

Iridex Supply Chain Policy and Supplier Guidelines

Doing Business with Iridex

Iridex is committed to creating mutually beneficial supply base partnerships to assist in delivering to its customers excellence in product quality and service. Iridex is focused on acquiring products and services from suppliers that share our commitment to quality, innovation, sustainability and customer satisfaction.

Iridex's Supplier Guidelines documents the principles, guidelines and expectations for establishing and maintaining a business relationship with Iridex. Iridex works within standards set by federal, state, and industry regulations, and is committed to having business relationships with suppliers who share Iridex's dedication to conducting business in a legal and ethical manner. We also view our commitment to global citizenship not only as a business responsibility, but also as an opportunity to improve lives around the world. As an extension of our business, we have the same expectations of our suppliers.

Suppliers can learn more about our requirements, policies and procedures in this section and learn how to partner with us to meet our goals and fulfill our responsibilities.

Responsible Supply Chain

We strive to conduct our activities in a manner that reflects our business values – which includes being a good corporate citizen, dealing fairly in business, behaving ethically, supporting a safe and healthy workplace, doing business in an environmentally responsible manner, and complying with applicable laws. We are committed to ensuring that our supply chain reflects our values and beliefs through our Supply Chain Policy and Supplier Guidelines.

Iridex Supplier Guidelines

Legal Compliance

Iridex's suppliers are expected to operate in compliance with all applicable laws and regulations of the countries, states and localities in which they operate. This includes but is not limited to business conduct, product quality, labor and employment practices, health and safety and environmental protection. They are expected to conform their practices to any published standards for their industry, obtain all applicable permits and to operate in accordance with permit limitations and requirements at all times.

Ethics and Business Conduct

Iridex's suppliers are expected to behave ethically and with integrity in all business transactions. As such, they shall:

- Uphold standards for fair business practices including accurate and truthful advertising, fair competition, and antitrust.
- Prohibit payment of bribes, illegal political contributions, or other illicit payments or methods for any reason, including the waiver of penalties or fines or the receipt of any other special benefits.
- Safeguard against improper use of intellectual property, including disclosure of confidential or sensitive information, pricing, employee information or patient information.

Quality

Iridex's suppliers are expected to meet agreed upon product specifications and quality requirements in order to provide goods and services that consistently meet Iridex's needs, perform as intended and are safe for their intended use. These product specifications and quality requirements shall be defined in specification documents such as supply agreements, quality agreements and/or other quality documentation.

Human Rights, Labor and Employment

Iridex's suppliers are expected to treat people with dignity and respect. As such, they shall:

- Not use forced, bonded, indentured or any other involuntary labor.
- Not discriminate against or harass an individual on the basis of race, color, religion, gender, pregnancy, HIV status, health status, sexual orientation, national origin, age, disability, veteran's status, marital status, or political affiliation.
- Not treat or threaten to treat an individual harshly or inhumanely. Harsh or inhumane treatment includes sexual harassment or abuse, corporal punishment, coercion or verbal abuse.
- Avoid unsafe working conditions by providing sufficient rest periods during the workday and honor agreed upon days off from work and maximum working hours.
- Pay wages for all hours worked and clearly communicate the wages that employees are to be paid to them in advance of commencing work. Communicate to all employees if overtime is required and the wages to be paid for such overtime.
- Respect workers' rights to make informed decisions free of coercion, threat of reprisal or unlawful interference regarding their desire to join or not join organizations.
- Implement policies and/or procedures to evaluate and address risks of human trafficking (as defined by the United Nations and generally thought of as the recruitment, transportation, transfer, harboring or receipt of persons by threat or use of force, coercion, abduction, fraud, deception, abuse of power or vulnerability, or giving payments or benefits to a person in control of the victim)

Health, Safety and Well-being of Employees

Iridex's suppliers are expected to maintain the workplace and any living quarters used to house employees in a clean, orderly and safe manner. As such they shall:

- Implement programs to prevent or control employee exposures to workplace hazards including chemical, biological, and physical hazards.
- Implement programs to manage processes safely and prevent illnesses or injuries.
- Identify and encourage programs that promote access to health programs that positively impact the health of employees.
- Identify potential emergency situations, implement preventative measures and be prepared to execute emergency response procedures.
- Provide occupational health and safety training.

Sustainability and Environmental Responsibility

Iridex's suppliers are expected to operate in a sustainable and responsible manner. As such they shall:

- Work to reduce the environmental impacts of their operations including natural resource consumption, materials sourcing, waste generation, wastewater discharges and air emissions.
- Prevent accidental releases of hazardous materials into the environment and adverse environmental impacts on the local community.
- Implement programs to ensure products do not contain restricted or banned materials.

Management Systems

Iridex's suppliers are expected to manage their activities systematically in order to maintain business continuity, meet the Guidelines set forth in this document and to improve their operations continually. As such they shall:

- Demonstrate top management commitment and accountability through policies, objectives, and procedures.
- Implement processes to control documents and records.
- Provide resources, including competent personnel and appropriate infrastructure, to ensure conformance to these Guidelines.
- Implement processes to control the production of Iridex products and/or materials, manage change effectively and ensure customer requirements are satisfied.

- Implement processes to manage nonconformity, incident response and emergency situations related to products, business operations/continuity and these Supplier Guidelines, including the reporting of certain events to applicable regulatory authorities and Iridex as appropriate. Provide advance notification of facility/production changes, product changes and/or product discontinuance.
- Identify and implement improvement actions, including effective complaint investigation, internal audit and corrective action processes.

Transparency and Disclosure

Iridex's suppliers are expected to make reasonable efforts to disclose (for example on a website or a publicly available report) topics and goals that are important to the organization's impact on the environment and social issues. Among the issues that we encourage our suppliers to review and be transparent about are:

- Energy, Waste and Water Use/Reductions.
- Employee Health, Safety and Wellness Programs.
- Community and Human Rights Investments.

Monitoring and Compliance

Suppliers shall review their operations to ensure their compliance to all applicable legal requirements and their conformance to these Guidelines and/or comparable industry approved standards. If a regulatory agency, auditor, Iridex representative or the supplier itself identifies areas of non-compliance, the supplier is expected to develop, document and implement plans to remedy any such non-compliance. Iridex may engage in monitoring activities to confirm a supplier's compliance to these Guidelines, including on-site assessments of facilities, use of questionnaires, review of available information or other measures necessary to review supplier's performance. Iridex reserves the right to disqualify any potential supplier or terminate any relationship with a current supplier that has failed to conform to these Guidelines.

Iridex Code of Conduct

We require all employees and agents to comply with Iridex's Code of Business Conduct and Ethics. We investigate alleged violations of the Code of Business Conduct and Ethics and take the appropriate action, up to and including termination for employees, and termination of agreements with contractors.

Conflict Minerals Policy

Background on the final rule under Section 1502 of the Dodd-Frank Act

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) adopted a final rule to implement reporting and disclosure related to "conflict minerals," as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rule requires manufacturers who are SEC filers to disclose whether the products they manufacture or contract to manufacture contain "conflict minerals" that are "necessary to the functionality or production" of those products.

Conflict minerals refer to tin, tantalum, tungsten and gold, regardless of where they are sourced, processed or sold. The intent of these requirements is to further the goal of ending violent conflict in the Democratic Republic of the Congo (DRC) and in adjoining countries, which has been financed, in part, by the exploitation and trade of conflict minerals.

Our policy and efforts

Iridex has initiated a process to comply with the law and is taking steps to increase its supply chain due diligence measures and internal controls. We are determining the exposure of our supply chain to conflict minerals mined in conditions of armed conflict and human rights abuses and following an internationally recognized due diligence framework to understand and minimize our risk.

Iridex must rely on the cooperation of its suppliers in the implementation of and adherence to this policy in order to meet its SEC reporting obligations. Our specific expectations of suppliers include a timely response to our queries about purchased components, assistance in reaching out to their suppliers in case the source of minerals is not currently known, regular communications with Iridex about supplier's conflict minerals tracking and tracing efforts and commitment to responsible sourcing to prevent directly or indirectly contributing to armed conflicts and human rights abuses. If conflict minerals are identified in our supply chain, Iridex will work with its suppliers to determine if practical conflict-free sources exist and work to qualify those sources.

This policy will be regularly reviewed and updated as needed.

Procurement Resources

All suppliers are required to comply with the terms & conditions, standards, and guidelines included in the following documents: Purchase Order Terms and Conditions (US) and Iridex Supply Agreement. We welcome all potential suppliers who can add value to Iridex's products and services and fulfill all requirements on a competitive basis.