In parts of sub-Saharan Africa there may be as few as one ophthalmologist per million

Cataract surgery and eyeglasses are two of the most effective means of all health care interventions

compared to 91 per million in Switzerland and 59 per million in the US. In locations where eye care may be readily available in urban areas, we partner with organizations to build capabilities and capacity in rural communities. Emory Eye Center and Orbis are two organizations we're partnering with through the Alcon Foundation and Alcon Cares to grow and strengthen the eye health workforce so more people can receive quality eye care.

Their training systems and models focus on developing eye care teams' skills to international standards and working holistically to build capacity. We're proud to support the work that Orbis started in 2020 to solve training gaps created by COVID so that we don't lose the next generation of eye care professionals.

Working closely with partners who share our commitment to increasing access to eye care, we provide resources that deliver eye care services, build eye care systems, and train eye care practitioners so that one day everyone – regardless of their location or ability to pay – can see brilliantly.

SERVICES

VisionSpring – Vision Spring’s programs in India work with NGOs, hospitals, eye surgery centers, governments, and charitable entities across 55 districts and 12 states to provide Base of Pyramid (BoP) consumers, defined as people living on less than \$4 a day, with accessible, affordable, culturally appropriate optical goods and services. With their improved vision, VisionSpring clients are able to return to or continue to work, receive an education, and live safer, longer lives. During the pandemic, VisionSpring transitioned to COVID response, providing one million units of PPE across seven countries and 17 Indian states; producing and distributing 100,000 cloth masks to households in India; implementing a door-to-door campaign to

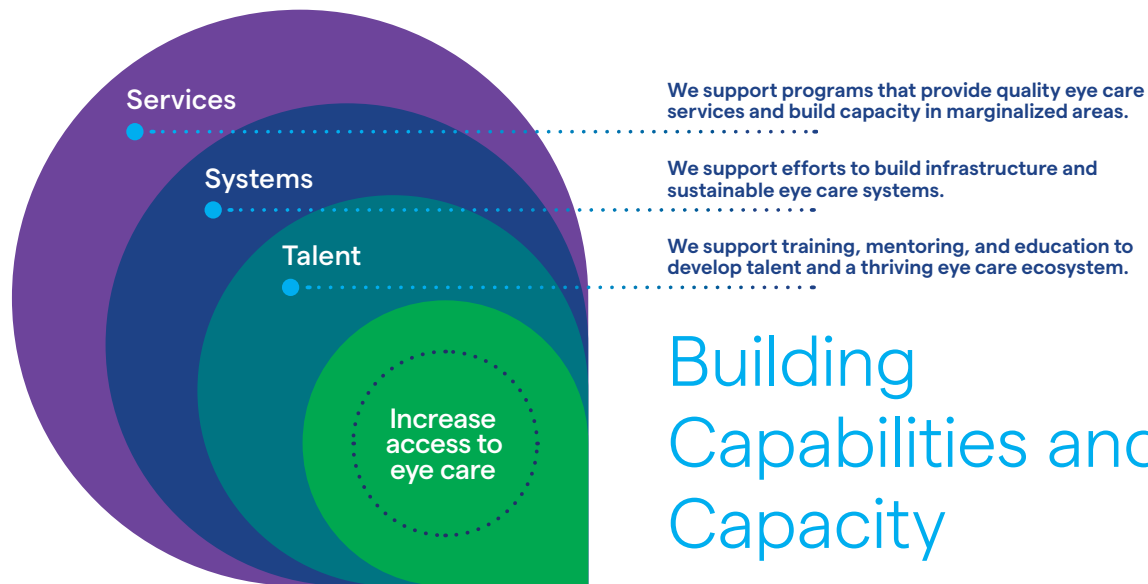
distribute COVID-19 information to 100,000 people; and delivering food and PPE kits to 7,000 truck drivers in India’s transit hubs. Having partnered with VisionSpring since 2010, we were familiar with the breadth and strength of their networks and distribution channels in India. When they had to suspend some of their eye care programs in 2020, the Alcon Foundation redirected a portion of support from their comprehensive eye care programs to their COVID response efforts.

Children’s Vision Program (CVP) – Eighty percent of classroom learning is visual. For more than 10 years, the Alcon Foundation has engaged partners, including Essilor Vision Foundation and Helen Keller Intl, to provide services, including exams and eyeglasses, to

children from low-income families in many US cities. Despite the challenges of the pandemic, the CVP partners served 8,000 elementary school students in the Fort Worth Independent School District during the 2020-21 school year. In the coming school year, Alcon is broadening the program to offer additional eye health information and resources to help students and their families incorporate regular comprehensive eye exams into their healthcare priorities.

Kentucky College of Optometry (KYCO) – KYCO and Alcon Foundation joined forces in 2018 to deliver optometric services to Central Appalachia, a rural area of the US, where barriers such as a scarcity of ECPs and city services combined with significant levels of poverty, have created communities with epidemic rates of severe vision loss. KYCO Clinical Services program provides care to underserved patients through an on-campus teaching clinic and 11 partner community clinics located throughout Central Appalachia. The team served more than 3,000 patients in 2020.

Mercy Ships – Long-time partner, Mercy Ships, deploys the Africa Mercy to countries in sub-Saharan Africa to serve patients with limited or no access to healthcare and train and mentor healthcare providers. In 2020, doctors performed 543 eye surgeries (primarily cataract) in the Alcon-equipped surgical suite, three ophthalmic surgeons participated in two-week surgeon mentorships, and 31 eye care providers participated in various ophthalmic training courses, including glaucoma, strabismus, and retina care. We are looking forward to seeing Mercy Ships double its impact when they launch their newest hospital ship, the Global Mercy, in late 2021. The ship, which Alcon supports with monetary donations from Alcon Foundation and product and equipment donations from Alcon Cares, will begin its first field service in 2022.



Building Capabilities and Capacity

SYSTEMS

International Eye Foundation (IEF) – IEF partners with hospitals around the globe to build capacity and increase organizational and financial sustainability, and develops and improves hospitals' ability to incorporate social services into their operations. In recent years, Alcon Foundation has directed our support for IEF to their India Sustainability Program. In 2020, IEF established a coalition of partners, with Susrut Eye Center serving as a mentor hospital and training hub to three mentee hospitals in northeast India; and increased patient consultations/exams by 22%, cataract surgery by 37%, and revenue by 15%.

TALENT

Orbis – Orbis trains eye care teams in areas with the greatest need so that they can save sight in their communities. From hands-on learning in the surgical suite on the Flying Eye Hospital to virtual classes and mentoring through their award-winning telemedicine platform, Cybersight, Orbis training participants gain and enhance their skills under the tutelage of the organization's esteemed volunteer faculty. Alcon and Orbis have been partners for more than 40 years. In 2020, Orbis hosted their first U.S.-based training project at the Alcon Experience Center in Fort Worth, Texas. Doctors and nurses traveled from Latin America to exchange skills and learn the latest technologies and techniques. Unfortunately, the two-week project was halted after a week due to the pandemic. However, just a few weeks later, Orbis transitioned to 100% virtual training, and volunteer Alcon biomedical technicians joined the online courses to train participants. Across these in-person and virtual opportunities, Alcon helped to train nearly 100 eye care professionals from eight countries.

Emory – The Alcon Foundation's partnership with the Global Ophthalmology Emory Program (GO-Emory) is helping to strengthen eye care systems in Ethiopia. GO-Emory hosted lectures in visual science and optics; designed and implemented a study on cataract surgery outcomes; and, in March 2020, transitioned to virtual courses so they could continue to deliver instruction and lectures to residents and faculty in Ethiopia during the pandemic.

Foundation American Academy of Ophthalmology (FAAO) Minority Ophthalmology Mentoring Program

– To increase diverse representation in ophthalmology, the FAAO created a program to support minority medical students in their pursuit of a specialty in ophthalmology. Alcon Foundation is supporting the effort with funding to provide more exam prep resources, including interview coaches, to help students become competitive ophthalmology residency candidates.



India

Alcon is working in partnership with the India Ministry of Health to increase access to quality eye care. The eye care market in India is characterized by a lack of awareness of the benefits of phaco surgery, and the poor outcomes of cataract surgery that discourage patients from seeking care. Furthermore, as in many countries, patients often must travel great distances for medical attention. We have a long-term commitment to building awareness for the safety and benefits of cataract surgery in India. Our Project 100 initiative donates phaco equipment to lower-income countries, and by the end of 2020, we had placed over 30 machines in India. Project 100 partner clinics and

hospitals prioritize surgeon training to build both eye care capacity and capability, and are committed to providing charitable care to low-income patients. Our efforts are helping to restore vision for many patients in India before they reach severe levels of near-blindness. For smaller and more rural communities, the training and phaco technology we provide is helping retain ophthalmologists in those areas. And, with word-of-mouth marketing as patients share that cataract surgery is safe and effective, more people are seeking care and not continuing to live with an easily treatable disability.



Photo credit: Priyanka Mukerjee / VisionSpring

Our efforts
are helping to
restore vision
for many
patients in
India before
they reach
severe levels
of near-
blindness.

WINNING IN THE WORKPLACE

When we win in the workplace,
we win in the marketplace.
We achieve both by attracting
top talent and fostering a safe,
engaging, diverse, and inclusive
work environment.

The Alcon Blueprint sets the stage for talent and culture at Alcon and is the foundation 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 meaningful performance and career goals and offer personal and professional training and development opportunities, all while ensuring competitive compensation and benefits.

SVP, Chief Human Resources Officer

VP, Culture,
Capability, and
Talent

VP, Global Talent
Acquisition

Chief Diversity
and Inclusion
Officer

Our Human Resource team develops and manages our talent policies and practices. By collaborating with business operations and supporting function leaders, we create comprehensive strategic recruiting and retention plans to meet the needs of our business.

Talent Attraction and Retention

We focus on building individual and organizational capabilities aligned to the needs of our business. These include plans for attracting, engaging, and retaining the talent needed to provide us with a competitive advantage. We aggregate and analyze critical human capital metrics, including associate skills and retention, to monitor the success of our strategy and adjust as necessary. Our People Analytics team leverages data from our Human Capital Management system to deliver metrics that inform strategy on sourcing channels and talent acquisition processes and efficiencies.

We are committed to recruiting and hiring diverse talent based on market availability. By working with university recruiting and partnering with organizations like the Society of Women Engineers and the National Society of Black Engineers, we build the diversity of our talent pipeline. We apply a fair and consistent process to our recruitment and retention approach for all associates in alignment with our Code of Business Conduct and our Third Party Code of Conduct, as well as other policies and guidelines.



Employment Value Proposition

In 2020, we launched an initiative to develop Alcon's global Employment Value Proposition, using both qualitative and quantitative research methodologies. We leverage these insights to design strategies to source and attract, engage and retain our talent.



Total Rewards

Alcon's Total Rewards programs are designed to align incentives with business goals, encourage the right values and behaviors, and deliver long-term value.

The first layer of our rewards program is compensation. We offer a combination of fixed pay and variable pay, which includes short- and long-term incentives.



Short-term incentives align associate performance with our company's goals and commitments:

- **Annual** incentives tied to the company's financial goals and personal objectives
- **Incentive targets** defined at the country and job level, with payouts accounting for individual performance
- **Sales incentives** reward achievement of sales targets
- **Local bonus/profit sharing plans** reward team or local site achievements based on predetermined metrics

Long-term incentives instill ownership and accountability for Alcon's long-term growth:

- **Restricted stock awards and restricted stock units** are time-based awards granted to key contributors
- **Performance stock units** are performance-based awards for top leaders that are earned if the company achieves three-year performance goals
- Other share plans offer broader associate participation and stake in our company's long-term success

Additional information concerning Alcon's short-term and long-term incentive plans can be found in the 2020 Swiss Annual Report: <https://alconannualreport.com>

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 geography. Generally, we provide healthcare protection in coordination with government-provided benefits, paid time off, death and disability protection, and retirement income protection, through a combination of company and statutory retirement schemes.

Globally, some of the benefits we offer include:

- Medical, dental, and vision healthcare plans
- Competitive pension and retirement benefits in many markets
- Telemedicine and telehealth visits supporting both physical and mental health wellness
- An Employee Assistance Program in 15 countries, including the US, offering 24/7 confidential assistance to deal with a wide variety of personal issues that could affect associate health, relationships, and job performance
- A FlexConnect program offering flexible working arrangements
- Generous parental leave benefits
- Discounted or free Alcon contact lenses (select markets only)

For our US associates, we offer:

- Medical, dental, and vision healthcare plans, including domestic partners regardless of gender
- Group life, accidental death and dismemberment, generous short- and long-term disability income benefits
- Family supporting benefits, including fertility benefits and adoption reimbursement, unpaid family leave of up to 12 weeks, breast milk shipping and storage, backup childcare and elder care benefits, and child and elder care resource referral services
- Unlimited time off for all exempt associates and PTO for non-exempt associates, in addition to 12 paid company holidays, including a five-day year-end closure in December
- Flexible spending account for medical and dependent care
- Education reimbursement for full-time associates
- Summer hours

Our benefits program provides security for life events through life and disability insurance, supports saving for retirement, promotes good health and well-being and supports associates and their families during times of illness.

Training and Development

We help our associates achieve their career goals by working with them to define development opportunities and pathways. We give them the tools to take charge, as well as learn through mentoring, coaching, training programs, and employee resource groups. In addition, we provide specialized training and development, ensure quality and compliance, and help maintain our competitive edge. Training programs are developed internally and externally, and are regularly assessed for effectiveness, relevancy and associate satisfaction. We measure the effectiveness of our training programs by assessing the impact on the participant and their contributions to the business.

Leadership development

A strong bench of talent is essential so that we can continue to be successful in the future. In 2020, 98% of people leaders completed a leadership training called “Alcon 20/20, Leading Brilliantly,” to build high-performing teams.

We focus on succession planning for critical roles across our company. Our succession planning program considers company goals and future areas of focus to forecast talent development needs at the executive leadership team level and one level below, as well as other key areas of our operations. We use internal metrics to identify talent gaps and measure the progress of our talent development programs.

Our leadership development programs include:

- Rotational Assignments for Developing Alcon Resources (RADAR), which identifies key talent within Alcon’s Manufacturing and Technical Operations (MTO) and Quality organization and provides rotational assignments to prepare participants for senior leadership positions
- Leadership Foundations, which prepares our early-career professionals for future leadership
- MTO Quality Technology Rotation Accelerating Career Knowledge (M-TRACK), a multi-year rotation program for entry-level associates in MTO, Quality, and IT functions, which offers management and leadership training

WE OFFER A WIDE RANGE OF TRAINING PROGRAMS, INCLUDING:

- Alcon Learning Academy for our sales force
- Manufacturing, quality, and compliance training
- AlconU for marketing training
- Bersin Academy for human resources training
- LinkedIn Learning for leadership and personal development
- Consciously inclusive thinking
- Global cultural competency training
- Job-specific training

In 2020,
98%
of people leaders
completed a
leadership training
called “Alcon
20/20, Leading
Brilliantly”



Partnering with educational institutions

We maintain a number of partnerships with local universities and educational institutions to provide training and development for our associates. For example, in Ireland we partner with Munster Technological University to deliver training programs to our technicians. In the UK, Alcon partners with faculty from the London Business School and the University of Hertfordshire to promote workplace practices that foster well-being and productivity.

Engagement

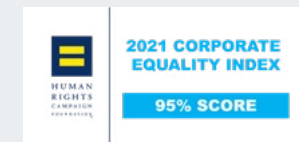
Alcon uses a periodic associate survey tool called the Associate Experience Dashboard (AED). The AED gauges associate sentiment on a variety of topics, including connection to purpose, ability to speak up, and empowerment to make decisions. The survey results help us improve the associate experience, as well as understand how we execute organizational change and inform our talent strategy. We were pleased that our AED scores continued to outperform global benchmarks throughout 2020, particularly in Collaboration, Authenticity, and Removing Barriers to Execution. Moreover, all twelve scores covering various areas improved versus the prior year, which is notable during a challenging time.

We work to make sure our associates feel supported. Our executive leadership team leads our annual goal setting process at the beginning of each year to align associate goals and performance expectations with our company's priorities, as well as identify individual development goals for the upcoming year. We provide regular developmental review for all associates.

Finally, we monitor associate turnover, including by geography, business unit, gender, race, and ethnicity in the US, and tenure. Our global voluntary turnover rate decreased to 4.6% in 2020 from 6.0% in 2019.



Alcon has been recognized as an employer of choice



Diversity & Inclusion

We believe we build an even stronger Alcon by cultivating a diverse and inclusive culture. At Alcon, our diverse backgrounds and perspectives fuel innovation, helping us deliver exceptional patient outcomes and fulfill our purpose to help people see brilliantly.

Our D&I Commitment:

- Honor and celebrate all dimensions of diversity
- Foster a culture of inclusion founded on mutual respect
- Hold ourselves accountable to diverse representation at all levels
- Ensure fair treatment, equal opportunity, and support in order to succeed and grow

In 2020, Alcon expanded its resources dedicated to diversity and inclusion by developing an Office of Diversity and Inclusion, headed by our first Chief Diversity and Inclusion Officer.

Executive Diversity Council

President,
Global
Business and
Innovation –
Chair

SVP, Global
Quality

Chief Human
Resources
Officer

Chief
Diversity and
Inclusion
Officer



We also proudly introduced the Executive Diversity Council (EDC) to guide the execution of our Diversity and Inclusion strategy throughout all aspects of our business. The EDC regularly reviews workforce analytics and associate engagement results and provides D&I updates to the ELT and to the Board of Directors on a regular basis.

Diverse Recruitment

We have implemented a wide range of programs to recruit diverse talent at all career levels. Some of our initiatives include:

- Reviewing job descriptions for inclusivity
- Requiring a diverse gender, race and ethnicity slate for all US new hires
- Using interview panels for all levels and types of positions to minimize unconscious biases in the interview process
- Investing in resources to increase diversity recruiting

We actively recruit from diverse sources such as Historically Black Colleges and Universities. We partner with local military organizations, and specialized agencies that focus on veteran/military talent, such as Recruit Military, Orion Talent and the Lucas Group.

We also partner with organizations like Project Scientist (a youth development organization dedicated to introducing girls to STEM education), the Society of Women Engineers, the National Society of Black Engineers, and the Society of Hispanic Professional Engineers to source talent in science and technology.

D&I Training

Our D&I training programs are focused on building a strong culture through raising awareness, advanced learning, skill-building, and supportive action. Through these programs, we strive to raise awareness about diversity, deepen understanding of cultural differences, and build inclusive leadership behaviors.

We provide training in several areas, such as:

- Respect and civility
- Cultural awareness
- Unconscious bias
- Cross-cultural competency
- Anti-harassment

The social unrest in 2020 created the need for dialogue on racial inequality and cultural acceptance in society. Throughout June, the D&I Office hosted “Virtual Open Door Conversations” to help our associates express empathy and understand their roles as advocates for change. We have since transitioned facilitation of these engagement opportunities to our business leaders.

Our D&I Ambassador program engages Alcon associates all over the globe to create an inclusive culture through educational opportunities, such as our Cultural Competency, Unconscious Bias, and Psychological Safety programs, as well as activities to celebrate diversity at Alcon. At our Houston facility, for instance, D&I Ambassadors host an annual Diversity Fair to celebrate the 26 countries represented on site.

Employee Resource Groups (ERGs)

Our ERGs support Alcon's business goals by providing and leveraging diverse perspectives and insights, building cultural awareness, and promoting an inclusive culture. They support talent attraction and market outreach, and provide strong development opportunities for our associates. Each ERG has an executive business sponsor.

We have nine ERGs at various Alcon locations, and new chapters are now starting to form outside of North America. Our current ERGs are:

- 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

Inclusive Design

Historically, product designs have unconsciously catered to men, resulting in unintentional ergonomic disadvantages for women. To address this bias, we have modified our design approach for certain products to be more inclusive of women. Physical differences in height and hand size, and the potential for repetitive injury, have influenced the design of our new surgical products. Through insights provided by our Women Innovating Now employee resource group, we now consider physical height and hand size in our product design. In 2019, we introduced two products designed using this approach: our surgical visualization system and hand-activated forceps.



Our Diversity Performance

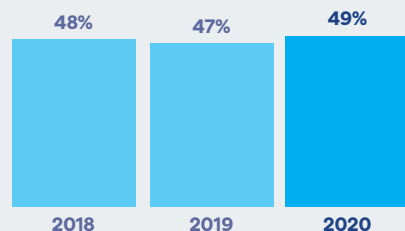
In 2020, we hired a third party to perform a full assessment of our D&I program and have used the results of this assessment to develop a multi-year strategy for increasing our diversity and fostering a more inclusive workplace. Looking forward, we will continue to focus on priorities to support the development of D&I champions; identify opportunities to increase diversity in our talent pipeline; and strengthen the connections between our D&I councils, ERGs, and supplier diversity programs.

We have also included two new metrics in our quarterly AED surveys, Acceptance and Inclusion, to help us monitor our progress in these areas. Additionally, we have introduced the goal of fostering greater D&I awareness and supporting D&I initiatives as a company-wide objective in 2021.

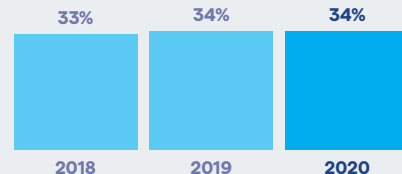
We will measure our D&I progress using key performance indicators and each member of our executive management team has D&I goals for 2021. We have identified opportunities to increase the representation of women globally and ethnic diversity in the US at all levels of the company. We are also evaluating D&I best practices for marketing communications and we are investing in programs to train our people on how to represent the diversity of our customers and patients at every touchpoint.

49% global female representation
for entire labor force

GLOBAL FEMALE REPRESENTATION

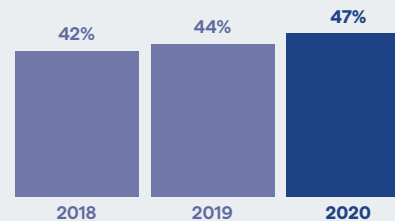


GLOBAL FEMALE REPRESENTATION
(manager/supervisor)

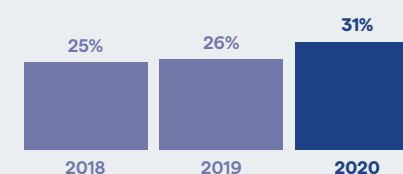


47% US ethnically diverse for
entire labor force

US ETHNICALLY DIVERSE



US ETHNICALLY DIVERSE
(manager/supervisor)



Health and Safety

Alcon's commitment to fostering a culture of health and safety creates the right environment to support performance and allow associates to thrive.

Our global Health, Safety and Environmental (HSE) team develops our corporate HSE policies, standards, management tools, and training to help our sites mitigate risk. Each Alcon manufacturing site has a dedicated HSE team and a cross-functional HSE Committee and designated HSE champions. Our annual HSE goal-setting process focuses on continuous improvement, taking into consideration results of internal and external risk assessments, health and safety performance, and changing regulatory requirements.

In addition, Alcon's HSE change management process outlines standards for identifying and managing HSE risks associated with capital investment projects and plant modifications, from initiation through operation handover, and these standards are shared across all Alcon sites. We believe that responsibility for HSE is a shared commitment and expect everyone we work with to follow our protocols and guidelines. We encourage our associates and partners to report unsafe conditions and behaviors in accordance with our Speak Up for Safety policy.

HSE Management Systems

Our global HSE standards play a crucial role in providing a healthy and safe working environment. Our sites use Alcon's risk management process to identify HSE risks and implement the necessary controls. Sites share the results of this process with senior leadership, and the results are considered when developing our HSE Annual Plan.

Our manufacturing site leadership takes a proactive role in overall safety performance 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 site events are communicated to all manufacturing sites to determine whether the hazard identified may be present at other locations and needs to be addressed.

In 2020, we conducted a safety culture survey to hear associates' perspectives on safety at Alcon. The culture survey provided insights into our safety programs and will be used to inform future goal-setting processes as we strive for continuous improvement.

Alcon launched our first annual HSE Excellence Awards program in 2020. The purpose of this award program is to increase awareness of HSE behaviors valued by Alcon and to recognize associates for efforts in promoting these behaviors. All Alcon associates are eligible to participate and the winners are selected by a cross-functional selection committee. There are four award categories focused on key HSE behaviors.



- **Courageous Leader Award** – exceptional leadership by an excellent role model for HSE standards
- **Green Planet Award** – innovation that results in a sustainable future and reduces Alcon's impact on the environment
- **Vitality Award** – inspirational performance that enhances our safety culture and the health and wellness of our associates
- **Alliance Award** – outstanding collaboration across sites, functions, and franchise to drive HSE excellence

In 2020, we rolled out our Permit to Work safety program to help ensure that HSE conditions are met before non-routine work is performed. Collaboration between all participants enables us to assess risks thoroughly prior to the start of the program.

Zero

associate or
contractor
fatalies

Zero

high-
consequence
work related
injury

0.42

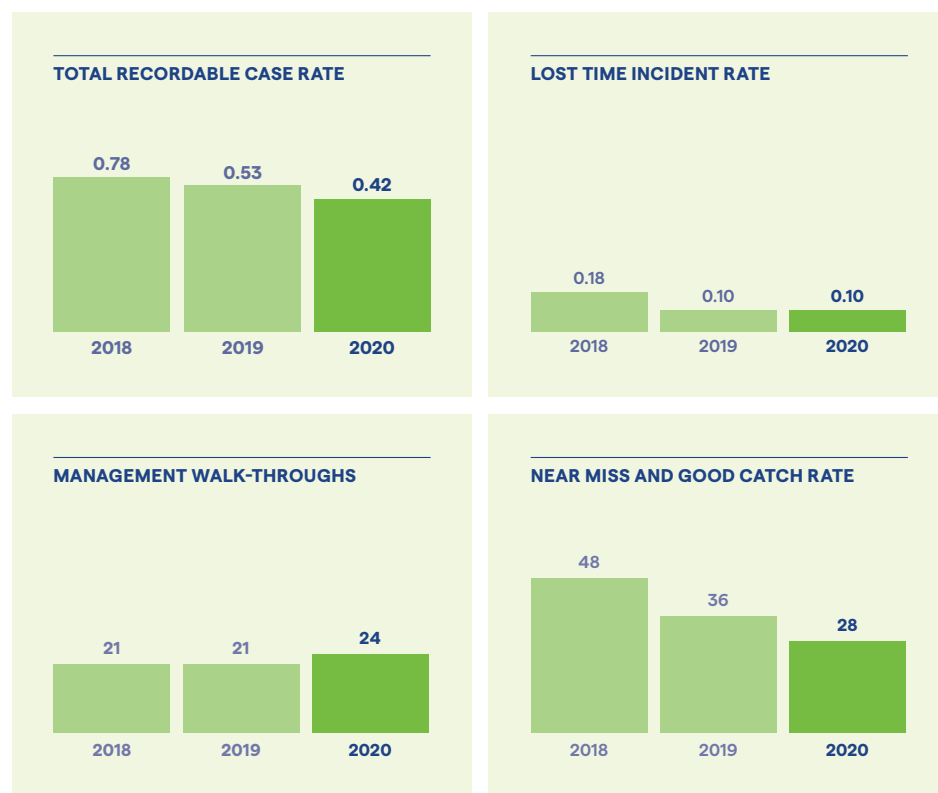
Total Recordable
Case Rate
(TRCR)

0.10

Lost Time
Incident Rate

Contractor Safety

We conduct a contractor health and safety assessment using a third-party prior to the start of any project. Additionally, we audit contractor activities while they are on site, and evaluate contractors' compliance with our HSE requirements. Any deficiencies identified in programs and training during the pre-screening evaluation are addressed before a contractor arrives at an Alcon location. Operational performance gaps are immediately corrected to prevent any adverse impact on associates, contractors, or visitors.



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.

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

Near Miss and Good Catch Rate: Indicator measured per 200,000 hours worked (equivalent to 100 associates).

Alcon Well-being



At Alcon, health and wellness promotion is critical to creating an energized and productive workforce, both on and off the job. The Alcon Global Wellness Committee was formed in order to develop a global framework for wellness at Alcon, and operates in conjunction with site-based wellness committees. In 2020, Alcon associates across the globe were offered wellness initiatives to achieve the highest level of health and wellness.

WELLNESS INITIATIVES AT ALCON

- Health risk assessment
- COVID-19 prevention measures and fitness for duty
- Virtual fitness programs
- Healthy eating options at cafeterias or canteens
- Annual health checks
- On-site biometric and cancer screenings
- Influenza vaccinations
- On-site medical clinics and health counseling
- Onsite gym and fitness subsidies
- On-site virtual mental health and first aid responders
- Employee assistance program for off-site mental health
- Surveillance exam for compliance regulations and health promotion

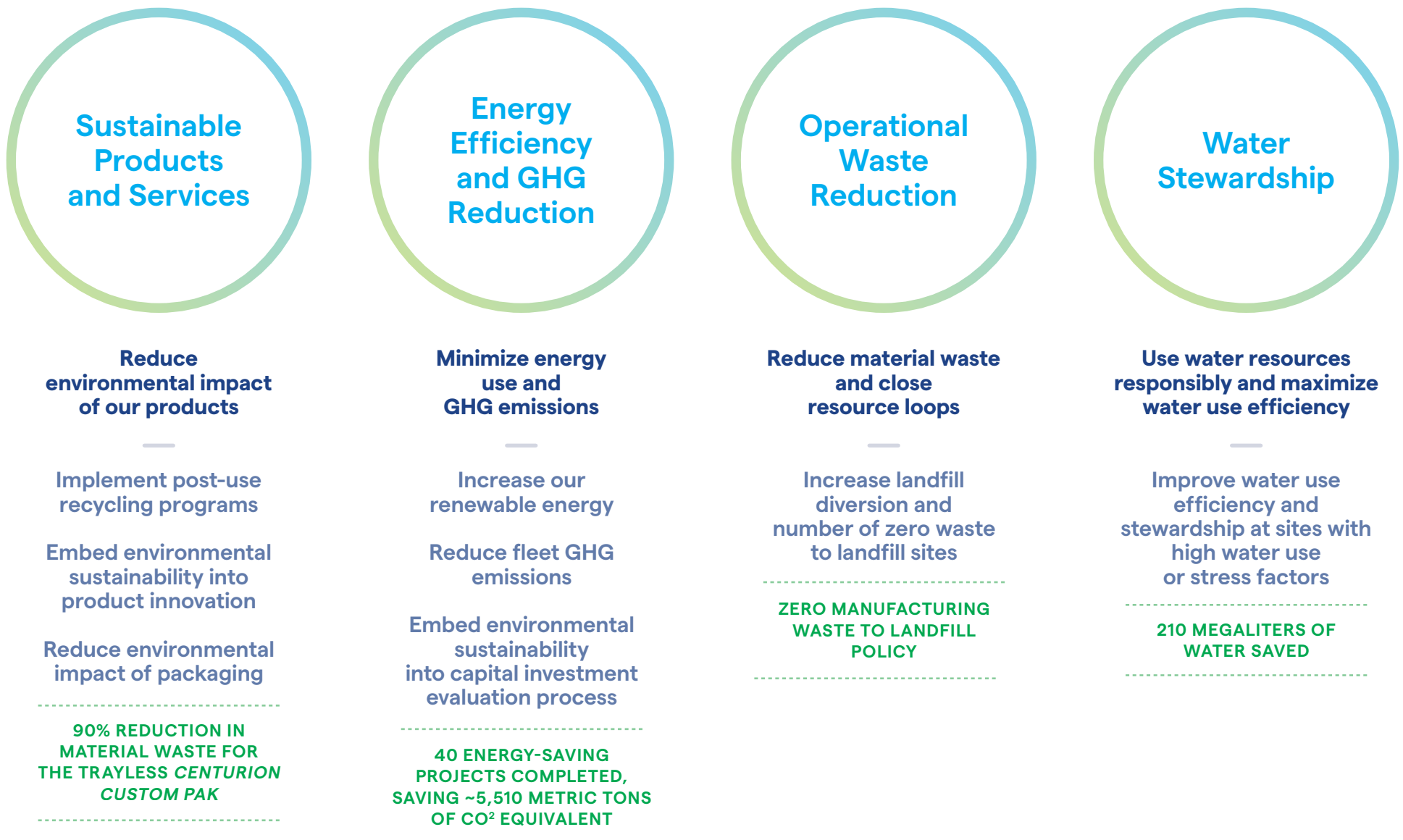
CARING FOR OUR ENVIRONMENT

We grow responsibly and sustainably by improving our environmental footprint continuously across the entire product life cycle.

We have established a robust set of programs to advance our efforts to continuously improve our environmental performance. These programs include goals and initiatives across our operations aimed at enhancing our understanding of and minimizing the environmental impacts of our products. For more information, please see our [HSE policy](#).

In 2020, we established the Global Environmental Sustainability Committee, whose primary purpose is to oversee and manage cross-functional efforts to accomplish our environmental goals.

Global Environmental Sustainability Strategy



Sustainable Products and Services

Energy Efficiency and GHG Reduction

Operational Waste Reduction

Water Stewardship

Sustainable Products & Services

We strive to maximize the safety and quality of our products and manufacturing processes while minimizing our products' impact on the environment. In ophthalmology, regulation requires the use of disposable products to protect patient safety and minimize infection risk. Our R&D teams consider environmental aspects when initiating new designs, including opportunities to safely reduce product packaging and post-consumer waste, and assessing ways to increase the use of recycled materials in our packaging products, all while delivering breakthrough technology.

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 (EUMDR)
- California Proposition 65 (Prop 65)
- 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 to keep abreast of best practices and industry standards, such as:

- Medical Technology Europe (MedTech EU)
- European Association of the Contact Lens and Lens Care Product Manufacturers (EuromContact)

We have implemented processes to evaluate the use of chemicals and parts throughout our product life cycle, and we work closely with our suppliers to implement upstream compliance.

Environmental Sustainability Scorecard

We introduced a new process for evaluating sustainability requirements during the design phase of new products. The process guides our design project teams in evaluating new products and materials in conjunction with environmental sustainability metrics. This enables us to screen materials for chemicals of concern, identify opportunities to reduce packaging waste, and improve product safety and operational performance.

In 2020, we developed an Environmental Sustainability Scorecard created by a cross-collaborative group of R&D, manufacturing, and commercial teams, to integrate sustainability into new product development. The scorecard records water and energy usage intensity, greenhouse gas emissions intensity, and operational waste, as well as product and packaging waste for new products. We are currently piloting our new scorecard with several product development teams and will embed the scorecard into the enterprise stage-gate process starting in 2021.



Sustainable Products and Services

Energy Efficiency and GHG Reduction

Operational Waste Reduction

Water Stewardship

Trayless Custom Paks

The Trayless *Centurion* Fluid Management System (FMS) pack is a non-sterile version of *Centurion* FMS Packs with an updated packaging configuration for use in *Custom Paks*. Previously, *Centurion* FMS packs were packaged in rigid plastic trays and shipping cartons, and shipped to a Gamma-sterilizer before returning to our Houston facility for final packaging and sterilization. The new packaging resulted in:

Reduced carbon footprint by eliminating dual-sterilization and transportation costs

~90% reduction in material waste by eliminating rigid packaging materials and shipping cartons

Estimated \$1.3M annual cost savings potential based on current eligible volumes

CENTURION FMS PACK

Original trayed
Centurion FMS pack



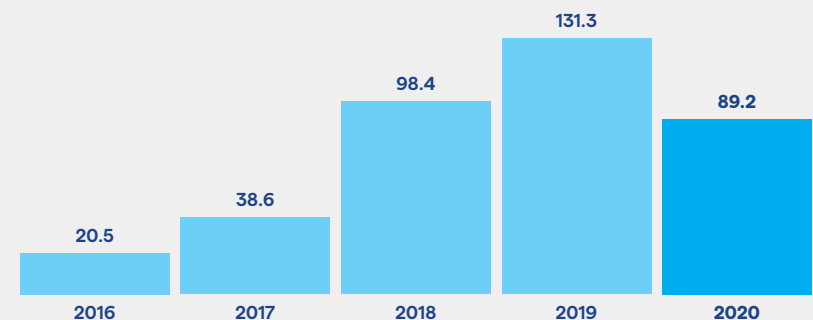
New trayless
Centurion FMS pack

Reprocessing Used or Obsolete Equipment

Our program to reprocess used surgical equipment has positive implications for the environment. Our technical service engineers replace parts and update the existing technology to restore surgical equipment to Alcon's operational standards. The reprocessed equipment provides expanded access in low- and middle-income countries to surgical equipment that meets Alcon's operational standards at a lower cost. We use environmentally safe methods to dispose of any parts that cannot be reprocessed.

In 2020, COVID-19 decreased the volume of reprocessed equipment and refurbished spare parts due to mandatory regional lockdowns and lower customer activity. Alcon centers in 43 affiliate countries and 4 repair centers refurbished close to 90 metric tons of reused, recycled, and donated equipment and spare parts in 2020. We have four centers to refurbish spare parts and we opened a fifth center in 2021.

~90 metric tons of reused, recycled, and donated equipment and spare parts was refurbished in 2020

**DEVICES AND EQUIPMENT REUSED, RECYCLED OR DONATED
(METRIC TONS)**

Sustainable Products and Services

Energy Efficiency and GHG Reduction

Operational Waste Reduction

Water Stewardship

Environmental Management System

We maintain an environmental management system at all our manufacturing locations. 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. As of year-end 2020, 16 of our 17 manufacturing sites were ISO 14001 certified. We plan to achieve ISO 14001 certification at all manufacturing locations in 2021.

16 of our 17 manufacturing sites are ISO 14001 certified

Expect all manufacturing sites to be ISO 14001 certified in 2021

Reducing Our Environmental Footprint

Alcon is committed to conserving 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. We will continue to analyze our environmental footprint holistically as we define our annual short- and long-term goals.

Energy Usage

Alcon is committed to continually improving our energy efficiency.

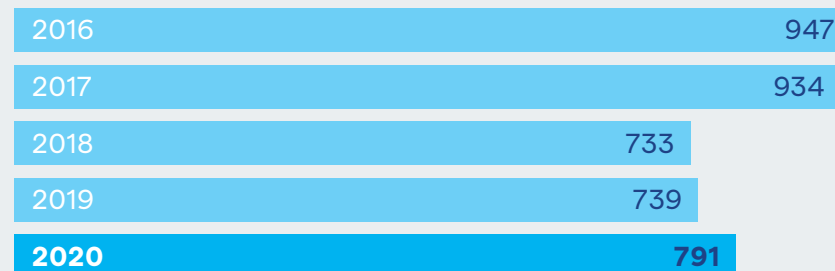
In 2020, we completed 40 energy-saving and alternative energy projects, including solar array installation, LED lighting, HVAC and air compressor replacement, installation of energy-efficient chillers, and optimization of production-related processes. These projects resulted in energy savings of approximately 29,000 GJ, saving approximately 5,510 metric tons of carbon dioxide equivalent (tCO₂e). As an example, we implemented eight LED projects across manufacturing, distribution, and R&D, which resulted in an estimated annual saving of 6,500 GJ.

Our energy intensity in 2020 increased less than 10% despite lower production volume as a result of the COVID-19 pandemic.

40 energy-saving and alternative energy projects completed

29,000 GJ of energy savings, approximately 5,510 metric tons of carbon dioxide equivalent (tCO₂e)

ENERGY USAGE INTENSITY (GJ/MILLION UNITS PRODUCED)



Renewable Energy

Pursuing renewable sources of energy, such as solar power, is a key component of our sustainability strategy. In 2020, both our Singapore Alcon Manufacturing and Logistics (AML) and Pressath, Germany sites installed solar panels on their roofs. A third manufacturing site in Johor, Malaysia is on track to complete the installation of solar panels in the next twelve months. In addition, three of our manufacturing sites (Grosswallstadt, Germany, Cork, Ireland, and Schaffhausen, Switzerland) have 100% renewable purchased energy.

new solar
installations



RENEWABLE ENERGY PANELS INSTALLED AT OUR SINGAPORE AML FACILITY, WHICH GENERATED 5,754 GJ OF ENERGY IN 2020.

In the next 12 months, we will install solar arrays at Johor, Malaysia, one of our largest manufacturing sites.

GHG Emissions

In 2020, our direct (Scope 1 and Scope 2) greenhouse gas (GHG) emissions were 327,746 metric tons of carbon dioxide equivalent (tCO₂e), measured on an absolute basis using a market-based approach.

Scope 1 and Scope 2 emissions decreased by 5% owing to less energy consumption and reduced fleet vehicles mileage consequent to the COVID-19 pandemic.

TOTAL SCOPE 1 AND SCOPE 2 GHG EMISSIONS (tCO₂e)

2016	380,680
2017	346,290
2018	332,360
2019	346,426
2020	327,746

~5% emissions decrease in 2020 versus 2019

Waste Minimization

We reduce waste by reusing resources where possible, recycling of generated waste, generating less hazardous waste, and diverting non-hazardous waste from landfills. In 2020, we rolled out Zero Manufacturing Waste to Landfill, a new policy that aims to gradually increase the number of sites with zero non-hazardous waste to landfill. Currently, almost 60% of our manufacturing sites are 100% landfill-free for non-hazardous waste disposal.

In 2020, we completed reduction or elimination projects resulting in approximately 500 metric tons of waste elimination. Additionally, 706 metric tons of waste were diverted from incineration to recycling. We recycled 77% of our operational waste in 2020, up from 72% last year.

We reduced overall waste by approximately 2.5% in 2020. The increase in hazardous waste as a result of expired chemicals and raw materials due to low production demand related to COVID-19, was more than offset by reductions in non-hazardous waste, driven by ongoing site initiatives and low office occupancy.

2020 HIGHLIGHTS

Zero
Manufacturing Waste to Landfill
policy rolled out

31
waste reduction
or elimination projects

500
metric tons of waste
elimination

77%
of our operational waste recycled
in 2020, up from 72% last year

Highlight Story: Manufacturing Waste Recycling at Singapore AML

The Polypropylene (PP) Mold Waste Collection System conveys PP mold waste from our new contact lens production lines, crushes the mold waste into smaller particles, and transfers the material into a storage silo. We transfer the material from the silo into bulk bags, where they are collected for recycling. We estimate approximately 630 metric tons of waste have been diverted from incineration to recycling as a result of the installation of this system.



THE POLYPROPYLENE MOLD WASTE
COLLECTION SYSTEM SILO IN SINGAPORE

Sustainable Products and Services

Energy Efficiency and GHG Reduction

Operational Waste Reduction

Water Stewardship

Water Management

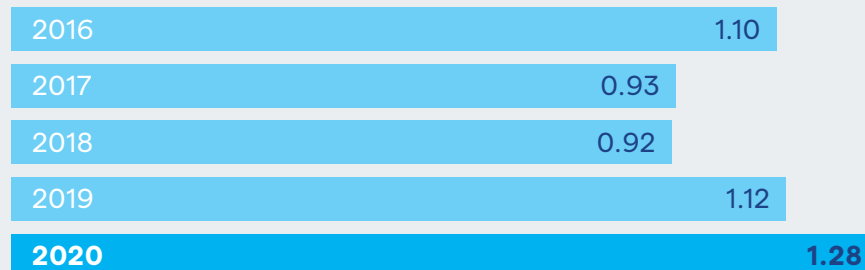
Our manufacturing sites account for most of Alcon's water consumption. We continue to focus on maximizing our water efficiency and increasing our water recycling and reuse.

In 2020, we implemented 17 water-saving projects, including the optimization of the Clean-in-Place process, use of reverse osmosis reject water and HVAC condense, rainwater collection, and restroom fixture upgrades, which collectively saved approximately 210 megaliters of water. For example, at our Grosswallstadt site, the optimization of water use in inspection and disinfection modules resulted in approximately 75 megaliters of water savings.

Our overall water intensity increased due to a 9% decrease in production and a 9% increase in absolute water consumption related to our expansion activities at select facilities. We are developing site water conservation and efficiency assessments to guide our site leaders in identifying risks and opportunities within our current water management practices. While water usage is expected to continue to increase as we expand our contact lens manufacturing platform, we will seek opportunities to expand our water conservation and efficiency initiatives going forward.

210 megaliters of water saved in 2020 from water-saving projects

TOTAL WATER INPUT INTENSITY (MEGALITERS/MILLION UNITS PRODUCED)



Looking Forward

To manage the risks associated with climate change, we are engaging with third-party experts to identify next steps for Alcon's Scope 1 and 2 GHG emission reductions. We are undertaking a study to estimate our Scope 3 GHG emissions in 2021, which will guide our assessment and strategy for addressing long-term environmental risks.

As we continue to execute our global environmental sustainability strategy, our key initiatives for 2021 will focus on:

- Implementing an Environmental Sustainability Scorecard for new product development
- Piloting post-use recycling programs for our contact lens products in two key markets
- Conducting a water conservation and efficiency assessment at our sites with higher water usage to inform our long-term strategy for water conservation
- Embedding an environmental impact assessment into our manufacturing capital investment approval process
- Increasing our renewable energy portfolio to offset the purchased energy of our manufacturing sites

WORKING WITH INTEGRITY

We seek to do business the right way and this commitment is without compromise.

“Our success depends on maintaining the trust of our stakeholders. No amount of progress can come at the expense of our company values or integrity.”

—David J. Endicott, Chief Executive Officer

KEY GOVERNANCE POLICIES

 [CLICKABLE LINKS FOR CONTENT](#)

- › [Code of Business Conduct](#)
- › [Third Party Code of Conduct](#)
- › [Modern Anti-Slavery Policy](#)
- › [California Compliance Declaration](#)
- › [Conflict Minerals Report](#)
- › [Health, Safety and Environment Policy](#)
- › [Human Rights Policy](#)

Business Ethics

We are committed to doing business the right way, without exception. Our vigilance against corruption and bribery, and our compliance with local law and ethical practices are essential for our sustainable growth.

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 (including part-time and contract workers) and our Board of Directors to act ethically and responsibly. Alcon does not tolerate illegal or unethical behavior in any form and emphasizes importance of speaking up, respecting human rights and fair labor standards, avoiding conflicts of interest, managing confidential information properly, maintaining accurate books and records, along with the importance of adhering to policies and procedures. 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 believe that all people should be treated with dignity and respect and recognize the importance of protecting human rights. We respect workers' rights including but not limited to, equal opportunity and freedom from discrimination. We comply with the employment and human rights laws, protection from child labor, modern slavery or human trafficking as covered in the UK Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act of 2010, as outlined in our [Declarations on Supply Chain, Modern Slavery and Human Trafficking](#).



Alcon Board of Directors

Audit and Risk Committee

Global ethics and compliance program

Governance and Nomination Committee

Strategy and reputation regarding corporate governance

Environmental stewardship and sustainability

Corporate social responsibility

Trends in ESG matters

Corporate Audit and Compliance Committee

Strategic direction and oversight relating to compliance program

Management of compliance risks

Similar committees at regional and country levels

The Board of Directors, principally through the Governance and Nomination Committee, oversees Alcon's global strategy and reputation regarding corporate governance, environmental stewardship, sustainability, and corporate social responsibility and stays abreast of developing trends in ESG matters to help guide Alcon.

In addition, our Board of Directors, through the Audit and Risk Committee, 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 Alcon's 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.

Ethical Marketing & Interactions with Healthcare Professionals

We are committed to promoting our products and services responsibly and in a manner that is accurate, truthful, and consistent with their approved use. The Lens, our global policy on professional practices, defines Alcon's requirements for ethical marketing and interactions with healthcare professionals and is aligned with the code of ethical conduct guidelines from relevant medical technology industry associations including AdvaMed, AbiMed, APACMed, MedTech Europe, and Medcomed.

THE LENS EMPHASIZES FIVE ETHICAL PRINCIPLES THAT APPLY TO ALL ALCON INTERACTIONS WITH HEALTHCARE PROFESSIONALS:

WE MUST:

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

We embed this core policy into each of our business operations around the world and incorporate local market regulations and requirements. The Lens outlines clear operating guidelines for managing engagements with healthcare professionals. This helps to ensure that we only engage for legitimate services and any consulting payments reflect a fair market value for the services performed. Promotional materials are reviewed and approved by appropriate Medical, Legal, and Regulatory personnel.

Bribery and Corruption

Building a strong company culture that promotes trust is a shared responsibility we take seriously. Our Code of Business Conduct and our Anti-Bribery and Corruption Policy prohibit bribery and corruption in any form. Alcon is committed to adhering to all anti-corruption and anti-bribery laws including the US Foreign Corrupt Practices Act, the UK Bribery Act and other local laws globally. We also require that every third-party company we do business with acts in accordance with these laws.

Our third-party compliance process requires that risk-based due diligence be conducted before a third-party is engaged by Alcon. It includes processes for risk-based screening of third parties and requirements to mitigate identified risks, as well as requirements for training, monitoring and auditing of relevant third parties.

Fair Competition Practices

We believe in fair competition and seek to make our products accessible to doctors, patients, and customers. Anti-competitive behavior is prohibited by our Code of Business Conduct. Our Global Fair Competition Policy supplements the fair competition provisions in our Code of Business Conduct, details our expectations for fair business dealings, and protects the proper functioning of markets, consistent with the applicable competition laws. We develop and implement commercial strategies independently and prohibit practices that may abuse our market position. We expect our associates to respect the principles of fair competition and observe the higher internal or regulatory standard governing fair competition.

Training & Awareness

We convey our ethical expectations to all our associates (including part-time and contract workers) via a multi-channel training and awareness program. This includes the provision of the Code of Business Conduct and core global policies (including The Lens and Anti-Bribery and Corruption policies) and related training programs in 23 languages so that associates receive guidance in their first language. In addition, we train our associates on our Code and require all Alcon associates, including our Board, to certify compliance annually.

We further provide additional training through our Integrity & Compliance staff at country and regional levels, as well as regular communications designed to enhance engagement with our policies. These communications include leader messaging, newsletters, videos, and case studies.

In 2020, 97% of our associate (including contractors), completed our Code of Conduct training, despite the logistical challenges and associates working remotely. Full time associates achieved a 99.5% completion rate this year.

99.5%
of our full time
associates, completed
Code of Conduct
training



Monitoring Ethics Compliance

We annually verify compliance with our policies and procedures through our auditing and monitoring program. Our risk assessment process at both the enterprise and country levels guides these efforts and includes a review of internal and external inputs such as helpline reporting, investigation reports, audit findings and regulatory enforcement actions. Alcon's Internal Audit function performs an annual audit to assess compliance with our Code as well as ethics and compliance policies and procedures. Any action items identified are tracked and corrections made in a timely manner. We take seriously and investigate any alleged violations of our Code of Business Conduct or policies.



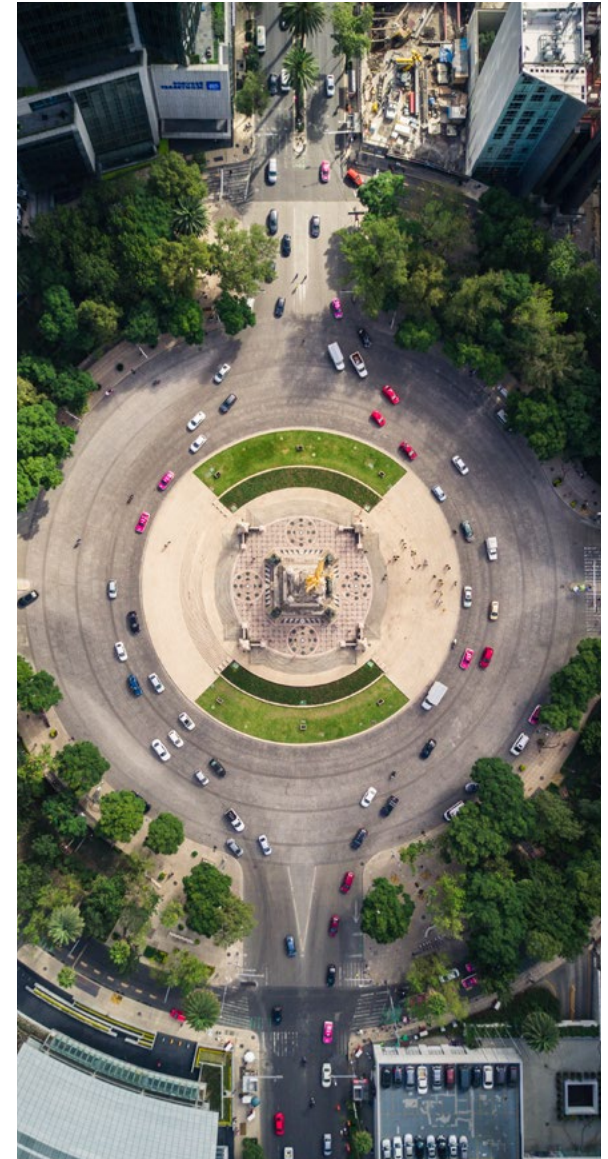
Speak Up Culture

Our Code of Business Conduct emphasizes that we build trust by speaking up, and we reinforce the importance of this through training and communications programs, "Speak Up" posters across our facilities, and talking points in our leadership communications. We foster an environment that encourages our associates (including part-time and contract workers) to ask questions and raise concerns about perceived unethical or inappropriate behavior through any of the following channels:

- Their manager
- Human Resources
- Legal or Integrity & Compliance
- The Alcon Ethics Helpline

The Alcon's Ethics Helpline is a web-based reporting system that includes live 24/7 telephone support and is available in 21 languages. All reported concerns are reviewed and investigated in a timely manner and managed by the Integrity & Compliance department. For any instances of confirmed misconduct, we carry out appropriate corrective or disciplinary actions up to and including termination of employment.

Alcon has a formal Non-Retaliation and Confidentiality Policy and does not tolerate retaliation in any form against anyone who speaks up in good faith, participates in an investigation, or files a complaint. Anonymous reporting is available via the Alcon Ethics Helpline, except where not permitted by local law.



Responsible Procurement and 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.

Our Procurement team is tasked with responsible procurement, supplier diversity, and reporting of conflict and critical minerals throughout Alcon's supply chain. In addition, Alcon's Integrity and Compliance and Quality functions evaluate new and existing suppliers for potential risks and work to reduce or eliminate identified risks with appropriate mitigation plans.

Alcon continuously monitors the global state of the supply chain with the help of market intelligence providers and the Institute of Supply Management. As a company, we maintain a robust business continuity plan across our global supply chain network to prepare for unforeseen events and meet the needs of doctors, patients, and consumers.

We expect our suppliers to meet delivery, cost, technical, and regulatory requirements and we evaluate new and existing suppliers based on these criteria. Business reviews are conducted quarterly, semi-annually, or annually with critical suppliers undergoing a business review at least once a year.

Based on an assessment of the potential risk a supplier poses to Alcon's manufacturing operations, we segment the suppliers into tiers. At a minimum, all Tier 1 (Critical) Good Manufacturing Practices (GxP) suppliers are subject to the Alcon's Supply Quality audit program and required to maintain GxP certification – inclusive of independent third party audits.

Third Party Code of Conduct

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 and is integrated within our Global Master Service Agreement and 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 and Trace Program

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 (UDI) 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

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.

Conflict Minerals

We seek to understand the origin of the materials used in 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. We evaluate our products annually, 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. For more information, please see our Conflict Minerals Report.

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. As a result of our increased diligence, our RCOI now tracks 82% of our supplier spend in 2020.

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 key performance indicators for supplier diversity quarterly and annually

As a member of the Dallas Fort Worth 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.

We track our spending on diverse suppliers to measure our impact on diverse and small business enterprises. In 2020, Alcon increased diverse spend by 2% over 2019 to 14.2% of our US supplier spend with qualified diverse suppliers.

Diverse Supplier Category	2019	2020
All Diverse and Small Suppliers	\$226M	\$273M
Minority-owned Business Enterprise	\$33M	\$41M
Women-Owned Business Enterprise	\$50M	\$69M
Veteran-Owned Business Enterprise	\$7M	\$9M
Small Business Enterprise	\$199M	\$247M
LGBT-Owned Enterprise	\$0.31M	\$0.34M

Cybersecurity and Data Privacy

We are committed to protecting the privacy and security of our information assets, especially the data that our customers entrust to us. Alcon has implemented a defense-in-depth strategy and information security framework, comprising multiple layers of people, processes and technologies. This approach is aligned with internationally recognized industry standards for security, such as those from the National Institute of Standards and Technology (NIST) and ISO 27001 standard and is deployed in a centralized global fashion to ensure a consistent approach to security across the organization.

Key areas of focus:

- **Systems lifecycle**
- **Operational security**
- **Security by design**
- **Information asset management**
- **Information risk management**
- **Third party risk and management**

Alcon's Enterprise Risk Management team monitors and implements procedures to manage our cybersecurity and data privacy risks. Our IT Security team and Intellectual Property & Data Privacy team play a critical role supporting our cybersecurity and data privacy efforts. Alcon has established a Security Operations Center that manages the Cybersecurity Incident Management and Response process. Together with the Alcon Crisis Management team, we instituted a consistent cyber management program across our business areas. We maintain redundancies in critical systems and disaster recovery capabilities to maintain continuity in case of business disruption.

Identified cybersecurity risks are addressed strategically as part of the cybersecurity maturity program. The Board's Audit and Risk Committee oversees cybersecurity risk. The management team provides an update on cybersecurity risk and related strategic maturity efforts to the Board of Directors.

Alcon has a single Global Security Incident Management and Response process based on the NIST Security Incident Framework on which the Security Operations Center manages all cyber-related events. This process is integrated with Alcon Crisis Management and manages our responses across enterprise business units. We test this process at least twice a year through cross-functional security tabletop exercises.

We are focused on managing the risks of third-party events. We deploy vendor cybersecurity due diligence and privacy assessment programs to reduce our risks via our partners and suppliers. Additionally, we regularly execute targeted third-party assessments of our security controls. We train our associates on the importance of protecting the confidentiality and integrity of informational assets. As risks to the environment are identified, regular communication channels are in place to make associates aware of risk and protective actions to ensure a safe operating environment and the protection of Alcon's information assets. We provide monthly communications on IT security and dedicate resources to raise associate awareness through special events like Cybersecurity Month and IT Innovation Day.

Key areas of focus:

- **Phishing awareness and testing**
- **Cybersecurity best practices**
- **Key enterprise cybersecurity risks**

Data Privacy

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 Asia and local privacy teams worldwide. The GPO works in close cooperation with our IT Security and Legal and Compliance functions. The GPO is represented on the Alcon Audit and Compliance Committee, and this office participates in our ongoing enterprise risk management 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. Alcon's privacy training program raises associate awareness of the importance of observing data protection principles thus ensuring each associate takes appropriate responsibility for the personal data they handle in their work environment.

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 personal data is crucial to preserving our stakeholders' trust in Alcon, protecting our brand and reputation, and supporting product and data strategies, particularly in the digital space. 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, Brazil's Lei Geral de Proteção de Dados Pessoais (LGPD), California Consumer Privacy Act (CCPA), and other national privacy and cybersecurity laws.

ESG Performance Data



ESG Performance Data

	2016	2017	2018	2019	2020
R&D PRODUCTIVITY					
Number of first-to-market launches	8	10	14	14	8
Number of product approvals (major markets) ¹	26	43	64	80 ²	78
QUALITY MANAGEMENT SYSTEM					
Number of recalls issued SASB HC-MS-250a.1					
Number of FDA-initiated recalls	—	—	—	—	—
Percentage of recalls which were voluntary, FDA requested or FDA mandated	100% voluntary	100% voluntary	100% voluntary	100% voluntary	100% voluntary
RECALL RATE³					
Vision Care	—	—	—	—	—
Surgical	0.24%	0.63%	0.05%	—	0.004%
QUALITY MANAGEMENT SYSTEM					
Products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database SASB HC-MS-250a.2					
	—	—	1 ⁴	—	—
Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience SASB HC-MS-250a.3					
	—	—	—	—	—
Number of FDA enforcement actions taken in response to violations of Current Good Manufacturing Practices (CGMP) SASB HC-MS-250a.4					
	—	—	—	—	—

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

² Restated

³ Recall rate is defined as the number of units subject to recall per total sold globally, based on recall actions where there is a reasonable chance that a product will cause serious health problems, or where a product may cause temporary or medically reversible health problems or pose a slight chance of causing serious health problems.

⁴ CyPass Micro-Stent System.

ESG Performance Data (continued)

	2016	2017	2018	2019	2020
RELATIVE PRICE PERFORMANCE					
Ratio of weighted average rate of net price increases in the US (for all products) to the annual increase in the US CPI SASB HC-MS-240a.1	N/A	N/A	N/A	0.73	1.29
PHILANTHROPY ⁵					
Number of medical missions supported	646	554	593	529	151
Number of surgeries	47,000	34,000	36,000	38,000	9,845
Number of patients treated	484,000	392,000	414,000	308,000	85,462
ENVIRONMENTAL PERFORMANCE ⁶					
Water withdrawal (megaliters) GRI 303-3					
Total water withdrawal from all areas (megaliters)	3,685	3,461	3,651	4,458	4,640
Waste by type and disposal method (metric tons) GRI 306-2					
Total hazardous (metric tons)	19,206	19,784	20,462	20,529	24,115
Total non-hazardous (metric tons)	17,078	19,878	21,797	26,067	21,192
Energy intensity (gigajoules/million units produced) GRI 302-3					
Energy intensity ratio for the organization (gigajoules/million units produced)	947	934	733	739	791
Emissions intensity (tons of GHG/terajoules) GRI 305-4					
GHG emissions intensity ratio for the organization on-site generated energy (t/TJ)	57	38	52	56	55
GHG emissions intensity ratio for the organization purchased energy (t/TJ)	151	143	142	140	139
Weight of Reprocessed Parts and Systems Redeployed (metric tons) HC-MS-410a.2	20.5	38.6	98.4	131.3	89.2

⁵ 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. 2020 medical mission number includes only medical missions supported by Alcon Cares.

⁶ Values for 2017, 2018 and 2019 were restated.

ESG Performance Data (continued)

	2016	2017	2018	2019	2020
TALENT ATTRACTION & RETENTION					
Total turnover rate	11.4%	9.3%	8.7%	9.0% ⁷	7.7%
Voluntary turnover rate	7.1%	6.0%	5.8%	6.0%	4.6%
DIVERSITY & INCLUSION					
Global female representation			48%	47%	49%
Global female representation (managers/supervisors)			33%	34%	34%
US ethnically diverse ⁸			42%	44%	47%
US ethnically diverse (managers/supervisors) ⁸			25%	26%	31%
SAFETY PERFORMANCE					
Work-related injuries					
GRI 403-9					
Employee fatalities	—	1	—	—	—
Contractor fatalities	—	—	—	—	—
High-consequence work-related injuries (excluding fatalities) – associates	1	—	1	—	—
Recordable work-related injuries (including fatalities) – associates	155	143	148	143	110
Work-related injury rate					
GRI 403-9					
Employee fatalities	—	0.01	—	—	—
Contractor fatalities	—	—	—	—	—
High-consequence work-related injuries (excluding fatalities) – associates	0.003	—	0.005	—	—
Recordable work-related injuries (including fatalities) – associates	0.51	0.74	0.78	0.53	0.42
Employee Total Recordable Case Rate (TRCR) ⁹	0.51	0.74	0.78	0.53	0.42
Employee Lost Time Incident Rate (LTIR) ¹⁰	0.12	0.15	0.18	0.10	0.10

⁷ 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.

⁸ Includes American Indian/Alaska Native, Asian Black/African-American, Hispanic/Latino, Native Hawaiian/Other Pacific Islander, and two or more races.

⁹ 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.

¹⁰ 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.

ESG Performance Data *(continued)*

	2016	2017	2018	2019	2020
BUSINESS ETHICS					
Code of Business Conduct Training completion rate	99%	99%	98%	98%	97%
Number of grievances filed per year	842	607	473	513	462
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption (in millions) SASB HC-MS-510a.1	—	—	—	—	\$8.93
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims SASB HC-MS-270a.1	Not Tracked	Not Tracked	—	—	—
RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN					
Percentage of (1) entity's facilities participating in third-party audit programs for manufacturing and product quality SASB HC-MS-430a.1 ¹¹	100%	100%	100%	100%	100%
Percentage of (2) Tier 1 suppliers' facilities participating in third-party audit programs for manufacturing and product quality SASB HC-MS-430.2 ¹²	Not Tracked	Not Tracked	Not Tracked	100%	100%

¹¹ All Alcon production facilities are audited by 3rd party and regulatory notified bodies for ISO and other GxP compliance certification. Audit frequency and validity varies by audit type.

¹² Alcon's internal quality risk assessment determines the criticality of supplier (Tier 1) and thus triggers auditing requirement. Frequency and duration may vary. Alcon reserves the right to audit for cause (either directly or via third party) when infractions to agreed quality standards are found.

Content Indices

SASB Index	60
GRI Index	62
TCFD Index	68
Disclaimer	69

SASB Index

SASB Topic	Code	Accounting Metric	Report Location	Omissions
Activity Metric	HC-MS-000.A	Number of units sold by product category.		Given the breadth and diversity of Alcon's product portfolio, Alcon does not disclose this data.
Affordability & Pricing	HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index.	Sustainability Performance Data – Relative Price Performance	
Affordability & Pricing	HC-MS-240a.2	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, or the frequency of use of confidentiality clauses in purchasing agreements with health care providers that restrict them from sharing with third parties the price they paid.
Product Safety	HC-MS-250a.1	Percentage of recalls.	Sustainability Performance Data – Quality Management System	
Product Safety	HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database.	Sustainability Performance Data – Quality Management System	
Product Safety	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience.	Sustainability Performance Data – Quality Management System	
Product Safety	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices, by type.	Sustainability Performance Data – Quality Management System	
Ethical Marketing	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims.	Sustainability Performance Data – Business Ethics	
Ethical Marketing	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products.	Business Ethics – Preventing Off-Label Use	
Product Design & Lifecycle	HC-MS-410a.1	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	

SASB Index *(continued)*

SASB Topic	Code	Accounting Metric	Report Location	Omissions
Product Design & Lifecycle	HC-MS-410a.2	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	
Supply Chain Management	HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality.	Sustainability Performance Data – Responsible Procurement	
Supply Chain Management	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain.	Responsible Procurement & Supply Chain – Track & Trace Program	
Supply Chain Management	HC-MS-430a.3	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.
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption.	Sustainability Performance Data – Business Ethics	
Business Ethics	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals.	Business Ethics – Code of Ethics & Healthcare Professionals	

GRI General Disclosures

GRI Disclosure	Report Section or Direct Response	Page
ORGANIZATIONAL PROFILE		
GRI 102: General Disclosures 2016		
102-1: Name of the Organization	Alcon Inc.	
102-2: Activities, brands, products, and services	About Alcon	5
102-3: Location of headquarters	Geneva, Switzerland	
102-4: Location of operations	About Alcon	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	About Alcon	5
102-7: Scale of the organization	About Alcon; See our 2020 Annual Report for additional information on net revenues and quantity of products provided in 2020.	5
102-8: Information on employees and other workers	As of 2020, approximately 38% of our full time associates are based in the US, 10% in Germany and 8% in Malaysia.	
102-10: Significant changes to the organization and its supply chain	As of 2020, there were no significant changes to the organization.	
STRATEGY		
GRI 102: General Disclosures 2016		
102-14: Statement from senior decision-maker	Message From Our CEO	4
ETHICS AND INTEGRITY		
GRI 102: General Disclosures 2016		
102-16: Values, principles, standards and norms of behavior	Purpose and Impact; Business Ethics	9, 47
102-17: Mechanisms for advice and concerns about ethics	Business Ethics – Speak Up Culture	47

GRI General Disclosures *(continued)*

GRI Disclosure	Report Section or Direct Response	Page
GOVERNANCE		
GRI 102: General Disclosures 2016		
102-18: Governance structure	Our Approach to Sustainability; 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	Our Approach to Sustainability	8
102-23: Chair of the highest governance body	Alcon's Chief Executive Officer does not serve as the Chairman.	
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	Our Approach to Sustainability; Alcon's Governance and Nomination Committee reviewed and approved this Corporate Responsibility Report.	8
REPORTING PRACTICES		
GRI 102: General Disclosures 2016		
102-45: Entities included in consolidated financial statements	See our 2020 Annual Report for a list of all entities included in our consolidated financial statements.	
102-46: Defining report content and topic Boundaries	Our Approach to Sustainability – Prioritizing What's Material	8
102-47: List of material topics	Our Approach to Sustainability – Prioritizing What's Material	8
102-48: Restatements of information	The company has restated the number of product approvals (2019); energy intensity (2017, 2018), Employee Total Recordable Case Rate (2019).	
102-49: Changes in Reporting	We have not made any significant changes in reporting for 2020.	
102-50: Reporting period	This 2020 Corporate Responsibility Report covers Alcon's operations from January 1, 2020, through December 31, 2020, unless otherwise indicated.	
102-51: Date of most recent report	This is Alcon's most recent Corporate Responsibility Report.	
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 Corporate Responsibility Report.	
102-55: GRI Content index	Content Indices – GRI Index	62-67
102-56: External assurance	Alcon is not conducting external assurance of our Corporate Responsibility Report at this time.	

GRI Topic-Specific Disclosures

GRI Disclosure	Report Section or Direct Response	Page
ENERGY		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Reducing our Environmental Footprint – Energy Usage	42
103-2: The management approach and its components	Global Environmental Sustainability Strategy	39
103-3: Evaluation of the management approach	Reducing our Environmental Footprint – Energy Usage	42
GRI 302: Energy 2016		
302-3: Energy Intensity	ESG Performance Data – Environmental Performance	56
WATER		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Reducing our Environmental Footprint – Water Management	45
103-2: The management approach and its components	Global Environmental Sustainability Strategy	39
103-3: Evaluation of the management approach	Reducing our Environmental Footprint – Water Management	45
GRI 303: Water and Effluents 2018		
303-3: Water Withdrawal	ESG Performance Data – Environmental Performance	56
EMISSIONS		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Reducing our Environmental Footprint – GHG Emissions	43
103-2: The management approach and its components	Global Environmental Sustainability Strategy	39
103-3: Evaluation of the management approach	Reducing our Environmental Footprint – GHG Emissions	43
GRI 305: Emissions 2016		
305-4: Emissions intensity	ESG Performance Data – Environmental Performance	56
EFFLUENTS AND WASTE		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Reducing our Environmental Footprint – Waste Minimization	44
103-2: The management approach and its components	Global Environmental Sustainability Strategy	39
103-3: Evaluation of the management approach	Reducing our Environmental Footprint – Waste Minimization	44

GRI Topic-Specific Disclosures *(continued)*

GRI Disclosure	Report Section or Direct Response	Page
GRI 306: Effluents and Waste 2016		
306-2: Waste by type and disposal method	ESG Performance Data – Environmental Performance	56
TALENT ATTRACTION AND RETENTION		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Talent Attraction and Retention	28
103-2: The management approach and its components	Talent Attraction and Retention	28
103-3: Evaluation of the management approach	Talent Attraction and Retention - Engagement	31
GRI 401: Employment 2016		
401-1: New employee hires and employee turnover	ESG Performance Data – Talent Attraction & Retention	57
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Health & Safety	35
103-2: The management approach and its components	Health & Safety – HSE Management System	35
103-3: Evaluation of the management approach	Health & Safety – HSE Management System	35
GRI 403: Occupational Health and Safety 2018		
403-9: Work-related injuries	ESG Performance Data – Safety Performance	57
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Diversity & Inclusion	32
103-2: The management approach and its components	Diversity & Inclusion	32
103-3: Evaluation of the management approach	Diversity & Inclusion – Our Diversity Performance	34
GRI 405: Diversity and Equal Opportunity 2016		
405-1: Diversity of governance bodies and employees	ESG Performance Data – Diversity & Inclusion	57

Company Topic-Specific Disclosures

GRI Disclosure	Report Section or Direct Response	Page
MEDICAL INNOVATION		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Medical Innovation	14
103-2: The management approach and its components	Medical Innovation – Governance and Oversight	17
103-3: Evaluation of the management approach	Medical Innovation – New Product Highlights	16
Self-selected Metric		
Number of first-to-market launches	Medical Innovation; ESG Performance Data – R&D Productivity	14, 55
Self-selected Metric		
Number of product approvals (major markets)	Medical Innovation; ESG Performance Data – R&D Productivity	14, 55
PRODUCT QUALITY AND PATIENT SAFETY		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Product Quality & Patient Safety	18
103-2: The management approach and its components	Product Quality & Patient Safety	18
103-3: Evaluation of the management approach	Product Quality & Patient Safety	18
Self-selected Metric		
HC-MS-250a.1: Number of recalls issued, total units recalled	ESG Performance Data – Quality Management System	55
HC-MS-250a.2: Products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	ESG Performance Data – Quality Management System	55
HC-MS-250a.3: Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	ESG Performance Data – Quality Management System	55
HC-MS-250a.4: Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	ESG Performance Data – Quality Management System	55

Company Topic-Specific Disclosures *(continued)*

GRI Disclosure	Report Section or Direct Response	Page
ACCESS, AFFORDABILITY AND PRICING		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Access, Affordability & Pricing	20
103-2: The management approach and its components	Access, Affordability & Pricing	20
103-3: Evaluation of the management approach	Access, Affordability & Pricing	20
Self-selected Metric		
HC-MS-240a.1: Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	ESG Performance Data – Relative Price Performance	56
SUSTAINABLE PRODUCTS AND SERVICES		
GRI 103: Management Approach 2016		
103-1: Explanation of the material topic and its Boundary	Global Environmental Sustainability Strategy; Sustainable Products & Services	39, 40
103-2: The management approach and its components	Global Environmental Sustainability Strategy; Sustainable Products & Services	39, 40
103-3: Evaluation of the management approach	Global Environmental Sustainability Strategy; Sustainable Products & Services	39, 40
Self-selected Metric		
Weight of Reprocessed Parts Shipped (Metric Tons)	Sustainable Products & Services – Reprocessing Used or Obsolete Equipment	41

TCFD Index

Our Board of Directors and executive leadership team oversee and manage our environmental risks.

GOVERNANCE

Board oversight – Our Board of Directors has ultimate oversight of environmental risks including those related to energy use, carbon emissions and water resources. The Board’s Governance and Nomination Committee is responsible for reviewing and providing guidance on the company’s climate change-related programs and policies as part of its wider sustainability oversight. Sustainability is a subject discussed at least annually by the full Board.

Management oversight – We ensure appropriate governance of sustainability, including environmental topics, by integrating sustainability into our overall management model. Our Global Environmental Sustainability Committee is responsible for identifying and managing Alcon’s environmental and social impacts and reports to the ESG Steering Committee. This senior management team regularly discusses risks and opportunities related to environmental issues, and how to apply policies and strategies to address those in each aspect of the business. The ESG Steering Committee reports on a regular basis to our Governance and Nomination Committee of the Board of Directors.

STRATEGY

We are aware of the business risks from climate change and we continuously monitor environment-related risks and opportunities that may impact our business over the short, medium and long-term. The nature of these risks depends on both the physical aspects of climate change as well as market regulations, pressure to reduce our carbon footprint and our ability to understand and respond to rapidly evolving developments. Our identified risks include the following:

Regulatory Risks – We could be impacted by regulatory risks such as potential future carbon disclosure and compliance requirements. Possible carbon tax, or regulatory incentives to encourage the use of renewable energy could affect energy costs. Regulatory action can also include pressure to reduce the carbon footprint of specific medical devices as well as a greater focus on environmental considerations in manufacturing and responsible procurement.

Physical Risk – The physical aspects of climate change can have an impact on our ability to continue operations. We regularly assess how we might be influenced by potential business disruption that could occur under extreme weather and natural disasters. These risks and responses are reviewed as part of the overall sustainability risk evaluation.

Risk Related to Resource Use: There is increasing scrutiny on the use of water in manufacturing and the amount of plastic waste. Pressure from regulators, consumers and other stakeholders to find alternatives and / or green solutions to reduce our use of natural resources are escalating. We continue to look for ways to address these issues in our R&D process and by continuing to explore developing best practices within the industry.

Opportunity to reduce costs and support reduction goals of partners: Cost savings for Alcon and our customers could be achieved through actions such as efficient energy usage and reducing our use of raw materials in both device manufacturing as well as packaging. Additionally, we recognize that energy consumption throughout our supply chain has implications for climate change and product costs. Encouraging our suppliers to reduce energy consumption and emissions, lessen their use of resources, and sharing best practices can provide further cost savings for our customers as well as helping support their own carbon goals.

RISK MANAGEMENT

Our senior leadership team and Board of Directors are focused on managing and mitigating various risks to our business and financial performance, including environmental risks. Such risk management topics are reviewed and discussed on a regular basis among our leadership team across the entire organization. Consideration of such risks is implemented as part of operating and investment decision-making process in all aspects of the business.

METRICS & TARGETS

We monitor and report our greenhouse gas emissions:

Scope 1 emissions: 78,788.40 metric tons of CO₂ equivalent

Scope 2 emissions: 248,957.50 metric tons of CO₂ equivalent

We have established site-level environmental goals at many of our facilities, including energy and carbon emission reduction goals. We have also set a company-wide goal to increase renewable energy by 2025. We are currently working with third party experts to assess our indirect carbon emissions in 2021 as we prepare our long term decarbonization strategy.

Disclaimer

ABOUT THIS REPORT

This report covers our business and does not address the performance or operations of our suppliers, our contractors, our customers, or other third parties, unless otherwise noted. All financial information is presented in US dollars. The goals and projects described in this report are aspirational; as such, no guarantees or promises are made that these goals and projects will be met or successfully executed. Furthermore, data, statistics and metrics included in this report have not been prepared in accordance with international financial reporting standards (IFRS), continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees and may be subject to future revision. This report uses certain terms including those that the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures, or others refer to as “material” to reflect the issues of greater importance or priorities of Alcon and our stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. Finally, we did not seek, nor was there, external assurance from third parties with respect to the information contained in this report.

This report, which speaks only as of its date, is not comprehensive, and for that reason, this report should be read in conjunction with our 2020 Annual Report on Form 20-F and subsequent interim financial reports, particularly the “Forward-Looking Statements” and “Risk Factors” sections, all of which can be found at <https://investor.alcon.com/financials>. This report may contain references to our proprietary intellectual property. All product names appearing in italics or ALL CAPS are trademarks owned by or licensed to Alcon Inc.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains, and our officers and representatives may from time to time make, certain “forward-looking statements” within the meaning of the safe harbor provisions

of the US 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 we make regarding our sustainability and diversity plans, developments, targets, goals, and expectations.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties and risks that are difficult to predict such as: the effect of the COVID-19 pandemic as well as other viral or disease outbreaks and the availability of vaccines; the commercial success of our products and our ability to maintain and strengthen our position in our markets; the success of our research and development efforts, including our ability to innovate to compete effectively; our success in completing and integrating strategic acquisitions; our ability to successfully transition the manufacture, distribution and commercialization of *Simbrinza* from Novartis; our ability to leverage existing relationships with healthcare professionals to help drive patient adoption of *Simbrinza*; pricing pressure from changes in third party payor coverage and reimbursement methodologies; global and regional economic, financial, legal, tax, political, and social change; data breaches or other disruptions of our information technology systems; ongoing industry consolidation; our ability to properly educate and train healthcare providers on our products; changes in inventory levels or buying patterns of our customers; the impact of a disruption in our global supply chain or important facilities; ability to service our debt obligations; our ability to comply with the US Foreign Corrupt Practices Act of 1977 and other applicable anti-corruption laws, particularly given that we have entered into a three-year Deferred Prosecution Agreement with the US Department of Justice; uncertainty and impact relating to the potential phasing out of LIBOR and transition to alternative reference rates; the need for additional financing through the issuance of debt or equity; our reliance on outsourcing

key business functions; our ability to protect our intellectual property; the impact of unauthorized importation of our products from countries with lower prices to countries with higher prices; uncertainties regarding the success of our separation and Spin-off from Novartis and the subsequent transformation program, including the expected separation and transformation costs, as well as any potential savings, we may incur or realize; the effects of litigation, including product liability lawsuits and government investigations; our ability to comply with all laws to which we may be subject; effect of product recalls or voluntary market withdrawals; the implementation of our enterprise resource planning system; our ability to attract and retain qualified personnel; the accuracy of our accounting estimates and assumptions, including pension plan obligations and the carrying value of intangible assets; the ability to obtain regulatory clearance and approval of our products as well as compliance with any post-approval obligations, including quality control of our manufacturing; 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; our ability to manage environmental, social and governance matters to the satisfaction of our many stakeholders, some of which may have competing interests; our ability to operate as a stand-alone company; whether the transitional services Novartis has agreed to provide us are sufficient; the impact of the spin-off from Novartis on our shareholder base; the impact of being listed on two stock exchanges; the ability to declare and pay dividends; the different rights afforded to our shareholders as a Swiss corporation compared to a US corporation; and the effect of maintaining or losing our foreign private issuer status under US securities laws. Additional factors are discussed in our filings with the United States Securities and Exchange Commission, including our 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.

Forward-looking statements in this report speak only as of the date of its filing, and we assume no obligation to update forward-looking statements as a result of new information, future events or otherwise.