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GLAUKOS®

# Sustainability Report

Jan. 1, 2019 – Dec. 31, 2019

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MARCH 2020

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Glaukos Corporation

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# A Message from our President & CEO

We are pleased to issue Glaukos Corporation’s 2019 Sustainability Report, our first written evaluation of our sustainability efforts and practices. Glaukos was formed 22 years ago with the goal of transforming the treatment of glaucoma. As our business has expanded, so has our vision. Glaukos is now focused on developing novel therapies to treat chronic eye diseases in glaucoma, corneal disorders and retinal diseases. With our growing business and expanded vision, we have also felt an increased responsibility to operate our business to the benefit of all our stakeholders—from our stockholders and employees to the physicians and patients using our products.

From our inception, Glaukos has had a culture of giving back to our community. In 2019, we demonstrated that commitment by forming the Glaukos Charitable Foundation, a charitable entity through which we will conduct our community service and giving efforts. You’ll find a more detailed overview of our 2019 volunteerism below, but I was especially proud of our employees who packaged over 14,000 meals for individuals living in extreme poverty and who also provided a brighter Christmas for 20 needy families. These employee-led activities demonstrate our innate organizational commitment to giving back.



*Thomas W. Burns*  
*President & Chief Executive Officer*

We believe our increased emphasis on sustainability will inspire our employees to continue acting as responsible corporate citizens and strengthen the trust our customers, investors and other stakeholders have in us. Simply put, we believe in doing things the right way. Accordingly, our long-term goals of continued growth and innovation include an irrepressible commitment to all forms of sustainability, which we have endeavored to describe in this report. We express our heartfelt gratitude to each of you for your continued support of Glaukos.

Thomas W. Burns, President & Chief Executive Officer

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# Glaukos Corporation

## Our Commitment to Excellence

Glaukos is committed to developing transformative therapies to treat glaucoma, corneal disorders and retinal diseases. From our inception, we've prided ourselves on acting as a trusted partner to our entire community. We are pleased to begin formally reporting the steps we have taken to conduct our business in a sustainable and environmentally conscious manner. We anticipate that our annual sustainability report will evolve as we continue to improve our processes to ensure we are evaluating our impact across our entire spectrum of stakeholders.

## Glaukos' Sustainability Opportunities

As an organization, we are still in the early stages of determining how best to approach the adoption of formal sustainability and environmental goals. However, as described below, sustainability and environmental concerns have always been part of our culture. In 2020, Glaukos is dedicated to establishing an enterprise level environmental policy and working with our suppliers to ensure they too are committed to long-term sustainability. Additionally, Glaukos intends to set goals and develop plans to accomplish enterprise-wide adoption of our sustainability initiatives.

## Environmental Sustainability

### Part of Our Makeup

Environmental impact has always been an important consideration in how we operate Glaukos. We have taken steps, some small and others more significant, to reduce our environmental impact. These include providing a rideshare option for employees traveling further distances to work, making available filtered water machines throughout our facilities to minimize the use of plastic bottles and upgrading our lighting system with motion activators to reduce wasted energy. We also installed heat reflecting windows with coverings to limit the use of central air conditioning, upgraded many of our lights to LED and utilized secure printing to limit superfluous paper use. Additionally, we are in the process of installing 20 electric vehicle charging stations in

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the parking lot of our future corporate headquarters in Aliso Viejo, CA, as well as in our San Clemente space. Although we continue to build out the formal programs that will govern our sustainability efforts, these principles have been part of the fabric of our business from the beginning.

### Environmental Risks

We are continually assessing our external risks, including environmental risks, to determine how best to proactively address any potential issues. While Glaukos has identified a number of ongoing environmental risks, we consider most of those risks to currently be immaterial to our ongoing operations. Our most significant current risk related to the environment is our increasing energy consumption in California. As our organization and business grows, so will our demand for energy. While it's difficult to quantify our environmental impact from the increased energy consumption at this time, we will continue to integrate our environmental and social responsibilities into our operations and strategic planning, making our operations more energy efficient.

### Climate Change Risks and Opportunities

Glaukos also regularly assesses the environmental factors impacted by our operations and how we can positively contribute to our community, including with respect to climate change. We are pleased to report that the Company adheres to the guidance provided by the South Coast Air Quality Management District (AQMD). Recently, we reviewed the possibility of installing solar energy and cogeneration systems. Unfortunately, those options were not feasible for our current leased office space. However, we are examining whether and how we might install solar panels and cogenerations systems in our future Aliso Viejo headquarters facility. We do not consider climate change a meaningful risk to Glaukos' near-term business.

### Benchmarks Going Forward

Glaukos is taking the first steps toward a formal sustainability framework. As part of that process, we have determined that our first step is establishing a meaningful baseline of our impact on the environment. Rather than rely on a single year, we have

included here certain key environmental metrics for 2018 and 2019 at our current San Clemente location.

Topic	Metric	2019	2018
<b>Environmental</b>			
<b>Energy</b>	Total energy consumption	1,266,965 kwh 4.56 x e+12	1,235,180 kwh 4.45 x e +12
	Renewable sources of energy (%)*	45%	45%
<b>Water</b>	Water consumption (units**)	1,476,761	1,298,528
	Wastewater discharge (gallons)	157.64	N/A***
	Safe disposal of wastewater (y/n)	Yes	Yes
<b>Waste</b>	Hazardous waste	7099 lbs. 3.55 tons	6145 lbs. 3.07 tons
	Safe disposal of electronic waste (y/n)	Yes	Yes

\* We are unable to track the exact percentage of our energy that derives from renewable sources. However, our energy provider, San Diego Gas & Electric has indicated that it obtains 45% of its electrical generation from renewable sources: <https://www.sdge.com/more-information/environment/sustainability-approach>.

\*\* Each unit equal 748 gallons.

\*\*\*We did not track wastewater discharge in 2018.

## Responsible Supply Chain

We value our relationships with our suppliers and are committed to conducting business with suppliers who act responsibly and ethically. We have adopted a [Supplier Code of Conduct](#) and a [Human and Workforce Rights Policy](#) that outline our expectations for ourselves and our partners. These policies are provided to each of our suppliers and affirm that we expect our suppliers to:

- Prohibit the use of all forms of forced or involuntary labor, slavery or human trafficking;
- Adhere to minimum age provisions of applicable laws and regulations;
- Compensate employees and operate in compliance with applicable wage, work hours, overtime and benefits laws and regulations;
- Prohibit child labor;

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- Not engage in unlawful discrimination, harassment or abuse of any kind; and
  - Provide a safe, healthy and sanitary work environment in compliance with applicable laws and regulations.

Our Supplier Code of Conduct entitles us to audit a supplier's operation and facilities to determine compliance with the code and, if any supplier cannot demonstrate compliance, terminate an agreement or take other remedial action. Additionally, as stated in our [Conflict Minerals Report](#), we confirmed that all of the materials or components used in our production are compliant with the Securities and Exchange Commission regulations. We have also published our [Transparency in Supply Chain](#) disclosure required by the California Transparency in Supply Chains Act of 2010 (SB 657).

## Volunteerism & Charitable Giving

One of the key aspects of Glaukos' culture is giving back. Glaukos has donated more than \$8.4 million worth of iStents to benefit underserved glaucoma patients in 44 countries across the globe. We maintain long-standing partnerships with over 102 humanitarian organizations through which we supply Glaukos products and other financial contributions. Company employees receive paid time off ("PTO") to encourage volunteer time giving back to the communities that we serve. Additionally, employees are able to donate their PTO to assist other employees in need. As of December 31, 2019, over 340 hours of donated PTO was distributed to employees that were seriously ill or injured, or who experienced a hardship or lost a loved one. Glaukos' deeply-felt sense of responsibility to give back to our worldwide community has had a tangible, positive impact not only externally but on employee engagement and morale as well.

As an outgrowth of that culture, in 2019 we established the Glaukos Charitable Foundation, a Delaware non-stock, nonprofit corporation, which is a tax-exempt nonprofit organization under section 501(c)(3) of the Internal Revenue Code (the "Glaukos Foundation"). The Glaukos Foundation's mission is to support charitable organizations and programs designed to improve the wellbeing of humanity worldwide. The Glaukos Foundation was established to administer Glaukos'

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philanthropic activities and create a systematic and efficient way for distributing philanthropic dollars that aligns with its mission. Through various outreach programs, the Glaukos Foundation connects employees of Glaukos with opportunities to volunteer or contribute to the improvement of the lives of others.

In 2019, the Glaukos Foundation coordinated 22 giving experiences resulting in over 650 volunteer hours. Activities included:

- Vision Walk –Glaukos employees and their families raised a significant amount of money, and Glaukos was named the Rookie Team of the Year and third highest fundraiser in this annual event.
- Operation Help A Hero at Marine Corps Base Camp Pendleton – Glaukos employees hung welcome posters and prepared and delivered hundreds of gift bags to marines and sailors returning from deployment who otherwise would not have had a welcome party.
- Serra’s Pantry – A team of our employees provided food for families in need, serving a total of 349 individuals (95 families).
- Family Assistance Ministries – Employees packed 75 boxes of food to be distributed to individuals and families in need.
- Second Harvest Food Bank – Meals were distributed by Glaukos employees to 183 families or approximately 700 individuals.
- Rise Against Hunger – As part of a Thanksgiving celebration, Glaukos volunteers partnered with Rise Against Hunger to package over 14,000 meals to feed children in third world countries.
- Lions in Sight – Employees donated hundreds of pairs of eyeglasses and sunglasses to be used to provide no or low cost eyeglasses to those in need around the world.





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- S.O.S. (Share Our Selves) – Glaukos adopted 20 families in need to provide requested Christmas gifts and necessities.

These charitable activities are only a portion of Glaukos’ coordinated efforts to give back. We will continue to seek out and sponsor charitable events in which our employees can participate.

## Workforce

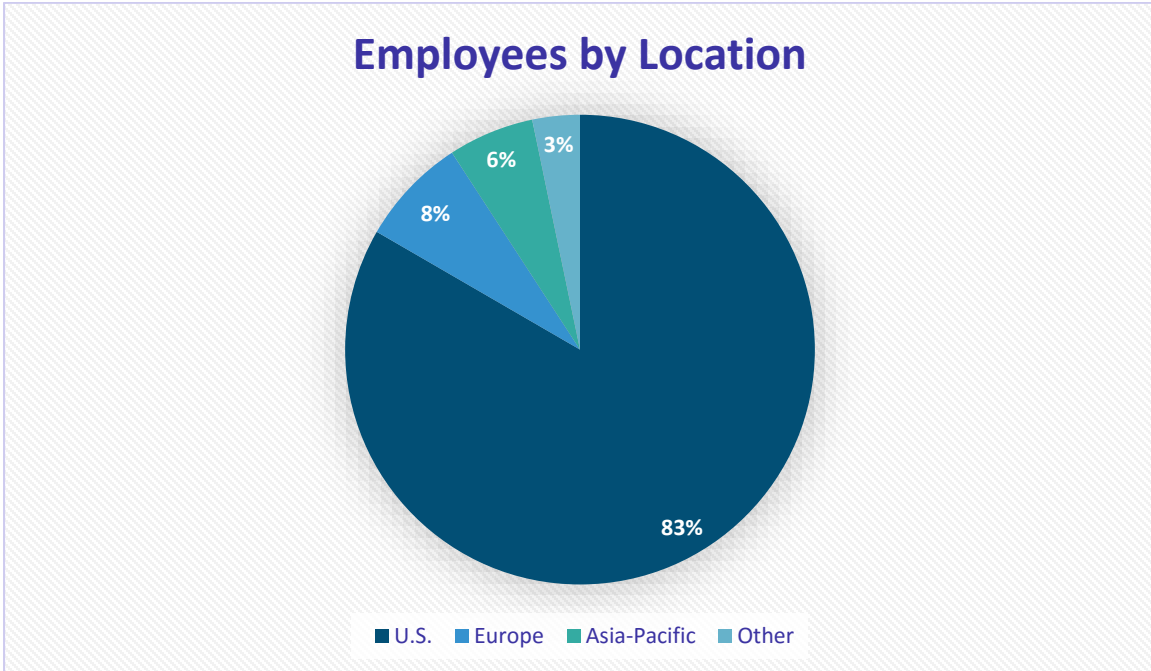
### Approach

Glaukos’ primary objective is the wellbeing of the patients whom we seek to help with our products. To best serve them, it is vital that our employees are put in positions to succeed. Maintaining our culture of excellence, innovation and humility is an important factor in recruiting and retaining top talent, which will enable us to continue to develop transformative technologies.

### Workforce Overview

As of December 31, 2019, Glaukos had 643 employees, a 46% increase from 439 employees as of December 31, 2018. The majority of our employee base is located in the United States. However, we employ individuals in 16 different countries across the globe.





Of our 643 employees, as of December 31, 2019, 111 were classified as hourly and the remainder were salaried.

### Diversity & Inclusion

Glaukos understands that diversity and inclusion are vital components of driving innovation. Each Glaukos employee brings a different background, set of skills and viewpoint. This diversity can encourage creativity and innovation, which can result in improved outcomes. We have adopted an [Affirmative Action and Equal Opportunity Policy Statement](#) (the “EEO Policy”) that affirms that Glaukos is an equal opportunity employer and that:

- Glaukos recruits, hires, assigns, promotes, sets compensation and takes all other employment actions without regard to race, national origin, religion, age, color, sex, sexual orientation, gender identity, disability, or any other characteristic protected by local, state, or federal laws, rules, or regulations;
- In order to achieve our commitment to appropriate gender and minority representation within the workforce, we participate in targeted recruitment of minority, women, veteran, and disabled job-seekers to ensure representation in

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the applicant pool for all levels of the workforce, including senior management levels;

- We provide the EEO Policy to our primary subcontractors, vendors and suppliers; and
- In order to confirm our commitment to internal pay equity and pay transparency, Glaukos conducts an annual pay equity analysis, and regularly evaluates pay practices in connection with new hires and promotions.

To accomplish these goals, Glaukos funds online efforts to target diverse groups, including veterans, minorities and women, in order to foster representative applicants. Additionally, Glaukos has instituted practices designed to encourage diversity in the areas of talent recruiting, talent and organizational review, development planning and training, engagement and communication. Provided below is an overview of our workforce demographics.

As of December 31, 2019, women comprised approximately forty percent (40%) of the executive team and thirty percent (30%) of management.

Our work force is predominantly comprised of individuals who identify as White/Non-Hispanic (62%), Asian (20%) and Hispanic or Latino (13%). We have pursued and will continue to pursue diverse applicants for positions at all levels, including senior management.

### Employee Training

Each new employee at Glaukos is required to certify compliance with Glaukos' [Code of Business Conduct and Ethics](#) (the "Code of Ethics"), which includes the company's guidelines for conducting business across a broad range of situations, including, among others, conflicts of interest, corporate opportunities, gifts and entertainment, the protection and use of company assets, public communications, compliance with laws, political contributions and volunteer activities and anti-bribery. In an effort to ensure that our organization behaves ethically, the Code of Ethics also outlines the reporting process and provides the various methods of reporting potential violations, including

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anonymously via a third-party reporting hotline. Further, as detailed in the Code of Ethics, Glaukos is committed to prohibiting retaliation against employees who seek help or report in good faith suspected violations. One hundred percent (100%) of Glaukos' employees have certified compliance with the Code of Ethics.

Glaukos also regularly provides employees with applicable relevant operational and functional training. This training also includes topics that address key social issues, such as combatting human trafficking and identifying labor violations. In 2019, one hundred percent (100%) of relevant Glaukos employees were trained on identifying human trafficking and forced labor in our supply chain.

### Workplace Health & Safety

We take great pride in creating a safe environment for our employees. Our facilities in San Clemente, CA, which include administrative staff as well as manufacturing, are designed to ensure safety for our employees and visitors. Glaukos has never experienced any employee or contractor fatalities. In 2018, Glaukos did not experience a single lost time incident. In 2019, Glaukos' lost time incident rate was .05 based on total incidents per 50,000 hours worked /per 25 full time equivalent employees (FTE). In 2019, despite considerable growth in our employee base, Glaukos' total recordable incident rate remained low at .23 based on total incidents per 50,000 hours worked /per 25 FTE. We will continue to review measures that can be taken to maintain our workplace safety and ensure a healthy environment for our employees.

### Employee Benefits & Wellness

Maintaining a healthy and satisfied workforce will increase our capacity to accomplish our business objectives. Glaukos prides itself on providing generous benefits packages to its workforce, including medical, dental and vision benefits (with vision benefits paid 100% by Glaukos), life/AD&D and long term disability insurance, a 401(k) Plan with employer match eligibility for those who choose to participate, and access to an Employee Stock Purchase Plan and Flexible Spending and Health Savings Plans. Further,

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we provide paid time off and 13 company paid holidays. A company-sponsored Ride Share Program is also available to employees. Glaukos provides company-paid Maternity and Paternal leave and tuition reimbursement for both certificated and degree programs. Additionally, employees at all levels globally are bonus eligible and in the U.S. all employees are eligible to receive equity in the Company. To afford increased access to physical wellness programs, Glaukos offers discounted health club memberships as well as biometric screening and flu shots to employees located in San Clemente.

Glaukos has consciously sought to create a fun and comfortable environment for its employees as well. We hold holiday parties, encourage Flip Flop Fridays, regularly arrange for food trucks to visit our San Clemente facility and reward employees with special experiences on significant employment anniversaries. Through regular employee surveys, we seek feedback from our employees about how we can improve our workplace. We value the insights our employees provide.

We believe these efforts to create a sustainable workplace environment, through a varied and employee-driven approach, will best help us achieve our long-term goals and serve our varied group of stakeholders.