

Policy on Philanthropic Donations and Non-commercial Sponsorship

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Corporate Roche Policy on Philanthropic Donations and Non-commercial Sponsorship

1. Scope

This policy covers philanthropic donations and non-commercial sponsorship as distinctive contributions to express our commitment and responsibility towards society in a broader context. Such contributions are part of a long standing Roche tradition of supporting communities in which we operate, those who may not be in a position to directly benefit from our primary business activities, or those who can benefit from the community value derived through our support or collaboration. Philanthropic donations and non-commercial sponsorships do not provide Roche material return on investment. Philanthropic donations and non-commercial sponsorships are not part of the research, development or commercialisation of Roche medicines, products or business services, including their promotion and distribution; these activities, including any grants or sponsorships related to these activities (e.g., with patient advocacy groups), are not covered by this policy.

2. The Roche Approach

An important aspect of Roche's commitment to responsible corporate behaviour is our exercise of social responsibility through philanthropic donations and non-commercial sponsorship. These corporate citizenship activities are our commitment to society and the communities in which we operate – beyond our primary business and R&D activities.

The Roche approach to philanthropic donations and non-commercial sponsorship mirrors our sustainable business model and innovation culture. By selectively developing, supporting and implementing innovative solutions together with competent partners based on our core knowledge and skills, we aim that simple measures will result in lasting improvements and sustainable impacts on society. This collaborative and value-based approach demonstrates that both Roche and its partners are committed to effective outcomes. Our expectation is that our partners share the risk, commitment and investment of respective resources in the success of a project.

Roche emphasis is on projects making a real difference through innovation, collaboration, quality and sustainability. When assessing projects, we focus on the potential impact rather than on the cost. We consider impact, not material return on investment, the measure of success or value. We believe that good

corporate citizenship should be a matter of course and is not something to be undertaken for publicity purposes. Roche has a rich history of leadership not only in healthcare innovation, but also in philanthropic giving.

3. Guiding Principles for Philanthropic Donations and non- commercial Sponsorship

3.1 Emphasis on Impact

Roche engages in fewer, more in-depth projects emphasizing innovation, collaboration, quality and sustainability by donating both financially and in kind. As a globally active and multicultural organisation, Roche can share an enormous potential of expertise and human talent in various areas. Sharing capacity and transferring know-how can be much more effective and sustainable than a strict material or financial contribution. Consistent with our business model, Roche looks to dedicate its resources to projects with high need; for example, those that would not be addressed without Roche involvement or where Roche involvement can make a significant difference.

Roche has come from a long tradition of not publicly sharing figures regarding resources spent for philanthropic donations. The amount or value of a donation (the input) is not viewed as a predictor or determinant of the significance and effectiveness (the outcome) since the cost of supporting a programme does not define its benefit. Communicating the impact of the programmes we support is an opportunity to better convey our intention and affirm our focus both externally and internally.

At the same time, there is ever increasing external interest and inquiry for quantitative information regarding Roche philanthropic donations. The company does assure full internal documentation and monitoring of assets spent on philanthropic donations and non-commercial sponsorships. All Roche affiliates must annually report philanthropic donations and non-commercial sponsorship figures and requested impact information through the Sustainability Group Reporting System (GAIA).

Further, the partnerships and agreements with organizations receiving Roche philanthropic donations are expected to assure reporting of project evaluation and data regarding the effect of any programme. At the corporate level the review of such input and outcome data may lead to communicating aggregate information.

3.2 Commitment and Focus

Roche aims to be a reliable, long-term and active partner. Accordingly, we focus our resources on a small number of selected projects where our engagement

can make a significant difference rather than spread the limited funds available among a vast number of projects.

Philanthropic donations and non-commercial sponsorship are made only to duly registered or accredited independent nongovernmental organizations (NGOs) or not-for-profit charities thereby excluding governmental, political and religious entities; non-commercial sponsorship may also be considered for other similar, legitimised recipients. Philanthropic donations and non-commercial sponsorships may be granted to projects from innovative organisations doing work within the four priority giving areas (see section 4) and with no link to Roche research, development or commercial activities.

Despite recognising the importance of private initiative and dedication, Roche principally does not support projects which supplant primary responsibilities of local authorities nor fund raising events which are simply conduits for transferring monies to third parties. Roche rather directly links with NGOs who implement programmes and operate at the community level.

Consistent with the spirit and concept of collaboration, Roche prefers to engage as an equal partner in the earliest possible stage of any project to optimize use of the available resources by all parties. Experience shows that financial resources are not the sole decisive success factor for any project. As an innovation based company, and one that promotes employee engagement and pride, Roche can draw upon a broad pool of employee specialists and experts with a range of experiences to surpass or enhance a monetary contribution.

Roche strictly respects the applicable local laws and regulations, and adheres to the high integrity standards as set forth in the Roche Group Code of Conduct and the Roche Directive on Behaviour in Business. Philanthropic donations and non-commercial sponsorships shall not be used for the purpose of any form of corruption or improper advantage.

Roche philanthropic donations and non-commercial sponsorship activities do not aim to compete or replace the local government or authorities, and only supports projects that are locally approved and accepted. Furthermore, Roche respects local governance, governance, culture and independence. The company's philanthropic and non-commercial sponsorship activities do not interfere into local politics and do not financially support political, religious or military entities or individuals. Expenses for trade and business associations are also not accounted under philanthropic donations and non-commercial sponsorship.

4. Priority Giving Areas

To direct the impact of our philanthropic donations and non-commercial

sponsorships and reflect our more than 120-year-old corporate culture, Roche focuses its resources on projects in the following four areas:

4.1 Humanitarian and Social Projects

As a healthcare company, we commit to building stronger and healthier communities by improving human services and support systems, especially for those who need them most. Separate from the Roche core business of improving healthcare through its medically differentiated medicines and diagnostics, Roche invests a bulk of its philanthropic donations and non-commercial sponsorship spending in humanitarian and social projects. In environments lacking minimal infrastructure and medical expertise, investments in capacity building, education and prevention are as important as donating medicines or diagnostic solutions.

Examples of humanitarian and social activities at the corporate level are primary healthcare initiatives, WASH (water, sanitation and hygiene) programs and children's social support projects.

4.1.1 Clear and transparent policies for philanthropic product donations

We believe supporting improvements in healthcare has a great impact. Philanthropic medicine and diagnostic donations are not a core component of our policy or practice to increase sustainable access to our goods and services globally. Requests from accredited, charitable organisations seeking philanthropic medicine or diagnostic donations are evaluated for exceptional consideration – primarily on an emergency basis (e.g., significant natural disaster). In general, the respective local management is responsible for reviewing such requests, or conferring with Corporate Donations and Philanthropy, regarding a critical need. Any potential commitment will be based on a specific case review and requires assurance that Roche criteria as well as [WHO guidelines](#) for donations of medicine and of healthcare equipment criteria are clearly met.

Providing treatment for chronic diseases such as cancer or hepatitis, is fundamentally different to delivering emergency aid such as food, antibiotics or vaccines. Whenever therapy or care is long-term, it would be unethical for Roche to make a donation of its product or services without the guarantee of continuous supply.

Donations of medicines as part of commercial activities is not covered by this policy.

4.1.2 Clear and transparent policies for emergency assistance

In cases of emergencies following natural disasters, such as earthquakes or other unforeseeable incidents overwhelming the existing local resources, Roche is ready to support the local authorities and the accredited, professional

emergency aid organisations. All such requests are handled exclusively by the local General Manager/Site Head through direct contact with the local authorities and aid organisations and based on the related needs, and when necessary the local General Manager/Site Head will confer with Corporate Donations & Philanthropy for support.

While the company may respond directly in the earliest emergency stage, the overarching policy is that Roche take a more sustainable view of addressing the impact of a disaster. The focus therefore is on longer-term rebuilding efforts, especially in the developing world. Such an assessment is, first and foremost, again the responsibility of the proximate local affiliate management.

4.2 Science and Education Projects

We believe in the long-term impact of education to improve the lives of children, their families, and communities. In partnership with local institutions, we support education programmes designed to inspire children and youth from primary grades through university in the developing world as well as in developed countries. We do this to accelerate science education and literacy.

Much of Roche's philanthropic and non-commercial sponsorship activities in this area emphasize enhancing public understanding of the impact and promise of cutting edge science and creating interest and awareness of future generations of scientists for the challenges and opportunities within the life sciences. In all cases, Roche consistently respects the independence and autonomy of its partners in the research and education area.

Typical engagements are those that enhance the teaching and learning of science and education, including science competitions, scholarship programmes and student mentoring.

4.3 Culture and Arts Projects

Roche supports ground-breaking contemporary art, cultural projects and activities that explore the parallels between innovation in art and in science. Innovation is our corporate focus, and core to that is creativity. We cultivate and foster intensive interactions with contemporary music and art as a means to express our commitment to innovation characterized by excellence, distinctiveness and passion. Openness to intellectual challenge and long-term change as well as the pursuit of new horizons and excellence remain fundamental to the business model of Roche. Roche then supports such activities based on the conviction that the key driver for business success is and remains the capability of Roche to offer an inspiring working environment for our employees.

Architecture, contemporary music and art have always been an ideal yet challenging reflection of the organically grown Roche Corporate Culture. With a

primary commitment to sustainable cultural engagement, Roche abstains from funding of activities in popular (or mainstream) culture and entertainment, including sports, in favour of niche culture programs to expose and encourage both our own employees as well as a broader public audience to a continuing intellectual challenge.

The support of *Museum Tinguely* in Basel, Switzerland is a prime example of Roche's commitment to promoting innovation and contemporary culture.

4.4 Community and Environment Projects

Roche is committed to building stronger communities and environments. We seek to strengthen our connection to local communities with innovative, sustainable projects and partnerships that add value, while respecting local customs and needs. Community projects comply with the following requirements:

- Respect the arm's length principle safeguarding the independence of the local community as well as the local regulations and customs. Roche is a committed and active, but a non-discriminatory and neutral part of the community.
- Community projects should add real value to society and not supplant the obligation of public sector funding.
- Community projects should aim to encourage and honour individual commitment and engagement of our own employees within their local society. The General Managers/Site Heads of the local Roche affiliates shall establish transparent guidelines for local philanthropic donations and activities, which are non-commercial and prioritize or leverage their own employees' efforts and involvement in local community.

Typical engagements in this area include the global Roche Children's Walk fundraising campaign that supports local children's projects around the world, projects to protect or clean local natural resources (e.g., rivers or park spaces), and initiatives related to community historic preservation.

5. Guidelines for the evaluation of requests and proposals

Roche clearly separates commercial from non-commercial projects. Commercial and R&D projects are the responsibility of Roche's operating divisions, with related costs reported as business expenses. Philanthropy and non-commercial sponsorship are our commitment to communities in which we operate and broader society. Each request is evaluated case by case. Some general guidelines include:

- Roche prefers to support partners and projects with the following characteristics:
 - Innovative projects with measurable outcomes that contribute to distinctive and sustainable improvements in the Roche four priority funding areas
 - Projects with a clear exit strategy, including start date and end date and

- demonstration of lasting impact
 - Roche involvement makes a real difference and addresses a high-societal need
 - Roche is actively engaged in the development of the project at an early stage and not solely as a source of funds
 - Roche can also contribute with knowledge, expertise and logistics rather than simply financially
 - Projects that are driven by locally established organisations with endorsement from the local authorities
 - Projects for which a mutually recognized exit plan for Roche support, based on timetables and deliverables, is established
- Roche does not respond to:
 - Illegal or unethical proposals
 - Projects with clear political, religious or commercial background or purpose
 - Requests from un-accredited organisations
 - Requests from or to benefit single individuals
 - Mass mailings, unsigned requests or broadcast requests throughout the corporation
 - Requests with indication of corruption or improper advantages
 - In general Roche does not support projects with the following characteristics:
 - Commercial and/or mainstream entertainment events, such as professional or semi-professional sports or music concerts
 - Humanitarian or social projects driven solely by individuals and/or not supported by the local authorities
 - Indirect support of aid or service programmes through fund raising events and/or charity conduits
 - Advertising or image campaigns for causes or charities
 - Replacement of public funding and public or government responsibility
 - Projects in a final stage with no opportunity to apply Roche know-how

6. Procedures

Requests for philanthropic donations and non-commercial sponsoring should be sent directly to the respective decision makers as noted in Section 6 below (i.e. Roche affiliate office or Corporate Donations and Philanthropy Department).

Roche responds only to requests and proposals with adequate documentation including verification of the organization's appropriate charitable legal status, an overview of the organization, a full project description with detailed budget and a hand signed letter or email.

Additionally, should a project or sponsorship be agreed upon, partner

organisations must allow Roche the right to audit the agreed-upon project or sponsorship for the purpose of determining compliance with the terms of agreement and applicable laws and regulations

Requests for scientific/educational grants are out of scope for philanthropy and should be addressed to the respective Roche Group commercial or research organisation, if applicable.

7. Roles and Decision-making

Roche separates decision-making based on scope of the charitable solicitation. The primary responsibility for community social engagement lies with local management within the given corporate values, integrity standards, priorities and the agreed budgets. In accordance with these policies, the operational roles for philanthropic donations and non-commercial sponsorship within the corporation are specified as follows:

- **Projects with a local scope, defined as within one country:**

Requests are reviewed and approved at the local office level (i.e., affiliate) by respective General and Site Managers within applicable local regulations and agreed budgets. Affiliate giving is restricted to supporting organisations and programmes that have a local purpose, are based in the affiliate country, operates in the affiliate country and assists beneficiaries in the affiliate country. For projects requiring major resources, local management may enlist support from Corporate Donations and Philanthropy for ultimate joint review and coordination.

- **Local humanitarian appeals in the event of an emergency or**

disaster: Requests are reviewed and approved by local management in close contact with respective local authorities and Corporate Donations and Philanthropy. All related responses and other activities by affiliates must occur within the General/Site Manager's scope (i.e., country) and be in concert with Corporate Donations and Philanthropy.

- **Projects involving more than one country, both Divisions and/or international organisations:**

Requests are reviewed and approved at the respective regional level and Division or directly by Corporate Donations and Philanthropy, for ultimate joint review and coordination at a Group level.

In summary, local Roche offices manage local requests for local activities. Corporate Donations and Philanthropy manages requests for cross-divisional and cross-national projects and initiatives from international organisations as well as with Swiss projects beyond Basel. All activities, whether with local or international scope, are to be reported into the global Sustainability Report according to the reporting guidelines (see section 8).

For affiliate and employee international philanthropic interests and initiatives, the separate legal charity Roche Employee and Charity Trust (Re&Act) serves as a

conduit for pooled Roche employee fundraising donations – not departmental, functional or operational budgets. Re&Act represents a vehicle to further the shared interests of supporting sustainability, innovation and long-term effectiveness – it is an enhancement to ongoing corporate philanthropic donations and sponsorship activities. Re&Act focuses on humanitarian support and rebuilding projects, primarily supporting children. For more information on Re&Act, please see <http://www.react.roche.com>.

8. Reporting and Oversight

Supported by a group-wide reporting (see Group Reporting Manual, GRM section 12, and Sustainability Reporting Guidance Economic performance section 1.2.2; for employees, [internal Roche link to reporting manuals](#)), Corporate Donations and Philanthropy, the Corporate Sustainability Committee, the Corporate Executive Committee and the Board of Directors' Corporate Governance and Sustainability Committee will oversee Roche's philanthropic activities and their compliance with Roche's Group Code of Conduct and this policy.

*Approved by the Corporate Executive Committee on 19 April 2018.
It replaces the version of 17 April 2013.*
