



Alcon Canada Inc.

**Annual Report on the Steps Taken to Prevent and
Reduce the Risk of Use of Forced Labour or Child Labour
for the Financial Year Ended December 31, 2023**

Alcon

Purpose

This report outlines the steps taken by Alcon Canada Inc. (**Alcon Canada**) during the financial year ended December 31, 2023, to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by Alcon Canada or of goods imported into Canada by Alcon Canada. This report also provides certain supplementary information as required by the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (**the Act**).

About Alcon Canada and Alcon

Alcon Canada is a wholly owned subsidiary of Alcon Pharmaceuticals Ltd., which itself is wholly owned by Alcon Inc. In this report, Alcon Inc. and its direct and indirect subsidiaries (including Alcon Canada) may be collectively referred to as **Alcon**.

Alcon is the global leader in eye care, dedicated to helping people *See Brilliantly*. With an over 75-year heritage, Alcon is the largest eye care company in the world, with complementary businesses in Surgical and Vision Care. Being a truly global company, Alcon works directly in 56 countries and serves consumers and patients in more than 140 countries. Alcon researches, develops, manufactures, distributes and sells a full suite of eye care products within its global Surgical and Vision Care businesses.

Commitment to human rights

Alcon Canada and Alcon believe that all people should be treated with dignity and respect and recognize the importance of maintaining and promoting fundamental human rights. As codified in Alcon's Global Policy on Human Rights and Codes of Conduct¹, Alcon Canada and Alcon are committed to upholding the rights of workers and prohibiting child labour, modern slavery and human trafficking within their operations and supply chains.

¹Find the Global Policy on Human Rights here: https://alcon.widen.net/s/fbbwtjctpn/global_policy_on_human_rights_en_v.1_16_sept_2022. Find the Code of Business Conduct here: <https://integrity.alcon.com/code-business-conduct>, and the Third Party Code of Conduct here: https://www.alcon.com/sites/g/files/rbvwei496/files/2022-06/Alcon_Third_Party_Code_of_Conduct.EN_.pdf.

Steps to prevent and reduce risks of forced labour and child labour

Alcon conducts screening and targeted, risk-based due diligence assessments of its suppliers before contracting with them and periodically thereafter. The tiered program assesses risks related to human rights in general, anti-bribery, conflict minerals and fair labor standards, among other topics. Alcon performs risk-based audits of supplier activities as they relate to Alcon's business to confirm supplier compliance with contractual commitments, performance and quality standards.

Most of the goods imported into Canada by Alcon Canada are produced or sourced by foreign Alcon entities. Alcon Canada leverages the steps taken by other Alcon entities, including the supplier screening and due diligence outlined above, to prevent and reduce the risk that forced labour or child labour is used in the supply chains of such goods.

Alcon Canada also imports into Canada a small number of goods directly from third-party suppliers. Third-party suppliers of Alcon Canada are likewise subject to Alcon's screening and due diligence process.

Alcon Canada does not produce goods in Canada or outside Canada.

Alcon maintains policies which address forced labour and child labour, including the Global Policy on Human Rights, the Code of Business Conduct and the Third Party Code of Conduct. These policies are implemented locally by Alcon Canada and are discussed in further detail below.

As part of its speak-up culture, Alcon encourages suppliers and associates to ask questions and report ethical concerns (including concerns related to the Global Policy on Human Rights or the Codes of Conduct) by contacting a member of Alcon management, Human Resources or Legal. Reports can also be filed through the Alcon Ethics Helpline, an independently managed, confidential online service. Where permitted by law, Helpline reports can be anonymous.

Supplementary information

(a) Structure, activities and supply chains

Alcon Canada Inc. is a federally incorporated company based in Mississauga, Ontario. Alcon Canada is a wholly owned subsidiary of the Swiss-based Alcon Pharmaceuticals Ltd., which itself is wholly owned by the Swiss-based Alcon Inc.

In 2023, Alcon Canada employed an average of approximately 300 employees.

Alcon Canada is the importer of products manufactured or sourced by foreign Alcon entities, including the US-based Alcon Vision, LLC for Vision Care products and the Swiss-based Alcon Pharmaceuticals Ltd. for Surgical products. Alcon Canada's activities consist primarily of the Canadian marketing, sale and distribution of these products.

Alcon Canada's supply chains are therefore made up in large part of the supply chains of other Alcon entities. Alcon works with an extensive network of suppliers worldwide. Its supply chains involve sourcing materials and purchasing component parts globally for surgical equipment, contact lenses and related medicinal products, as well as manufacturing, packaging, trading and distribution activities. Alcon also outsources some tasks and capabilities to third parties.

Alcon Canada is also the importer and distributor of a small number of surgical products not manufactured or sourced by other Alcon entities, which Alcon Canada sells to customers for use with Alcon products. Alcon Canada sources these products from the US.

(b) Policies and due diligence processes

Policies

Alcon Canada upholds and implements global Alcon policies which address forced labour and child labour, including the Global Policy on Human Rights, the Code of Business Conduct and the Third Party Code of Conduct.

The Global Policy on Human Rights prohibits the use of child labour, or forced, prison, indentured, bonded or involuntary labour, or any form of modern slavery or human trafficking in any part of Alcon's business operations or supply chain.²

The Code of Business Conduct affirms Alcon's commitment to respecting worker rights, complying with employment and human rights laws, and preventing any child labour, modern slavery, or human trafficking from occurring in any part of Alcon's business operations or supply chain.³ The Code of Business Conduct includes an expectation that associates speak up whenever they see actions inconsistent with any of the Code expectations.

² Find the Global Policy on Human Rights here: https://alcon.widen.net/s/fbbwtjctpn/global_policy_on_human_rights_en_v.1_16_sept_2022.

³ Find the Code of Business Conduct here: <https://integrity.alcon.com/code-business-conduct>.

The Third Party Code of Conduct outlines Alcon's policies on labour rights—including expectations around freely chosen labour, child labour and young workers, nondiscrimination, fair treatment, wages, benefits and working hours, and freedom of association—and health and safety expectations.⁴ By committing to this Code, suppliers agree to not use child labour or forced labour of any kind, including bonded, indentured or involuntary prison labour. Suppliers also agree to not engage in any other form of slavery and human trafficking. If a supplier does not meet Alcon's minimum human rights requirements, Alcon will not do business with them.

Alcon Canada and Alcon are willing to work with their third party suppliers to bring about improvements needed to comply with the Third Party Code of Conduct through engagement and collaboration. This may include audits, monitoring development and progress in meeting remediation action plans, referring suppliers to external experts and other reasonable steps to support continual improvements.

The Alcon Supply Chain and Modern Slavery and Human Trafficking Statement⁵ also describes Alcon's business practices and efforts regarding eliminating slavery and human trafficking, including an overview of Alcon's Integrity and Compliance Program, which is designed to support legal and ethical conduct and prevent and detect violations of the law and company policies.

Due diligence

Alcon conducts screening and targeted, risk-based due diligence assessments of its suppliers before contracting with them and periodically thereafter. The tiered program assesses risks related to human rights in general, anti-bribery, conflict minerals and fair labor standards, among other topics. The risk assessments triggered for each supplier depend on factors such as commodity code, supplier location, and annual spending. Based on these criteria, the system activates various risk areas and presents relevant screening questions accordingly. The responses to these questions will determine the specific risk assessment questionnaires that are necessary. If the screening questions determine the labour rights assessment is necessary, a detailed risk assessment task will be triggered for the labour risk expert. After the labour rights risk assessment questionnaire is completed, it is submitted to the risk expert for review. No financial transactions can occur with the supplier until the risk expert approves and marks the labour rights risk assessment as complete. If the risk expert finds that the supplier's policies do not support the answers provided in the questionnaire or if there are other significant labour rights concerns, the supplier may be rejected. If the risk assessment identifies potential labour rights risks, the supplier will be required to implement appropriate mitigation measures.

Alcon performs risk-based audits of supplier activities as they relate to Alcon's business to confirm supplier compliance with contractual commitments, performance and quality standards.

In 2024, Alcon Canada sent a letter to direct third-party suppliers (i.e., direct, non-Alcon suppliers) that are located outside Canada asking these suppliers to confirm that, to the best of their knowledge, no forced labour or child labour were used at any step of the supply chain of their goods and operations in 2023. Alcon Canada intends to send such a letter to its direct third-party suppliers outside Canada on an annual basis going forward.

⁴ Find the Third Party Code of Conduct here:

https://www.alcon.com/sites/g/files/rbvwei496/files/2022-06/Alcon_Third_Party_Code_of_Conduct.EN_.pdf.

⁵ Find the Alcon Supply Chain and Modern Slavery and Human Trafficking Statement here:

https://alcon.widen.net/s/mqxqgbn5sp/2021_alcon_supply_chain_modern_slavery_human_trafficking_statement_bod_approved_28apr2021.

(c) Forced labour and child labour risks

The highest risks of forced labour and child labour in Alcon Canada's supply chains relate to the following key materials:

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

Alcon Canada and Alcon assess and manage these risks in part through the risk-based due diligence assessments of its suppliers outlined above. The risk assessments triggered depend on factors such as commodity code and supplier location. These risks are also managed through the establishment of policies such as the Global Policy on Human Rights, the Code of Business Conduct and the Third Party Code of Conduct.

With respect to certain metal raw materials which may be considered "conflict minerals", Alcon is many steps removed from their mining because it is a purchaser of components. Alcon does not purchase raw ore or unrefined conflict minerals. Alcon must rely on its immediate suppliers to provide information regarding the sourcing of conflict minerals. These immediate suppliers are also often many steps removed from the mining of conflict minerals. Alcon's Third Party Code of Conduct establishes a standard for suppliers' support with respect to conflict minerals tracking. Specifically, the Third Party Code of Conduct requires that suppliers help to: identify the source of conflict minerals in the products that they sell to Alcon and, as possible through reasonable means, the names of smelters and refiners that process conflict minerals and the country of origin of these conflict minerals; cooperate with Alcon in its due diligence process and in responding to requests relating to conflict minerals in its products; provide reasonable evidence of suppliers' performance of similar due diligence with respect to any of their suppliers or sub-contractors involved in the production of materials or products supplied to Alcon or any components of those materials or products; and work with Alcon to assess opportunities for alternative sources where non-conflict free conflict minerals are identified.

(d) Remediation measures and (e) Remediation of loss of income

Alcon Canada has not identified any instances of forced labour or child labour in its activities or supply chains and so has not had reason to take any measures to remediate same, nor has it had reason to take any measures to remediate loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities or supply chain.

(f) Training

Alcon Canada does not provide training to employees on forced labour and child labour specifically.

All Alcon associates (including Alcon Canada associates) complete annual training on the Code of Business Conduct, which affirms Alcon's commitment to respecting worker rights, complying with employment and human rights laws, and preventing any child labour, modern slavery, or human trafficking from occurring in any part of Alcon's business operations or supply chain. Alcon provides additional, targeted training to associates on requirements that apply to their respective job functions, including to those responsible for risk assessment, due diligence, and supplier engagement.

(g) Assessing effectiveness

Alcon Canada does not directly assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. However, Alcon conducts risk-based monitoring and auditing to assess the effectiveness of Alcon's Global Integrity and Compliance Program. Alcon's Ethics and Compliance team continually works to refine this program to address any gaps identified and risks triggered by changes in Alcon business activities and/or changes in external requirements. This team also provides progress reports and meets quarterly with Alcon's Audit and Compliance Committee.

In recent years, Alcon has engaged external consultants to assess Alcon's due diligence processes with respect to labour rights risks and make recommendations for the improvement of these processes.

Through Alcon's work with EcoVadis, a leading provider of global business sustainability ratings, Alcon will be able to integrate suppliers' performance on labour and human rights into its strategic performance results over time.

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Approval

This report was approved by resolution of the directors of Alcon Canada Inc. on May 20, 2024 pursuant to paragraph 11(4)(a) of the Act.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Rosario Bellucci
Financial Officer and Director, Alcon Canada Inc.
May 23, 2024

Rosario Bellucci

I have the authority to bind Alcon Canada Inc.