
Template Presentation

Compliance Training of Roche Business Partners

January 2017



Introduction

Business Partner Training

Roche Values and Principles

Key Expectations of Business Partners

Help & Advice; Complaints

Consequences of non-compliant Behaviour

Take Home Messages

Scope

Who is a Roche Business Partner?

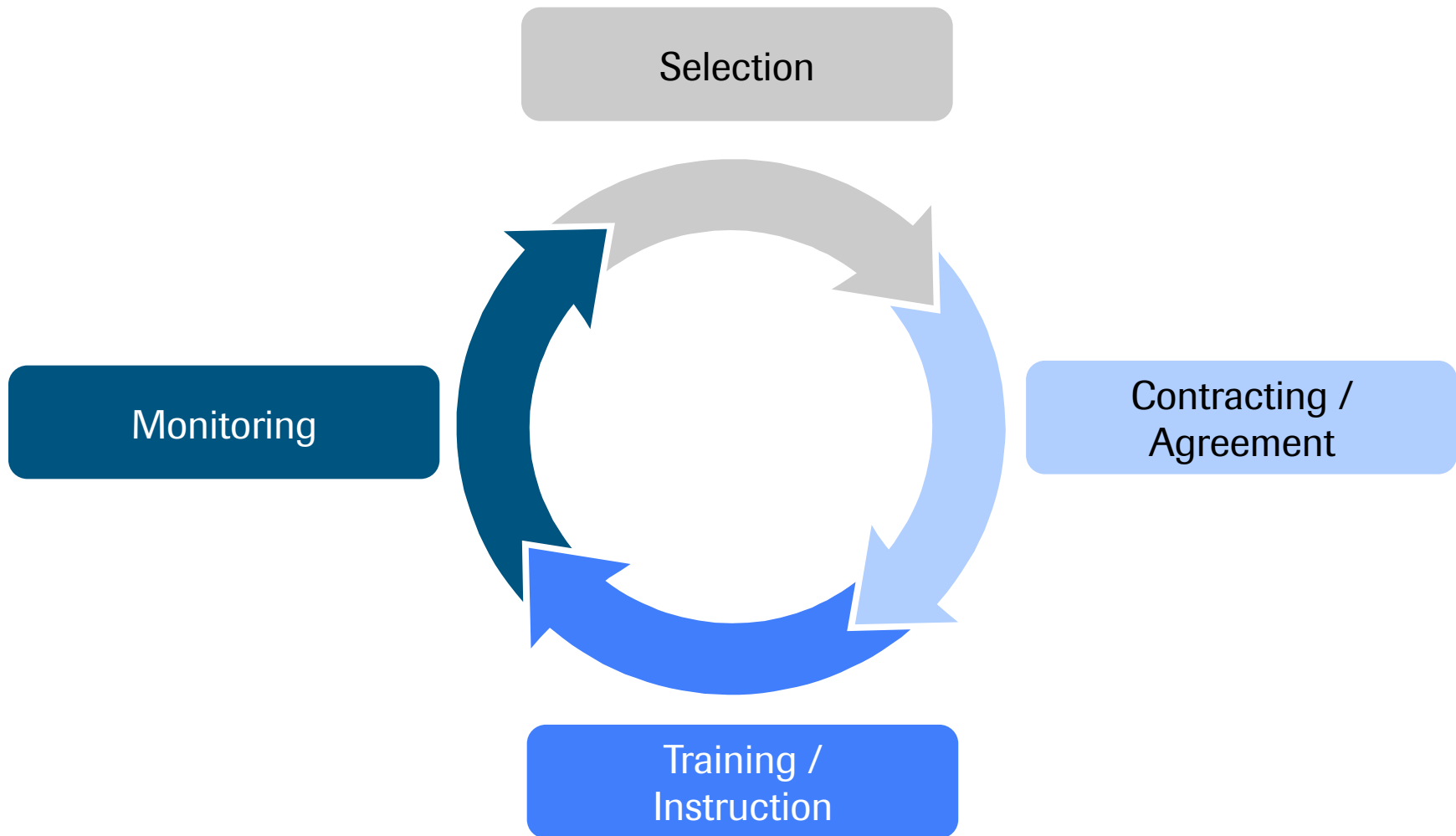
A business partner is any third party supplying goods to Roche and/or performing services for or on behalf of Roche.

Examples: Agents, Distributors, Suppliers, Vendors, Contract Research Organizations (CROs), Manufacturers, Service Providers, Authorized Resellers, Licensors, Licensees,

Customers

Relationship with Business Partners

Roche trusts, but verifies / Due Diligence



Contracts and Remuneration

Basic Rules

- Each agreement must be in compliance with the applicable laws, regulations and industry codes as well as to Roche integrity standards.
- Any remuneration of the business partner must be reasonable and reflect the **fair market value (FMV)** for the service actually provided.
- Each agreement shall include an adequate integrity clause (including prohibition of bribery and child labor).

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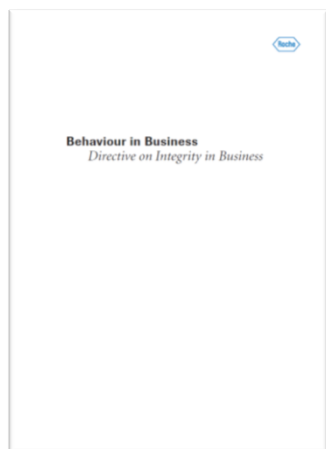
Take Home Message

Setting high standards



Roche Group Code of Conduct, p. 49

«We expect high standards of performance and integrity from our Business Partners.»



Roche Directive on Integrity in Business, p. 2

«Roche has set up a comprehensive compliance management process to ensure the implementation of our high integrity standards. Roche is aware that adhering to these standards might lead to a loss of business in some cases. However, we are sure that doing so provides us with a business advantage. We are convinced that integrity is and will remain the basis of our sustainable and successful business and our Roche culture.»

Responsibility of the Business Partner

It is the responsibility of each Business Partner to be familiar and comply with applicable laws, regulations and industry codes, as well as with Roche's principles, expectations and concrete contractual terms.

Purposes of the Business Partner Training

➤ **Information**

Inform about the local and global legal and regulatory environment, and why compliance is crucial.

➤ **Education**

Educate about Roche values, principles and key expectations.

➤ **Verification**

Verify that the business partner receives the necessary information.

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Roche Values

Fundamentals of our culture

Integrity. Courage. Passion.

In our goal to improve patients' lives,
we are passionate,
we take risks and
we live by high ethical standards of integrity.

Roche Corporate Principles (1/2)

Defining our commitments

Service to Patients and Customers

- to meet their needs for high-quality product and services.

Respect for the Individual

- to ensure that all members of the organization understand their responsibility to respect each other's rights and dignity.

Commitment to Responsibility

- to maintain high standards of performance and corporate responsibility in all our activities, including our dealings with business partners.

Commitment to Performance

- to create value for our stakeholders and achieve sustainable, high profitability.

Roche Corporate Principles (2/2)

Defining our commitments

Commitment to Society

- to maintain high ethical and social standards, incl. human rights.

Commitment to the Environment

- to minimise our impact.

Commitment to Innovation

- to recognize new trends and be open to unconventional ideas.

Continuous Improvement

- to benchmark our principles and achievements against the industry and best practice.

Transactions with Business Partners

Principles

All dealing by Roche with its business partners are executed on the basis of

Quality

Availability

Competitive prices

Suitability

Sustainability

Integrity

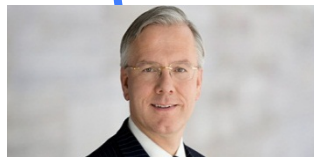
in order to establish mutually beneficial relationships.

Sustainability Management at Roche

Holistic Approach

Business case

- Innovation (R&D)
- Access to our products
- Personalised healthcare
- Clinical trials
- Generics & biosimilars
- Quality of our products



Philanthropy and good citizenship

- Sponsorship
- Stakeholder dialogue & engagement
- CR reporting

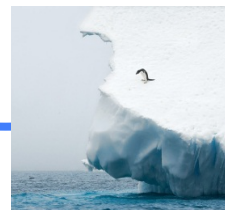
Responsibility as an employer

- Attractive employer
- Leadership skills
- Diversity & inclusion
- Open dialogue culture
- Adequate handling of non-compliance cases



Corporate governance

- Involvement of top management
- Integrity in business
- Code of Conduct / Compliance
- Risk management
- Business Partners



Security, environment, health and safety

- Climate protection
- CO2 reduction

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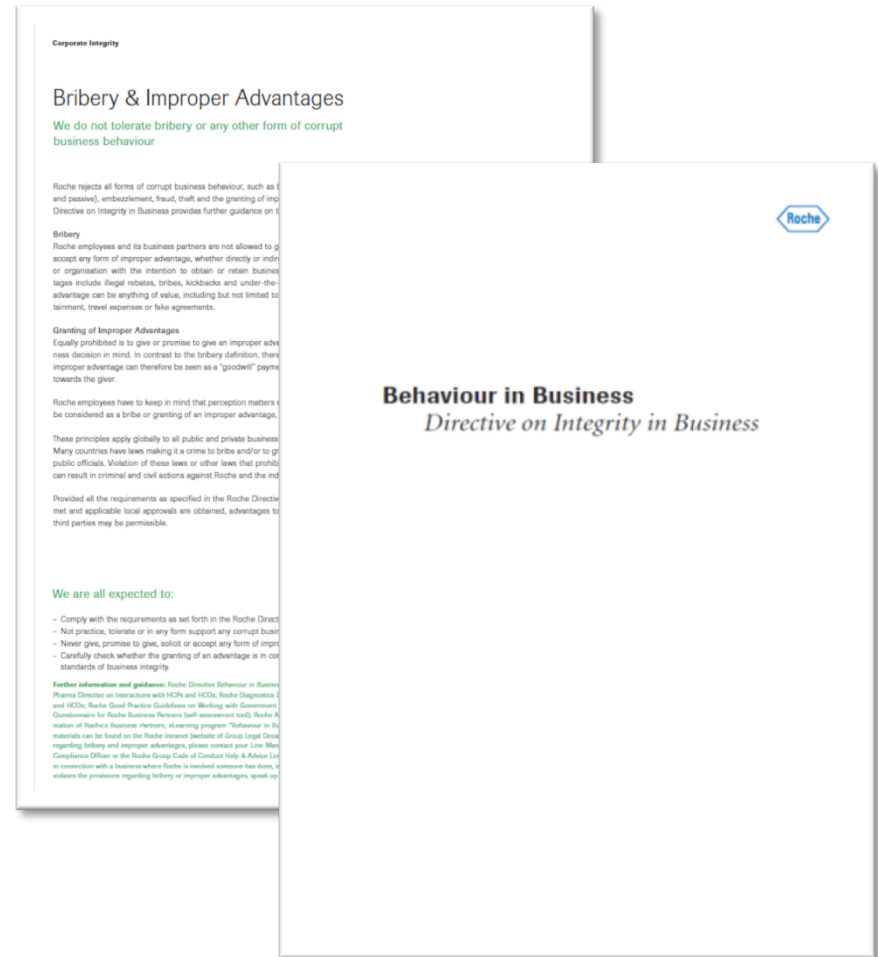
Key Expectations of Business Partners

Overview

- No Bribery, No Improper Advantages
- Comply with Competition / Antitrust Laws
- Act sustainably
- Respect Human Rights and Labor
- Recognize Safety, Security, Health and Environment
- Adhere to Data Privacy Principles
- Protect Confidential Information
- Correspond in a responsible manner
- Act in good faith and trust

Bribery and Improper Advantages


Zero Tolerance



Roche does not tolerate bribery or any other form of corrupt business behaviour (e.g. embezzlement, fraud, theft, misuse of company assets).

Roche rejects all forms of Bribery

- **Active** bribery
Promise to give or the giving of a payment or any other improper advantage with the intention and expectation to obtain an undue benefit in return.
- **Passive** bribery
Solicitation or acceptance of a payment or any other improper advantage in return for which the person who has accepted the bribe favours the giver in a undue way.
- **Public** bribery
Executed towards a government official.
- **Private** bribery
Executed towards someone in business.

A blue circular icon with a white lowercase 'i' inside, representing an information or note.

Directive on Integrity in Business / Roche
Working with Government Officials: Good
Practice Guidelines


Using an intermediary to give or accept a bribe is equally prohibited.

Roche rejects any Improper Advantages

The **promise to give** or **giving of an improper advantage** without a specific business decision in mind. In contrast to bribery, with an improper advantage there is “no service in return”.

- An advantage can be anything of value, including payments, rebates, gifts, immaterial support.
- An advantage is considered improper, if it is illegal or if the recipient has no entitlement to it.
- This principle applies globally to all public and private business transactions.

Using an intermediary to give an improper advantage is equally prohibited.

A blue circular icon with a white lowercase letter 'i' inside, representing an information or note.

Directive on Integrity in Business / Roche
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Practice Guidelines


Permissible Advantages

Granting an advantage is permitted, if the following conditions are cumulatively fulfilled:

- it is allowed by the applicable national laws;
- it is in conformity with local custom;
- it is appropriate;
- it is properly entered into the company's books: and
- it is made in the country where the services are rendered.

When assessing whether an advantage is appropriate, keep in mind the Roche values, principles and expectations. 

Also be aware that there are additional rules concerning expenditures provided to certain groups and persons.

A blue circular icon with a white lowercase 'i' inside, representing an information or note.

Directive on Integrity in Business / Roche
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Anti-Corruption Compliance Questionnaire

Supporting the assessment of your own Business Partners

- Tool for local risk assessment on a risk based approach
- Areas addressed:
 - Selection / Pre-contract Due Diligence
 - Contract / Agreement
 - Continuing Monitoring during Agreement
- Contains questions (e.g. type of work, background, risks, reputation), as well as recommended contract clauses.

**Anti-Corruption Compliance Questionnaire for Roche
Business Partners**

Purpose

This Questionnaire is designed to support local management to perform a local assessment of business partners with whom Roche does or wants to do business. The assessment of a business partner has to be done on a risk based approach. Local management is responsible for appropriate due diligence, monitoring and swift reaction on non-compliance behavior of its business partners and to create adequate compliance evidence.

I. Selection/ Pre-contract Due Diligence

The due diligence process has to be appropriate to the specific circumstances of the case which has to be assessed.

a. Who is the Business Partner

| Question | Yes | No | Comments |
|--|-----|----|----------|
| Are there independent references about the business partner available? | | | |
| Are the company's structure and the owners of the business partner known? | | | |
| Are the key contact persons who will work with Roche identified and known? | | | |
| Is a record of the due diligence performed by Roche on the business partner available? | | | |

b. Type of work undertaken by a Business Partner

In order to properly evaluate the risk posed by a business partner, companies must take into account the type of work that a business partner will undertake.

| Question | Yes | No | Comments |
|--|-----|----|----------|
| Higher risk business partner? <ul style="list-style-type: none"> - Will the business partner be engaged to deal directly with a public official? - Will the Third party be located or doing business in a country with high levels of bribery? | | | |



Business partners are encouraged to use this questionnaire in order to assess their own business partners.

Competition / Antitrust Law

Intention of Competition Law:

- Provide level playing field;
- Contribute to the free play of market forces;
- Benefit consumer welfare.

Principle of Competition Law:

- Prohibits business behaviour which has the objective or the effect of eliminating, restricting or distorting competition;
- Against abuse of market dominance;
- Against anti-competitive agreements (Horizontal agreements between competitors; Vertical agreements, such as between manufacturer and distributor)



Roche expects that business partners adhere to the Competition / Antitrust Law in all their dealings.



Roche Group Code of Conduct, p. 29

Directive on Competition Law





Roche promotes innovation and strives for **economic, social and environmental sustainability** in all business activities in order to ensure the long-term success of the company and its stakeholders. Business partners play an important role as enablers of our sustainable growth and overall success.



Business partners are therefore asked to:

- mitigate risks, build resilience;
- introduce innovative solutions;
- work jointly on cost reduction and share the benefits;
- collaborate on environmental improvement.



Human Rights & Labor

Protect, Respect, Remedy

Roche fully supports the approach «Protect, Respect, Remedy» based on the Ruggie Framework / UNGP (approved by the UN Human Rights Council in 2011).



Roche expects that business partners apply at least the minimum standards of Human Rights & Labor Law.

You are asked to:

- Take a look at the sphere of your influence;
- Have measures in place to protect human rights in your operation and report transparently about it;
- Become proactive and make voluntary contributions to the protection of human rights.



Safety, Security, Health & Environment

- Roche's products and services help to prevent, diagnose and treat diseases, thus enhancing people's health and quality of life. Roche does this in a responsible and ethical manner, and with a commitment to sustainable development, **respecting the needs of the individual, the society and the environment.**
- Roche ensures business continuity through proper management of Safety, Security, Health and Environmental Protection.



Roche promotes and provides a safe, secure and healthy workplace as well as a clean environment – this is also expected from its business partners.

Policy on Safety, Security, Health and Environmental Protection / Position Paper on Safety, Security, Health and Environmental Protection in the Supply Chain



Data Privacy (1/2)

8 OECD Principles on Privacy of Personal Data

Collection Limitation - Data shall be obtained only by lawful and fair means and, where appropriate, with knowledge or consent of the data subject.

Data Quality - Personal data need to be relevant to the purposes for which they are collected, and shall be accurate, complete and kept up-to-date.

Purpose Specification - Purposes for which personal data are collected need to be specified at the time of data collection latest and the subsequent use limited to the fulfillment of those purposes.

Use Limitation - Data shall not be disclosed, made available or otherwise used for purposes other than those specified, except with the consent of the data subject or by the authority of law.



Data Privacy (2/2)

8 OECD Principles on Privacy of Personal Data

Security Safeguards - Personal data should be protected by reasonable security safeguards against unauthorized access, destruction, use, modification or disclosure.

Openness Data - A data controller shall be open about the policies and procedures applied to personal data.

Individual Participation - Individuals have the right to know whether or not the data controller has data relating to him, which data are kept, and to challenge data relating to him and, if the challenge is successful to have the data erased, rectified, completed or amended.

Accountability - A data controller is accountable for complying with these principles



Roche expects its business partners to respect and follow these Principles

Confidential Information

Appropriate and diligent treatment

- **Confidential Information** can be any non-public information (e.g. product specifications, technical drawings, financial conditions, marketing plans, business strategies, manufacturing methods).
- The form of the confidential information is irrelevant (e.g. electronically, in writing, orally).



Keep confidential information confidential and only distribute if expressly agreed and permitted by Roche.

Correspondence with Roche



- Use the channel (email, phone call etc.) which seems the most appropriate and efficient.
- Always correspond in a responsible, friendly and helpful manner.
- In case of written correspondence:
 - Assume your correspondence will be read outside of the business relationship.
 - Avoid unclear and ambiguous language.
 - Make sure correspondence cannot be misinterpreted.



Correspond with Roche in a responsible manner.

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Help and Advice; Complaints

Business Partners may always contact their convenient contact at Roche resp. the point of contact as specified in the concrete agreement.

In addition, they may also address the **local Compliance Officer** or the **Chief Compliance Officer** directly in order to:

- **Seek help and advice** with regard to the implementation of and compliance with the Roche Group Code of Conduct; and
- **Report in good faith a potential non-compliant situation** which they face in connection with Roche business.

For contact details visit *<http://businesspartners.roche.com>*.

Note: For general questions concerning the contractual relationship with Roche, please contact your convenient contact at Roche resp. the point of contact as specified in the concrete agreement (e.g. Procurement).

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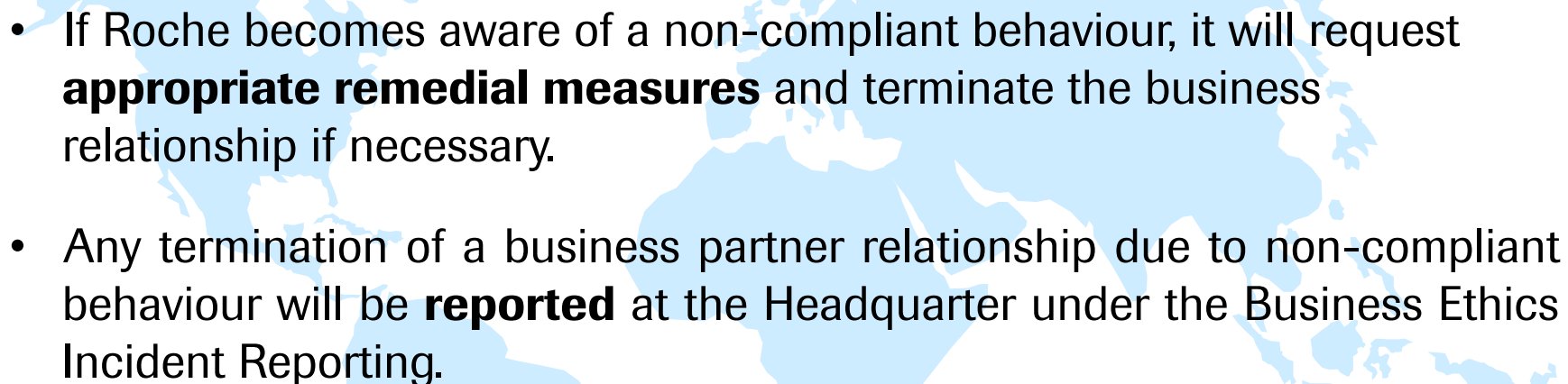
Help & Advice; Complaints

Consequences of non-compliant Behaviour

Take Home Messages

Consequences of non-compliant Behaviour

Appropriate measures taken by Roche

- 
- A light blue world map is positioned in the background of the slide, centered behind the text.
- If Roche becomes aware of a non-compliant behaviour, it will request **appropriate remedial measures** and terminate the business relationship if necessary.
 - Any termination of a business partner relationship due to non-compliant behaviour will be **reported** at the Headquarter under the Business Ethics Incident Reporting.

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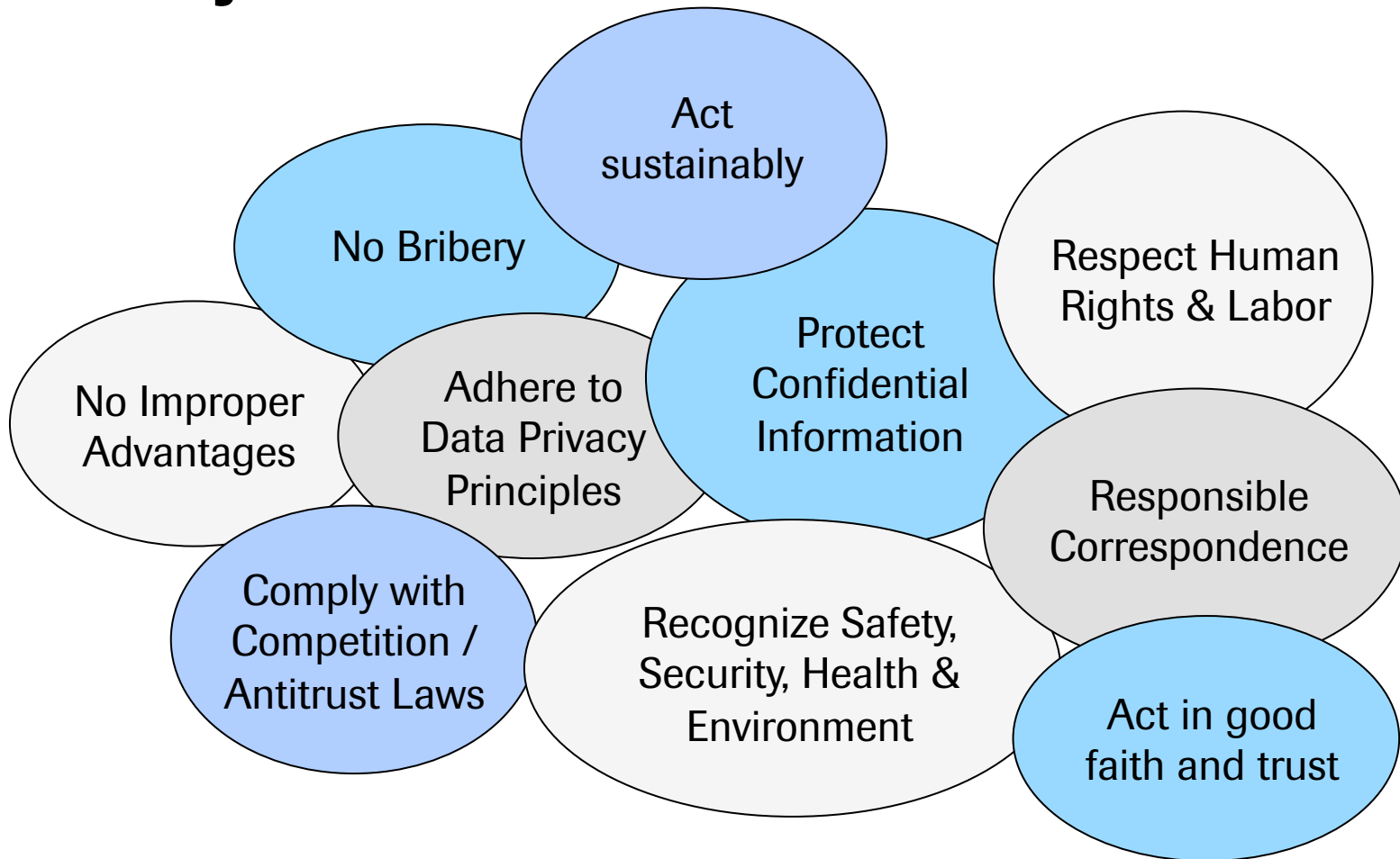
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Summary



If a third party wants to work with or on behalf of Roche, it must adhere to the set forth principles and expectations.


Tasks of the Business Partner (1/2)

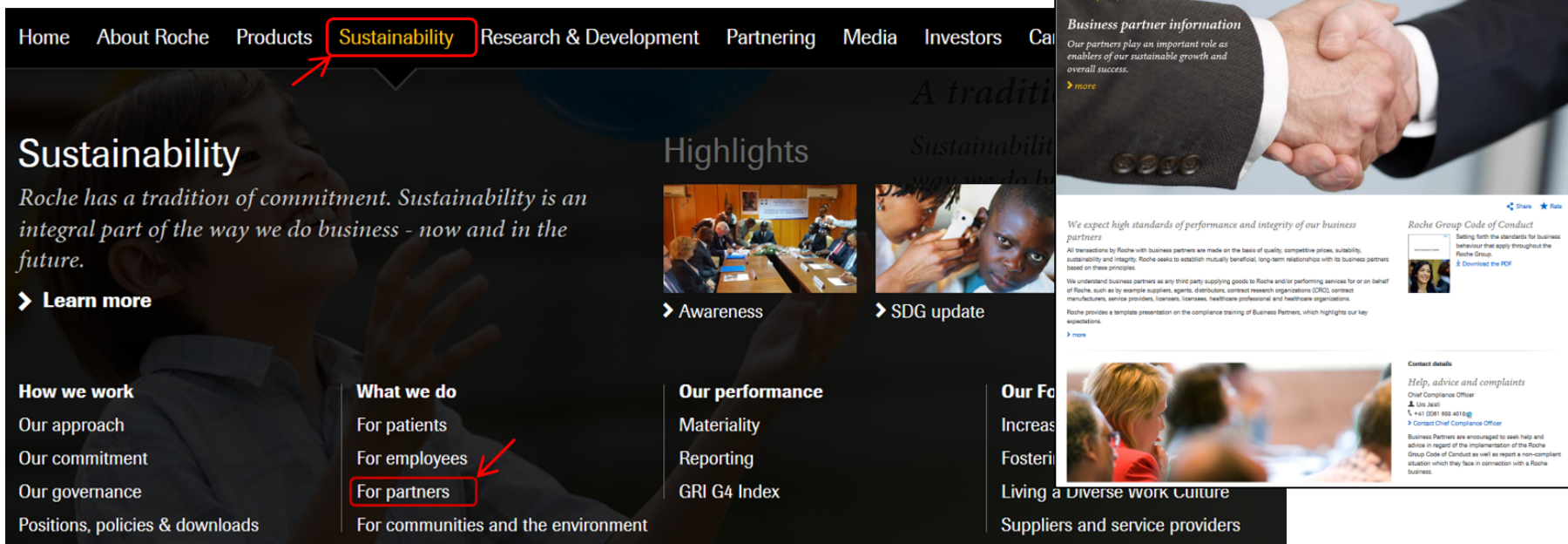
- Become familiar with and comply with the set forth principles and expectations.
- Complete all the eLearning programs if you are appointed to do so.
- Make use of the additional material provided by Roche.
- Seek help and advice in case of doubt.
- Report to Roche all suspected and/or known non-compliant situations.
- Train your staff and own business partner accordingly.
- Cooperate in case of an audit or official investigation.
- If requested, provide evidence that in the sphere of your organization adequate measures to prevent, detect and respond non-compliant behaviour have been taken.



Tasks of the Business Partner (2/2)

Visit the Internet Website <http://businesspartners.roche.com> in order to:

- Download documents containing further information (marked  in this presentation)
- Find additional material for use with your own business partners (e.g. Anti-Corruption Questionnaire)
- Contact the Chief Compliance Officer in case of compliance questions or complaints



The screenshot shows the Roche Sustainability website. The navigation bar includes links for Home, About Roche, Products, **Sustainability** (highlighted with a red box and an arrow), Research & Development, Partnering, Media, Investors, and Careers. The main content area features a large 'Sustainability' header with the text 'Roche has a tradition of commitment. Sustainability is an integral part of the way we do business - now and in the future.' Below this is a 'Learn more' link. The 'Highlights' section includes 'Awareness' and 'SDG update'. The 'How we work' section lists 'Our approach', 'Our commitment', 'Our governance', and 'Positions, policies & downloads'. The 'What we do' section lists 'For patients', 'For employees', **For partners** (highlighted with a red box and an arrow), and 'For communities and the environment'. The 'Our performance' section lists 'Materiality', 'Reporting', and 'GRI G4 Index'. The 'Our Focus' section lists 'Increasing diversity', 'Fostering innovation', 'Living a Diverse work Culture', and 'Suppliers and service providers'. A sidebar on the right contains 'Business partner information', 'Roche Group Code of Conduct', and 'Contact details'.

Doing now what patients need next