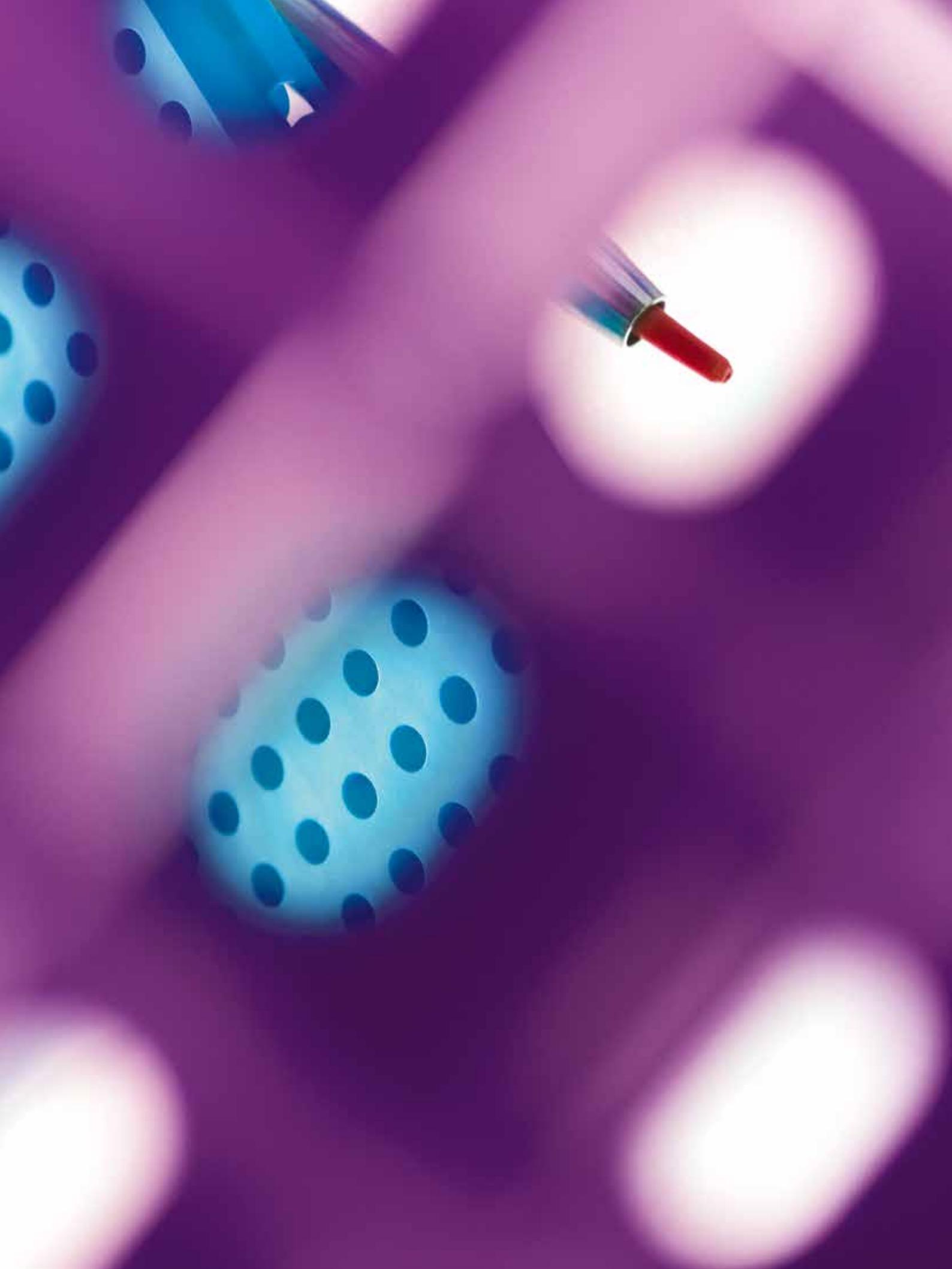


A woman with short blonde hair, wearing a red sleeveless dress and a small diamond earring, stands in front of a window with vertical blinds. She is looking towards the camera with a slight smile. The background is slightly blurred, showing some interior details.

Annual Report 2023



# Sustainable innovation at our core

Innovation is at the core of everything we do. We are committed to transform lives. Pushing boundaries, we pursue ground-breaking solutions across all our functions. Doing now what patients need next, we look ahead to create a healthy and stable future for people and the planet.

With pharmaceuticals and diagnostics under one roof, we are uniquely positioned to improve care along the patient journey. By investing in cutting-edge research and collaborative partnerships, we continue to transform ideas into life-changing solutions for people and communities worldwide.



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# Letters to shareholders



**Dr Severin Schwan**

# Dear Shareholders

At Roche, the year 2023 was marked by significant management changes. I am very pleased that my successor as CEO, Thomas Schinecker, and his leadership team have already embarked on a series of important initiatives. Roche is characterised by its ability to combine continuity and change. We remain committed to our values and our strategy, and at the same time, we evolve as an organisation, and initiate necessary changes accordingly.

We are convinced that our strategy, which is focused on innovation in pharmaceuticals and diagnostics, ensures we remain in a strong position. Our consistent ability to successfully bring new products to patients is a hallmark of our company – particularly last year when we were able to offset the expected significant decline in the COVID-19 business with new products.

Our ability to innovate will remain the key success factor for Roche in the future. For this, we need the courage to take risks. In our industry, only a handful of molecules make the leap from development to approved medicine. And Roche is no exception: we have also had to overcome some setbacks in recent times, such as with a new compound against Alzheimer's. The patients are at the heart of all our endeavours. And that is exactly what motivates us to keep creating a better framework in order to maintain, foster and strengthen the creativity and innovative spirit at Roche. This starts with the company's culture and the incredibly talented people who work here. Yet, at the same time, we must keep looking for

opportunities to make our work even more efficient along the entire value chain. This includes, for instance, testing and developing new methods in research and development.

One great example of this is the foundation of the Institute of Human Biology (IHB) in Basel last year. The institute is focused on, among other things, research on organoids – miniature models of organs or tissues that are grown in the laboratory and used for researching diseases without having to rely on real organs. This also means we can reduce animal testing even further while accelerating and improving the development of much needed innovative treatments.

As important as our own innovative strength is, a large proportion of innovation takes place outside our company. For that reason, securing even more long-term partnerships with academic institutions, hospitals and other companies remains an essential part of our strategy. For example, the recent acquisition of Telavant provides the opportunity for us to combat various autoimmune diseases with a promising new mechanism of action. And with the acquisition of Carmot, we are able to tap into potential new medicines in obesity and other metabolic diseases.

After all, innovation is only sustainable if it reaches the patients who need it most. One of our key priorities therefore remains to facilitate and improve worldwide access to our medicines and diagnostic tests.



**Roche Board of Directors on 31 December 2023**

Dr Severin Schwan (1967), Chairman, D\*, E

André Hoffmann (1958), Vice-Chairman, representative of the shareholder group with pooled voting rights, A\*, C\*, D, E, G

Dr Jörg Duschmalé (1984), representative of the shareholder group with pooled voting rights, B, C, E, G

Dr Patrick Frost (1968), B\*, E, G

Anita Hauser (1969), C, D, E, G

Prof. Dr Akiko Iwasaki (1970), A, E, G

Prof. Dr Richard P. Lifton (1953), C, E, G

Dr Jemilah Mahmood (1959), A, E, G

Bernard Poussot (1952), C, E, G

Dr Mark Schneider (1965), B, E, G

Dr Claudia Suessmuth Dyckerhoff (1967), A, B, E, G

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A Corporate Governance and Sustainability Committee | B Audit Committee | C Remuneration Committee | D Chairman's/Nomination Committee

E Non-executive director | F Executive director (*currently no member*) | G Independent member of the Board of Directors | \* Committee chairperson

From a results perspective, 2023 was again a good year for Roche. In spite of the expected decline in sales from our COVID-19 products of CHF 4.3 billion, total sales rose by 1% at constant exchange rates, and IFRS net income came to CHF 12.4 billion.

The Board of Directors therefore proposes to the Annual General Meeting an increase in the dividend of 1% to CHF 9.60 per share. If approved, this will be the 37th consecutive increase.

Lastly, the past year was also marked by geopolitical uncertainties, major conflicts, war, terror and the dreadful impact these events had on those affected. In such situations, it becomes even more important to ensure that patients continue

to receive our medicines and diagnostic tests. Our employees devote themselves to achieving this goal with great passion and dedication every single day. I would like to thank them for their tireless efforts.

And thank you, dear shareholders, for placing your trust in us.



Dr Severin Schwan  
Chairman



**Dr Thomas Schinecker**

# Dear Shareholders

2023 was both a demanding and a successful year for Roche – with strong business performance, promising medical advances and key partnerships and acquisitions.

This was also the year in which the World Health Organization declared the end of the coronavirus pandemic. We at Roche are proud of the significant contributions we made towards achieving this objective.

The return to normality consequently led to a decline in our COVID-19 sales. Given this, our annual result is all the more impressive: with sales of CHF 58.7 billion – an increase of 1% at constant exchange rates – we more than offset the decline in COVID-19 sales and the impact of biosimilar/generic erosion. Overall, we were able to compensate more than CHF 6.4 billion – which is more than 10% of our sales. This success is rooted in our strong base business (without COVID-19 products), which grew by 8% thanks to the high demand for our newer diagnostics and medicines.

One particular highlight is Vabysmo, an innovative medicine for the treatment of eye diseases that can lead to blindness. Around 70 million people worldwide currently suffer from ‘wet’ age-related macular degeneration, diabetic macular oedema or retinal vein occlusion. For many elderly people, Vabysmo already offers new hope: it may help them to maintain – or even regain – eyesight and thus independence. Vabysmo made a significant contribution to the company’s growth in 2023 and has been one of the most successful product launches in Roche’s history.

We have also achieved other important milestones for patients in 2023. Our innovative immunotherapies Columvi and Lunsumio, both bispecific antibodies aimed at activating the body’s own immune system, opened up new avenues in the combat against blood cancer. Columvi has shown promising results for people with an aggressive form of blood cancer who have already received several treatments and are in urgent need of new options. Lunsumio offers new promise to patients with a special type of follicular lymphoma, a disease that progresses slowly and has been incurable until now.

The positive phase III data for Alecensa and inavolisib in lung and breast cancer, respectively, are further highlights. Alecensa – which is already effective in a specific form of advanced lung cancer – now offers the chance of cure to those in the early stages of the disease. Inavolisib could prove to be a medical breakthrough for a form of advanced, hard-to-treat breast cancer.

At Roche, we have a long tradition of complementing our own research and development activities with external partnerships. 2023 was no different: by partnering with Alnylam, we gained access to an investigational therapeutic for treating high blood pressure, a disease that affects 1.2 billion people and cannot be adequately controlled with treatments currently available. With Telavant, we acquired a potential treatment for inflammatory bowel disease and other immune-mediated diseases. In addition, our acquisition of Carmot has the potential to enrich our portfolio with a range of programmes in obesity and other metabolic disorders.



Roche Corporate Executive Committee on 31 December 2023

Dr Thomas Schinecker (1975), CEO Roche Group  
Teresa Graham (1973), CEO Roche Pharmaceuticals  
Matt Sause (1977), CEO Roche Diagnostics  
Dr Alan Hippe (1967), Chief Financial and Information Officer  
Cristina A. Wilbur (1967), Chief People Officer  
Claudia Böckstiegel\* (1964), General Counsel  
Prof. Dr Hans Clevers\* (1957), Head Roche Pharma Research and Early Development (pRED)  
Dr Levi Garraway\* (1968), Head Global Product Development and Chief Medical Officer  
Silke Hörnstein\* (1975), Head Corporate Strategy and Sustainability  
Dr Aviv Regev\* (1971), Head Genentech Research and Early Development (gRED)  
Dr James H. Sabry\* (1958), Global Head Pharma Partnering  
Barbara Schädler\* (1962), Head Group Communications

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\* Member of the Enlarged Corporate Executive Committee

It is well-known that you can only treat what you know. Patient care always begins with a diagnosis – its importance is immense. Modern diagnostics are pivotal for early detection of diseases and targeted treatments, for example in infection-related conditions such as sepsis. Often called blood poisoning, sepsis is a leading cause of death in newborns. With Elecsys IL-6, the world's first immunoassay for the diagnosis of sepsis in newborns, we are setting a new standard in the fight against this severe condition.

Early diagnosis and treatment monitoring are also crucial for neurological diseases. In 2023, Roche made significant progress in this area. For example, our Elecsys NfL test obtained 'Breakthrough Device Designation' from the FDA. This minimally invasive test helps to detect disease activity in certain forms of multiple sclerosis and could therefore support better disease management.

We also launched the navify Algorithm Suite, a 'digital library' of medical algorithms that help improve clinical decision-making through the combination of different data points. This library is already enabling better diagnoses in cardiology and oncology and is being continuously expanded.

We have achieved a lot, and I would like to thank all of our more than 100,000 employees worldwide for their outstanding commitment to improving patients' lives!

2023 also marks my first year as CEO of Roche, a time full of exciting new challenges and opportunities. During these months, I had many in-depth, extensive and rewarding conversations with colleagues, customers, patients and other stakeholders to listen and learn.

In these conversations, two important insights were reaffirmed. First, at Roche we work with fantastic people who are passionate about our company and

mission. I am honoured to have been part of this team for over 20 years. Second, innovation remains at the core of our company. Over the past ten years, we have brought more than 20 new medicines to patients and thus successfully diversified our portfolio. Today, we are leading not only in cancer treatments but also in neuroscience, ophthalmology and haemophilia A. We are also the market leader in in-vitro diagnostics.

In order to keep delivering innovative medicines and diagnostics, it is clear that research-driven companies like Roche must continue to push scientific frontiers.

Therefore, my personal focus during the first few months as CEO was to work with our teams to find ways to further strengthen our pipeline and ability to innovate. Together, we have laid the foundation for the future. One example is digitalisation, which includes the increased use of artificial intelligence at all stages of the drug development process.

Strengthening our research and development engine also forms the basis for increasing the value of our company. At Roche – with pharmaceuticals, diagnostics and digital solutions under one roof – we are uniquely positioned to continue to develop breakthrough innovations for patients around the world.

I would like to thank everyone who worked with us in 2023 to improve the lives of patients. And thank you, our valued shareholders, for the trust you have placed in our company.



Dr Thomas Schinecker  
CEO Roche Group



# Sustainability Report

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# 1. Our approach to sustainability

Our purpose is: Doing now what patients need next. How we identify and meet those needs – what we do every day – must be sustainable if we are to succeed.

Sustainability is built into our business strategy and is part of everyone's job at Roche. We engage regularly and systematically with our internal and external stakeholders to understand their needs and build mutual trust. Our holistic approach to sustainability integrates three dimensions:

**Society.** We contribute to a better society by developing new medicines and ways of diagnosing disease which provide life-changing benefits for patients. We have a deep respect for the human rights of everyone we reach – especially patients, business partners, suppliers, local communities and, of course, our colleagues around the world. It is why we emphasise employee safety, health and development while promoting diversity, equity and inclusion, integrity, mutual respect, and equal opportunities for all.

**Environment.** Respect for a healthy planet and the environment has always been a priority of the company. We are committed to halving the environmental impact of our operations and products from 2019 to 2029. And we aim to reduce our own greenhouse gas emissions to absolute zero by 2050, while partnering with our suppliers to reduce their emissions for our mutual benefit.

**Economy.** Our business must meet the needs of patients and continue creating quality jobs that provide people and their families with secure livelihoods, while earning competitive returns for our investors. We do this by promoting innovation and by translating science into pioneering medicines and diagnostics that help patients live

longer, better and more productive lives – enabling them to support themselves and contribute to their local economies.

## Our commitments and initiatives

Roche is dedicated to working with partners across and beyond our sector to amplify our collective social and environmental impact. We are committed to several global sustainability initiatives, including:

- **United Nations Sustainable Development Goals**

Roche contributes to a number of the 2030 United Nations Sustainable Development Goals (SDGs) and its 169 specific targets within the sphere of our work. We have a particularly important role to play in contributing to SDG 3, Good health and well-being, and its associated targets. Good health plays a foundational role in supporting strong societal and economic development.

- **United Nations Global Compact**

Roche has been a signatory to the United Nations Global Compact (UNGC) since 2021. Our Communication on Progress (COP) confirms our commitment to integrating the UNGC principles on human rights, labour, environment and anti-corruption across our strategy, culture and day-to-day operations, and to advancing global development goals – in particular the 2030 United Nations SDGs.

- **Science Based Targets initiative**

Roche has committed to the Science Based Targets initiative (SBTi) to achieve absolute net zero for scope 1, 2 and 3 greenhouse gas emissions. The SBTi drives necessary climate action in the private sector by enabling



Sustainability is built into our business strategy  
and is part of everyone's job at Roche.

organisations to set science-based emissions reduction targets. The SBTi is a partnership between the Carbon Disclosure Project (CDP), the UNGC, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), and its emissions reduction guidance for businesses has become recognised globally as the gold standard.

- **Sustainable Markets Initiative (SMI)**

Roche has joined the SMI Health Systems Task Force to address emissions across supply chains, patient care pathways and clinical trials. The SMI Health Systems Task Force launched at the 26th United Nations Climate Change Conference (COP26) with the central aim of accelerating the delivery of net-zero, patient-centric healthcare systems that improve individual, societal and planetary health. The public-private partnership brings together CEOs and leaders from AstraZeneca, GSK, Merck, Novo Nordisk, Roche, Samsung Biologics, Sanofi, the Karolinska Institutet, National Health Service England, the Sustainable Healthcare Coalition, UNICEF, the University of Pavia and the WHO.

- **Pharmaceutical Supply Chain Initiative**

Roche is a member of the Pharmaceutical Supply Chain Initiative (PSCI), a collaboration of more than 40 pharmaceutical companies and suppliers with a shared vision to establish and promote responsible business practices that continuously improve human rights, ethics, labour, health, safety and environmentally sustainable outcomes for pharmaceutical supply chains (the PSCI Principles).

#### **Our risk assessment and management process**

Our Risk Management Policy<sup>1</sup> sets out Roche's approach to identifying, analysing, managing

and reporting internal and external risks and opportunities. A consolidated Group Risk Report covering all material risks and opportunities is discussed with the Corporate Executive Committee and reviewed by the Board of Directors annually. The effectiveness of Roche's Group risk management process is regularly monitored by the Group Risk Advisory team. The overall process is reviewed by the Audit Committee of the Board of Directors and also externally when appropriate. Risk management is embedded at all levels of the Roche Group. Our Pharmaceuticals and Diagnostics Divisions and global functions conduct a formal risk and opportunity assessment at least once a year and must develop response plans for their most material risks and opportunities.

Read more in 'Corporate Governance' on page 122.

We also identify long-term business environment trends and the associated risks and opportunities on an annual basis and integrate these into our Group risk management process. Each year, emerging trends are identified from internal and external sources. Our Sustainability Steering Committee then evaluates and selects the trends (and the associated risks and opportunities) most relevant to Roche.

#### **Sustainability risks and opportunities in focus**

We have also established a diligent Business Sustainability Risk and Opportunity Assessment process to identify, assess and mitigate significant social, environmental and economic risks and opportunities that could impact our business objectives and protect the interests of our stakeholders in the long term.

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<sup>1</sup> [go.roche.com/risk-management-policy](http://go.roche.com/risk-management-policy)



## Social, environmental and economic risks and opportunities

Risk	Description	Our actions
Climate change	<p>As we witness the effects of climate change grow in frequency and intensity, its implications on the business environment become increasingly clear. Extreme and unpredictable weather events disrupt company operations and local communities, and the urgent need for climate action is changing the demands and expectations of business stakeholders worldwide. The implications of climate change on global health and the nature and spread of disease is particularly important to health-focused organisations.</p> <p>Roche approaches the issue of climate change from a double materiality perspective – acknowledging both our impact on climate change and the influence climate change has on our business. We assess climate change-related risk and its implications for our business, which guides our decision-making process and enables us to develop proactive mitigation strategies and enhance our resilience.</p>	<p>Roche has committed to set near- and long-term company-wide emission reductions in line with science-based net zero with the Science Based Targets initiative (SBTi).</p> <p>Based on our ambitious emissions reduction trajectory<sup>2</sup>, we outperform all the Intergovernmental Panel on Climate Change (IPCC) scenarios, which limit global warming to 1.5°C, all without offsetting our emissions. To ensure we continue on this path, all our sites are required to develop roadmaps towards the sustainable energy future with tangible actions to achieve real zero emissions without offsetting.</p> <p>We are assessing climate change-related risks and are committed to disclosing the updated TCFD report<sup>3</sup> in 2024.</p>
Greenhouse gas emissions	<p>At the 2015 UN Climate Change Conference, 196 parties signed a legally binding international treaty on climate change (i.e. the Paris Agreement). With this, the parties committed to reducing their greenhouse gas (GHG) emissions to limit the effects of global warming. Since the conference, countries around the world have advanced action and legislation on GHG emissions reduction, making it a priority for companies, too.</p> <p>Guided by the European Green Deal, European nations and companies are leaders in the energy transition away from fossil fuels. As a result of this, combined with other factors such as the increasingly visible effects of climate change, our stakeholders are demanding emissions reduction results from us and our peers.</p> <p>To mitigate these risks, we are committed to maintaining low levels of GHG emissions as our business and therefore our production continues to grow. Our ambitious goal is to eliminate all GHG emissions from our operations and energy purchases by 2050.</p>	<p>As the majority of our GHG emissions originate from the transformation and use of energy, we aim to reduce our emissions by reducing our energy consumption and switching to entirely sustainable energy. We do not favour the use of carbon offsetting as an alternative to reducing our emissions. By focusing on emissions reduction and the substitution of non-sustainable energy rather than offsetting, we aim to achieve real zero emissions by 2050.</p> <p>We have set up action plans<sup>3</sup> across our sites to reduce GHG emissions. This involves the implementation of innovative technologies and continuous upgrading of infrastructure.</p> <p>We use energy-efficient equipment, continue to evaluate employees' travel needs and set the goal of a GHG emissions-free vehicle fleet by 2030.</p> <p>We also change work processes, which is a complex task in highly regulated and approved facilities, and we are focusing our efforts on a steady transition to the use of sustainable energy.</p> <p>We are phasing out fossil fuel use and substitute with energies from sustainable sources.</p>
Corruption	<p>Corrupt business behaviour, such as bribery, unfair advantages, theft, fraud, embezzlement and misuse of company assets is persistent in today's interconnected and increasingly competitive world. Failure to actively manage this threat has legal and financial implications. It also harms companies' reputation and jeopardises their licence to operate.</p> <p>Given the broad scope of Roche operations worldwide and the different types of relationships with key stakeholders, there is exposure to corruption risk. We reject all forms of corrupt business behaviour and our key expectations regarding integrity are communicated in the Roche Group Code of Conduct.<sup>4</sup> Our Behaviour in Business directive outlines our approach to anti-corruption and anti-bribery.</p>	<p>Roche employees and our business-critical business partners complete a mandatory e-learning on compliance<sup>5</sup>, which covers: bribery and improper advantages, gifts and entertainment, conflict of interest, discrimination and harassment, responsible use of social media and electronic communication tools, and business partners and supply chain. All employees must complete the compliance training when they join Roche and undergo periodic refreshers, including whenever the Roche Group Code of Conduct is updated.</p> <p>Anyone who becomes aware of a potential violation of the Roche Group Code of Conduct is encouraged to bring it to the attention of our compliance experts. Roche takes all reports of non-compliance seriously and is fully committed to efficiently and timely investigate the facts and take any necessary corrective action.</p>

2 Environmental goals: [roche.com/about/sustainability/environment/goals-performance](http://roche.com/about/sustainability/environment/goals-performance)

3 Task Force on Climate-related Financial Disclosures: [go.roche.com/climate-risk-management](http://go.roche.com/climate-risk-management)

4 Roche Group Code of Conduct: [roche.com/about/governance/code-of-conduct](http://roche.com/about/governance/code-of-conduct)

5 Behaviour in business: [go.roche.com/behaviour\\_in\\_business](http://go.roche.com/behaviour_in_business)

### Social, environmental and economic risks and opportunities (continued)

Risk	Description	Our actions
Human rights	In a globalised world, business value chains often span across international borders, giving millions of people an opportunity to participate in the global economy, however this also brings challenges to ensuring workers' human rights. As part of Roche's global operations with 100,000+ employees and thousands of business partners, we are at risk of being involved with negative human rights impacts. In 2023 we conducted a Group human rights risk assessment for our own operations and third-party operations. For our own operations, the assessment identified data privacy, access to healthcare and a fair and safe work environment as focus areas. For our supply chain, working conditions, fair treatment and non-discrimination and a healthy work environment were identified as focus areas.	Roche upholds human rights principles across our own operations and our value chain. We have policies in place as well as a risk management approach to mitigate and prevent any infringement on human rights and its adverse impacts, including the assessment of whether there are reasonable grounds to suspect child labour. <sup>6</sup>
Talent attraction, development and retention	The ability to create an inclusive work environment for people with diverse backgrounds, experiences, skills and ideas is essential for any innovation-based company such as Roche. The risk of not doing this well could mean being unable to attract and retain talented people with the innovation capabilities we need to deliver on our ambitions. This is especially the case in the face of an increasing skills shortage in an environment of growing competition from existing and new players and geographies. Adapting how we work at Roche to navigate new agile and virtual ways of working requires iterative talent strategies, new skills, differentiated leadership and a focus on well-being. We continuously monitor our progress towards our workforce goals to refine our approach and strengthen our talent pipeline.	We have introduced strategic workforce planning to identify the skills needed for the future and to prepare to attract and develop employees with these skill sets. <sup>7,8</sup>  Our Global Employee Opinion Survey (GEOS) conducted every two years helps us understand employee perceptions and sentiments.  We conduct an organisation-wide pay equity analysis every three years. In 2022 we also conducted a living-wage analysis <sup>9</sup> and we will repeat this periodically in future.  We offer information and programmes to support the physical and mental health and well-being <sup>10</sup> of our employees.  Our OneRoche Learning & Development Portfolio enables all employees to access training and development options and become lifelong learners.  Our Leadership Commitments <sup>11</sup> set clear expectations for all people leaders at Roche and we have a series of programmes such as Symbiosis designed to continually build leadership capability. Several other programmes are available to help managers lead virtual and diverse global teams.

6 For more information about human rights, see page 68.

7 For more information about our DE&I activities, see page 54 and [careers.roche.com/global/en/diversity-equity-inclusion](https://careers.roche.com/global/en/diversity-equity-inclusion)

8 Roche Group Employment Policy: [go.roche.com/group-employment-policy](https://go.roche.com/group-employment-policy)

9 Annual Report 2022, reference to living wage, page 110: [roche.com/ar22e.pdf](https://roche.com/ar22e.pdf)

10 For more information about well-being, see page 60 and [careers.roche.com/global/en/your-wellbeing-matters](https://careers.roche.com/global/en/your-wellbeing-matters)

11 Leadership Commitments: [go.roche.com/group-employment-policy](https://go.roche.com/group-employment-policy)

For all sustainability aspects that were identified as material and where Roche can drive greater impact as a company, we have defined key performance indicators (KPIs) which allow us to measure progress on actions implemented. The relevant data points

can be found in each section of this report. The KPIs are reassessed regularly to ensure that they are the most relevant to measure the effectiveness of the actions implemented for the defined topic and meet regulatory transparency requirements.

## 1.1 Our purpose

We believe it is urgent to deliver medical solutions right now – even as we develop innovations for the future. We are passionate about transforming patients' lives. We are courageous in both decision and action. And we believe that good business means a better world.

That is why we come to work each day. We commit ourselves to scientific rigour, unassailable ethics, and access to medical innovations for all. We do this today to build a better tomorrow.

We are proud of who we are, what we do and how we do it. We are many, working as one across functions, across companies and across the world.

**We are Roche.**

**Doing now what patients need next**

# 1.2 Our strategy and our business model

We focus on finding new medicines and diagnostics and on establishing data-based insights that evolve the practice of medicine and that help patients live longer, better lives.

Our business environment is undergoing tremendous change. We are facing new challenges due to the complexity of care and increasing pressure on healthcare budgets. At the same time, we see new opportunities arising from major advances in life sciences and from digitalisation in healthcare.

In these turbulent times, we are guided by our common purpose: **Doing now what patients need next**. Our company has been bringing novel diagnostics and treatments to patients for more than 125 years. Patients are and will remain at the core of what we do. They are the reason we come to work every day.

## What we do

We focus on our vision of fitting treatments to patients: providing the right therapy for the right patient to ensure the best response at the right time for the right value. Our approach combines our rich expertise in pharmaceuticals and diagnostics with expanded data science capabilities to drive more effective and efficient research and to enable better therapeutic decisions for patients.

Our pursuit of excellence in science rests on four key elements: an exceptionally broad and deep understanding of disease biology; the seamless integration of our capabilities in pharmaceuticals and diagnostics; a diversity of approaches to maximise innovation; and a long-term orientation.

Working in partnership with third parties, we offer integrated solutions with improved medical, health and economic benefits. We work with

many different stakeholders in the healthcare ecosystem to broaden access to our offerings for people who need them and, ultimately, to provide a seamless patient journey. We will continue to concentrate our energies on prescription medicines, in vitro diagnostics and increasingly data and insights, rather than diversify into other sectors like generics, biosimilars or over-the-counter medicines.

Our delivery is to create value for all our stakeholders: being a partner of choice; bringing significant medical benefit for patients, doctors and payers; offering a great place to work for employees; delivering a sustainable positive contribution to society; and earning competitive returns for our investors.

## How we do it

Ultimately, delivering on our commitments takes people with integrity, courage and a passion for making a difference for patients. Our people are proud to say: **We are Roche**.

Our leadership inspires outcomes that matter by embracing diversity, equity and inclusion. Different backgrounds, perspectives and experiences, across the entire organisation, foster innovative solutions for the benefit of patients. Our ways of working enable agile and networked responses to the ever-increasing pace of change by balancing the needs for stability, speed and flexibility.

Our set-up is designed for innovation. Our autonomous research and development centres and alliances with more than 250 external partners foster a diversity of scientific approaches and agility. Our global geographical scale and reach enables us to attract talent in the leading global science clusters and to quickly bring our solutions to people who need them.



## 2. Business performance

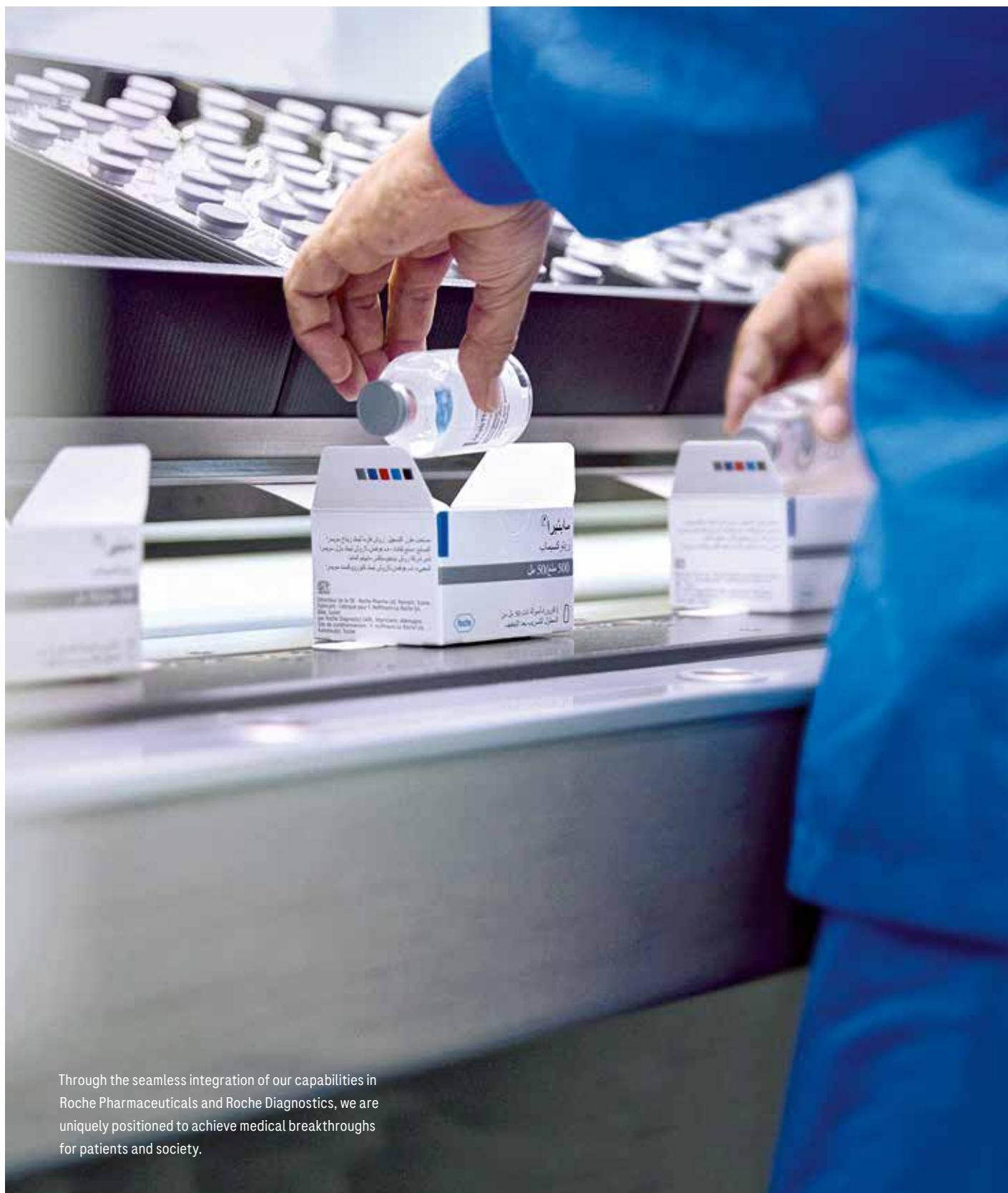
2023 was a demanding and successful year for Roche. With good results in our base business, we were able to offset the sharp yet expected drop in COVID-19 sales. Our diagnostics base business and newer medicines continued to show strong growth.

In the Diagnostics Division, the strength of our portfolio combined with the commercial excellence of our affiliates resulted in strong base business growth.

In the Pharmaceuticals Division, we experienced impressive growth in 2023 thanks to advanced medicines like Vabysmo (severe eye diseases), Ocrevus (multiple sclerosis), Hemlibra (haemophilia A), Polivy (blood cancer) and Phesgo (breast cancer).

We are especially excited about the good progress in our product pipeline, notably in oncology, ophthalmology and neurology. Additionally, we have forged important partnerships through collaborations and acquisitions in areas of high unmet need.

Innovation will continue to be at our company's core. With our strong product portfolio in both divisions and a promising product pipeline, Roche is well positioned for future growth.



Through the seamless integration of our capabilities in Roche Pharmaceuticals and Roche Diagnostics, we are uniquely positioned to achieve medical breakthroughs for patients and society.

## 2.1 Roche Group

In 2023, Roche achieved sales growth of 1%\* (-7% in CHF) to CHF 58.7 billion, exceeding the company's guidance for the year. This increase more than made up for the expected decline in COVID-19-related sales, amounting to CHF 4.3 billion, and the effects of biosimilar erosion on our cancer medicines MabThera/Rituxan, Herceptin and Avastin, which totalled CHF 1.1 billion – resulting in an overall impact of CHF 5.4 billion.

The Swiss franc significantly appreciated versus most currencies, impacting results when reported in Swiss francs compared to constant exchange rates.

Core operating profit was down 1% (-13% in CHF) to CHF 19.2 billion. The good sales performance and a return towards a pre-COVID-19 sales mix resulted in an improved gross margin. This was offset by continued investments in pharmaceutical research, development and launches of new products. Additionally, the patent settlement income in Japan in 2022 affected the growth rate in 2023.

IFRS net income increased by 7% (-9% in CHF) to CHF 12.4 billion due to the increase in operating profit (IFRS) and lower income tax expenses.

Core earnings per share rose by 6% (-9% in CHF), including the positive impact from the resolution of tax disputes in 2023.

Sales in the Pharmaceuticals Division increased by 6% to CHF 44.6 billion, with newer medicines for severe diseases continuing their strong growth.

The top five growth drivers – Vabysmo (severe eye diseases), Ocrevus (multiple sclerosis),

Hemlibra (haemophilia A), Polivy (blood cancer) and Phesgo (breast cancer) – achieved total sales of CHF 14.8 billion. This represents a plus of CHF 4.3 billion compared to 2022.

Vabysmo, launched only in early 2022, reached sales of CHF 2.4 billion, and has become one of the best-selling medicines of Roche.

The Diagnostics Division's base business sales increased by 7%, with immunodiagnostic products, particularly cardiac tests, and diagnostics solutions for clinical chemistry and for advanced staining contributing significantly to this growth.

Overall, the Diagnostics Division reported sales of CHF 14.1 billion, a decline of 13%. This reflects the anticipated significant drop in demand for COVID-19-related products (sales of CHF 0.8 billion in 2023, compared to sales of CHF 4.1 billion in 2022).

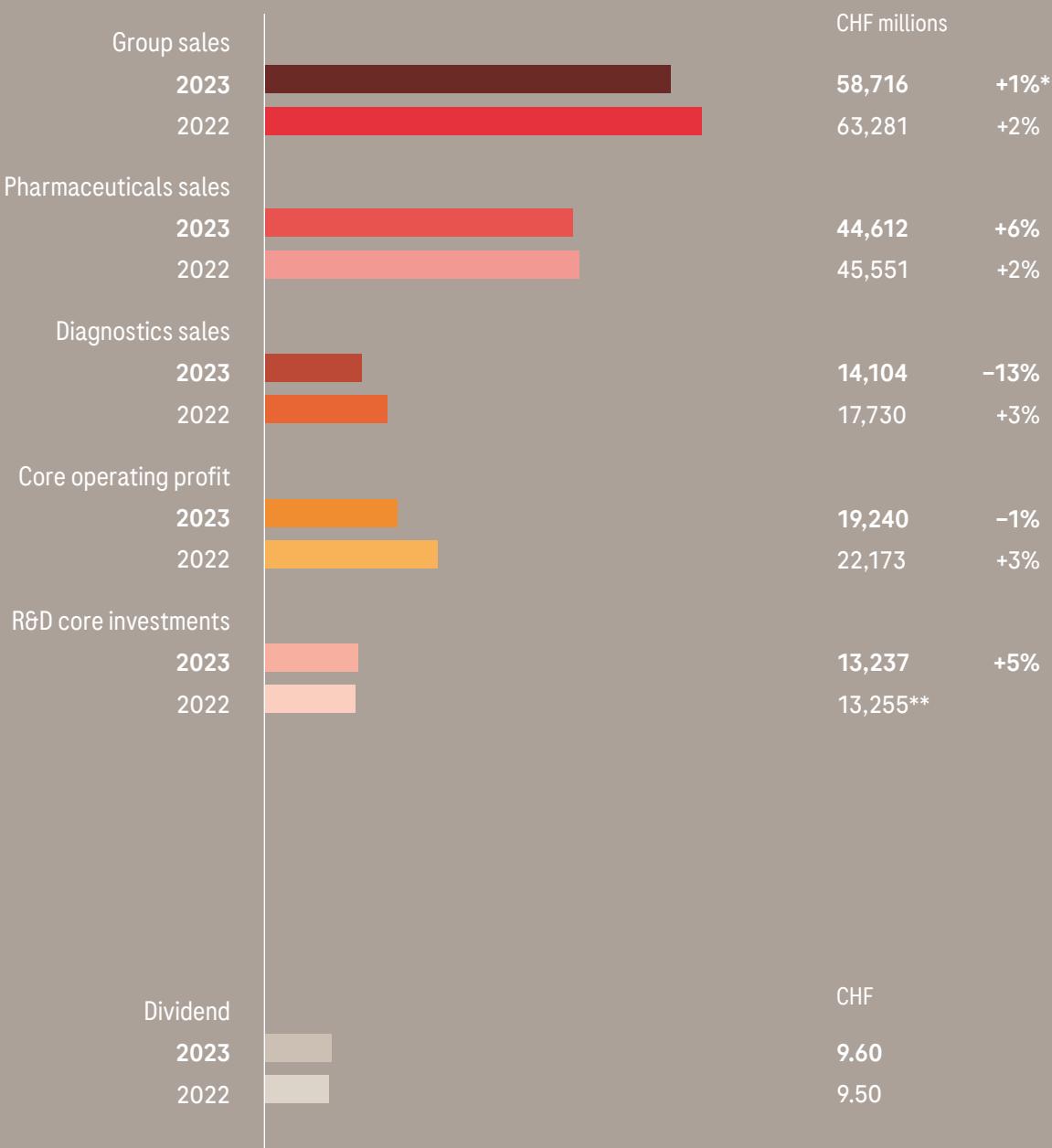
With lower demand for COVID-19 testing, sales in the North America, Europe, Middle East and Africa (EMEA) and Asia-Pacific regions decreased by 21%, 13% and 11%, respectively. The division's base business grew across all regions.

### Outlook for 2024

Roche expects an increase in Group sales in the mid single digit range (at constant exchange rates). Core earnings per share are targeted to develop broadly in line with sales growth (at constant exchange rates), excluding the impact from the resolution of tax disputes in 2023. Roche expects to further increase its dividend in Swiss francs.

\* Unless otherwise stated, all growth rates and comparisons to the previous year are at constant exchange rates (CER; average rates 2022) and all total figures quoted are reported in CHF.

## Key figures 2023



\* Unless otherwise stated, all growth rates and comparisons to the previous year are at constant exchange rates (CER; average rates 2022) and all total figures quoted are reported in CHF.

\*\* Effective 1 January 2023, the Group has made certain presentational and cost allocation changes to the income statement. The comparative information for 2022 has been restated accordingly.

## 2.2 Diagnostics

The Diagnostics Division's base business sales increased by 7%, with immunodiagnostic products, particularly cardiac tests, and diagnostics solutions for clinical chemistry and for advanced staining contributing significantly to this growth.

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**Core Lab.** *This customer area focuses on central labs and provides diagnostics solutions in the areas of immunoassays, clinical chemistry and custom biotech.* Sales increased by 9% due to the 10% growth in immunodiagnostic products, such as cardiac and oncology tests, and the 10% growth in the clinical chemistry business. Sales grew across all regions, with the largest contributions to the sales growth coming from the Asia-Pacific and EMEA regions, which grew by 10% and 9%, respectively.

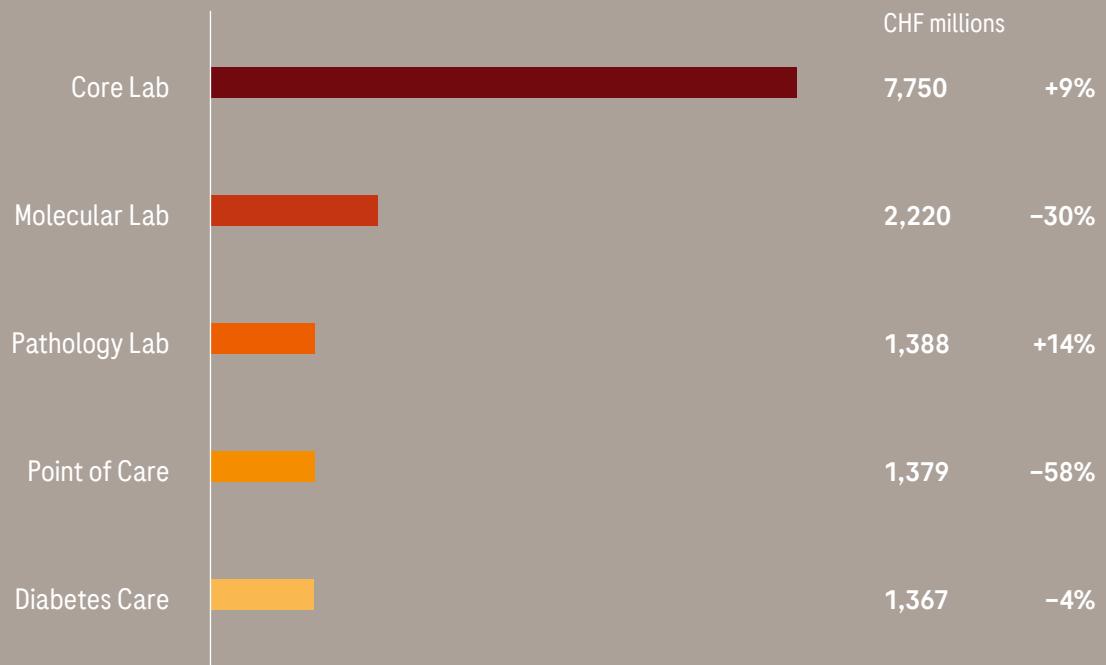
**Molecular Lab.** *This customer area focuses on molecular labs and provides diagnostics solutions for the detection and monitoring of pathogens, donor screening, sexual health and genomics.* Sales declined by 30% due to

lower COVID-19-related sales for SARS-CoV-2 assays on the cobas 6800/8800 systems. Growth in the underlying base business included higher sales from blood screening as well as from diagnostics solutions for the detection and monitoring of cervical cancer and from the virology base business.

**Pathology Lab.** *This customer area focuses on pathology labs and provides diagnostics solutions for tissue biopsies and companion diagnostics. These are targeted diagnostics to aid in the choice of specific therapies for each patient.* Sales increased by 14% and across all regions due to growth in the advanced staining and the companion diagnostics businesses.

**Point of Care.** *This customer area provides diagnostics solutions immediately at the point of care, such as in emergency rooms, general practitioners' practices and directly with patients, and includes the SARS-CoV-2 Rapid Antigen test and blood gas and electrolyte (BGE) tests.* Lower sales of the SARS-CoV-2 Rapid Antigen test were the main driver of the 58% sales decrease. There was growth in the base business, driven by the Liat molecular point-of-care product line.

**Diabetes Care.** *This customer area provides diagnostics solutions for patients and healthcare professionals enabling integrated personalised diabetes management.* Sales decreased by 4% driven by the continued contraction of the blood glucose monitoring market in the US and major European markets, due to people switching to continuous glucose monitoring systems.

**Sales by customer area in 2023**

# Innovation to improve patient outcomes

In 2023, we maintained our momentum of strong growth in our diagnostics base business, launching a range of new tests, platforms and digital solutions. We continued to focus our innovations on supporting healthcare professionals in prevention, diagnosis and monitoring to improve health outcomes while reducing the cost of care. We have retained our position as the world's leader in in vitro diagnostics, with a growing portfolio of more than 500 diagnostic assays on more than 100,000 instruments around the world that deliver breakthrough innovations with the greatest possible patient and market impact.

In addition to being the leader in laboratory diagnostics, we have a prominent role in bringing diagnostics closer to patients through our point-of-care innovations. For example, the handheld cobas pulse represents an industry-first professional blood glucose management solution that features mobile digital health capabilities to help improve patient care.

## Transforming healthcare delivery to meet global challenges

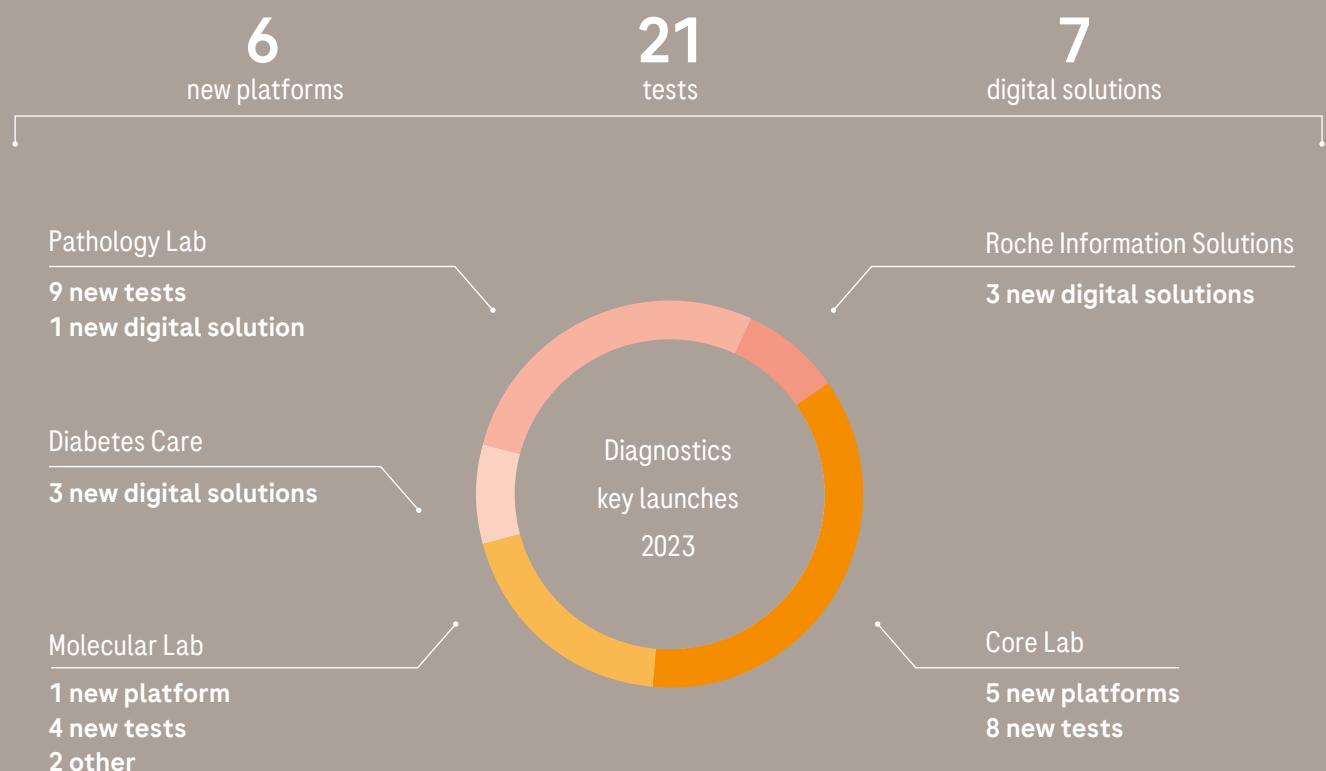
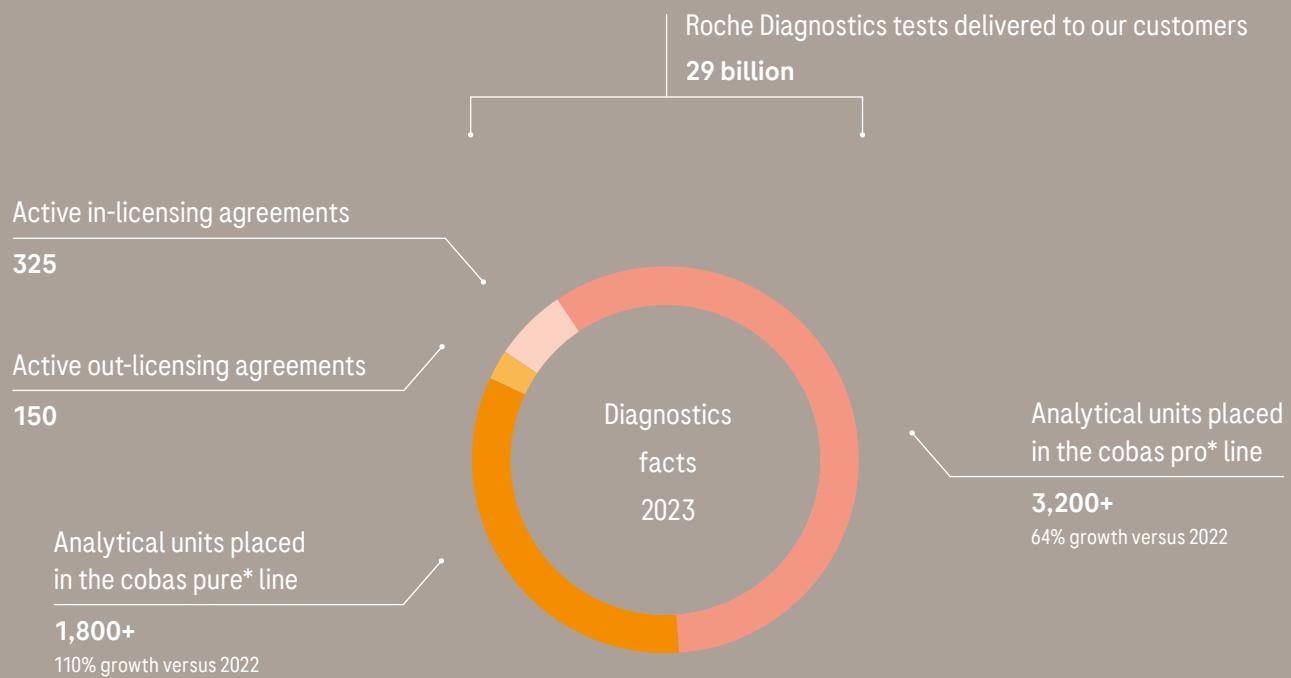
Throughout the year, we increased our efforts to address critical health challenges, including ageing populations with increasingly complex medical needs. Around the world, the number of patients over age 60 is growing. By 2030, the World Health Organization (WHO) estimates that one in six people will be over 60. And by 2050, there will be more than 2.5 billion people in their sixties or older, with nearly half a billion people over 80. Two of the most common comorbid conditions occurring in elderly people are cardiometabolic diseases and dementia.

Cardiovascular disease is the number one cause of mortality, accounting for 31% of all global deaths – 75% of which occur in low- and middle-income countries (LMICs). The STRONG-HF study results show how our NT-proBNP biomarker testing, embedded in a therapeutic strategy, is an integral part of improving care for patients with heart failure.

Alzheimer's disease, the most common form of dementia, affects 55 million people worldwide and this number is expected to triple by 2050. However, up to 75% of people living with symptoms of Alzheimer's have not yet been diagnosed; those who have received a diagnosis waited, on average, 2.8 years after symptom onset. As part of our commitment to addressing the burden of Alzheimer's disease, in March we entered into a collaboration with Eli Lilly and Company to support the development of our Elecsys Amyloid Plasma Panel (EAPP). The EAPP is an innovative blood test that aims to facilitate the earlier diagnosis of Alzheimer's disease and potentially streamline access to future treatment options.

Cancer continues to be one of the world's greatest health threats. Across testing disciplines – molecular, sequencing, immunochemistry, imaging, tissue and digital diagnostics – we offer a comprehensive ecosystem of solutions to ensure laboratories and healthcare professionals have the tools they need to give patients the care they deserve. For example, 90% of women who die from cervical cancer live in LMICs. The WHO has awarded us a prequalification for our cobas HPV test for use in LMIC national cervical cancer elimination programmes.

In diabetes care we continued deploying our integrated Personalised Diabetes Management (iPDM) strategy, strengthening our market leadership in blood glucose monitoring (BGM) and thus enabling access to care for people with diabetes around the world. Connectivity and digital solutions play a key role in our vision, and we proudly reached more than 5 million registered users with our diabetes management app, mySugr, while making our RocheDiabetes Care Platform for healthcare providers now available in 30 countries.



\* cobas pro is for our mid-high throughput and cobas pure is for our low-mid throughput Core Lab customers. These instruments are used for the measurement of over 200 parameters in blood.

### Innovative insights

We have made significant progress in strengthening and expanding our efforts in healthcare digitalisation with a focus on lab insights, clinical workflow optimisation, clinical decision support and patient monitoring. These segments primarily target labs, providers and patients.

Our navify digital solutions – including the navify Algorithm Suite and navify Sample Tracking – securely

integrate data across care settings, connecting the healthcare community and accelerating access to innovation and insights. The navify approach focuses on open digital ecosystems to address interoperability and enable a patient-centric model rather than a disease-centred approach. To support efficient product development for digital solutions, we are committed to establishing a common and scalable technology stack for all digital products for customers and patients.

### Key launches and activities in 2023

Name	Launch date	Approval	Indication/disease, etc.	System/platform
<b>Tests</b>				
VirSNIp SARS-CoV-2 Spike F486P	26 January	FDA Research Use Only	PCR test to detect SARS-CoV-2 XBB.1.5 variant	PCR platforms LightCycler 480 II and cobas z 480 BenchMark instrument series
IDH1 R132H (IDH glioma) and ATRX rabbit polyclonal antibody	23 February	FDA	Neuropathology/immunohistochemistry (IHC) solution supporting detection of tumour cells with IDH1 R132H mutation; aids pathologists in diagnosis of gliomas and identifies mutation status in patients diagnosed with brain cancer	
Ventana PD-L1 (SP263)	3 March	FDA label expansion	Identifies patients with non-small cell lung cancer (NSCLC) who may be eligible for treatment with Libtayo (Regeneron) monotherapy	Companion diagnostic for BenchMark ULTRA system
cobas HPV test	13 June	WHO prequalification	Enables LMICs to use the cobas HPV test in their national cervical cancer elimination programmes	Roche molecular systems (e.g.: cobas 4800, cobas 6800, cobas 8800)
Elecsys IL-6 Neonatal sepsis immunoassay	18 October	Countries accepting the CE mark	First IL-6 test to have a certified claim for use in diagnosis of neonatal sepsis, immunoassay with dedicated claim and supporting evidence aiding diagnosis of sepsis in neonates; potential to reduce newborn mortality	cobas e immunoassay analysers
cobas HPV test	6 November	FDA	PCR test to identify presence of HPV genotypes 16 and 18, with 12 other high-risk HPV types as a combined result; will broaden access to HPV testing in US mid-size and smaller labs	cobas 5800
Elecsys Neurofilament Light Chain (NfL) test for multiple sclerosis (MS)	9 November	FDA Breakthrough Device Designation	Test to aid in detection of disease activity in adults (18–55 years old) with relapsing-remitting multiple sclerosis (RRMS) or secondary progressive multiple sclerosis (SPMS)	Elecsys technology
Elecsys Anti-HEV IgM and Elecsys Anti-HEV IgG immunoassays	16 November	Countries accepting the CE mark	Detection of hepatitis E virus (HEV) infections for treatment, monitoring and prevention of disease progression. HEV testing included in WHO 2023 Essential Diagnostics List (EDL)	Fully automated assays run on Elecsys technology
Elecsys HBeAg quant	27 November	Countries accepting the CE mark	Immunoassay able to determine both presence and quantity (qualitative and quantitative) of hepatitis B e antigen (HBeAg) in human serum and plasma; complements existing HBV testing markers	cobas e analysers

**Key launches and activities in 2023 (continued)**

Name	Launch date	Approval	Indication/disease, etc.	System/platform
<b>Instruments/automation</b>				
CCM Vertical	17 August	Global	cobas connection modules: fast transport system connecting cobas p 512 and cobas p 612 to analytics and post-analytics	cobas p 512 and cobas p 612
cobas pro integrated solutions	August	China	Scalable, modular SWA for mid- to high-volume clinical chemistry and immunochemistry testing	cobas systems
cobas pure integrated solutions	October	China	SWA analyser bringing together three diagnostic technologies on a single platform to optimise space and resources in small to medium labs	cobas systems
LightCycler PRO	20 November	CE mark; FDA 510(k) exempt status	New, next-generation, flexible real-time qPCR instrument with dual IVD and research mode plus enhanced system features	New LightCycler qPCR instrument
LumiraDX	29 December	Global	Roche entered into a definitive agreement to acquire LumiraDx's point-of-care technology combining multiple diagnostic modalities on a single platform	Transaction closing expected by mid-2024
<b>Digital solutions</b>				
navify Algorithm Suite	11 April	Europe and Asia-Pacific	Single platform hosting library of digital medical algorithms that generate patient-centric insights; initial focus: liver disease and colon cancer	Embedded in existing healthcare workflows and the lab/hospital information system (LIS/HIS) and/or electronic health/medical record (EHR/EMR)
navify Tumor Board	25 October	Attained an overall performance score of 92.4* with HCP**	Cloud-based digital solution streamlining workflows and multidisciplinary collaboration for oncology tumour boards	Recognition in KLAS research <i>First Look Report</i> ***
navify POC Operations (formally registered in most countries as cobas infinity POC)	25 October	Attained an overall performance score of 90.1* with HCP**	Software that connects and monitors point-of-care devices (Roche and non-Roche) for device oversight and error management of test results	Recognition in KLAS research <i>First Look Report</i> ***
navify Lab Operations (formally registered in most countries as cobas infinity lab)	25 October	Attained an overall performance score of 89.5* with HCP**	Lab software that consolidates data from various instruments and systems and automates lab processes for optimal lab efficiency	Recognition in KLAS research <i>First Look Report</i> ***
Expanded menu of algorithms for navify Algorithm Suite	9 November	14 CE-marked algorithms added	Clinical decision support algorithms in the areas of oncology and cardiovascular metabolics	navify algorithm suite
RUO Digital Pathology Algorithm	22 December	Global Research Use Only	Digital pathology algorithm for scoring PD-L1(SP142) breast samples	Ventana DP 200 or Ventana DP 600 slide scanner stained with Ventana PD-L1 (SP142) Assay

\* Limited data | \*\* Healthcare professionals | \*\*\* The 2023 Best in KLAS software average for this category is 80.3%.

## 2.3 Pharmaceuticals

Sales in the Pharmaceuticals Division increased by 6% to CHF 44.6 billion, with newer medicines for severe diseases continuing their strong growth.

In the United States, sales rose by 8%. Vabysmo, Ocrevus and Hemlibra were the main growth drivers. This increase was partly offset by declining sales of medicines with expired patents.

Sales in Europe grew by 6%, with key contributions from Germany, France and the UK. The sales growth of Vabysmo, Phesgo, Evrysdi, Hemlibra and Ocrevus more than compensated for the lower sales of Ronapreve and medicines with expired patents.

In Japan, sales were down by 14%, mainly due to lower supply of Ronapreve to the government. Excluding Ronapreve, sales in Japan grew by 6%. This increase was fueled by the strong performance of newer medicines such as Polivy and Vabysmo, which effectively compensated for the impact of biosimilars.

Sales in the International region grew by 13%, led by China, Brazil and Canada. In China, sales rose by 6%, with Tamiflu, Xofluza and the cancer medicines Polivy, Tecentriq and Perjeta being the key growth drivers, more than offsetting the impact of biosimilars and lower sales of CellCept.

**Ocrevus** (CHF 6.4 billion, +13%). *For relapsing forms of multiple sclerosis and primary progressive multiple sclerosis.* There was continuously growing demand in both indications primarily driven by the US, with the growth coming from both new and retained patients. Elsewhere, Ocrevus continued to show high uptake, notably in Germany, Italy and Brazil.

**Hemlibra** (CHF 4.1 billion, +16%). *Haemophilia A.* Sales growth continued, especially in the US in

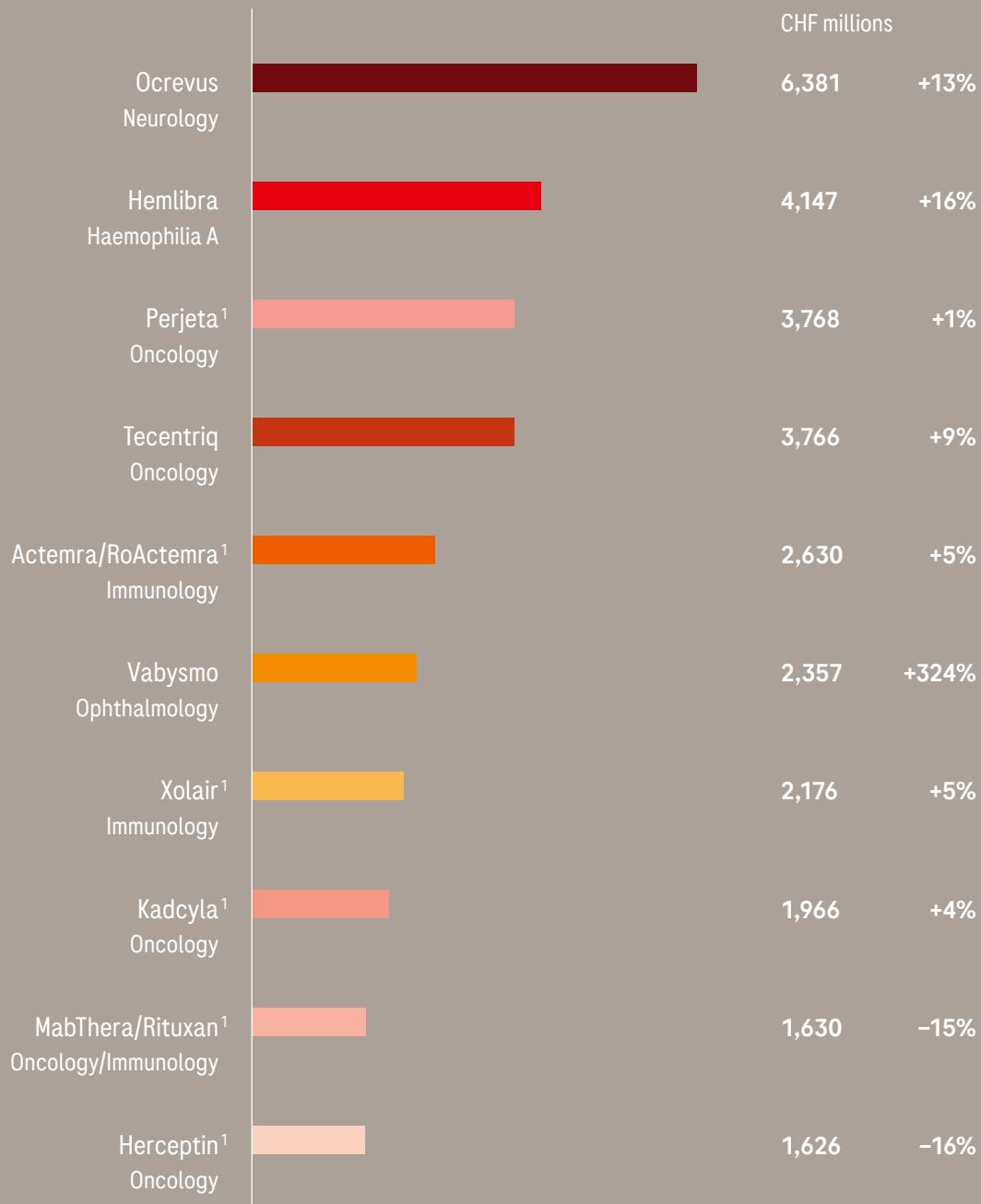
the non-inhibitor segment. In Europe and the International region, sales grew across major markets, while sales in Japan increased as a result of further market penetration.

**Perjeta** (CHF 3.8 billion, +1%). *HER2-positive breast cancer.* Sales of Perjeta grew by 1%, with the International region, particularly China and Brazil, being key growth driver. This was partly offset by a decline in sales in the US as a result of an adjustment related to US governmental plans. Excluding this adjustment, Perjeta sales in the US showed a growth of 1%. Sales of Perjeta in Europe were lower following the launch of Phesgo.

**Tecentriq** (CHF 3.8 billion, +9%). *Cancer immunotherapy (either alone or in combinations) for various types of cancer, e.g. lung, bladder, breast and liver cancer.* Sales increased by 9% with growth across all regions. In the US sales were higher driven by the non-small cell lung cancer (NSCLC) adjuvant indication. In Europe the growth was mainly driven by the small cell lung cancer and the hepatocellular carcinoma indications. In Japan the sales increase came from growth in the NSCLC adjuvant indication. In the International region China was the key growth driver.

**Actemra/RoActemra** (CHF 2.6 billion, +5%). *For rheumatoid arthritis, juvenile idiopathic arthritis, giant cell arteritis, CAR T-cell-induced severe or life-threatening cytokine release syndrome and COVID-19.* Sales increased by 5%, mainly in the US, despite lower demand from hospitalised patients with COVID-19. The demand outside of COVID-19 increased based on continued confidence in the medicine, especially in the rheumatoid arthritis segment.

### Top-selling pharmaceuticals in 2023



<sup>1</sup> Products launched before 2015

## Innovating for patients around the world

The US FDA and the European Commission approved Columvi for people with relapsed or refractory diffuse large B-cell lymphoma based on results from phase I/II pivotal data where Columvi given as a fixed course induced early and long-lasting complete responses in these heavily pretreated patients. Columvi is given for a fixed period of time and made to be readily available, providing patients with a treatment end date and a treatment-free period.

The US FDA also approved Polivy in combination with R-CHP for the treatment of certain types of previously untreated diffuse large B-cell lymphoma, based on the POLARIX trial. Results of this phase III study showed the Polivy combination reduced the risk of disease progression, relapse or death by 27% compared to the standard of care, R-CHOP, with a comparable safety profile. This combination is the first FDA-approved therapy in nearly 20 years for the first-line treatment of diffuse large B-cell lymphoma.

The European Commission approved the expansion of the Hemlibra European Union marketing authorisation. The label now includes the routine prophylaxis of bleeding episodes in people with haemophilia A without factor VIII inhibitors, who have moderate disease ( $FVIII \geq 1\%$  and  $\leq 5\%$ ) with a severe bleeding phenotype.

The COMMODORE 2 study, a global phase III programme for crovalimab in paroxysmal nocturnal haemoglobinuria (PNH), a rare life-threatening blood condition, met its co-primary efficacy endpoints, showing crovalimab achieved disease control in people with PNH who have not been previously treated with complement inhibitors.

The US FDA accepted the company's Biologics License Application (BLA) for crovalimab, for the treatment of PNH.

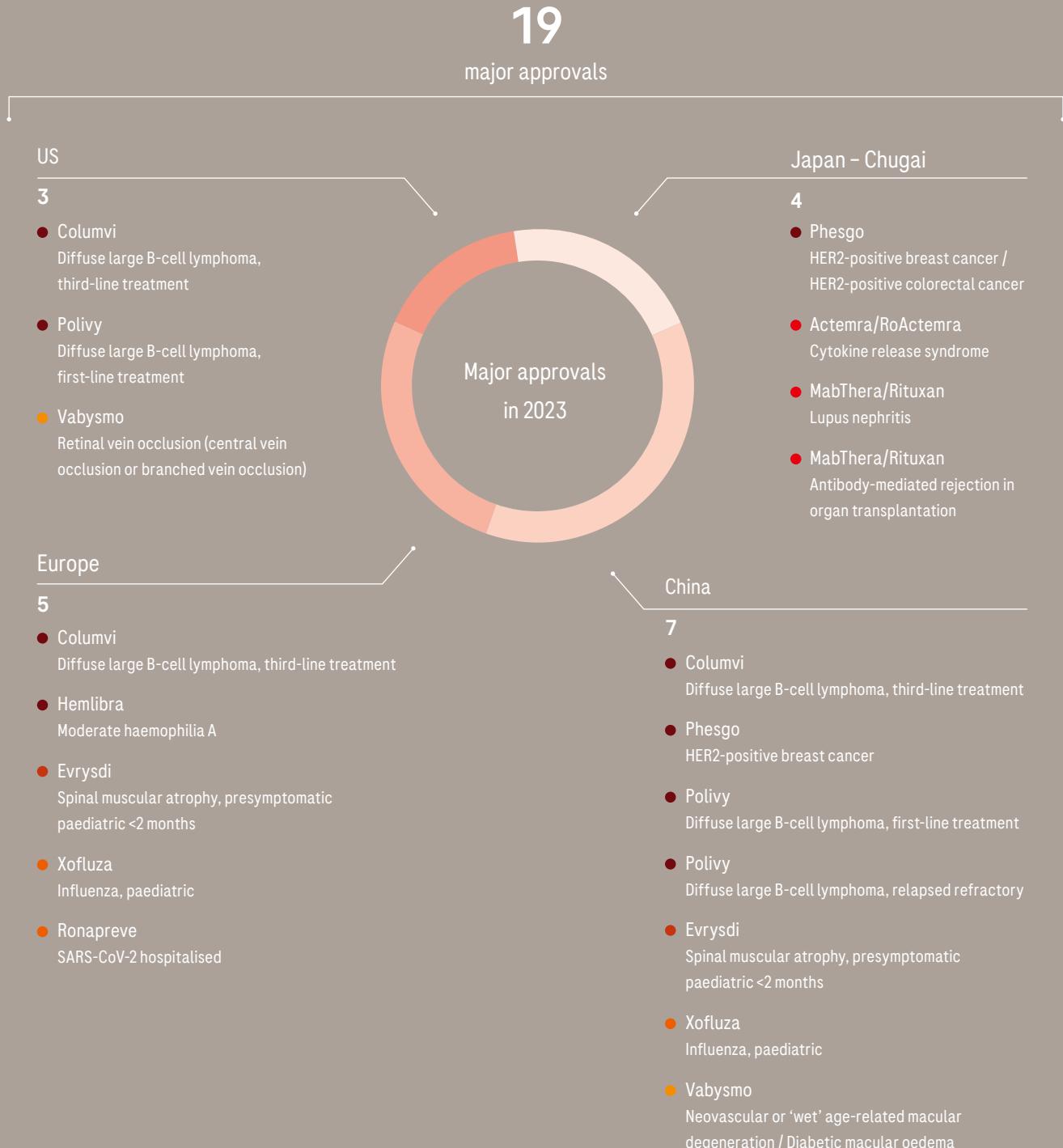
The phase III OCARINA II trial for Ocrevus twice-a-year ten-minute subcutaneous injection was non-inferior to intravenous infusion and provided near-complete suppression of brain lesions. The ten-minute subcutaneous injection has the potential to improve the treatment experience and expand usage for people with multiple sclerosis (MS) in centres with IV capacity limitations.

The pivotal phase III IMbrave050 study investigating Tecentriq plus Avastin in people with early-stage hepatocellular carcinoma at high risk of recurrence following surgery met the primary endpoint of recurrence-free survival.

Tecentriq subcutaneous (SC) received its first marketing authorisation in Great Britain and a positive opinion by the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) for approval in Europe. Tecentriq SC can be injected within minutes, which can free up time for patients, healthcare teams and caregivers.

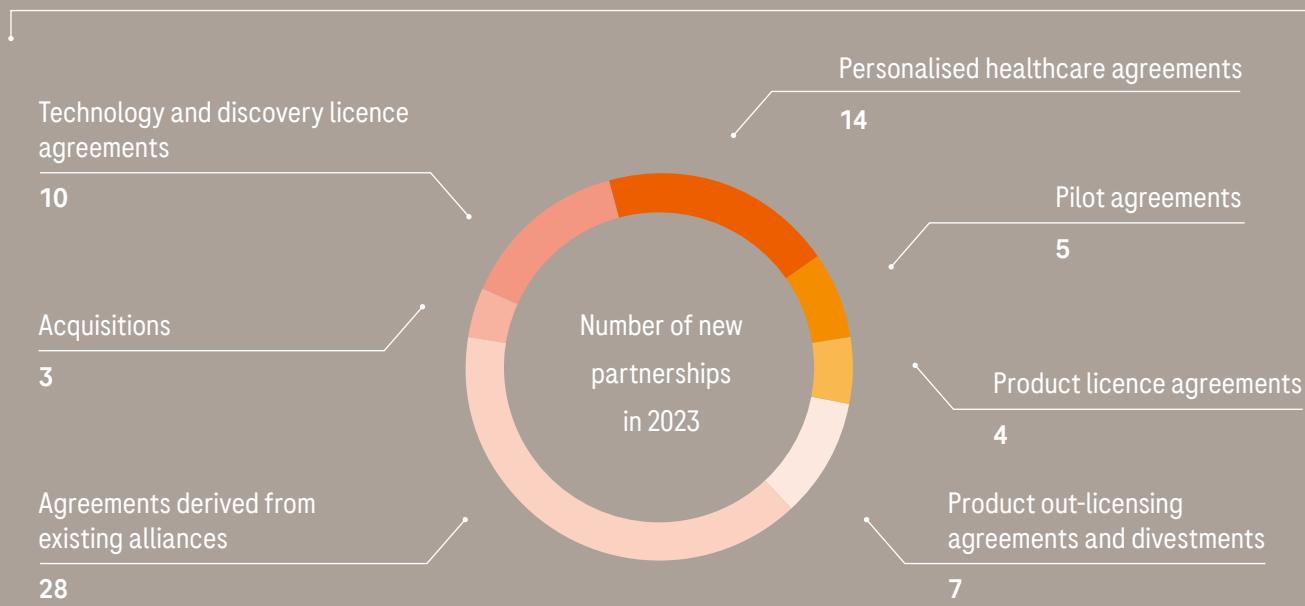
In the phase III ALINA study, Alecensa met its primary endpoint, demonstrating a statistically significant and clinically meaningful improvement in disease-free survival. Alecensa reduced the risk of disease recurrence or death by 76% compared with platinum-based chemotherapy in people with early-stage ALK-positive non-small cell lung cancer (NSCLC). In a setting where treatment has curative intent, adjuvant Alecensa represents an important new treatment strategy for patients with resected, stage IB-IIIA, ALK-positive NSCLC.

Data from the phase III EMBARK study showed that boys aged 4–7 years with Duchenne muscular dystrophy (DMD) treated with Elevidys showed an increase on the North Star Ambulatory Assessment (NSAA), a measure of motor function, compared to placebo at 52 weeks, but the primary endpoint

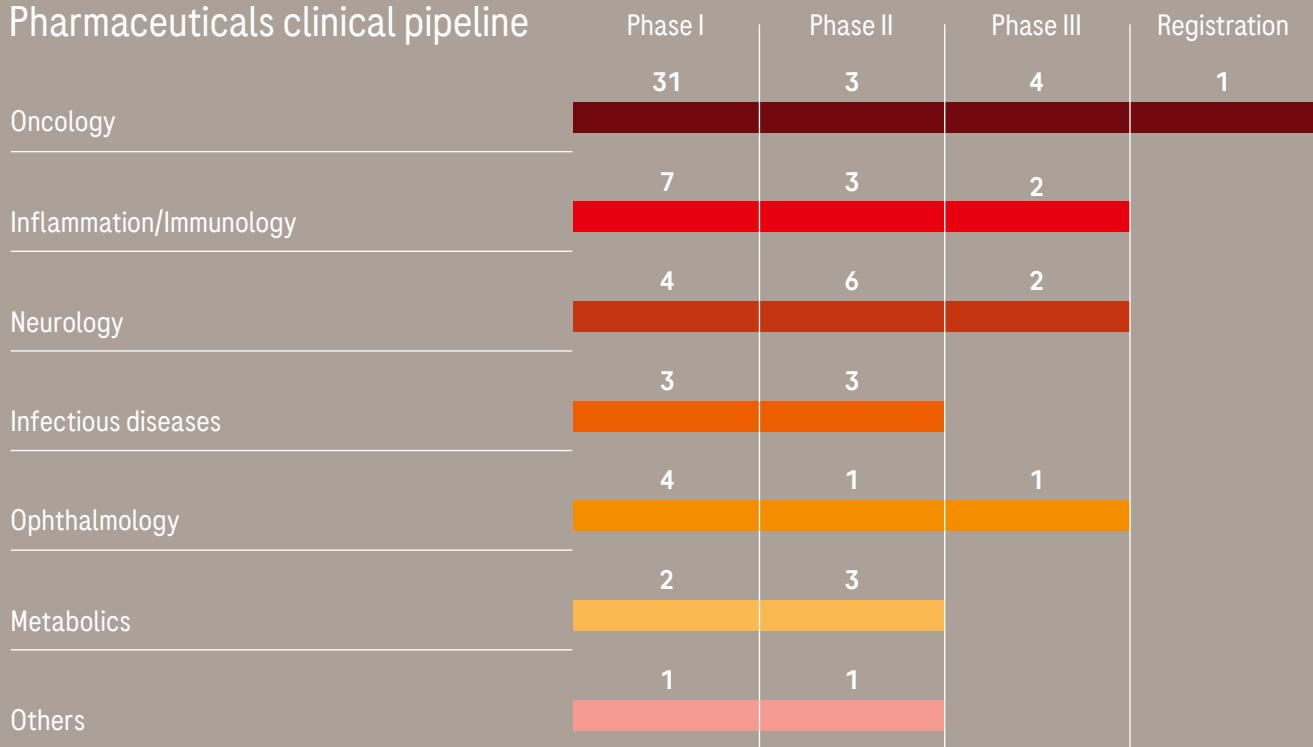


# 71

new partnerships



## Pharmaceuticals clinical pipeline



Our pipeline of 82 new molecular entities covers a broad range of diseases, and highly innovative technologies are applied to create and produce the active molecules.

was not met. Clinically meaningful and statistically significant treatment benefits were observed on all key pre-specified secondary functional endpoints. Further evaluation of the data is ongoing.

The phase III INAVO120 study investigating inavolisib in combination with palbociclib and fulvestrant as a first-line treatment for people with PIK3CA-mutated, hormone receptor-positive, HER2-negative, endocrine-resistant, locally advanced or metastatic breast cancer met its primary endpoint. It demonstrated a statistically significant and clinically meaningful improvement in progression-free survival (PFS). The inavolisib combination reduced the risk of disease worsening or death by 57%, more than doubling PFS compared to palbociclib and fulvestrant alone. Overall survival data were immature at this time, but a clear positive trend has been observed. Follow-up will continue to the next analysis. Data from the INAVO120 study will be submitted to health authorities with the view of bringing this potential treatment option to patients as soon as possible.

#### **Partnerships complementing our portfolio and expanding our presence in new areas**

Roche entered a partnership with Alnylam to co-develop and co-commercialise the phase II RNAi therapeutic zilebesiran to treat hypertension in patients with high cardiovascular risk. Zilebesiran has best-in-disease potential for patients with hypertension at high risk of cardiovascular morbidity and mortality, by robustly and durably lowering blood pressure.

In Oncology, Roche signed an agreement with Zion Pharma to continue developing and to

commercialise ZN-A-1041, a phase I HER2 tyrosine kinase inhibitor (TKI) with best-in-class potential. ZN-A-1041 has been specifically designed to be blood-brain barrier penetrant to address the significant unmet medical need associated with brain metastases in people with metastatic breast cancer. This TKI has the potential to treat or prevent the onset of brain metastases in these patients.

Building on our expertise in immunology, Roche signed an agreement to acquire Telavant from Roivant and Pfizer, including the rights to RVT-3101, an antibody with first-in-class and best-in-disease potential to treat inflammatory bowel disease. With this agreement, Roche gains the right to develop, manufacture and commercialise RVT-3101 in the US and Japan.

Genentech entered into a strategic collaboration with Nvidia that couples Genentech's cutting-edge artificial intelligence (AI) capabilities, extensive biological and molecular datasets, and research expertise with Nvidia's world-leading accelerated computing capabilities and AI to speed up drug discovery and development.

At the end of 2023, Roche entered into a definitive merger agreement to acquire Carmot Therapeutics including Carmot's innovative R&D portfolio of incretin-based clinical and pre-clinical assets. The portfolio has great potential to provide new best-in-class treatments as monotherapy as well as in various combinations with other assets to treat obesity and several other indications.

## 3. Our reporting approach

Roche is committed to transparent reporting on our economic, social and environmental performance.

This report has been prepared

- in compliance with ‘Section Six: Transparency on Non-Financial Matters’ and ‘Section Eight: Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour’ of the Swiss Code of Obligations and the respective implementing Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour, and
- in alignment with the latest Global Reporting Initiative (GRI) Universal Standards issued in 2021.

### Reporting scope and boundaries

This report covers all regions and divisions of the Roche Group from 1 January to 31 December 2023 with the scope as defined and outlined in the document 2023 Non-financial reporting indicators definitions and scope.<sup>1</sup>

### Content

The content disclosed is based on voluntary and mandatory disclosure requirements and the company strategy.

- The content covers non-financial matters in accordance with ‘Section Six: Transparency on Non-Financial Matters’ and GRI Universal Standards.
- The content covers risk-based due diligence in our own operations and in the supply chain upstreams to identify, prevent, mitigate and account for actual and potential adverse impacts when there are reasonable grounds to suspect that products or services were manufactured or provided using child labour, in accordance with ‘Section Eight: Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour’ under the Swiss Code

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<sup>1</sup> [go.roche.com/non-financial-reporting-scope-2023](https://go.roche.com/non-financial-reporting-scope-2023) | Annual Report 2023: [ar23.roche.com](https://ar23.roche.com) | [roche.com/ar23e.pdf](https://roche.com/ar23e.pdf) | [roche.com/fb23e.pdf](https://roche.com/fb23e.pdf) | Risk management: [roche.com/risk-management](https://roche.com/risk-management) | Key performance indicators: [roche.com/performance](https://roche.com/performance)

of Obligations, as well as the provisions of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.

- Financial data mentioned in our ‘Business performance’ section is summarised and/or aggregated information from our Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).
- All information provided is based on a reasonably diligent data collection process with a second line of controls in order to reflect accurate information in all material aspects within the reasonable opinion of Roche, taking in particular into account the size and complexity of the Roche Group and its operations. Inadvertent errors in information may occur and inaccuracies may in particular be difficult to observe below a reasonable level of materiality.
- Forward-looking statements are not guarantees of future performance or developments, and actual results or other developments may differ materially from the expectations expressed in

the forward-looking statements. Any forward-looking statement speaks only as of the date of such statement. Roche does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

- Some information provided may be based on internally developed methodology.
- Some figures have been rounded, some percentages have been calculated using rounded numbers and non-material data have been excluded.

#### **External assurance**

Some selected key figures of our non-financial reporting for the year ended 31 December 2023 have been subject to limited assurance procedures performed by our third-party assurance provider PricewaterhouseCoopers AG (PwC), in particular in the areas of: i) safety, security, health and environmental protection, ii) people and culture and iii) grants, donations and sponsorships.

See ‘Independent practitioner’s limited assurance report’ on page 92.

## 3.1 Our key sustainability topics

We initiated a refreshed materiality assessment process, based on double materiality principles, to identify sustainability topics that have a significant impact on people, the environment and Roche's long-term business success. This ongoing assessment builds on our previous materiality assessments.

The first phase of the assessment focused on a stakeholder engagement exercise. We collected quantitative data from 307 internal and 298 external stakeholders on priority sustainability topics. Internal stakeholders comprised a randomly selected group of Roche employees, and external stakeholders consisted of various groups including patients, caregivers, healthcare practitioners, governments and policymakers. Based on the quantitative inputs and best-practice sustainability frameworks, we created a topic map.

Following the mapping exercise, additional quantitative and qualitative data were collected from 30 internal and 30 external stakeholders. The internal stakeholders were subject-matter experts within the organisation, and the external stakeholders comprised various groups including academia, industry bodies and associations, investors, patient organisations and suppliers. From this, we derived our 19 key sustainability topics.

The process and initial results of our materiality analysis were shared with the Roche Corporate Executive Committee and will be further shared for endorsement as we progress.

For the purpose of this report, out of the 19 key sustainability topics, the following have been prioritised:

### Environment

- Climate change, GHG and energy
- Air pollution
- Water

### Social

- Product innovation and research
- Patient health and well-being
- Access and affordability
- Communities
- Employee rights and workforce DE&I
- Human rights and responsible, resilient value chains

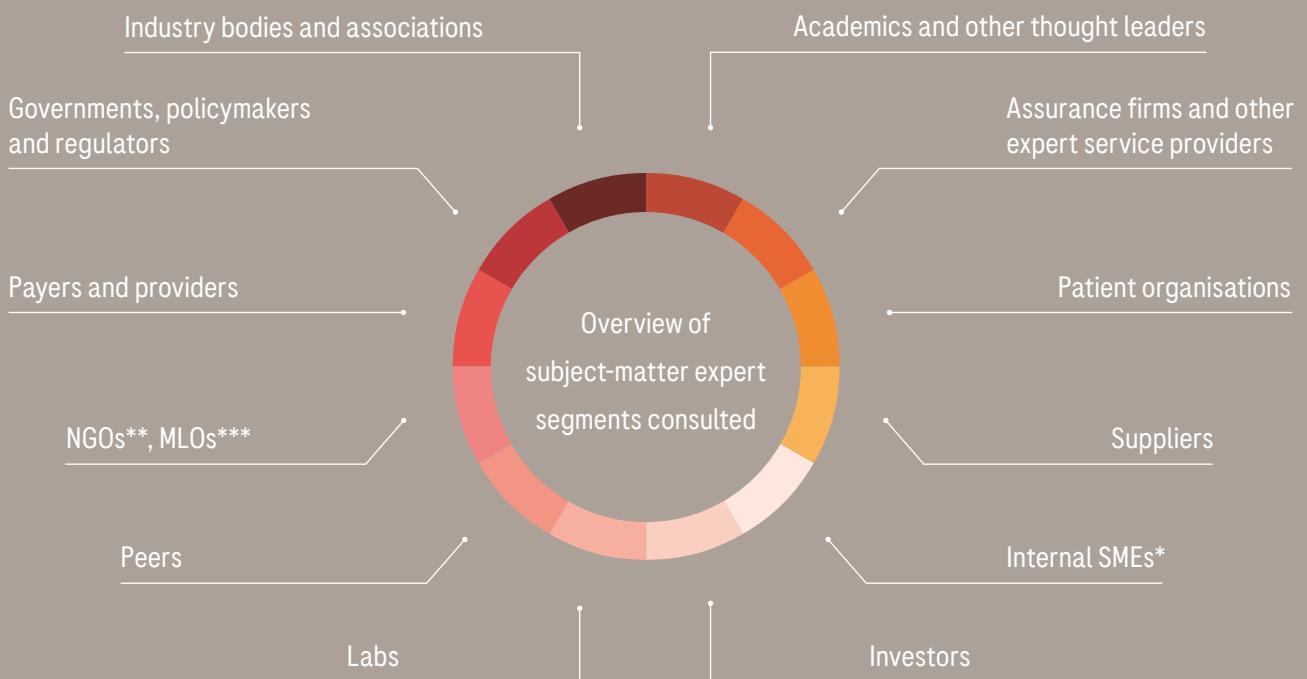
### Governance

- Corporate governance
- Compliance and business ethics
- Risk management
- IT, data governance, privacy and cybersecurity
- Transparency, accountability and reporting

# 19

## key sustainability topics

Environment How we minimise our impact on the planet	Social How we contribute to a better tomorrow for all	Governance How we embed transparency and compliance in everything we do
<ul style="list-style-type: none"> <li>• Climate change, GHG and energy</li> <li>• Air pollution</li> <li>• Water</li> <li>• Biodiversity</li> <li>• Circularity</li> </ul>	<ul style="list-style-type: none"> <li>• Product innovation and research</li> <li>• Patient health and well-being</li> <li>• Health equity</li> <li>• Access and affordability</li> <li>• Responsible marketing and labelling</li> <li>• Sustainable health systems and communities</li> <li>• Employee rights and workforce DE&amp;I</li> <li>• Human rights and responsible, resilient value chains</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Compliance and business ethics</li> <li>• Risk management</li> <li>• IT, data governance, privacy and cybersecurity</li> <li>• Transparency, accountability and reporting</li> <li>• Stakeholder engagement</li> </ul>



\* Subject-matter experts | \*\* Non-governmental organisations | \*\*\* Multilateral organisations

## 4. Partnering with patients

Connecting our work to patient needs requires us to move beyond patient centricity to patient inclusivity.

The pharmaceutical industry is inherently science-based and rooted in the belief that good science results in good products. While advancing science is our core focus at Roche, we also believe that our scientific innovations are only valuable if they serve patients in the way they want and need.

Over the past year, we have focused on applying this belief to our development efforts by integrating patient insights, patient experience data and patient preference into our process. Through this effort, we've strived to balance our scientific discoveries with an understanding of what patients – including historically underserved, under-represented patients – need and desire in their care.

This work is driven by our Global Patient Network team and guided by our proprietary Patient Benefits and Societal Impact Framework that captures prioritised, actionable insights about:

- Gaps patients experience in their care
- Current and future patient needs
- Patient feedback on new medicines, diagnostics and integrated healthcare solutions that are in development
- Benefits patients seek from their treatments and overall care

### Embedding patient voice from end to end

We strive to embed the patient voice from end to end into our disease area strategies. This work begins by empowering our early research teams to focus their discovery, partnering and development programmes on patient needs by

evaluating the potential benefits and risks of their scientific discoveries for patient populations that are relevant and representative of the real-world setting. Our approach to patient insight integration also involves an early assessment of the impact our innovations have on health systems so that we can prioritise our investments to advance the most beneficial molecules and diagnostics for further development.

Ultimately, our goal is to create an internal ecosystem where patients are not just at the heart of our work, but they are included and integrated into our processes as partners who challenge and shape our science, enabling Roche to define or redefine the standard of care for the diseases we actively focus on.

Making patient inclusivity a core priority for every employee, in every function, in every country is the only way we will ensure that the patient voice is embedded into our decision-making – not just at Roche, but also within healthcare systems, which should be designed to address the most pressing patient needs.

### Maintaining high standards with patient stakeholders

This work, however, must be done with integrity and transparency to ensure that we do not unduly influence patient communities in relation to our innovations. For this reason, Roche consistently applies high standards of conduct in its collaboration with patient stakeholders.

### Key sustainability topics

- Patient health and well-being
- Responsible marketing and labelling
- Stakeholder engagement



While advancing science is our core focus at Roche, we also believe that our scientific innovations are only valuable if they serve patients in the way they want and need.

The Roche Group Code of Conduct<sup>1</sup>, Roche's Position on Partnering with Patient Communities<sup>2</sup> and the Roche Directive on Collaborating with Patient Groups and Patients<sup>3</sup> establish guiding principles that govern the actions of all our employees. At their core, these documents outline our commitment to mutual value, mutual respect, integrity, equity, independence and transparency. They also form the basis of our robust training programmes provided to all employees who may interact with patients. They are based on and include elements of training

offered by organisations like Patient Focused Medicines Development (PFMD) and the European Patients Academy on Therapeutic Innovation (EUPATI).

Our commitment to these principles is further reflected in our annual disclosure of funding and non-monetary support provided to patient organisations around the world. This disclosure is a core component of our sustainability overview and a further reflection of our approach to maintaining productive and purposeful relationships.

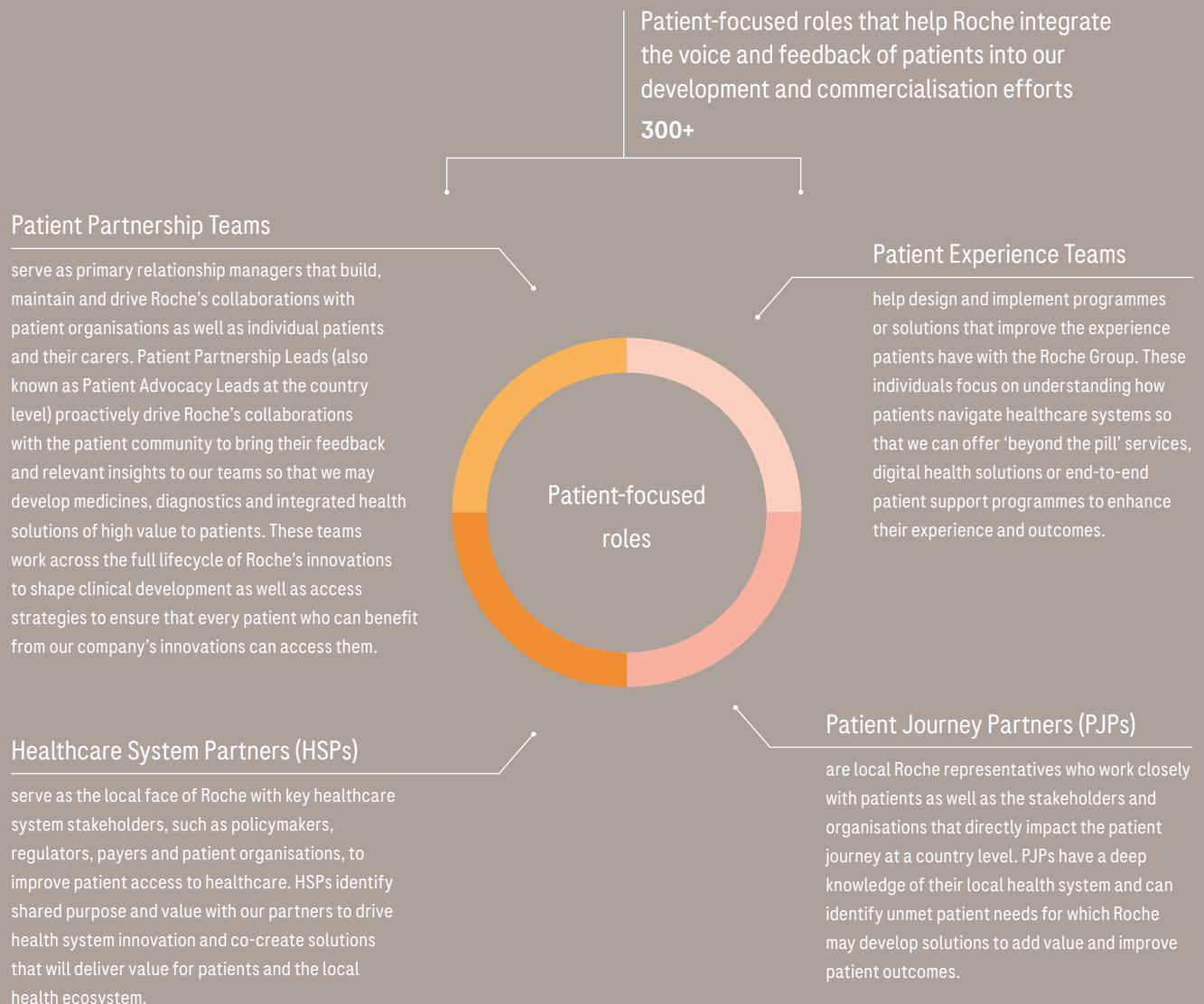
#### Patient view global rankings for 2022 (made available in 2023)

	2022 ranking of Big Pharma by PAGs* that worked with us	2022 ranking of all companies by PAGs* that worked with us
Overall portfolio (2,207 patient organisations)	1st out of 15 (2021: 2nd)	3rd out of 42 (2021: 3rd)
Cancer (overall) (555 patient organisations)	1st out of 15 (2021: 2nd)	1st out of 23 (2021: 2nd)
Breast cancer (106 patient organisations)	1st out of 12 (2021: 2nd)	1st out of 14 (2021: 2nd)
Blood cancer (88 patient organisations)	1st out of 15 (2021: 4th)	1st out of 18 (2021: 4th)
Lung cancer (35 patient organisations)	1st out of 9 (2021: 2nd)	1st out of 9 (2021: 2nd)
Ophthalmology (35 patient organisations)	1st out of 3 (2021: 2nd)	<i>Companies evaluated in ophthalmology were all Big Pharma</i>
Rare diseases (426 patient organisations)	1st out of 15 (2021: 1st)	1st out of 31 (2021: 1st)
Rare bleeding disorders (61 patient organisations)	1st out of 4 (2021: 1st)	1st out of 9 (2021: 1st)
Neurology (286 patient organisations)	1st out of 11 (2021: 1st)	1st out of 18 (2021: 1st)
Multiple sclerosis (72 patient organisations)	1st out of 6 (2021: 1st)	1st out of 9 (2021: 2nd)
Neuromuscular disorders (42 patient organisations)	2nd out of 3 (2021: 1st)	<i>Companies evaluated in neuromuscular disorders were all Big Pharma</i>

\* Patient Advocacy Groups

<sup>1</sup> [roche.com/about/governance/code-of-conduct](https://roche.com/about/governance/code-of-conduct) | <sup>2</sup> [go.roche.com/position-on-partnering-with-patient-communities](https://go.roche.com/position-on-partnering-with-patient-communities) |

<sup>3</sup> [go.roche.com/collaborating-with-patient-groups-and-patients](https://go.roche.com/collaborating-with-patient-groups-and-patients)



**1,604 patient organisations** that engage with Roche across the world

**CHF 54 million** provided in grants, sponsorships and donations to the worldwide patient community in 2023

## 5. Access to healthcare

Roche supports the expansion of universal health coverage, a key component of the United Nations Sustainable Development Goals (SDGs).<sup>1</sup>

Access to healthcare is a core element of Roche's sustainable business strategy. We work to identify and address the root causes preventing access to innovative healthcare at global, country and local levels. We also work closely with partners to develop and deliver tailored access solutions that reflect each country's unique healthcare needs.

Our commitment to sustainable healthcare is reflected in the Roche Group Code of Conduct.<sup>2</sup> Employees are expected to ensure that all access programmes are compliant with applicable laws, regulations and industry codes, and to collaborate in a transparent and responsible way with different stakeholders to enable access to our products and services. Our policies provide guidance on ethical collaboration with different stakeholder groups, including patients and patient organisations, healthcare professionals, healthcare organisations and government officials.

### The importance of UHC and the SDGs

In 2015, world leaders agreed on the United Nations SDGs, a "shared blueprint for peace and prosperity for people and the planet". One of the 17 goals, SDG 3, aims to "ensure healthy lives and promote well-being for all at all ages". As a healthcare company, we know we have an important role to play in SDG 3, including through supporting access to our innovations.

One way we facilitate access to our innovations is by supporting the expansion of universal health coverage (UHC), a key component of the SDGs. UHC means that all people have access to the

full range of quality health services, whenever and wherever they need them, without financial hardship.

Yet, as we find ourselves halfway towards the 2030 deadline for achieving the SDGs, the world is significantly off track to meet this target. The WHO stated in an SDG progress report that in the wake of the pandemic, progress towards UHC has slowed while financial hardship has risen. They also reported that in 2019, around 381 million people (4.9% of the global population) were pushed or further pushed into extreme poverty due to out-of-pocket payments to cover health costs.

### Key elements to achieving UHC

As a global healthcare company working in innovative therapeutics and diagnostics – and a member of the UHC2030 Private Sector Constituency – we have made a clear commitment to support the adoption of UHC. We believe that public funding, complemented by other sustainable funding and financing mechanisms between the public and private sectors, is fundamental to achieve UHC.

UHC must include non-communicable diseases (NCDs) such as cardiovascular diseases, cancers, chronic respiratory diseases and diabetes. NCDs kill approximately 41 million people each year, equivalent to 74% of all deaths globally.

It is also vital that screening, early diagnosis and treatment are built into an integrated

### Key sustainability topics

- Patient health and well-being
- Health equity
- Access and affordability
- Responsible marketing and labelling
- Sustainable health systems and communities
- Stakeholder engagement



The support for the EMPOWER programme in Kenya is one of our various initiatives around the world to provide sustainable patient access to quality and affordable healthcare, and ultimately to support the expansion of UHC.

healthcare system, supported by a backbone of lab-strengthening and connected laboratory networks. With the adoption in 2023 of the WHO resolution on strengthening diagnostics capacity, we see growing political recognition of the value of diagnostics to deliver improved care for all, encouraging member states to adopt national diagnostics strategies as a way to ensure effective allocation of limited resources.

#### Working in partnership towards UHC

Roche has long supported UHC. We work at the global, regional and local levels, collaborating with multiple stakeholders to address the care gap, which ranges from working on screening programmes to healthcare workforce capacity building and beyond. We are working on initiatives around the world to provide sustainable patient access to quality and affordable healthcare, and ultimately to support the expansion of UHC:

- **Indonesia:** Roche is working closely with the government and local partners on two unique projects. The first aims to strengthen oncology nursing capacity by increasing the number of trained nurses who can deliver basic and specialised oncology nursing care. The second project is introducing and establishing Cancer Patient Navigator professionals to help patients and their families navigate the complex treatment journey.
- **Kenya:** We are supporting the EMPOWER programme to establish clinics that provide integrated care for breast and cervical cancer, and NCDs. The programme is a partnership between public, private and non-profit organisations that aims to overcome systemic healthcare challenges such as lack of screening and access to medicines. Since its launch in 2019, 19 clinics have been established across

Kenya, with more than 42,000 women screened for breast cancer and cervical cancer. The programme has also seen over 4,000 men screened for prostate cancer.

- **Peru:** In collaboration with the Peruvian Ministry of Health, government organisations, patient advocates and other groups in Peru, Roche is supporting the implementation of a national cervical cancer screening programme. The goal is to ensure women have access to improved care in cities and remote villages along the Amazon, where some of the highest cervical cancer rates are found. Through the programme, which serves 19 sites in Peru, nearly 300,000 women have been tested for HPV infection in the past two years, with more than 80% choosing sample self-collection. Roche has trained around 7,500 healthcare providers in the programme and worked with the Ministry of Health to improve the care of high-risk HPV-positive patients.
- **Pakistan:** We are supporting the #ScreenHer plan, a project to improve diabetes management for women. Developed in partnership with Greenstar Social Marketing (Guarantee) Limited, the project allows women in underprivileged areas to access diabetes risk assessment, education and testing that would otherwise be difficult to get. It also allows earlier diabetes diagnosis and management, improving overall health outcomes. We hope to reach over one million women in the next three years.

As the world seeks to catch up on UHC implementation ahead of 2030, Roche remains committed to working in partnership with private and public stakeholders around the world to address and overcome local challenges, building strong and more resilient healthcare systems for all.

**More than 8,500 laboratory professionals**

in Africa were trained through the Global Access Program to address critical shortages of lab technicians and support the need for more quality diagnostic services.

**More than 25 million women**

were tested with Roche's HPV high-risk testing in 2023 – more than 600,000 of these women in low- and middle-income countries.

**29 billion Roche Diagnostics tests**

were delivered to customers worldwide in 2023.

**14 cities**

We continue to work with City Cancer Challenge, who are now active in 14 cities worldwide reaching an estimated 66.5 million people.

**#ScreenHer programme**

in Pakistan was launched in partnership with Greenstar Social Marketing (Guarantee) Limited in 2023 to improve diabetes management for women, with the goal to reach over one million individuals in the next three years.

**More than 40,500 patients**

in scope of our low- and lower-middle-income country (LLMIC) access goal used our core medicines in 2023, as we aim to double access from 27,000 patients between 2021 and 2026.\*

**68% of Roche's core medicines**

were approved or approval was in progress in LLMICs, compared to 60% in 2021.

**Patients in 37 LLMICs**

were treated with Roche medicines in 2023, compared to 33 LLMICs in 2021.

**More than 52,200 children**

in 29 countries have been reached through the Changing Diabetes in Children programme, a partnership with Novo Nordisk, since its launch in 2009.

\* 2023 saw a decline in the use of Actemra/RoActemra for COVID-19; however this was compensated by increases in other medicines.

## 6. Diversity, equity and inclusion

Diversity, equity and inclusion (DE&I) are key components of Roche's sustainability-focused identity.

We see DE&I as a critical lever that enables innovation for our medicines and diagnostics solutions – helping millions of patients and contributing to healthier communities. As an employer, we are committed to fostering a work environment where all employees can be themselves and can thrive.

The newly created global Chief Diversity Officer role is a visible and important milestone in our efforts towards a holistic and global approach. Caroline Creven Fourrier has been appointed in this role leading a team set up as a stand-alone group closely connected to the business and our executives. The role involves taking responsibility for Roche's DE&I strategy, strengthening our internal DE&I community and driving internal and external efforts to accelerate the realisation of Roche's DE&I vision and ambitions.

### **Focus on equity**

We recently updated our DE&I strategy to add 'equity' as a critical focus area. Equity has always been inherently included in our efforts and we wanted to call it out more explicitly. To Roche, equity means giving people and groups fair access to opportunities, with consideration for their unique differences, to create equal outcomes.

### **Addressing the unmet needs of diverse patients and communities**

We are committed to contributing to science by advancing inclusive research for diverse patient populations globally – reducing barriers that

prevent people from accessing quality care. Our partnerships driving inclusive research have expanded to include sites across the US, UK, Canada, South Africa, Kenya, Morocco, Nigeria and India.

One example is Roche's partnership with Omnigen to analyse health and genetic information from up to 100,000 patients in South Africa. The project aims to address the relative lack of genomic data from people of African descent. Better health data allows Roche to develop more effective drugs, targeted therapies and novel biomarkers, and expand market access to improve patient outcomes globally. Read more about our work to close representation gaps on page 110.

### **Building a workforce that reflects the societies we serve**

We rely on the creativity and diverse ideas of our people to create innovative healthcare solutions that improve outcomes for patients. In 2023 we made progress in improving data quality and transparency and helping employees further grow their understanding of the importance of DE&I around the globe. By improving our data quality and sharing data more transparently across the organisation, we encourage greater accountability and collective action towards our DE&I strategy and goals. In addition, we communicated our DE&I narrative so that all employees better understand the connection between the DE&I strategy and our ability to innovate on behalf of patients around the globe.

Key sustainability topics

- Employee rights and workforce DE&I



We rely on the creativity and diverse ideas of our people to create innovative healthcare solutions that improve outcomes for patients.

Roche has two corporate goals focused on gender and nationality, which catalyse action across the organisation with the aim to achieve improvement year on year. These measures serve as proxies to the numerous (and often immeasurable) dimensions of diversity that our people bring to Roche. Globally, we have set a target to increase the proportion of women in executive positions by 2%, and under-represented nationalities in executive positions by 1%. In 2023 we focused on building more inclusive talent pipelines and increasing equity for under-represented talent, with the aim to drive progress against our corporate diversity goals (see chart on page 57).

#### **Embedding DE&I practices to ensure everyone can be themselves, do their best work and thrive**

In 2023 we continued to embed DE&I practices across our operations to foster greater inclusion at Roche. Our global DE&I learning portfolio is accessible to more than 99% of our employees. The portfolio, available on our global learning platform, includes trainings on bias awareness, intercultural awareness and psychological safety to help employees expand their understanding and build skills to support the DE&I strategy. Our ongoing awareness campaign – DE&I: It Starts With Me – helps raise awareness of important issues and creates lasting, positive change across Roche by driving ‘doable’, incremental and actionable changes across 100,000+ employees. The 2023 campaign reached 50% more people than previous campaigns.

Through the Inclusion Index in the 2023 Global Employee Opinion Survey (GEOS), we measured the perception of inclusion at Roche, focusing on inclusion, authenticity and respect. Our 2023 score was 77%, remaining stable from 2021.

Our inclusive culture is strengthened by the collective efforts of our diversity networks. Forty-five new diversity networks formed in 2023, bringing the total to 127 (see page 57).

#### **Advancing positive change in society through diverse partnerships**

Our DE&I strategy encourages the development of local partnerships with diverse stakeholders to create a positive ripple effect in communities across the globe. In 2023 Roche strengthened partnerships that add value to patients, society, healthcare and Roche – fostering greater appreciation for DE&I globally and locally. One example is Mission Leapfrog, an initiative that aims to transform patient well-being and population health in Asia. By partnering with people across the region to co-create breakthroughs, the project hopes to trigger transformative ‘leapfrog’ progress that improves health outcomes for underserved populations.

#### **Proactively addressing demographic shifts, workplace expectations and policy changes**

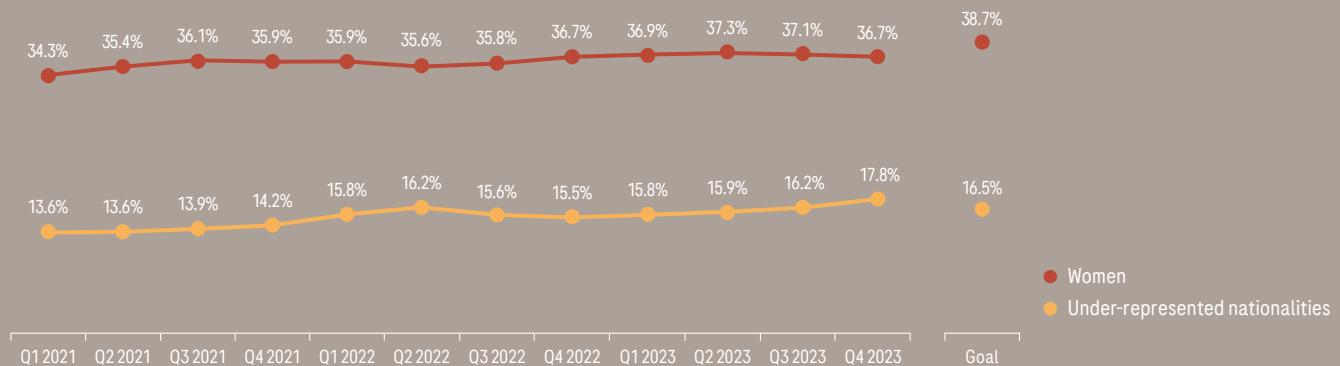
The DE&I landscape is constantly evolving and requires continued focus and investment. With global demographic shifts such as population growth in low- and middle-income countries, along with a generational shift in the workforce, we expect our current and future organisational needs to mirror these dynamics. Roche is also proactively taking steps to meet changing regulatory requirements that call for additional focus on DE&I, with particular attention to health equity, disability, ethnicity and age.

#### **Supporting global DE&I commitments**

Roche is committed to creating a diverse, equitable and inclusive workplace where human rights are respected and safe working conditions are ensured.

## Global DE&I corporate goals

We have set the 2023 target of achieving +2% share of women in executive positions and +1% of under-represented nationalities\* in executive positions (as per our Q4 2022 baseline). Additionally, we invite leaders across Roche to make an additional commitment which is relevant in the local culture and context.\*\*



127 diversity networks and chapters around the globe\*\*\*



Diversity networks are grassroots, self-organised groups of employees coming together to contribute to the DE&I mission of our organisation and are specifically aimed at embracing the unique power of each person to transform the lives of patients and society.

\* Includes individuals from countries in Asia, Latin America, Eastern Europe, Middle East and Africa.

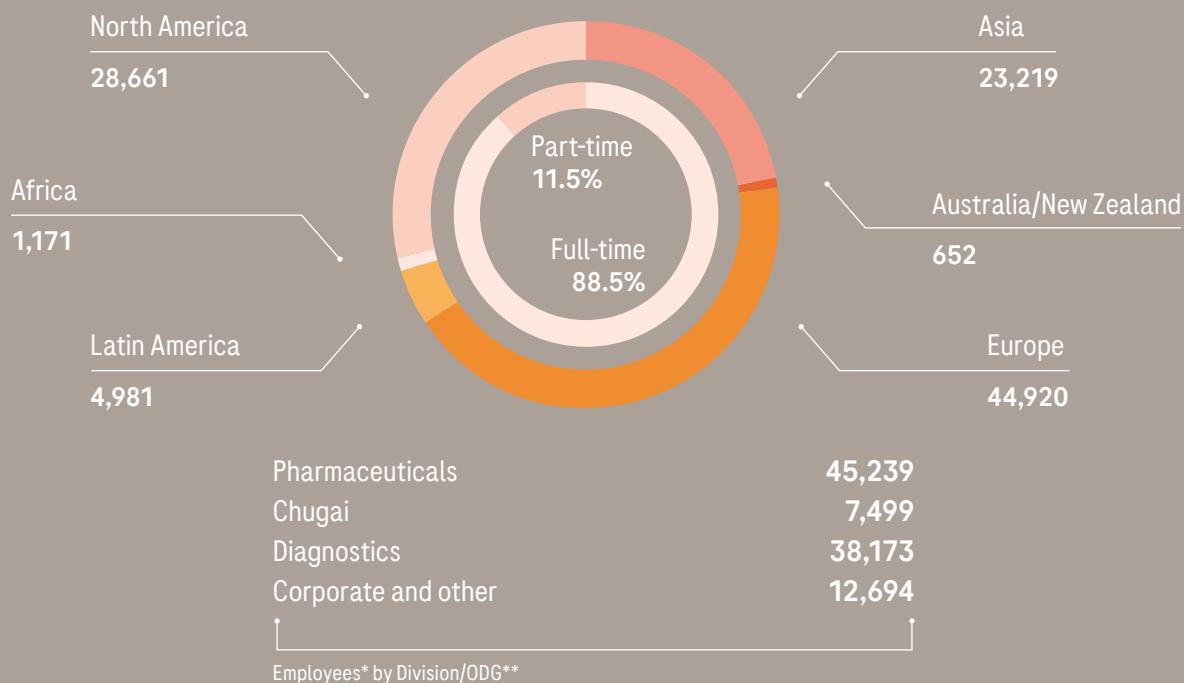
\*\* Excludes Chugai and Workday Lite companies (these companies do not use the Roche Workday system as their leading HR system) due to our arm's-length alliance and merger/acquisition agreements.

\*\*\* Illustrative map of the diversity networks and chapters; not exhaustive

**103,605**

employees\*

by region



As a United Nations Global Compact (UNGC) signatory, we commit to integrate the universal principles in the areas of human rights, labour, environment and anti-corruption into our business strategy, culture and daily operations.

Our Valuable 500<sup>1</sup> commitment supports disability inclusion and we are a signatory of the UN Standards of Conduct for Business on Tackling Discrimination against LGBTQ+ People.<sup>2</sup> We also recently signed the Zero Health Gaps Pledge<sup>3</sup> from the World Economic Forum (WEF). This pledge aligns with our commitment to address barriers to clinical trial participation, diversify genetic data for scientific discovery and increase access to innovative diagnostic and therapeutic solutions by advancing inclusive research<sup>4</sup> (read more about our work in this area on page 110).

Our approach to DE&I is outlined for employees in the Roche Group Code of Conduct<sup>5</sup> and the Roche Group Employment Policy.<sup>6</sup> We communicate our expectations to suppliers through the Roche Directive on Human Rights Due Diligence for Business Partners.<sup>7</sup>

Roche acknowledges and is committed to internationally respected standards and guidelines, including:

- the Fundamental Principles and Rights at Work stipulated by the International Labour

Organization (ILO), specifically the Conventions No. 138 and No. 182 and the ILO-IOE Child Labour Guidance Tool for Business

- the Ten Principles of the United Nations Global Compact
- the United Nations Guiding Principles on Business and Human Rights (UNGPs)
- the Universal Declaration of Human Rights (UDHR)

#### **Mechanisms to mitigate risk related to DE&I**

We take a holistic approach to ensuring employees are compensated fairly, diversely represented, provided equitable opportunities and work in a safe and fulfilling environment, free from discrimination. In addition to what is described in the Ethical business practices and human rights, and Safety, health and well-being chapters, there are two additional key mechanisms we use:

- We continuously track and communicate progress against our corporate goals and refine our approach to achieving them, including quarterly reviews by the Corporate Executive Committee and regular engagement with the People & Culture teams most directly involved.
- We conduct an organisation-wide pay equity analysis every three years. In 2022 we also conducted a living-wage analysis and will repeat this periodically in future.

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<sup>1</sup> [go.roche.com/roche-the-valuable-500](http://go.roche.com/roche-the-valuable-500) | <sup>2</sup> [go.roche.com/unfe-standards](http://go.roche.com/unfe-standards) | <sup>3</sup> [go.roche.com/zero-health-gaps-pledge](http://go.roche.com/zero-health-gaps-pledge) | <sup>4</sup> [go.roche.com/advancing-inclusive-research](http://go.roche.com/advancing-inclusive-research) | <sup>5</sup> [go.roche.com/about/governance/code-of-conduct](http://go.roche.com/about/governance/code-of-conduct) | <sup>6</sup> [go.roche.com/roche-group-employment-policy](http://go.roche.com/roche-group-employment-policy) | <sup>7</sup> [go.roche.com/human-rights-due-diligence-for-business](http://go.roche.com/human-rights-due-diligence-for-business)

## 7. Safety, health and well-being

Roche strives to be an innovative company that our employees are proud to be part of and our partners trust.

We are committed to maintaining the Safety, Security, Health and Environmental (SHE) principles and practices outlined in the Roche Group Code of Conduct.<sup>1</sup> These principles establish a uniform minimum standard for SHE across all Roche companies, workplaces and employees. We expect our suppliers and service providers to uphold these same standards in their own operations.

### Mental health is top of mind

At Roche, we take mental health seriously and strive to create a culture where everyone can thrive, feeling supported and psychologically safe. The responsibility for workplace mental health is shared at the global and local levels and is supported by senior management. “As a leader, it is my responsibility to prioritise the mental health and well-being of my people. Helping people thrive is a non-negotiable part of a people leader’s job. By fostering an open dialogue, we create a culture where everyone can flourish,” says Thomas Schinecker, Roche CEO. In 2023, we continued establishing an effective, efficient and holistic global mental health and well-being programme. The programme is centred on three pillars:

- **Protection.** The assessment of psycho-social risk factors at work is part of the comprehensive workplace risk assessment mandated for all Roche workplaces.

- **Promotion.** We promote mental health and well-being as part of Roche’s global well-being initiative LiveWell@Roche.
- **Support.** Every employee has access to a local employee assistance or counselling programme, including counselling for psychological stress at work as well as in their home life. We also offer a network of dedicated Mental Health Champions and Mental Health First Aiders to help reduce the stigma surrounding mental health conditions and create a safe space for employees.

Since 2020 we have reported on the maturity of health risk assessments and management, in particular for psycho-social risks, and have set ambitious goals for 2020–2025 (see illustration on page 63). Roche was rated as one of the top improvers in the 2023 CCLA Corporate Mental Health Benchmark, which ranks companies based on the strength of their management commitments and public reporting on mental health. We ranked in tier 3 of the benchmark.

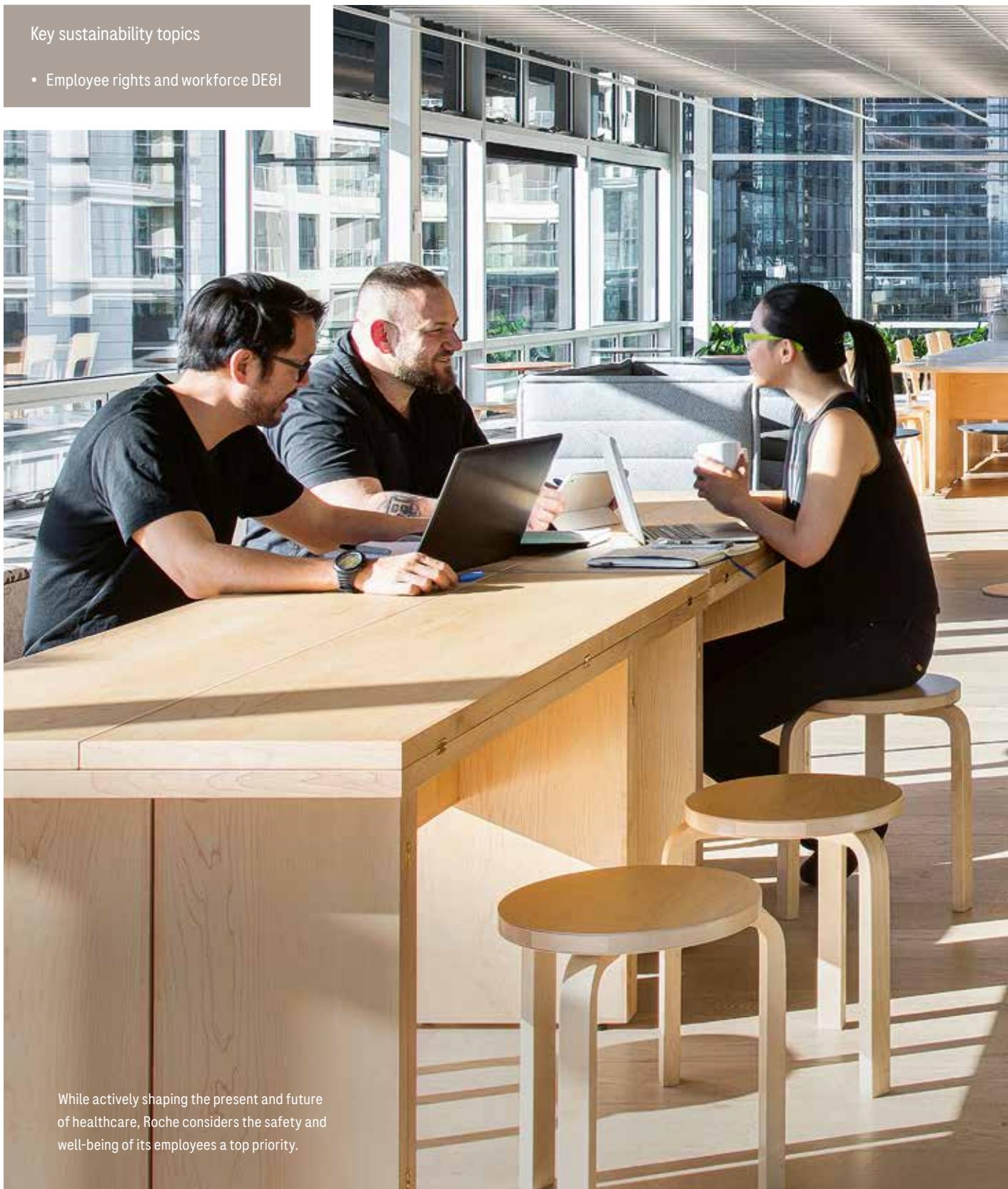
### Well-being

As a company actively shaping the present and future of healthcare, we are passionate about fostering a health and well-being culture at work. Roche’s holistic approach to well-being takes both organisational and individual perspectives

<sup>1</sup> [roche.com/about/governance/code-of-conduct](https://roche.com/about/governance/code-of-conduct)

### Key sustainability topics

- Employee rights and workforce DE&I



While actively shaping the present and future of healthcare, Roche considers the safety and well-being of its employees a top priority.

into account. Our global Live Well hub offers over 30 well-being resources for individuals and teams on topics including psychological safety, mental health, mindfulness and gratitude.

We measure and report on employee well-being primarily through our Global Employee Opinion Survey (GEOS) (see table).

#### LiveWell@Roche

Each year our sites hold two Live Well weeks to promote healthy lifestyles and physical, mental and emotional well-being. In 2023, we offered over 50 global events with thousands of employees attending, where we celebrated genuine connections, fostered a sense of community and ignited our sense of purpose. We placed particular emphasis on the topic of women's health, especially menopause, offering keynotes, awareness sessions and guidelines.

In addition, we have a Global Live Well Community that supports employees to care for themselves and others as much as we care for patients. Over 250 dedicated Live Well Champions across the Roche network help boost awareness and impact.

#### Total body well-being

In each country we operate in, we create and support safe and inspirational spaces where employees can have fun, challenge themselves and share their passion. We offer a range of wellness resources tailored to our employees' needs and stage of life, including meditation and mindfulness resources, sleep tools, resilience training, coaching and counselling sessions, as well as fitness options. Many of these initiatives are driven by our employees.

#### Safety in the workplace

All forms of work at Roche must be safe, whether the tasks are urgent, complex or routine. We aim to minimise the number of occupational accidents per year and the number of accidents causing absence from work (lost time accident frequency rate per 200,000 worked hours). Our approach to safety at the workplace has been recognised in the Dow Jones Sustainability Indices, where Roche was rated in the 97th percentile for occupational health and safety compared to the industry benchmark.

#### Employee health and well-being in the Global Employee Opinion Survey GEOS

Indices	2023	2021	2019
Environment and culture <sup>1,2</sup>	76	75	76
Health and well-being <sup>1,3</sup>	73	72	n/a
Impact on overall health <sup>1,4</sup>	66	66	n/a

n/a – not applicable

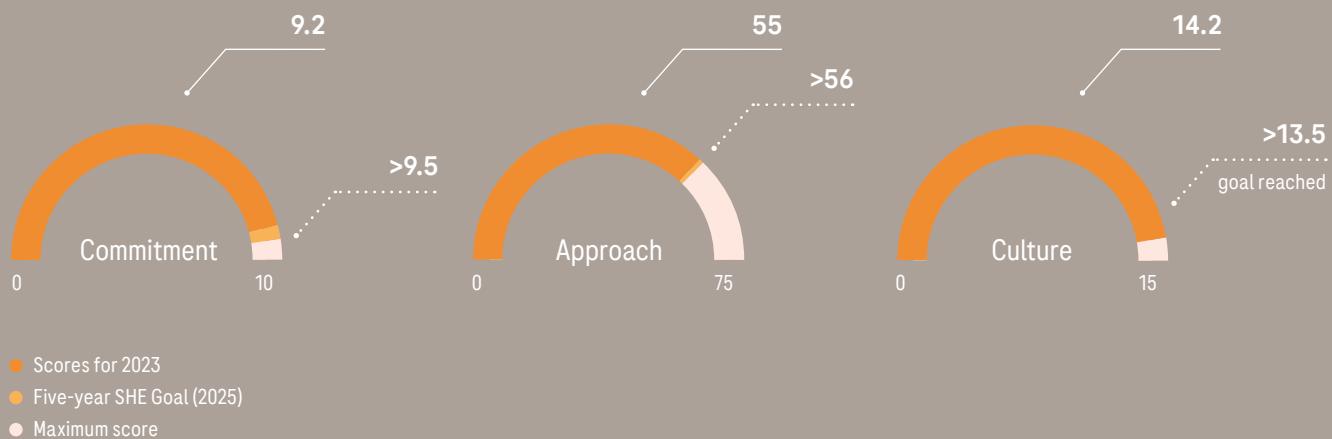
1 The measures have been gathered according to the independent third party that provides the services for the GEOS survey. Roche aims to continuously improve the used survey measures.

2 Currently, measured through the following three items: "Roche takes a genuine interest in the employees' well-being", "I am able to successfully balance my work and personal life", "Roche offers me a healthy workplace"

3 Currently, measured through the following two items: "My current state of well-being allows me to perform my job effectively", "I am able to cope effectively with work-related stress"

4 Currently, measured through the following item: "The impact of work at Roche on my overall health is positive"

## Employee psycho-social risk assessment and management



## Employee health and safety



## 8. Ethical business practices and human rights

Roche is convinced that integrity is essential to the success and sustainability of our business.

The Roche Group Code of Conduct clearly expresses Roche's expectations as an employer relating to ethical business practices and human rights and provides our employees with practical guidance, examples and references to further useful information.

To ensure our high ethical standards are upheld, Roche relies on a robust and comprehensive compliance management programme. The programme covers all relevant areas including proper compliance training and communication, risk and opportunity management, anti-corruption policy, due diligence when dealing with business partners and suppliers, and mechanisms for identifying, reporting and investigating compliance concerns – including protection of whistleblowers against retaliation.

Embedding our strong ethics culture into everything we do remains the main focus of our compliance programme. We know that our success in this area depends on how comprehensive and accessible the compliance programme is to all our employees. Our compliance ambitions reflect this aspiration (see table). With this in mind, our actions in 2023 focused on effective education and culture of integrity, simplification of directives and processes,

as well as solutions and tools that enable the implementation of our business strategy.

A good example of this is the launch of a Roche Group Directive on Employees Engaging in External Commitments that clarifies our expectations in regard to handling potential conflicts of interest, and establishes a digital tool making the process more consistent, transparent and simple for the employees.

Our efforts to radically simplify our Directive on Personal Use of Social Media, with the aim to ensure effective and compliant use of social media by employees, is another example: A multidisciplinary task force updated the directive, refreshing the content and modernising the look and feel to make it clearer and more accessible to all employees.

And an example of a solution-oriented collaboration enabling the implementation of our business strategy is the successful roll-out of our Business Partner Management Checklist, which provides guidance on the proper management of external business partners and allows affiliates to test their maturity level in regard to this process, including important elements such as due diligence and human rights.

### Our compliance ambitions

We have a strong culture of integrity at Roche.

- We drive compliance leadership and an ethical mindset via continuous education for line managers and promoting ownership.
- Our leaders are role models on compliance behaviour in an agile environment.

Our compliance programme is simple and supports quick decisions.

- We regularly revise and modernise our existing processes and policies.
- We develop compliance digital solutions in the spirit of OneRoche.

We enable the implementation of our business strategy through solution-oriented collaboration.

- We develop OneRoche data and digital strategy for healthcare compliance.
- We effectively collaborate across functions to accelerate learning.
- We base our decisions and focus areas on the outcome of our comprehensive risk and opportunity management process.
- We continuously develop our compliance community to serve business needs.

### Key sustainability topics

- Human rights and responsible, resilient value chains
- Compliance and business ethics
- Risk management



We are convinced that integrity is essential to the success and sustainability of our business. To ensure our high ethical standards are upheld, we rely on a robust and comprehensive compliance management programme.

## Compliance

Business conduct culture	<p>Roche is convinced that integrity is essential to ensuring the success and sustainability of our business. The Roche Group Code of Conduct is developed in alignment with the Roche values of integrity, courage and passion. The code contains guidance in the areas of products and services, personal integrity, corporate integrity, employment, company assets, responsible business and comprehensive compliance management. It also provides questions and answers, examples and information on where to find more detailed guidance on the various topics.</p> <p>All employees and all others acting on behalf of Roche must comply with the Roche Group Code of Conduct, regardless of their location and the nature of their work. Following the 'OneRoche Approach' principle, the standards are equally binding for Group functions, the Pharmaceuticals and the Diagnostics Division.</p> <p><a href="http://roche.com/about/governance/code-of-conduct">roche.com/about/governance/code-of-conduct</a></p>
Policies and targets on business conduct	<p>Our Behaviour in Business directive defines our expectations on business conduct. It defines business integrity as both the actual and the perception of ethical behaviour in business that is in line with the Roche Group Code of Conduct and our commitment to run our business in a socially responsible way.</p> <p><a href="http://go.roche.com/behaviour_in_business">go.roche.com/behaviour_in_business</a></p>
Prevention and detection of corruption and bribery	<p>Roche rejects all forms of corrupt business behaviour, such as bribery, improper advantages, theft, fraud, embezzlement and misuse of company assets. While the key expectations regarding integrity are set forth in the Roche Group Code of Conduct, the Behaviour in Business directive specifies and provides explanations on the specific aspects of anti-corruption and anti-bribery.</p> <p><a href="http://go.roche.com/behaviour_in_business">go.roche.com/behaviour_in_business</a></p>
Anti-corruption and anti-bribery training	<p>Roche employees, as well as business-critical business partners, are trained on the key compliance principles through a global mandatory e-learning. The e-learning focuses on the following topics: bribery and improper advantages, gifts and entertainment, conflict of interest, discrimination and harassment, responsible use of social media and electronic communication tools, and business partners and supply chain.</p> <p>All employees are required to complete this e-learning when they join Roche, as well as periodic refreshers and when the Roche Group Code of Conduct gets updated.</p> <p><a href="http://roche.com/about/governance/code-of-conduct">roche.com/about/governance/code-of-conduct</a></p>
Anti-competitive behaviour prevention and detection	<p>The maintenance of high ethical standards in adhering to national and international laws is one of the fundamental Roche Corporate Principles. It is the policy of the company to comply strictly, in all respects, with competition laws, and Roche supports all efforts to promote and protect competition.</p> <p>The Behaviour in Competition directive is designed to make both management and employees aware of the basic rules, and how these rules affect their business behaviour in making commercial decisions.</p> <p><a href="http://go.roche.com/behaviour_in_business">go.roche.com/behaviour_in_business</a></p>

**Compliance** (continued)

Handling non-compliance events (including corruption, bribery and/or anti-competitive events)

Anyone who becomes aware of a potential violation of the Roche Group Code of Conduct can and should bring it to the attention of our compliance experts.

Roche employees and contractors can use the following reporting channels:

- the Chief Compliance Officer and the Compliance Officers network worldwide;
- the Roche Group Code of Conduct Help & Advice Line in case of compliance questions or uncertainties;
- the Roche Group SpeakUp Line to report in good faith a suspected violation. Roche expects employees to speak up when they believe in good faith that someone has done, is doing, or may be about to do something that violates the Roche Group Code of Conduct.

The Roche Group SpeakUp Line comprises a web and telephone service that enables reporting compliance concerns confidentially and anonymously. It is also available for everyone who is not a Roche employee or contractor. The Roche Group SpeakUp Line operates in 103 countries and 53 languages, making it available worldwide.

Any employee who raises a compliance concern in good faith acts in the interest of Roche and deserves acknowledgement. Roche does not tolerate any retaliation against an employee who raises a compliance concern in good faith.

Roche takes all non-compliance reports seriously and is fully committed to efficiently and timely investigate them, to assess the facts and, if necessary, to take adequate corrective measures and sanctions.

Our Business Ethics Incident Management System (BEIMS) enables our management, the Chief Compliance Officer and the Chief Audit & Risk Advisory Executive to capture, track and monitor alleged violations, from initial reports through to resolution.

[roche.com/about/governance/code-of-conduct](http://roche.com/about/governance/code-of-conduct)

## Roche Group Code of Conduct violations

In 2023, 240 employees and 63 externals used the Roche Group SpeakUp Line, which is operated by an external provider. Of these, 78 qualified as alleged violations of the Code of Conduct.

The Chief Compliance Officer received in total, from all channels, 760 reports of alleged violations of the Code of Conduct via the Business Ethics Incident Management System. Of these, 316 were unfounded, 285 were founded, and 159 are still under investigation.

As a result, 115 employment contracts and 4 contracts with business partners were terminated.

The increase in the numbers of reported alleged violations compared to last year\* is (i) due to the opening of our speak-up line to external people and (ii) still due to a broadening of the scope of the definition of a Business Ethics Incident, with the removal of the materiality criterion as of 1 March 2022.

\* Annual Report 2022, reference to Roche Group Code of Conduct violations, page 157: [roche.com/ar22e.pdf](http://roche.com/ar22e.pdf)

# Human rights

## Our commitments

Roche fosters human rights globally, both in our own operations and across our value chain. We are evolving our holistic approach in the value chain towards a proactive approach in improving human rights by committing to doing no harm and making an impactful positive contribution to society.

Roche has been supporting and implementing the United Nations (UN) Guiding Principles on Business and Human Rights and became a signatory to the UN Global Compact. We are equally committed to supporting: the Ten UN Global Compact Principles; the Universal Declaration of Human Rights; and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the Conventions No. 138 and No. 182. These commitments are embodied in our Roche Group Code of Conduct<sup>1</sup> and the Roche Group Employment Policy.<sup>2</sup> In 2023 we updated our Roche Position on Respecting Human Rights<sup>3</sup>, the Supplier Code of Conduct<sup>4</sup> and the Roche Directive on Human Rights Due Diligence for Business Partners.<sup>5</sup>

This section of the report covers the obligations on due diligence and transparency in relation to

human rights and the report on child labour in compliance with Section Eight: Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour under the Swiss Code of Obligations, as well as the provisions of the implementing Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour. Roche is out of scope of the due diligence and reporting obligations on minerals and metals from conflict-affected and high-risk areas under Article 9 of said ordinance.

## Risk management

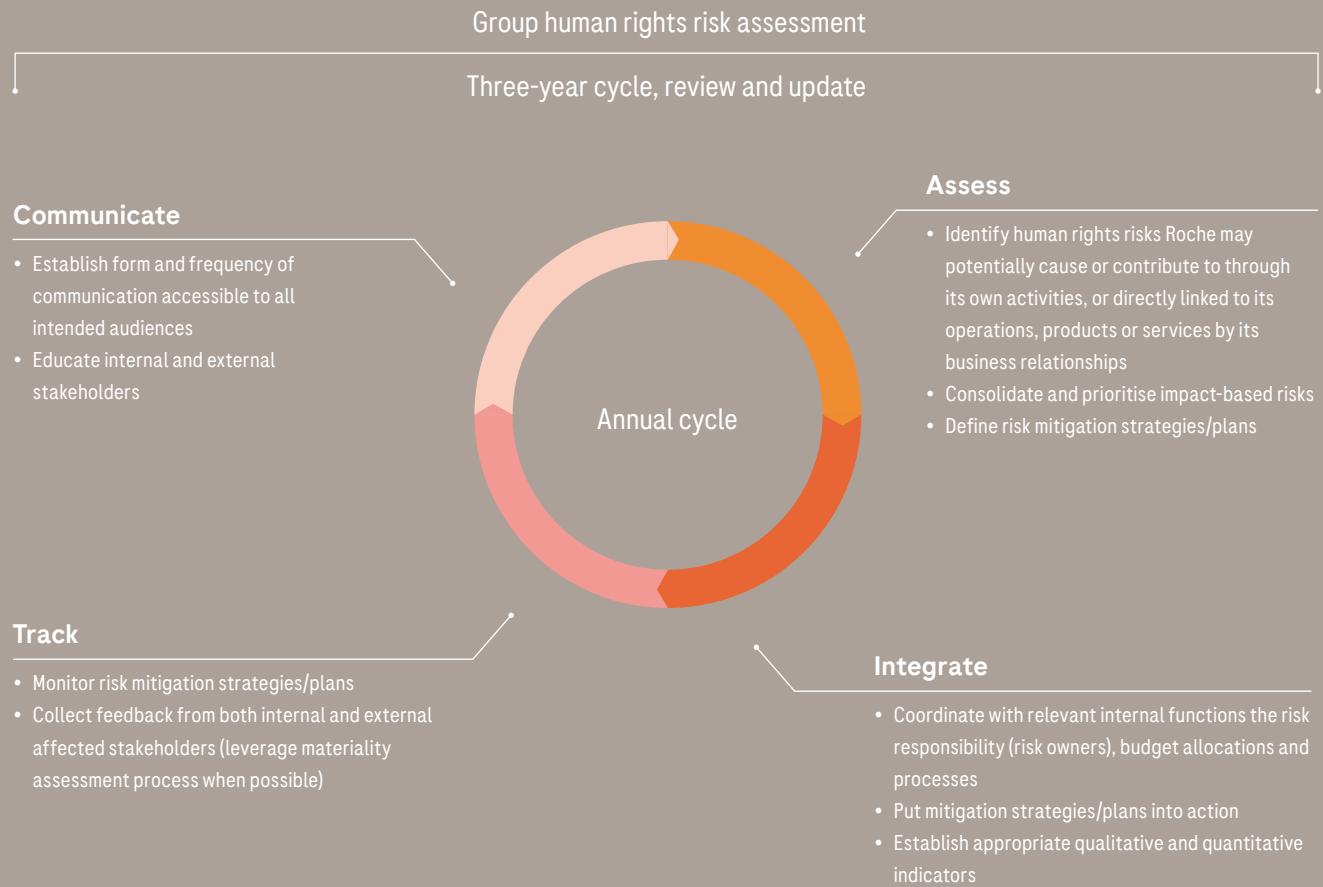
We have a risk management approach designed to systematically identify, assess, mitigate and adequately manage the risk of human rights violations, including the assessment of whether there are reasonable grounds to suspect child labour.

In 2023 we conducted a Group human rights risk assessment for our own operations and third-party operations. The purpose was to identify and assess the potential negative human rights impacts of our activities and business relationships with a focus on own operations and the upstream supply chain.

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<sup>1</sup> [roche.com/about/governance/code-of-conduct](https://roche.com/about/governance/code-of-conduct) | <sup>2</sup> [go.roche.com/group-employment-policy](https://go.roche.com/group-employment-policy) | <sup>3</sup> [go.roche.com/respecting-human-rights](https://go.roche.com/respecting-human-rights) |

<sup>4</sup> [go.roche.com/supplier-code-of-conduct](https://go.roche.com/supplier-code-of-conduct) | <sup>5</sup> [go.roche.com/human-rights-due-diligence-for-business](https://go.roche.com/human-rights-due-diligence-for-business)



**The following focus areas based on impact were identified in our own operations**

<b>Focus areas</b>	<b>Background and commitments</b>	<b>Prevention and mitigation</b>
Data privacy	<p>Data is a valuable element for developing innovative treatments and diagnostic solutions for patients and a driver for business excellence. We strive to be a respected and preferred partner to all who may provide such data, like our employees, patients and healthcare stakeholders.</p> <p>Roche is committed to collecting and using data in a lawful, fair, legitimate and ethical way, and will always respect the privacy of individuals in order to earn and deserve their trust.</p>	<p>Roche collects data in compliance with applicable data privacy laws (e.g. Swiss Federal Act on Data Protection, EU General Data Protection Regulation and the US Health Insurance Portability and Accountability Act). The same is expected from our service providers and collaboration partners.</p> <p>A comprehensive risk assessment and mitigation process ensures privacy by design and default and that privacy principles are always considered.</p> <p>Roche applies appropriate governance and safeguards measures to protect individuals' privacy rights. The Group Privacy Officer together with the Global Privacy Office coordinates a global network with subject-matter experts and privacy coordinators in Roche affiliates and in global and regional business functions in close collaboration with Global IT Security and Privacy Governance and other global functions.</p>
Access to healthcare	<p>Access to healthcare is part of the SDG 3 to ensure healthy lives.</p> <p>As a healthcare company, Roche plays a role in collaborating with different stakeholders in improving the prevention, treatment and management of non-communicable diseases and infectious diseases, such as HIV, tuberculosis and hepatitis C.</p> <p>We are also accelerating our ongoing efforts with our goal to double the number of patients being treated with our innovative therapies in low- and lower-middle-income countries (LLMICs) by the end of 2026. And it is also our ambition to double patient access to novel, high-medical-value diagnostics for people around the world.</p>	<p>Through trusted partnerships with global, regional and local stakeholders, we help governments address relevant access gaps and build strong and resilient healthcare systems, including in LLMICs where, according to the World Bank, 75% of the world's population live.</p> <p>Every country has a different situation, and their healthcare systems present unique challenges. So we work closely with partners to develop and deliver tailored access solutions that reflect each country's individual healthcare needs.</p> <p>Our Global Access Program was created to enable access to reliable diagnostics for patients in LLMICs, leveraging our world-class expertise and innovation as a core component to help control and eliminate diseases such as HIV/AIDS, tuberculosis, hepatitis C, COVID-19 and human papillomavirus (HPV) / cervical cancer.</p>
Fair and safe work environment	<p>Roche is committed to fair working conditions, and respecting human rights. These commitments are reflected in the Roche Group Code of Conduct and Roche Group Employment Policy. Roche condemns all forms of child, forced or compulsory labour. Roche tolerates the employment of juveniles only where it is lawful and only under conditions that adequately safeguard their well-being.</p> <p>Roche does not tolerate:</p> <ul style="list-style-type: none"> <li>• any form of psychological, physical or sexual harassment, or any other violation of the dignity and respect of employees in the workplace.</li> <li>• any form of workplace discrimination based on gender, age, ethnicity, national origin, religion, disability, sexual orientation, HIV/AIDS status, citizenship, generic information or any other relevant characteristics protected under the applicable law.</li> </ul> <p>At Roche, prevention is the key element for all activities, decisions and measures aimed at ensuring safety, security, health and environmental protection (SHE). We have a holistic approach to well-being, taking both the organisational aspects and the individual perspective into account.</p>	<p>Roche aims to prevent non-compliant behaviour by fostering a culture of openness to questions. We provide designated contacts to address uncertainties on the Roche Group Code of Conduct.</p> <p>All Roche companies have to ensure that the Roche Group Employment Policy is properly implemented in their local employment practices and that local policies are developed and communicated to meet the minimum standards.</p> <p>Roche observes all regulations in the SHE area, in respect of all its employees and of anyone else potentially affected by its activities. Workplace risk assessments with mitigation plans are performed in every affiliate.</p> <p>A management system approach is in place to identify and control safety, security, health and environmental risks. Exposure of workers to occupational health hazards are prevented or adequately controlled. The risks and the measures taken to control them is documented in workplace health risk assessments. Workers are offered health surveillance exams and are provided with information and training.</p>

**The following focus areas based on impact were identified in our supply chain**

Focus areas	Background and commitments	Prevention and mitigation
Working conditions	Suppliers are committed to pay workers according to applicable wage laws, including minimum wages, overtime hours and mandated benefits, and consider remuneration in accordance with the skills, performance and experience of their workers based on local competitive conditions.	We require our suppliers to explicitly acknowledge and adhere to the principles embodied in the Supplier Code of Conduct. Suppliers must ensure that their own suppliers appropriately ensure compliance with these principles along their own supply chains.
Healthy working environment	Suppliers are expected to be committed to protecting human health, to understanding relevant workplace hazards and to effectively communicating such hazards and related protection to all potentially impacted workers.	Suppliers shall also ensure that Roche can verify compliance with the Supplier Code of Conduct through our PSCI*-based Supplier Sustainability Assurance Visit (SSAV) programme.
Fair treatment and non-discrimination	Suppliers are expected to be committed to providing a workplace free of harsh and inhumane treatment, and a workplace free of harassment and discrimination. Given the type of business relationship that Roche has with its suppliers, this focus area is particularly relevant for migrant workers for reasons such as national origin.	Business partners identified as being at higher risk for human rights violations are included in a list of business partner auditable entities and scheduled for PSCI-based audits.  Suppliers that fail to meet Roche's expectations on the topics outlined in the Roche Supplier Code of Conduct might be disqualified from working with Roche. For current suppliers when expectations are not met a mitigation plan is put in place, and in the event of non-compliance it may lead to termination.

\* Pharmaceutical Supply Chain Initiative (PSCI): [go.roche.com/pscinitiative](http://go.roche.com/pscinitiative)

### Respecting human rights in our supply chain

Roche holds our suppliers to high performance expectations concerning human rights that are aligned with our own values and principles.

Our human rights commitment for business partners is based on the Pharmaceutical Supply Chain Initiative (PSCI) Principles, which we are committed to. The Principles are referenced in all Roche contracts and embedded in the provisions of the Roche Supplier Code of Conduct, which all our suppliers commit to.

We focus on the following human rights aspects:

- Freely chosen employment
- No child labour
- Legal treatment of young workers
- Fair treatment and non-discrimination
- Working conditions (wages, benefits, working hours)
- Freedom of association and right of collective bargaining
- Health and safety

These expectations are covered in the Supplier Code of Conduct, which our suppliers are contractually obligated to adhere to. In 2023, we shared an updated version of the Supplier Code of Conduct with our suppliers, containing the human rights aspects of freely chosen labour, child labour and young workers, fair treatment and non-discrimination, wages, benefits and working hours, forced or compulsory labour, and responsible sourcing of minerals and metals.

To ensure the protection of human rights throughout the Roche value chain, these human rights aspects are an integral part of the risk-based due diligence process in our upstream supply chain and with potential and existing suppliers and business partners. We have a formal process and methodology to identify, prevent, mitigate and account for actual and potential adverse impacts on human rights. To enhance transparency within our sphere of influence, we also expect suppliers and business partners to actively assess and manage human rights risks of their own business partners.

The Roche Directive on Human Rights Due Diligence for Business Partners<sup>6</sup> sets forth the framework and principles to ensure the protection of human rights across the Roche value chain. Global guidance on the due diligence process, including instruction on how to develop and implement appropriate due diligence for local markets, is provided.

Roche's due diligence process for protecting human rights for business partners includes:

- Identification of risks and impact assessment considering any actual and potential risks for human rights violations in our own operations, in our business partners and activities related to our business adequately weighted and prioritised according to their severity and likelihood. Roche provides mechanisms to raise concerns from Roche employees and business partners – initiating and implementing corrective and remedial measures if needed.
- Systematic and regular review of the risk identification and impact assessment: the identification and active management of risk is a continuous process undertaken with the active engagement of all stakeholders potentially impacted.
- Supportive documentation evidencing the adequate due diligence process is stored in line with Roche's corporate records management programme requirements and applicable laws. Reporting of relevant and legally binding human rights-related activities and related Key Performance Indicators (KPIs) are maintained to ensure proper record-keeping and transparency with all stakeholders.

### Pre-contract

Our Roche risk management programme is designed to systematically identify, assess, mitigate and adequately manage the risk of human rights violations and to ensure that business partners meet Roche's expectations throughout the procurement life cycle.

The assessment of human rights risk is embedded in our standardised due diligence process conducted before engaging new business partners. Roche procurement professionals considering offering opportunities to business partners use an online tool developed by Roche to create a risk profile of the business partner that includes an initial assessment of the business partner's risk of human rights violations. The methodology used mirrors the methodology described in the next section.

No supplier can be engaged without having been assessed accordingly with regards to potential human rights adverse impacts.

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<sup>6</sup> [go.roche.com/human-rights-due-diligence-for-business](http://go.roche.com/human-rights-due-diligence-for-business)

## Ongoing human rights risk management

### **Identification of business partners subject to human rights audits**

We have a formal, annual process and methodology for assessing business partners in order to identify those at higher risk for human rights violations. Business partners at high risk are subject to formal audits under the programme established to assess business partners against compliance with the Roche Supplier Code of Conduct.

Criteria used include the following:

- Being associated with an industry that is likely to employ vulnerable populations
- Being located in a region at higher risk for human rights violations, per respected human rights indices
- Being associated with government, media or internal reports of alleged behaviour or operations that indicate real or potential non-compliance with the Roche Supplier Code of Conduct

Inputs to our automated human rights risk assessment methodology that allows for traceability in the supply chain include an external perspective with risk assessment depending of four main externally available and recognised indexes: KidsRights Index, Global Slavery Index, OECD Index and Global Rights Index, using the following data:

- Nature of product or service procurement category code identifying the supplier's exact industry and the nature of its product or service – to assess associated human rights risk. We are looking for activities typically associated with vulnerable populations such as children, underage workers, migrants, local underprivileged communities and people with low levels of education.
- Exact location of the business partner's operations to assess if that area or region is associated with higher levels of human rights violations (i.e. limited regulation or enforcement).
- History or new information on potential risk data input on external reports or concerns raised about a particular business partner, region or industry

Business partners identified as being at higher risk for human rights violations are included in a list of business partner auditable entities. These are scheduled for PSCI-based audits as part of our SSAV programme.

### **Supplier Sustainability Assurance Visit (SSAV) programme**

As mentioned, depending on the circumstances, further risk-based due diligence actions may be undertaken to ensure that issues such as human rights violations are detected and addressed, as per the risk-based approach principles of the OECD Due Diligence Guidance for Responsible Business of 30 May 2018. We conduct on-site audits at high-risk suppliers through which we directly evaluate supplier human rights compliance and overall supplier performance against the requirements of the Roche Supplier Code of Conduct via our PSCI-based SSAV programme. Key characteristics of SSAV include the following:

- A regularly updated list of auditable suppliers, identified for inclusion on the list by the risk-based method previously described
- An annual audit plan that is communicated to all relevant internal stakeholders (e.g. supplier relationship managers, Global Procurement leadership and risk managers)
- Use of PSCI-approved independent auditors
- Documented audit reports using PSCI templates and following PSCI standard for classifying findings based on level of risk
- Documented action plans submitted by the audited suppliers and monitored to timely closure
- Follow-up audits to ensure both adequacy of action plans and continuous improvement
- Disclosure of programme KPIs through various Roche public reporting mechanisms, including Roche's external website
- A documented SSAV programme manual describing all aspects of the programme

The SSAV programme also embeds Sub-tier Oversight Per PSCI protocols, based on the transparency obligations our suppliers commit to according to the Roche Supplier Code of Conduct. Therefore, SSAV audits include the following:

- A review of the supplier programmes and management systems in place to ensure that the human rights of the supplier's own suppliers are adequately protected
- The direct assessment of human rights and labour compliance associated with any sub-tier suppliers working at supplier sites during the time of the audit

Where suppliers are found to not be in compliance with these principles or where other serious concerns related to a supplier's ability to meet Roche performance expectations exist, Roche demands immediate corrective action or, where immediate corrective action is not possible, a concept to correct issues including a concrete time schedule. As a last resort, when there are severe issues and a supplier is not able or willing to correct those, Roche will terminate business relationships with the supplier and disqualify them from future opportunities.

### Grievance mechanism

Employees as well as business partners are encouraged to speak up in good faith if they believe that a human rights violation has occurred. This also covers any reasonable concerns about the existence of a potential or actual adverse impact related to child labour.

The Roche Group SpeakUp Line is available for everyone internally and externally to report compliance concerns.

Our local and regional Compliance Officers also serve as contacts for allegations, which are then reported to the Chief Compliance Officer via the Business Ethics Incident Management System (BEIMS). Human rights violations, especially by our suppliers, can also be identified by the Procurement department.

All allegations are taken seriously and are objectively investigated. Full protection to any retaliation practice against the person who spoke up (identified or anonymous) is provided. If the allegation is substantiated, we take appropriate remedial measures.

### Our reporting

In 2023, 27 substantiated incidents related to human rights violations triggered terminations of contracts. All the incidents were related to Discrimination and Harassment, 25 involving Roche employees, 1 a contractor and 1 a business partner.

In addition, we assess supplier compliance with our human rights standards through our SSAV audit programme.



The most common critical or major findings categories: excessive overtime and incorrect overtime compensation (10%), not granted enough days off or annual leave (4%), delayed payment of wages (3%) and improper maintenance of HR and payroll documentation (3%)

\* Safety, security, health and environment

\*\* Supplier Sustainability Assurance Visit





## 9. Environment

Roche's progressive approach to environmental protection and management reflects our strong commitment to risk mitigation and is intrinsic to our business.

Environmental protection is nothing new to Roche. For many years, we have been working to minimise our ecological footprint and increase the use of renewable resources while expanding the global business. To achieve this, we have embedded our procedures for environmental protection throughout our operations.

Roche aims to mitigate environmental risks via a multidisciplinary system of prevention and a successful environmental risk management system. Expert teams at each Roche site identify risks and develop mitigation plans. They communicate our policy and guidelines to employees and other stakeholders and motivate them to implement the necessary measures.

We approach prevention with the same sense of responsibility and just as methodically as we approach issues concerning quality, productivity and cost-efficiency. Our environmental programme has operational strategies covering climate change mitigation, reducing greenhouse gas (GHG) emissions and increasing resource efficiency, the environmental aspects of procurement, and water and waste management. We complement these strategies by setting tangible and quantitative medium-term (2025) and long-term (2050) goals.

We continuously monitor our environmental performance against a range of key performance indicators (KPIs). This gives us greater oversight and control of our impacts and allows us to identify areas for improvement – helping ensure compliance with our high standards and meet our objectives.

### Minimising our ecological footprint

As part of our commitment to sustainable development, we strive to use new and more sustainable technologies and processes to minimise our impact on the environment. We measure our impact on the environment using the eco-balance metric developed by the Swiss Federal Office for the Environment. By 2025, we want to improve our eco-balance by at least 36% compared to 2019. In 2023, we report an overall improvement of 32.8% in our eco-balance compared to 2019. This achievement was reflected by a 2% improvement observed in 2023 when compared to 2022. This improvement was attributed to a reduction in phosphorus emissions, increased use of sustainable energy and a decrease in water use.

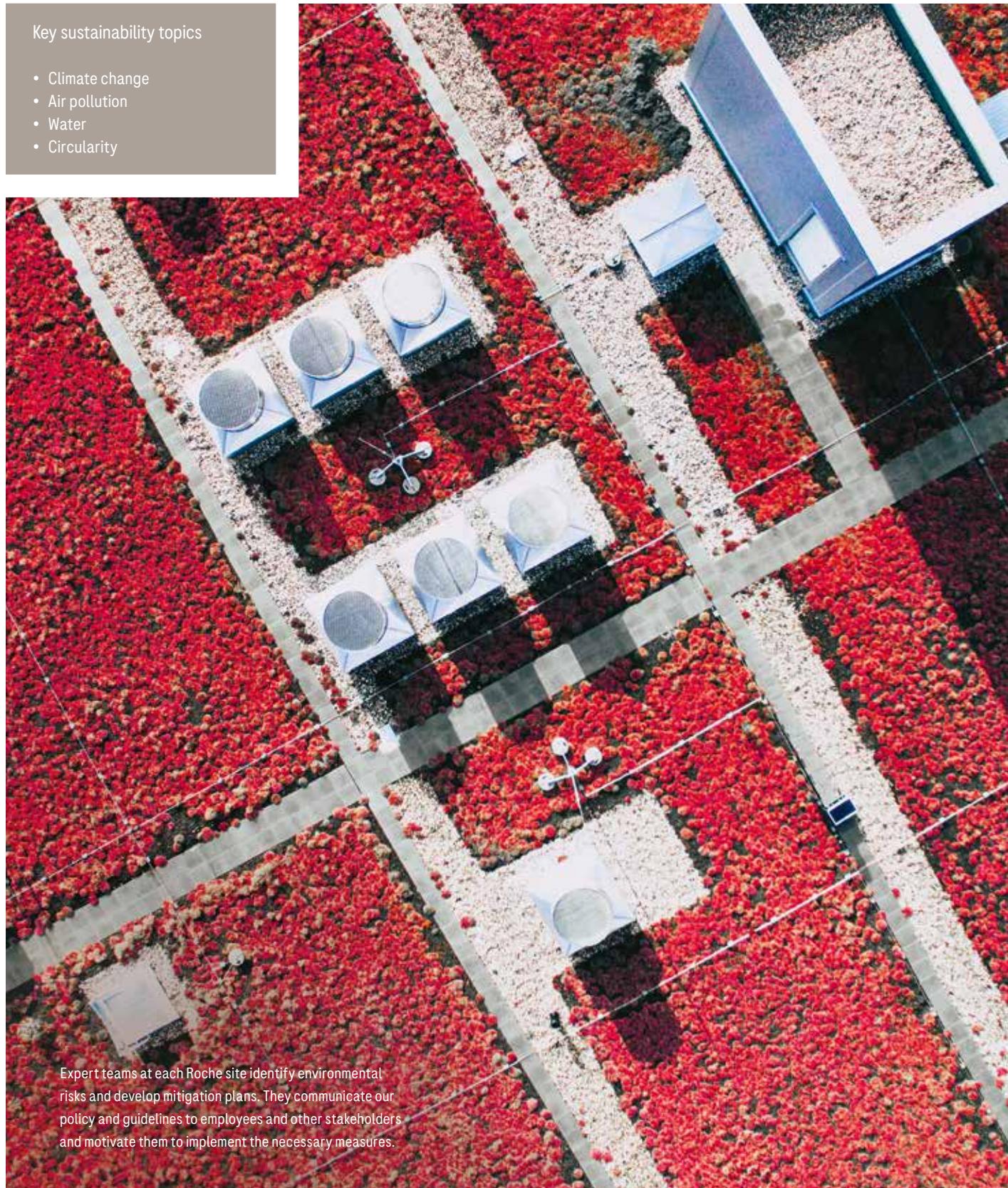
### Greenhouse gas emissions

The pharmaceuticals and diagnostics industry – as a contributor to global GHG emissions – must take appropriate measures to reduce its impact. Roche adheres to international agreements that define targets and schedules for reducing emissions, such as the Paris Agreement, as well as national legislation at site level.

GHG emissions are an integral part of Roche's environmental impact, and therefore we have set ambitious but realistic reduction targets in line with the latest climate science. We have committed ourselves through the Science Based Targets initiative (SBTi) and will submit our targets for approval. Our long-term goal is to reduce scope 1 and 2 GHG emissions to real zero by 2050. This means reaching zero operational emissions by

### Key sustainability topics

- Climate change
- Air pollution
- Water
- Circularity



Expert teams at each Roche site identify environmental risks and develop mitigation plans. They communicate our policy and guidelines to employees and other stakeholders and motivate them to implement the necessary measures.

focusing on our own reduction efforts, rather than relying on carbon offsets. Our short-term goal is to reduce total scope 1 and 2 GHG emissions by 40% by 2025 from 2019 levels. In 2023, our scope 1 and 2 emissions decreased by 6.9% due to an increase in the use of sustainable energy.

### Our scope 3 GHG programme

Value chain emissions are a significant part of our total footprint. In 2023 we began developing our decarbonisation roadmap. Partnering with suppliers, industry, health systems and financial institutions, we are accelerating progress to reach net zero emissions. Through the Sustainable Markets Initiative (SMI) Health Systems Taskforce, our immediate focus is on identifying key hotspots, decarbonising healthcare supply chains and patient care pathways, and delivering digital solutions for sustainable clinical research. Supplier engagement is a crucial part of our approach. Through the SMI and the Pharmaceutical Supply Chain Initiative (PSCI) we are communicating our expectations to suppliers, including on emissions disclosure and commitment to science-based targets. In 2023, our scope 3 emissions decreased by 7.4% overall. Emissions from business flights, waste and use of sold products (diagnostic instruments) increased in the reporting period. Supply chain emissions decreased in line with a lower third-party spend, especially for the COVID-19 portfolio, and due to restatement using more granular (activity-based) emission factors.

### Environmental compliance

A dedicated team of Roche employees around the globe identifies potential risks to people, goods, the environment and Roche's reputation. The corporate Safety, Security, Health and Environmental Protection audit team inspects our pharmaceuticals and diagnostics manufacturing facilities for environmental performance and implementation of our environmental policy in line with legal requirements and internal standards. We expect contract manufacturers, suppliers and service

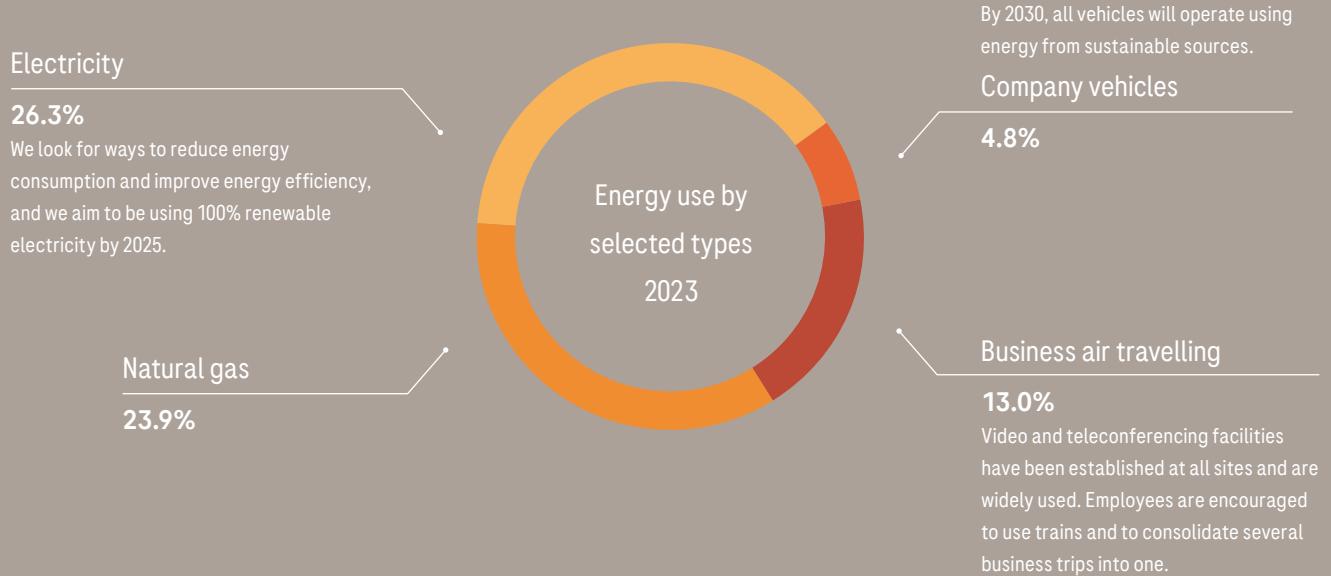
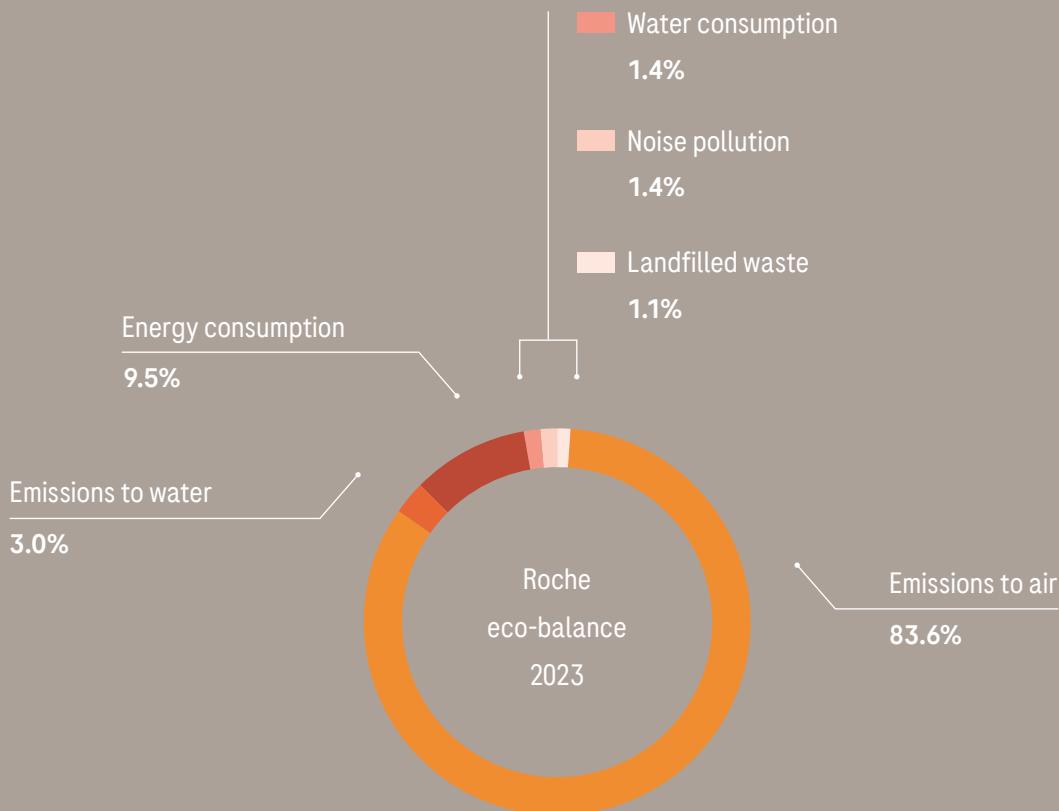
providers to meet the same standards as we do. To ensure compliance, we inspect the operations of our suppliers and make recommendations for improvement. In the event of non-compliance, we either ask for improvements, which we actively monitor and support, or terminate the contract.

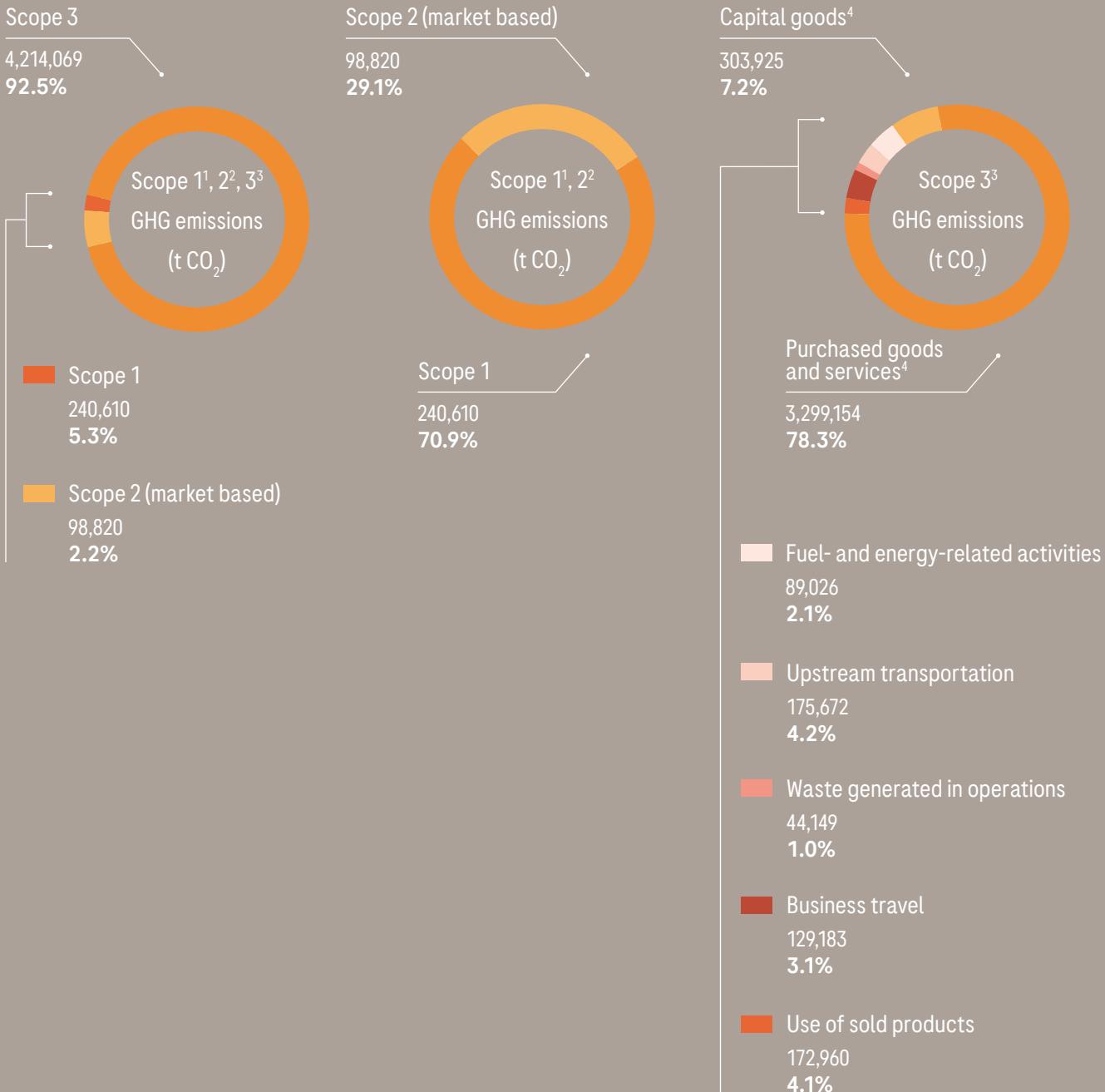
### Improving data quality

Roche plays a pivotal role in advancing healthcare – bringing life-saving medications, treatments and diagnostics to millions of people worldwide. Amidst the pursuit of innovation and therapeutic breakthroughs, it is crucial that we prioritise the safety and well-being of our workforce alongside environmental sustainability. Accurate and reliable employee safety and environmental data are key to enabling ethical, sustainable and responsible practices.

Accurate employee safety and environmental performance data help us identify potential risks and hazards so we can implement preventive measures and reduce the likelihood of workplace accidents, injuries and environmental incidents. They are also essential for demonstrating compliance.

Over the last year, Roche has been reviewing its data collection processes. As part of this journey, we have made significant changes to data practices and systems across the organisation. This includes aligning processes and platforms that enable more efficient and accurate safety, health and environmental data collection. These efficiency gains have allowed us to focus on workplace safety initiatives that enable our people to deliver patient outcomes and reduce environmental impacts at the same time. Access to real-time data has also allowed Roche to extract meaningful insights in a more dynamic way than was previously possible. Roche plans to expand on this work in the coming years by continuing to explore innovative technologies within safety, health and environment.





<sup>1</sup> Direct emissions from within operations | <sup>2</sup> Indirect emissions from purchased energy | <sup>3</sup> Emissions resulting from activities within our supply chain |

<sup>4</sup> The calculation methodology is based on the GHG Protocol following a hybrid activity-based approach.

**Energy consumption** in terajoules

	2023	2022	2021	2020
Total (scope 1 and scope 2, market based)	8,438	8,396	8,306	8,420
Energy (scope 1 and scope 2, market based) consumption (GJ/employee)	76	78	79	81

GJ = gigajoule

**Halogenated hydrocarbons** in tonnes\*

	2023	2022	2021	2020
Inventory	74.1	85.1**	88.6**	92.0
Releases	1.5	3.5	1.5	1.5

\* Global inventory including Chugai, Genentech and Ventana

\*\* Includes data from additional Roche sites as well as a wider scope of halogenated hydrocarbons than in previous years.

**Emissions into the air** in tonnes

	2023	2022	2021	2020
VOCs*	79	80	86	73
Particulates	17	16	18	16
Nitrogen oxides	100	113	118	113
Sulphur dioxide	3	2	4	3

\* Volatile organic compounds

**Water usage and discharge**

	2023	2022	2021	2020
Water withdrawn (million m <sup>3</sup> )	16.7	14.9	15.4	14.9
Water consumed (million m <sup>3</sup> )	2.5	2.9	2.7	2.8
Organic matter discharged to waterways after treatment (t)	49	80	76	76
Heavy metals discharged to waterways after treatment (kg)	418*	137	131	174

\* The increase in heavy metals was due to additional reporting of iron and manganese.

**Landfilled and incinerated waste** in tonnes

	2023*	2022	2021	2020
Non-hazardous	10,538	9,087	10,357	11,139
Hazardous	17,051	14,587	15,110**	13,332

\* In 2023, one of our affiliates reevaluated its waste disposal classification which resulted in an increase in the reported numbers.

\*\* The increase in hazardous waste was due to the reallocation of electronic waste to hazardous waste.

## 10. Global citizenship

From communities to arts and culture, from environment to education, our philanthropic programmes are united by one goal: partnering to create a lasting impact.

What does it mean to be a good global corporate citizen? For Roche, it means contributing to making a difference in communities where we live and work to help make them healthier, more resilient and more sustainable. We aim to create a lasting impact across our philanthropic endeavours.

We can't achieve this alone. From the moment we first ventured into philanthropy with the International Committee of the Red Cross (ICRC) back in 1918, we have collaborated with trusted partners. Today, in a fast-changing external environment, partnerships are more important than ever. Increasingly, we work in a more integrated way with several stakeholders at once.

We have an established policy<sup>1</sup> to ensure the projects we endorse meet specific quality, innovation and sustainability criteria, and strictly adhere to the high integrity standards set in the Roche Group Code of Conduct. Our Sustainability Group Reporting System GAIA ensures internal documentation and monitoring of assets spent on philanthropy.

In 2023, we drove many projects with potential for lasting impact across our four key pillars: community and environment, humanitarian and social, science and education, and arts and culture.

### Community and environment

The Roche Children's Walk – our biggest employee engagement and philanthropy initiative – celebrated its 20th anniversary in 2023. More

than CHF 23 million in donations have supported childhood development and education projects over the last 20 years.<sup>2</sup>

Employee volunteering is vital for our philanthropic efforts. Our secondment programme draws upon a broad pool of employee specialists for skills-based volunteering with non-governmental organisations (NGOs) across two domains: science and education, and humanitarian and health. One initiative saw over 40 members of our GPS Digital Excellence team from around the world volunteer more than 400 hours for Swisscontact, an NGO fostering sustainable development in developing countries. The insights provided by the Roche team enabled a digital strategy to help Swisscontact grow its reach and reputation.

Rapid and collaborative disaster response is more important than ever. We work closely with our affiliates to identify the best ways to support local efforts with relief organisations and to help disaster-affected communities rebuild and prepare for the future.

After an earthquake hit areas of Türkiye and Syria in February 2023, Roche joined international partners to help ensure uninterrupted access to healthcare. In Türkiye, we helped establish six field health units in four cities and a fully equipped family health centre in Adiyaman, one of the hardest-hit cities. In Syria, we supplied two highly specialised mobile health units.

<sup>1</sup> [go.roche.com/donations-and-non-commercial-sponsorship](http://go.roche.com/donations-and-non-commercial-sponsorship) | <sup>2</sup> See our feature on the anniversary on page 118 of this report.

### Key sustainability topics

- Sustainable health systems and communities
- Stakeholder engagement



Roche Continents programme students participate in a workshop for sustainable colour dyeing at Atelier LUMA, a design research programme of LUMA Arles in France.

Since 2017, Roche has supported the ICRC in its drive to improve access to clean water and essential services for hundreds of thousands of vulnerable people in Mali, many cut off from other humanitarian organisations. In total, over 300,000 people have received improved access to drinking water as of 2023. We have contributed to similar projects with the ICRC since 2006 across several other countries, including Pakistan, Ethiopia, Liberia, Uganda, Burundi, Eritrea and Guinea.

#### Science and education

We are passionate about nurturing the next generation of scientific leaders in a collaborative environment. We support the International Chemistry Olympiad (IChO), an annual competition for the world's most talented chemistry students. In 2023, the competition was held in Switzerland for the first time since it began in 1968. We are proud that Vivian Michael Huber, a 2023 first-place winner, is completing an apprenticeship at Roche in the field of synthesis.

We continue to champion education programmes to train the next generation of healthcare providers. This is vital in a world experiencing health system labour shortages. We fund a wide range of scholarships in emerging markets, providing education and training for new nurses – such as training for oncology nurses in Indonesia – health workers, lab technicians and more.

#### Arts and culture

Roche has a long tradition of cultivating interdisciplinary exchanges to foster creativity and innovation. For example, the Roche Continents programme brings together talented international students studying at European universities for an immersion into a diverse world of arts and science. In 2023, Roche Continents was held in Arles, France, in partnership with the LUMA Arles Centre of Arts and Culture. The focus in 2023 was on climate

change, sustainability and human capital, with input from both artists and scientists. Severin Schwan, Chairman of the Roche Board of Directors, André Hoffmann, Vice-Chairman, and Hans Clevers, Head of Roche Pharma Research and Early Development, inspired and engaged students in discussions about science, sustainability and the importance of ethical and responsible business.

The parallels between arts and science were also apparent in the ten-year anniversary of Roche Young Commissions where we partnered once more with the Lucerne Festival to commission new works from young composers and paired them with two of our scientists, Eoin O'Connor and Shanon Seger. Having visited the Roche labs, young composers David Moliner and Hovik Sardaryan premiered their incredible composition at the KKL Luzern Concert Hall. Just like our own work at Roche, Young Commissions shows that working together, across disciplines, perspectives and countries, leads to creativity and innovation. The intersection between science and arts was explored in an opening dialogue between Hans Clevers and a composer, and in a welcome speech provided by Teresa Graham, CEO Roche Pharmaceuticals.

At Roche we celebrate multiculturalism, a value that speaks to our own diverse and inclusive culture. That is why we are proud to support Culturescapes, a biennial festival promoting arts, cross-cultural dialogue and networking. The 2023 theme was Sahara, and Roche played an integral role in supporting the festival, including hosting the opening event – a dance production called 'C La Vie' by Serge Aimé Coulibaly, a renowned dancer and choreographer from Burkina Faso. The dance, like the event, was a tribute to pluralism and the uniqueness of life. Such events offer a unique opportunity for our employees and the community to experience the rich artistic and cultural diversity we cherish.

170 sites in 75 countries joined the Roche Children's Walk 2023\*



Enduring alliances and long-standing partners to drive sustainable impact

#### Roche Commissions

12 renowned composers were paired with Roche scientists and featured at the Lucerne Festival.

#### Roger Federer Foundation

>67,000 children were enrolled in the School Readiness Initiative.

20 years  
of partnership  
with Roche

#### UNICEF

>450,000 children received educational support.

>30,000 children accessed early childhood development programmes.

#### Culturescapes

17 arts and culture celebrations fostered dialogue, diversity and inclusion.

\* Illustrative map of participating sites; not exhaustive

# 11. Information security

For Roche, security goes beyond compliance. It is a strategic advantage and central to our goal of developing the medicines, diagnostics and insights that help people live longer, better lives.

Our work revolves around data, and the integrity of that data must be protected. Information security allows us to proceed swiftly in developing medical advancements, unhindered by potentially damaging cyberattacks that can take companies offline for seconds, minutes or even months. It also preserves the security of our partners – healthcare organisations that can only collaborate with third parties whose systems they know will not compromise their devices, products and, most importantly, patient data.

## Patient safety and data privacy

Patient safety and data privacy are of the utmost importance to Roche, and we comply with applicable global, regional and local laws, regulations, standards, policies and contractual obligations. Our robust list of certifications provides assurance that Roche is maintaining a comprehensive information security management system with strong security governance, state-of-the-art risk management, effective security controls and processes, appropriate IT and information security operations, commitment at all levels of management, and very high employee awareness of best practices in cybersecurity, data and privacy protection.

## Built-in security and data privacy

Our navify digital solutions securely integrate data across care settings, connecting the healthcare community and accelerating access to innovation and insights. We employ multi-layer security through state-of-the-art controls to protect customers' and patients' sensitive data while complying with

jurisdictional data privacy regulations, such as HIPAA (US) and GDPR (EU).

## Making security simple

While cybersecurity is a shared responsibility, we work to ensure our researchers and partners can operate without the constant fear of security breaches. As Tim Ehrhart, Roche's Chief Information Security Officer, puts it candidly, "The security team's goal is to be delightfully boring and inconspicuous. We're in the background, creating an environment where our employees and partners can focus on what they need to prioritise rather than worry about their cyber safety."

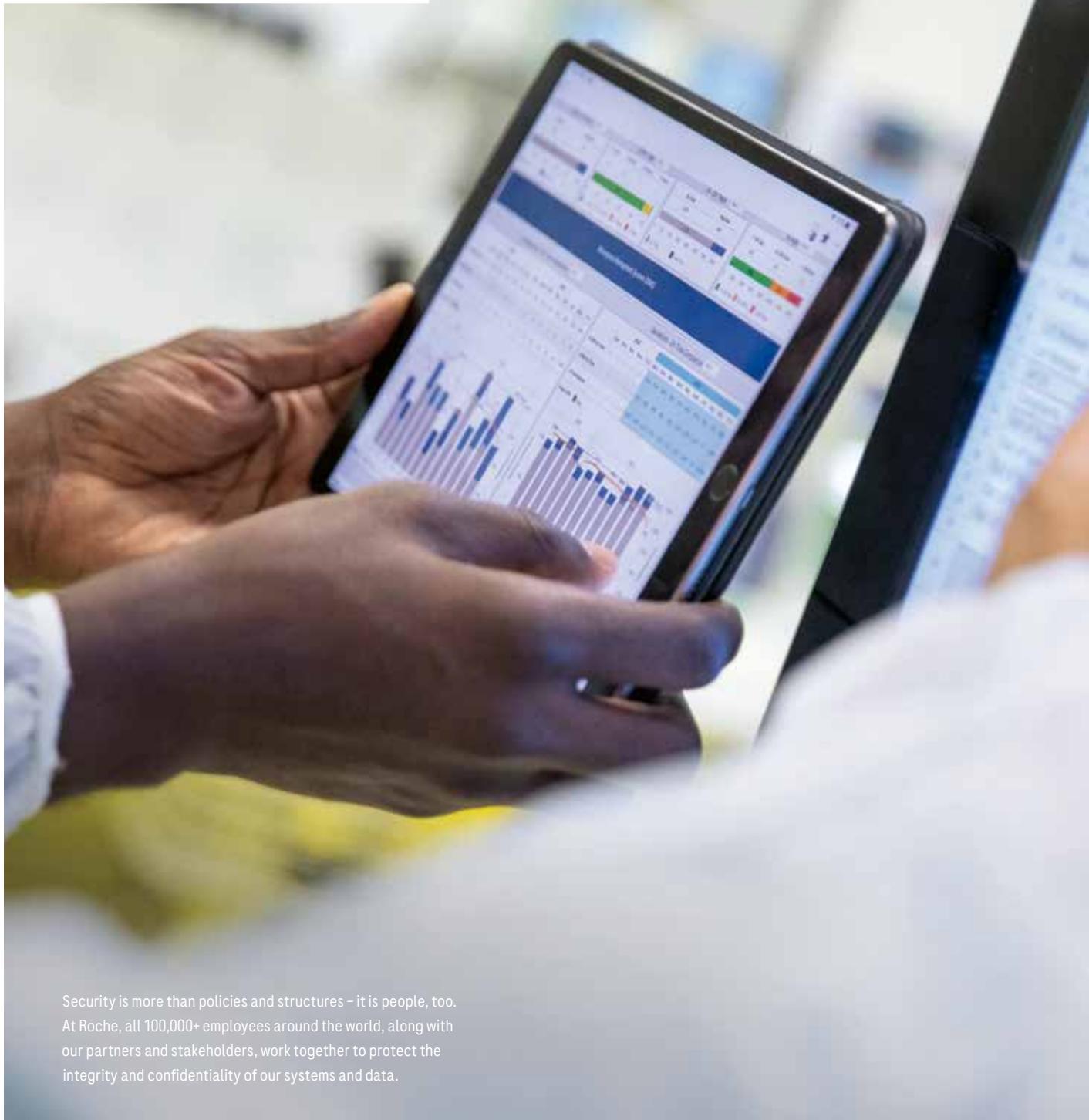
Our security approach enables safe collaboration from anywhere, any time. While many organisations require employees to switch out laptops when travelling internationally and forbid the use of personal devices, we believe restrictive policies complicate the work of employees without offering a meaningful boost in safety. Particularly in today's post-COVID era, people demand – and deserve – the freedom to connect wherever they may be. This is achieved by taking the necessary measures to ensure a simple user experience by embedding safety by design.

## Fundamentally safe by design

Our informatics system is fundamentally safe by design. In practical terms, we minimise usage of virtual private networks, using cloud computing to compartmentalise data and follow a policy of just-in-time access (where system and application access is granted for predetermined periods of time

### Key sustainability topics

- Compliance and business ethics
- IT, data governance, privacy and cybersecurity



Security is more than policies and structures – it is people, too.  
At Roche, all 100,000+ employees around the world, along with  
our partners and stakeholders, work together to protect the  
integrity and confidentiality of our systems and data.

and on an as-needed basis to help minimise risk). If a breach does occur, it is contained and therefore does not pose a threat to our wider systems. Safety by design means we are better equipped to handle potential breaches, which cause minor inconvenience rather than a major incident. This approach relieves users of as much of the security burden as possible. It is also more sustainable, requiring fewer total devices, which lowers our environmental impact. The result is a cost-effective, resilient security posture that supports sustainable innovation and empowers our workforce to be adaptable within a secure environment.

#### **Developing and empowering people**

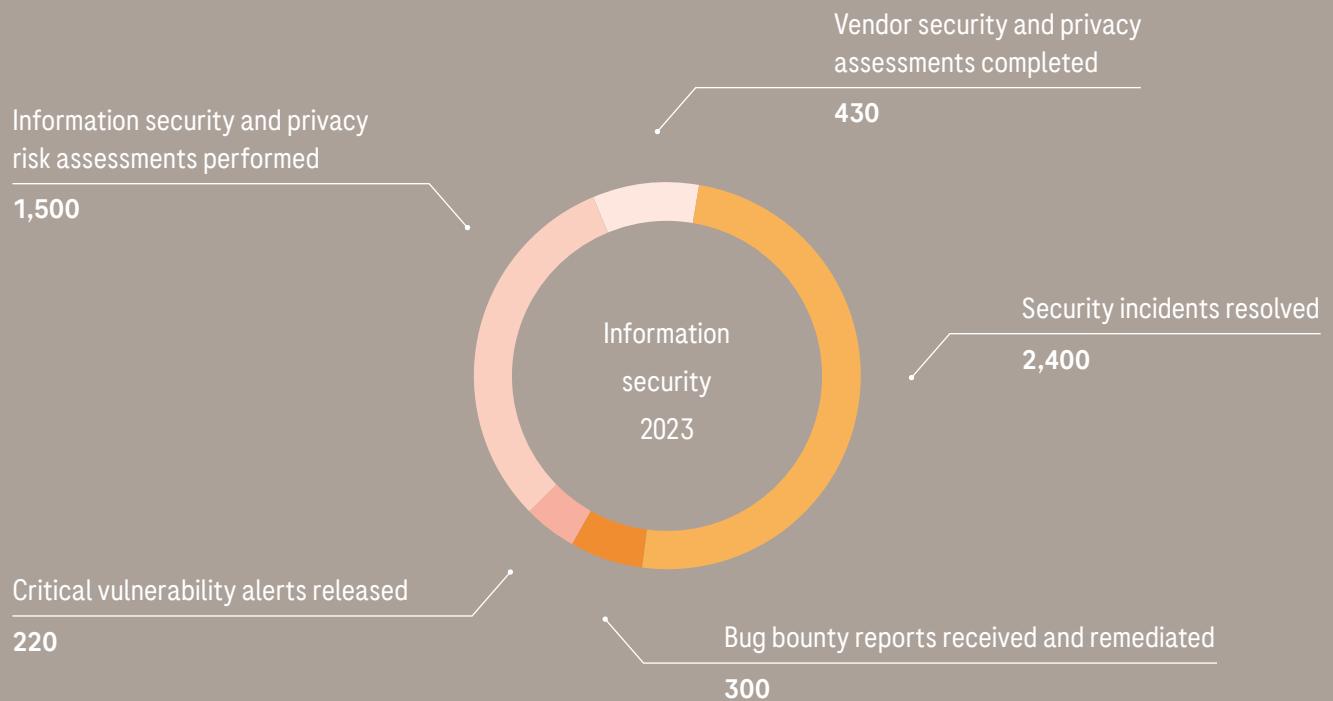
Security is more than policies and structures – it is people, too. At Roche, all 100,000+ employees around the world, along with our partners and stakeholders, work together to protect the integrity and confidentiality of our systems and data. Information security awareness training and Roche privacy awareness training are mandatory for all of our employees. Additionally, we invest heavily in continuous development opportunities so our technical experts stay ahead of both industry trends and constantly evolving cyberthreats. This helps ensure we are prepared and proactive in mitigating threat risks.

#### **Growing our security capabilities in-house**

As fully integrated members of our organisation and culture, Roche information security experts are as dedicated to our healthcare mission as any Roche employee. They bring a diverse array of experience across the telecommunications, finance, government and healthcare industries. Embedding security into our business strategy means that, unlike many of our competitors, we do not outsource the majority of our information security organisation. Instead, we prioritise growing our security capabilities in-house. “By cultivating a supportive, fulfilling work environment, we increase our ability to attract and retain top security talent,” says Tim.

#### **Constantly testing and improving**

Because threats are constantly evolving, our team is constantly improving our security posture using a multi-pronged approach. We conduct penetration tests, web security vulnerability tests and daily network perimeter tests. We benefit from external expertise both through our strong network of partners including security experts from healthcare, government, technology vendors and private entities.



**95% of employees** feel aware and contributing towards preventing IT security risks and cyber threats.

**USD 143,000** in rewards were given to external security researchers in 2023.

## Compliance and certifications

Patient safety and privacy are of the utmost importance to Roche, and we comply with applicable global, regional and local laws, regulations, standards and policies. The certifications on the right provide assurance that Roche maintains a comprehensive information security management (ISM) framework with strong security governance, state-of-the-art risk management, effective security controls and processes, and appropriate IT and information security organisation operations.

## Certifications

ISO 27001  
ISO 27701  
SOC 2 Type 2  
Cyber Essentials+ (UK)  
HITRUST

# Independent practitioner's limited assurance report

on selected 2023 non-financial information to the Corporate Governance and Sustainability Committee of Roche Holding Ltd, Basel

We have been engaged by the Corporate Governance and Sustainability Committee to perform assurance procedures to provide limited assurance on selected non-financial information (including the Greenhouse Gas (GHG) emissions) of Roche Holding Ltd and its consolidated subsidiaries ('Roche Group') for the period from 1 January 2023 to 31 December 2023 disclosed in the Annual Report 2023 ('Report').

## Scope and subject matter

Our assurance engagement relates to limited level of assurance on the selected non-financial information (including the GHG emissions) from 1 January 2023 to 31 December 2023 disclosed in the Report 2023.

The following selected non-financial information (including the GHG emissions) published in the Report is within the scope of our limited assurance engagement:

- the following people key figures, in all material aspects, disclosed in the Report:
  - Number of employees (expressed in FTEs), Part-time and Full-time employees as well as Employees by Division/Operating Divisional Group (ODG) in the diagram on page 58 of the Report;
  - Share of women in executive positions in the graph on page 57 of the Report; and
- the following Safety, Security, Health and Environmental protection ('SHE') key figures (including GHG emissions for scope 1 & 2 and scope 3 resulting from business travel), in all material aspects, disclosed in the Report:

- Employee health and safety in the graph on page 63 of the Report;
- Roche eco-balance and Energy use by selected types in the diagrams on page 81 of the Report;
- All key figures in the tables and graphs on pages 82 and 83 (except Scope 3: Capital goods, Purchased goods and services, Fuel- and energy-related activities, Upstream transportation, Waste generated in operations, Use of sold products).

## Criteria

The selected 2023 non-financial information (including the GHG emissions) was prepared by the Corporate Governance and Sustainability Committee of Roche Holding Ltd based on the document '2023 Non-financial reporting indicators definitions and scope' (the 'suitable Criteria') which is available on the Roche website [go.roche.com/non-financial-reporting-scope-2023](http://go.roche.com/non-financial-reporting-scope-2023).

## Inherent limitations

The accuracy and completeness of the selected 2023 non-financial information (including the GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the values needed to combine emissions of different gases. Our assurance report will therefore have to be read in connection with the document '2023 Non-financial reporting indicators definitions and scope' used by Roche Group, its definitions and procedures as well as on the

related third-party guidelines used to present the selected 2023 non-financial information.

#### **Corporate Governance and Sustainability Committee's responsibility**

The Corporate Governance and Sustainability Committee of Roche Holding Ltd is responsible for the preparation and presentation of the non-financial information (including the GHG emissions) in accordance with the document '2023 Non-financial reporting indicators definitions and scope'. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the selected non-financial information that are free of material misstatement, whether due to fraud or error. Furthermore, the Corporate Governance and Sustainability Committee is responsible for the selection and application of the document 'Basis for Preparation of Non-financial Information 2023' and adequate record keeping.

#### **Independence and quality management**

We are independent of Roche Holding Ltd in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Practitioner's responsibility**

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the selected 2023 non-financial information (including the GHG emissions) of Roche Group disclosed in the Report. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected 2023 non-financial information (including the GHG emissions) was prepared, in all material aspects, in accordance with the document '2023 Non-financial reporting indicators definitions and scope'.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following assurance procedures, among others:

- *Review of the application of Roche Group guidelines*

Reviewing the application of the Roche Group selected non-financial reporting guidelines as per the document '2023 Non-financial reporting indicators definitions and scope';

- *Site visits and management inquiry*

Visiting selected Pharmaceuticals and Diagnostics sites in China, Germany, Italy and the USA. The selection was based on quantitative and qualitative criteria;

Interviewing personnel responsible for internal non-financial reporting and data collection at the sites we visited and at the Group level to determine the understanding and application of Roche Group's non-financial reporting guidelines as per the document '2023 Non-financial reporting indicators definitions and scope';

- *Assessment of the key figures*

Performing tests on a sample basis of evidence supporting selected people and SHE key figures concerning completeness, accuracy, adequacy and consistency;

- *Review of documentation and analysis of relevant policies and principles*

Reviewing relevant documentation on a sample basis, including Roche Group non-financial reporting policies, management of reporting structures and documentation; and

- *Assessment of the processes and data consolidation*

Reviewing the management and non-financial reporting processes for selected people and SHE key figures; and

Assessing the aggregation process of data at Roche Group level.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Conclusion**

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected 2023 non-financial information (including the GHG emissions) of Roche Group for the period from 1 January 2023 to 31 December 2023 disclosed in the Report is not prepared, in all material respects, in accordance with the document '2023 Non-financial reporting indicators definitions and scope'.

### **Intended users and purpose of the report**

This report is prepared for, and only for, the Corporate Governance and Sustainability Committee of Roche Holding Ltd, and solely for the purpose of reporting to them on selected 2023 non-financial information (including the GHG emissions) disclosed in the Report and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Corporate Governance and Sustainability Committee to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the selected 2023 non-financial information (including the GHG emissions), without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept

or assume responsibility to anyone other than the Corporate Governance and Sustainability Committee of Roche Holding Ltd for our work or this report.

PricewaterhouseCoopers AG

Bruno Rossi

Raphael Rutishauser

Zurich, 31 January 2024

*The maintenance and integrity of Roche Holding Ltd's website and its content are the responsibility of the Corporate Governance and Sustainability Committee; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of Roche Holding Ltd's website, accordingly, the assurance provider accepts no responsibility for any changes that may have occurred to the specified non-financial information or suitable Criteria since they were initially presented on the website.*



# How we contribute

Through our commitment to innovation and collaboration, we bring meaningful change to patients, people and communities across the globe. The stories behind our advancements capture the reach and impact of our people's work.



As a Roche patient expert since 2019, Antoine has helped Roche colleagues better understand the experiences of people with multiple sclerosis (MS).

# Sharing his journey with multiple sclerosis, Antoine helps us improve care for people with MS

When Antoine learned in 2009 that he had relapsing remitting multiple sclerosis, he felt shocked but also relieved. He had sought help after losing vision in one eye, feeling ‘pins and needles’ in his head and suspecting he might have a fatal illness. “I felt happy not to have a brain tumour,” he recalls.

He decided to keep his diagnosis private. At his engineering job at a medical devices plant in his native France, he kept a smile on his face even as he struggled to focus and steady himself going up and down the stairs. When it came time for his annual review, his boss told him that his performance had declined and the company wanted to let him go. “They didn’t know I had MS,” Antoine, 44, recalls. “I cracked and I cried.”

The experience was early in Antoine’s journey with MS, an immune-mediated disease that affects 2.9 million people<sup>1</sup> and is the leading cause of non-traumatic disability in young people. But Antoine has since embraced transparency. Today, as one of the 1,500 members of CareRing, an internal community of employees who are also patients or caregivers, he regularly shares details about his life with MS to help Roche improve delivery of care. The CareRing community is designed to create a safe, trusting space for members to share their experiences, connect and contribute to projects related to relevant disease areas.

Collaborating with patient communities (including patient organisations, patients and their families, etc.) enables us to better understand unmet needs and co-create solutions that support personalised healthcare from an early stage of drug development through to the delivery of care.

As a Roche patient expert since 2019, Antoine’s courage, honesty and passion for sharing a patient

perspective has contributed to valuable outcomes. His feedback has ensured that our patient-facing materials are easy to understand and that Roche’s integrated strategic plan (ISP) for MS is focused on meeting patient needs. “Antoine was a great person to have on the team as he brought not only his own lived experiences but also a broader perspective from the patient community,” said Marco Parisi, who led the development of the ISP for MS. “He has helped us build a strategy that is based on the needs of patients and what a ‘win’ in MS looks like for them.”

Antoine’s voice has also helped Roche colleagues better understand the experiences of people with MS and has been a valued addition to our training we provide on Ocrevus, our MS therapy.

## A true inspiration to everyone

Antoine joined Roche on a work placement organised through a government-run scheme that provides reintegration opportunities and financial support for people with disabilities. Roche is committed to advancing the inclusion of people with disabilities through our Valuable 500 pledge. Antoine’s placement was facilitated by the RocheAbility network, which promotes disability inclusion, and was one of the first of its kind for Roche. Since then, he has been consulting with us for about four hours a week when he feels well enough and is not attending rehabilitation for his MS.

“Having a patient on our team is something unique across the industry,” says Christine Eighteen, Roche’s Global Patient Partnership Leader in MS, who works closely with Antoine. “I’m proud that Roche provides people living with diseases like MS the opportunity to continue to work and I’m grateful for the value they add to our business.”

<sup>1</sup> [go.roche.com/atlasofms-number-of-people-with-ms](http://go.roche.com/atlasofms-number-of-people-with-ms)

"Working with Roche has given me a sense of relief because I don't feel that I have a handicap," says Antoine. "As a patient expert, I am talking about MS, I am using my brain and I can help people. And that is really important for me. I help people better understand this disease."

#### **Setbacks along the way**

Antoine's ability to confront his disease with positivity has encouraged us in our work and commitment to improving the lives of those living with MS. When he was first diagnosed, Antoine met with neurologists, physiotherapists and a psychologist to help him with the less visible effects of his disease. "MS is not only linked to physical symptoms," Antoine says. "You may see I am struggling to walk, losing my balance, struggling with fatigue, but you can't see my mental state, the fact I forget things more easily. The effects of a disease like MS are multifaceted."

Like other people with MS, Antoine spent the early part of his journey working with doctors to find a treatment that worked best for him. He learned to self-administer injections – "an act that wasn't easy for me to accept because it was a frequent injection and a constant reminder that I had MS," Antoine says. He approaches setbacks and difficult days with positivity. "I have a daughter and I don't want to show her that Papa is sick, Papa is tired, Papa struggles to do lots of things. So even if I had a bad night, I always greet her with a smile," he says.

As Antoine adjusted to life with MS, he moved to Basel where his wife, Katie, found work with Roche. He began looking for work, too, and started seeing a new medical team. Recently, however, Antoine and his medical team have begun to suspect that

his MS may be evolving to secondary progressive MS, which is characterised by a gradual worsening of symptoms with no definite periods of remission. This worries him because treatment options are limited in this type of MS.

In response to Antoine's emerging cognitive challenges, his Roche colleagues have implemented strategies to ensure he can track his tasks. When he requires rehabilitation, which can be last-minute and time-intensive, Roche adapts to accommodate his absence. "We always remain flexible as an organisation because his availability changes depending on his health, and his health is always our priority," says Christine.

#### **Readapting to a new reality**

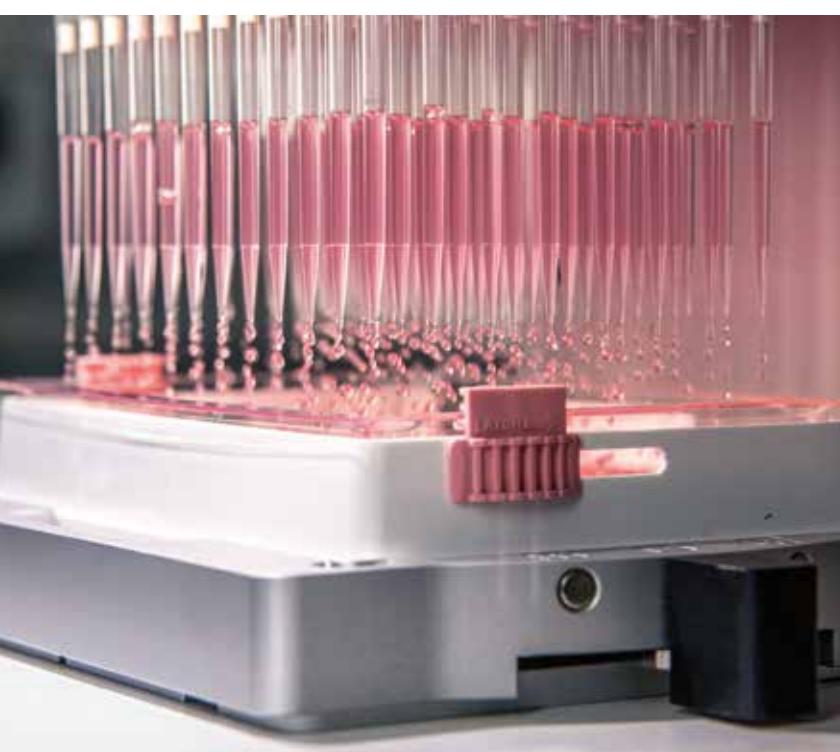
To prioritise the aspects of his health he can control, Antoine has recently given up alcohol and changed his diet. "I have a daughter, I have a family, I can still work, I can still do lots of things. So I try to focus now on what I can do and not what I've lost."

Antoine continues to advance Roche's understanding of life with MS, enabling better patient care. He is a valued colleague who inspires with his commitment to supporting his peers and with his ability to adapt to his changing life. "Readaptation is an important word for me and for all MS patients. Since I've had this condition, I've been working to readapt myself to the new me."

Today, Antoine says he has become more comfortable asking for help and has a new perspective on life. "Having MS puts things into perspective; I don't sweat the small stuff. It changes your way of thinking and your behaviour. It changed my behaviour drastically – for the better I think."



Antoine continues to advance Roche's understanding of life with MS, enabling better patient care. His feedback has ensured that our patient-facing materials are easy to understand.



Human model systems and related cutting-edge technologies have the potential to reduce reliance on animal testing and significantly speed up the drug development process.

# Accelerating drug discovery and development through the Institute of Human Biology

We are at an inflection point in healthcare. Human model systems – miniature, simplified versions of human tissues and organs – are poised to transform the way we discover and develop new therapies. Although still in its infancy, the technology has the potential to reduce reliance on animal testing and significantly speed up the drug development process without sacrificing patient safety.

The Institute of Human Biology (IHB), launched in May 2023, is the latest example of Roche's commitment to advance human model systems. The institute combines the best of exploratory research with the translational power of industry to solve the real-life challenges of drug discovery and development. Established by our Roche Pharma Research and Early Development (pRED) innovation engine, the IHB provides a platform for cutting-edge collaboration among experts in exploratory biology, biomedicine, engineering, computational and data science. No other institute in the world unites all these areas under one roof. Partnerships with academic institutions including the Swiss Federal Institute of Technology (ETH Zurich) ensure we foster the next generation of translational bioengineering talent and equip them to address future healthcare challenges.

One key area of interest for the IHB is 'organoids' – tiny tissue cultures that mimic properties of in vivo organs. They can be derived from a patient's own tissues, enabling individualised diagnosis and treatment. The applications of this technology are far-reaching. For example, cystic fibrosis centres in the Netherlands and beyond now routinely use organoids to determine patient eligibility for cystic fibrosis therapies. This work was led by Hans Clevers, Head of pRED at Roche, who brings considerable expertise in organoids to the IHB.

Roche's pRED has already had success with organoids in testing anti-cancer drugs. Using organoids to assess drug response, scientists progressed drugs into the clinical trial stage without animal testing.

Our capacity to create sustainable solutions for patients that are safer, more effective and more personalised is our key differentiator. Human model systems have the potential to transform healthcare, but there is still a way to go before they reach widespread application. The IHB will play a key role in advancing this technology – contributing to our long-term vision to revolutionise industry drug discovery and development.



The #MyStoryForChange illustrations capture the experiences and challenges women all over the world have encountered throughout their healthcare journey.

# Closing the gaps on women's health equity with XProject

For too long women<sup>1</sup> have been overlooked by healthcare systems that see men as the default. Research into women's health has been chronically underfunded, leaving women facing inequities in treatment, access and care. Women are 50% more likely to be misdiagnosed with a heart attack, for example. The disparities are bigger for women of colour, with black women suffering 41% higher mortality for breast cancer compared to white women.

Recognition of this systemic blindness to the experiences and needs of women has catalysed a movement to amplify and empower women's voices. The #MyStoryForChange campaign from Roche's XProject aims to do just this. Since its launch in early 2023, over 630 women from around the world have shared stories about their healthcare experiences.

"I had endometriosis that was left undiagnosed for about five years – by the time it was found I had a mass twice the size of my uterus," shared one woman. "My mother, a biracial medical doctor, was grossly dismissed by her peers. It took hours of advocating for herself until she received life-saving care," said another of her mother's heart attack.

## Together driving change

Roche has a long-standing history in women's health, pioneering diagnostics and treatments for conditions that primarily address women. XProject represents this continued commitment. It is an ongoing initiative aiming to close the gaps in women's health through partnerships, funding and action to create better health outcomes for everyone. The 'X' in XProject represents the female

chromosome that has historically been overlooked. The project has grown into a number of initiatives spanning health, technology and financing. Teresa Graham, CEO of Roche Pharmaceuticals, together with passionate colleagues, has been a major driving force for the project.

Outside of Roche, momentum has also been building. In March 2023, the United Nations Population Fund (UNFPA) launched the Equity 2030 Alliance, of which Roche is a founding member. The global commitment brings together leaders in the private sector, academia and government to close gender equity gaps.

## Technology is key

FemTech plays a crucial role in the prevention, diagnosis and management of women's diseases. Roche looks to harness the power of innovative technologies to improve patient outcomes – including those specifically designed to collect women's health data. In partnership with Microsoft<sup>2</sup> we developed a tool that uses artificial intelligence and cloud technologies to improve breast cancer diagnosis in the Middle East to 96% accuracy. We continue to support FemTech innovations, for example by participating in the annual FemTechnology Summit, which brings together leaders across the industry, and Tech4Eva, an acceleration programme for women's health start-ups.

Women's health is not a niche issue. And if women are doing better, society is, too. By amplifying women's voices and advancing gender-inclusive solutions in health, technology and financing, we can provide better outcomes for even more people around the world.

<sup>1</sup> We use the terms 'woman' and 'women' to refer to people who biologically have two X chromosomes (XX). However, inclusivity is at the core of XProject and we recognise that these individuals may not all identify as female. We respect that gender identities are diverse and are striving for an equitable health system for all. |

<sup>2</sup> [roche.com/xproject/xstories/technology-for-womens-health](https://roche.com/xproject/xstories/technology-for-womens-health)



In the last 15 years, IIEPO has become the cornerstone of our engagement with the worldwide patient community.

# Engaging with the patient community: thinking globally, acting locally

Our patient partnership model prioritises the integration of patient insights and feedback into early- and late-stage research where we believe the patient voice can have the greatest impact. But the value of this work extends well beyond the development setting and is key to helping shape effective policy, as well as healthcare systems.

This work is closely connected with our mission to help patient communities play a more influential and purposeful role in healthcare – a mission we have championed for the last 15 years through our International Experience Exchange with Patient Organisations (IEEPO).

We are proud that IEEPO has become the cornerstone of our engagement with the worldwide patient community. The platform enables us to help patient organisations identify synergies in their markets and programmes, support them as they build their capabilities to amplify their voice, and collaborate with them on urgent topics with the goal of making healthcare accessible to all.

With more than 1,000 patient community stakeholders participating in the platform and its related events from over 95 countries, IEEPO

is central to our vision of ensuring that patients have a seat at decision-making tables with an informed and active voice that will shape how healthcare is delivered across the globe.

At its core, the mission of IEEPO is to ‘humanise healthcare’ through coordinated action on five key topics:

- Improving health literacy
- Advocating for universal health coverage in all geographies and markets
- Improving the collection and utilisation of health data to support decision-making
- Focusing on prevention and cure with a 50:50 model
- Prioritising diversity, equity and inclusion in healthcare

While each of these topics is complex on its own, and has different implications in every country, we know that sharing knowledge, experience and learnings with and within the patient community ultimately drives change. By thinking globally, we have built our collective capacity to act locally, empowering every person – regardless of their age, sex, gender, race, ethnicity, socioeconomic status, health literacy and geography – to take control of their health.



Roche has a bold ambition to radically improve breast cancer diagnosis and treatment by 2030, so that eight in ten women in Africa will survive five years after diagnosis.

# Supporting breast and cervical cancer services in Africa

Breast and cervical cancer currently constitute over half the cancer burden for women in sub-Saharan Africa, with 60% to 70% of women with these cancers in African countries diagnosed at a late stage. Only five in ten women diagnosed with breast cancer in an African country will survive five years, compared to nine in ten in high-income countries.

Roche has identified breast cancer as a priority condition to be addressed as part of our long-term strategy in Africa, as we believe it will not only support people with the disease but may also support the delivery of other non-communicable diseases and support health equity strategies.

Roche has a bold ambition to radically improve breast cancer diagnosis and treatment by 2030, so that eight in ten women in Africa will survive five years after diagnosis. To achieve this monumental ambition, Roche is working with a consortium of influential stakeholders, uniting governments, civil society, development finance institutions, private sector entities, multilateral organisations, community leaders and healthcare professionals. All are bringing their own expertise and resources to this fight.

In September 2023, the World Health Organization (WHO) Regional Office for Africa announced a pilot to support better access to breast and cervical cancer services in three African countries. Roche is supporting the WHO Regional Office for Africa with funding to provide integrated breast and cervical

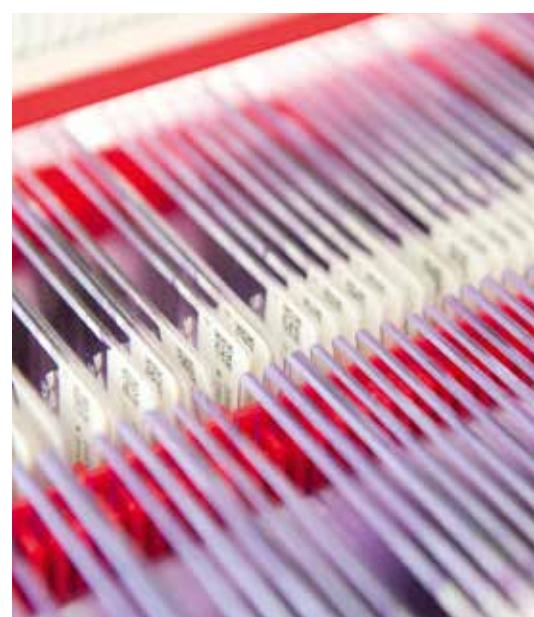
services at six sites across Kenya, Côte d'Ivoire and Zimbabwe.

The initiative includes health promotion, screening, early diagnosis and treatment, as well as general primary care and screening for other non-communicable diseases. Early detection services will be integrated into existing cervical cancer screening clinics to ensure both old and new systems are unified. The aim is to provide an integrated and holistic system of healthcare that will contribute to addressing the burden of breast and cervical cancer in the African region.

The initiative also seeks to increase healthcare workers' ability to provide cancer care within communities through training, and will supply and deliver the necessary equipment and essential supplies to support women at primary healthcare level.

"This programme marks an exciting and tangible step on the path to true health equity in Africa and demonstrates a new way in which the public and private sector can work together to drive real change within healthcare systems," said Maturin Tchoumi, Roche Pharma International Area Head for Africa, at the time of the launch.

Collaborations are absolutely vital to enable long-term, sustainable access to healthcare that goes from screening to diagnosis through to treatment. Roche is proud to support the WHO Regional Office for Africa on this initiative.



Roche has been conducting clinical trials for 25 years and continues to work across Africa to close representation gaps in trial and research data.

## Working towards a healthier future for all

Africa has the world's fastest-growing population and is the birthplace of all of humanity. Yet less than 2% of human genome data comes from people of African descent. This important population is also under-represented in clinical trials, reducing opportunities for scientists to research diseases and develop medicines that are equally effective across global populations.

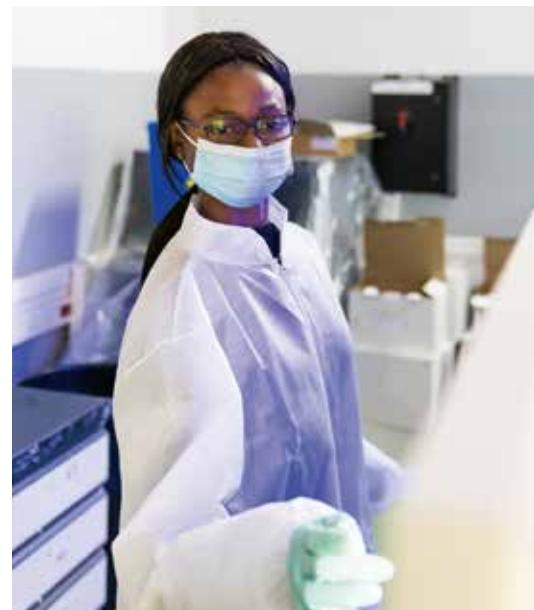
As a science-driven healthcare company striving to improve health outcomes for all patients, Roche is committed to addressing barriers that prevent people from accessing quality healthcare. One of the key ways we work to do this is by ensuring inclusion and increasing representation of historically excluded populations in research and development to help optimise health outcomes for all patients worldwide.

With our commitment in Africa, for example, Roche has been conducting clinical trials for 25 years and continues to work across the continent and its diaspora to close representation gaps in trial and research data. There is a growing momentum across the continent, powered by African scientists and a broad network of partners including NGOs, academia, the public sector and the private sector – including Roche. Through these partnerships, and with recent advances in technology, we are closer than ever to closing these data gaps and ultimately working towards a healthier future for all. At Roche, we are proud of our commitment in Africa and taking part in this momentous push forward.

In addition, through the African Genomics Program, we are expanding equitable data access in Africa and accelerating research. In 2023, a number of initiatives were underway to enhance capacity on the continent for the genomics ecosystem. Two key programmes initiated in 2023 include Together For Change, a collaborative effort with several industry peers and Meharry Medical College to create the largest African genomic database to date, comprising up to 425,000 samples from people of African descent in the US and Africa. The globally available data will increase opportunities to discover new human biology and better diagnose, prevent and treat disease. Additionally, in the Discover Me South Africa collaborative research initiative, we will access and analyse health and genetic information from up to 100,000 patients in South Africa.

At the same time, we are building the capacity of the next generation of African scientists by offering fellowships focused on clinical pharmacology, pathology and human genetics.

We understand that there is still much work ahead, but we are committed to continue to improve inclusion of understudied patients in clinical research, generating data that enables us to assess the safety and efficacy of our innovations in under-represented demographic groups, and reducing barriers to equitable care for diverse patients everywhere.



Roche is committed to helping to improve global diagnostics capacity to enable access to affordable, high-quality healthcare services for all people around the world.

# Improving access to diagnostics through strengthened labs

Diagnostics are essential to decision-making along every step of a patient's health, wellness and disease journey. A diagnostic test alone can help clinicians change the course of someone's healthcare experience – and their life. As a leader in diagnostics, Roche is committed to not only advancing solutions that can support clinicians in making critical decisions for their patients' health, but also improving the way these tools are integrated into health systems around the world.

Healthcare professionals increasingly depend on laboratory tests to make diagnostic and treatment decisions. More than 29 billion tests were performed on Roche Diagnostics platforms in 2023. But the role of the lab goes far beyond the actual test – empowering doctors to make the right decisions at the right time, giving people greater control over their health and well-being, and helping payers and policymakers use resources more efficiently.

Stronger labs not only help healthcare systems make savings in the routine management of population health – like cancer, cardiovascular disease and dementia; but investing in them also helps reduce costs and prepare for any future public health crises – like pandemics. A study in Germany found PCR and antigen testing during the COVID-19 pandemic helped reduce the incidence of infection by 40%, resulting in 62,000 fewer deaths and EUR 2.8 billion in healthcare cost savings.<sup>1</sup>

Insufficient resources and underfunding are two of the greatest challenges facing labs today. Despite the importance of laboratory systems, they lack the political and financial support needed. It is estimated that although lab results drive around 70% of clinical decisions, labs account for only

5% of hospital spend. Roche is committed to helping improve diagnostics capacity around the world by investing in laboratory infrastructure innovations that increase lab efficiency. We are also continuing our support for programmes that train new laboratory professionals and enhance the skills of those already working in the lab. Yet many countries do not have laboratory capacity to meet current needs, let alone those of the future. The challenges are greater in low-income, rural communities. It is thought that 81% of people in low- and middle-income countries (LMICs) have little or no access to life-saving diagnostics. Many of these countries lack an integrated laboratory network that can provide high-quality, accessible and efficient lab testing services.

In May 2023, Roche welcomed the adoption of the Resolution on Strengthening Diagnostics Capacity by the World Health Assembly (WHA). The resolution supports diagnostics as a core pillar of universal health coverage (UHC) – a guarantee that all people have access to affordable, high-quality health services. The adoption of the resolution represents an important step towards increasing global access to novel, high-medical-value diagnostics solutions.

With added momentum from the WHA resolution, Roche is partnering with stakeholders through advocacy and public-private partnerships to implement and drive greater diagnostics capacity globally – focusing on LMICs where access is most critical. One example is our partnership with the Global Fund that helps improve the diagnosis of HIV and tuberculosis in LMICs by building local diagnostics capacity. We will continue to advocate political commitment to strengthening laboratories as a key driver to achieving UHC.

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<sup>1</sup> [go.roche.com/impact-corona-testing-economy-and-health-care](https://go.roche.com/impact-corona-testing-economy-and-health-care)



Roche's years-long engagement with Uruguay's haemophilia stakeholders was instrumental in establishing the foundation for universal coverage.

# Innovative and novel access solutions for a treatment option in Uruguay

Hemlibra is approved in 120 countries for people living with haemophilia A inhibitors and in 108 countries for people with no inhibitors. To increase access to innovative treatment options, patient organisations, treatment centres and pharmaceutical companies must work together with governments to make clinically informed decisions that help to improve the lives of patients.

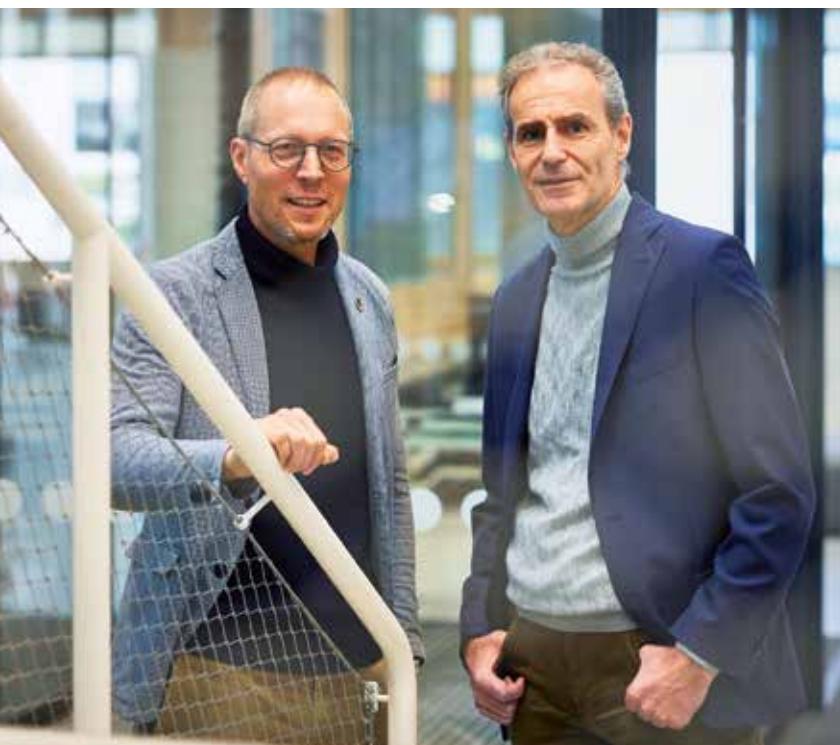
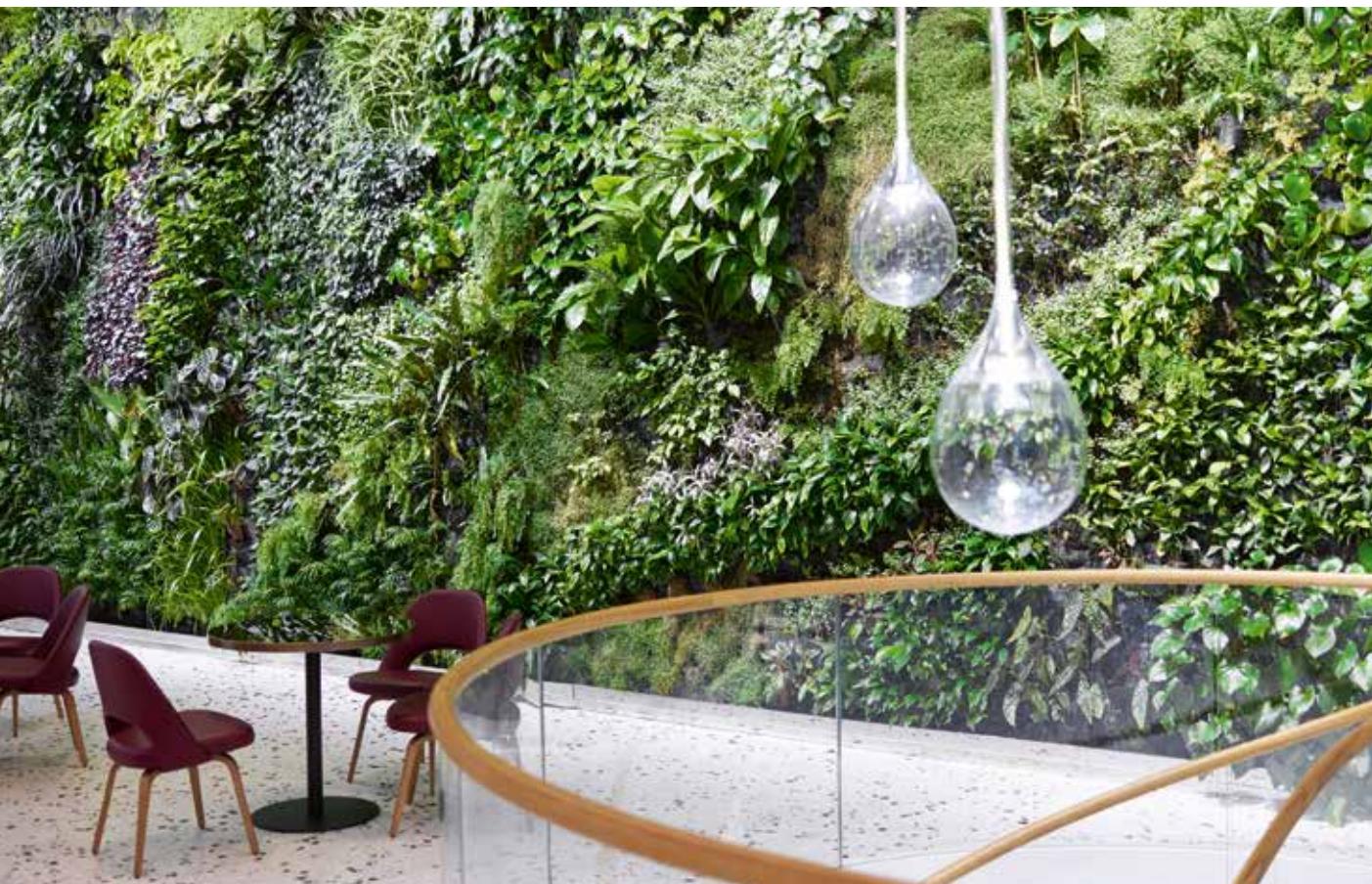
In Latin America, Roche has spent years listening to the haemophilia community to better understand their needs and provide integral solutions, thus being considered as a trusted and ethical partner. The provided solutions based on continuous collaboration between different sectors resulted in a first-of-its-kind agreement in Uruguay to offer coverage of the treatment option to paediatric patients and adults with inhibitors to factor VIII.

Roche's years-long engagement with Uruguay's haemophilia stakeholders, including supporting the haemophilia patient association to develop a population census, was instrumental in establishing

the foundation for universal coverage. This was originally expected to be achieved by 2024. But negotiations accelerated after a young boy with haemophilia wrote to the country's president in 2021, describing life lacking access to treatment and asking for therapy for every child with haemophilia who needed treatment in Uruguay. To innovate a solution, Roche put together a team of colleagues from Access, Pricing, Medical and Compliance.

Expanding access to innovative treatment options under budget constraints required both an innovative payment model and an unwavering commitment to transparently and ethically co-create the model with the patient organisation, physicians, opinion leaders, healthcare providers, payers and the government.

As we mark the 75th anniversary of Roche in Uruguay, we are proud of the trusted reputation we've maintained in the country, which enabled us to bring innovative treatments to people.



Roche has expanded its architectural focus to include sustainable construction principles, aiming to set a benchmark for the industry.

# Taking a holistic approach to sustainable building construction

The construction sector accounts for around 60% of global waste and half of the world's energy consumption. Recognising our role as a global entity, Roche is determined to help mitigate these impacts. Building on its rich tradition of architectural excellence, Roche has expanded its focus to include sustainable construction principles, aiming to set a benchmark for the industry.

Sustainability in construction is a necessity, and Roche has risen to this challenge. Using our own novel sustainable construction methodology, Roche has seamlessly integrated sustainable building into our ethos. This approach not only promotes sustainability through reduced environmental impact but also encourages productivity and community contribution.

Three key pillars underpin Roche's sustainable construction approach:

1. Applying circularity principles to reduce waste and increase resource reuse and recycling.
2. Cutting greenhouse gas (GHG) emissions with the aim of reducing the building's carbon footprint.
3. Designing to enhance the productivity and well-being of the building's occupants.

Roche has developed a software tool to make it possible to carry out construction projects in compliance with all relevant sustainable construction requirements. The tool evaluates a building's entire sustainability performance from the planning stage through to the end of life. The new buildings are designed to conserve

energy while fostering an environment that boosts employee efficiency and prioritises their health and comfort. Evaluations revealed that sustainable buildings at Roche require on average 25% less energy compared to standard buildings, and users show 2–5% higher productivity.

Collaboration is central to Roche's vision for sustainable construction. For example, our work with the Science Based Targets initiative (SBTi) to set GHG reduction targets in line with climate science demonstrates our commitment to reducing our impact and underscores the broader significance and urgency of sustainable construction in today's world. Our sustainable construction approach is a competitive differentiator and helps us generate long-term value.

One example of this commitment is the Re-Use for Kids initiative. In collaboration with the Canton of Basel-Stadt and the Bern University of Applied Sciences, our site in Basel is testing the reuse of old building components to build two kindergartens for the city. This innovative project not only demonstrates our commitment to sustainability but also contributes to the well-being and connection of the community.

Building on our architectural heritage, Roche's holistic approach to sustainable construction positions us as a role model in the industry. With a focus on environmental protection and community engagement, our buildings stand as symbols of Roche's values – each one marking a step towards a more circular and decarbonised economy.



The funds Roche employees raise through the Roche Children's Walk go to Re&Act which supports early childhood development and education with partners like Selam Children's Village in Ethiopia (left) and UNICEF projects (right, © UNICEF/UNI160400/Ose) around the world.

# Twenty years of impact for children

Every child has the right to education. But girls in Malawi miss 12 to 26 days of school each year on average due to the stigma and discrimination they face for menstruating.

To help keep girls in school, UNICEF runs a programme to create awareness for menstrual health and help reduce stigma and discrimination. The Roche Employee Action and Charity Trust (Re&Act), an independent entity funded by Roche employees through the Children's Walk, has supported this UNICEF programme since 2020. Since then, the programme has educated 5,600 school and community members in menstrual health and hygiene and provided 6,800 girls with reusable pads and other supplies.

"I don't view menses as a curse anymore," said one of the young women who received education about menstrual health through the programme. "My schoolmates and I freely talk about it and support each other, so everyone can learn in peace."

The work in Malawi is just one example of the many projects supported by Re&Act. The charity is rooted in our tradition of philanthropy and reflects our commitment to act as global citizens contributing to local efforts to build stronger and healthier communities.

In 2023, we were proud to celebrate 20 years of the Roche Children's Walk. Over the years, more than 315,000 Roche employees have participated in the event, raising over CHF 23 million for children in need.

## Partnering for progress

Since the Children's Walk started in 2003, Re&Act has partnered with a range of non-profit organisations to support early childhood

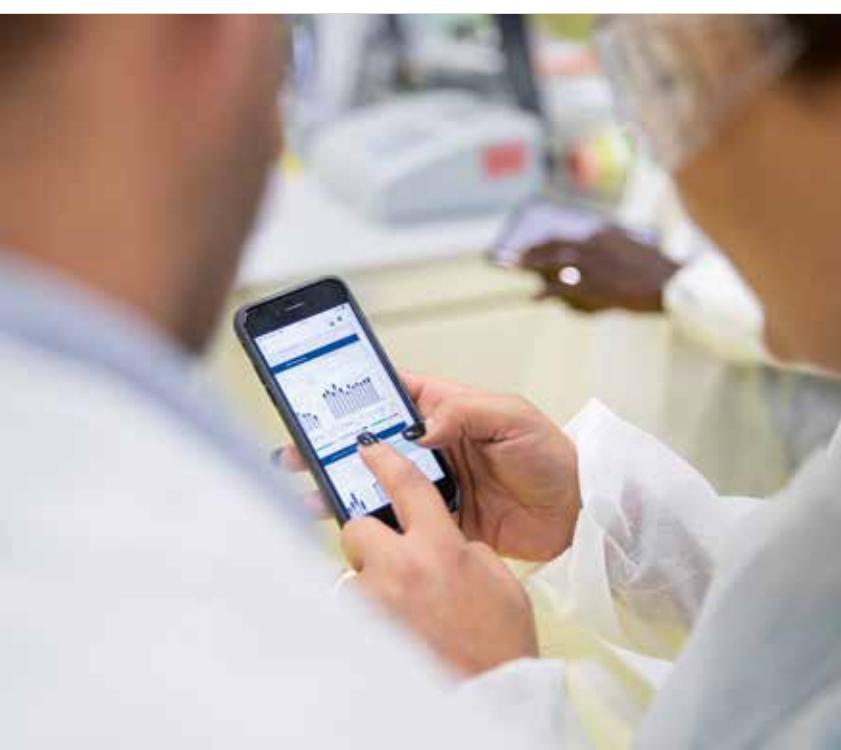
development and education efforts around the world. From the beginning, our partnership with UNICEF has supported access to education for children from disadvantaged backgrounds. In total, over 450,000 children have benefitted from UNICEF educational programmes across Ethiopia, Malawi, Nepal and the Philippines. Other partners include Child's Dream, an organisation working to improve education access for children in Cambodia; Selam Charity, that supports orphans in Ethiopia; and the Roger Federer Foundation, that supports a range of childhood development initiatives.

## Roche employees making it possible

Our collaboration with these incredible organisations is only possible through our employees' dedication to the Children's Walk. In 2023 alone, over 23,000 employees participated across 170 Roche sites in 75 countries, raising more than CHF 1 million.

Over the last 20 years, 166 leading Roche fundraisers and contributors have experienced first-hand the impact of funds raised by the Children's Walk as ambassadors. In 2023, six ambassadors visited Cambodia to see the work Child's Dream has done to improve school infrastructure, create computer facilities and provide high-school scholarships. Eight ambassadors travelled to Ethiopia to see the Selam Children's Village, supported by Re&Act since 2017 to fund orphan homes and youth vocational training, and to Malawi to visit some of the essential educational projects led by UNICEF.

The stories shared by our ambassadors, partners and especially the children they serve remind us of the incredible impact that education can have on children's lives.



We aspire to deliver the security and privacy that our regulators require, our customers expect and our patients deserve.

# Privacy and security that regulators require, customers expect and patients deserve

We believe data is integral to improving the lives of patients, the physicians who treat them and the health systems that care for them. In 2023, we focused on strengthening our zero-trust network and refining our shared-responsibility model to help protect our data and enable our entire organisation to achieve our mission of doing now what patients need next.

## **Zero-trust networking**

The industry's historical security model can be compared to a castle and a moat. The inside was assumed to be safe because all the dangers were kept outside. Unfortunately, that model never really worked. An attack on one computer could put everything at risk at once. That is, an attacker who got past the moat had a chance to take the whole castle. The solution to this problem is a model called zero-trust networking, which assumes every activity comes with some level of risk and that any device could be attacked or misused.

Instead of assuming no bad actors will make it across the moat and intrinsically trusting the corporate network, our model doesn't trust networks at all. Instead, it trusts identities. This means we make sure we know who is accessing what data and when. The benefit of this approach is that, in the event of a breach, damage is contained. A compromised device is much less likely to pose a threat to the company at large. Under zero-trust, attackers trying to breach the castle get stuck in the stables.

## **Shared-responsibility model**

At Roche, cybersecurity is a shared responsibility. In our shared-responsibility model we clearly

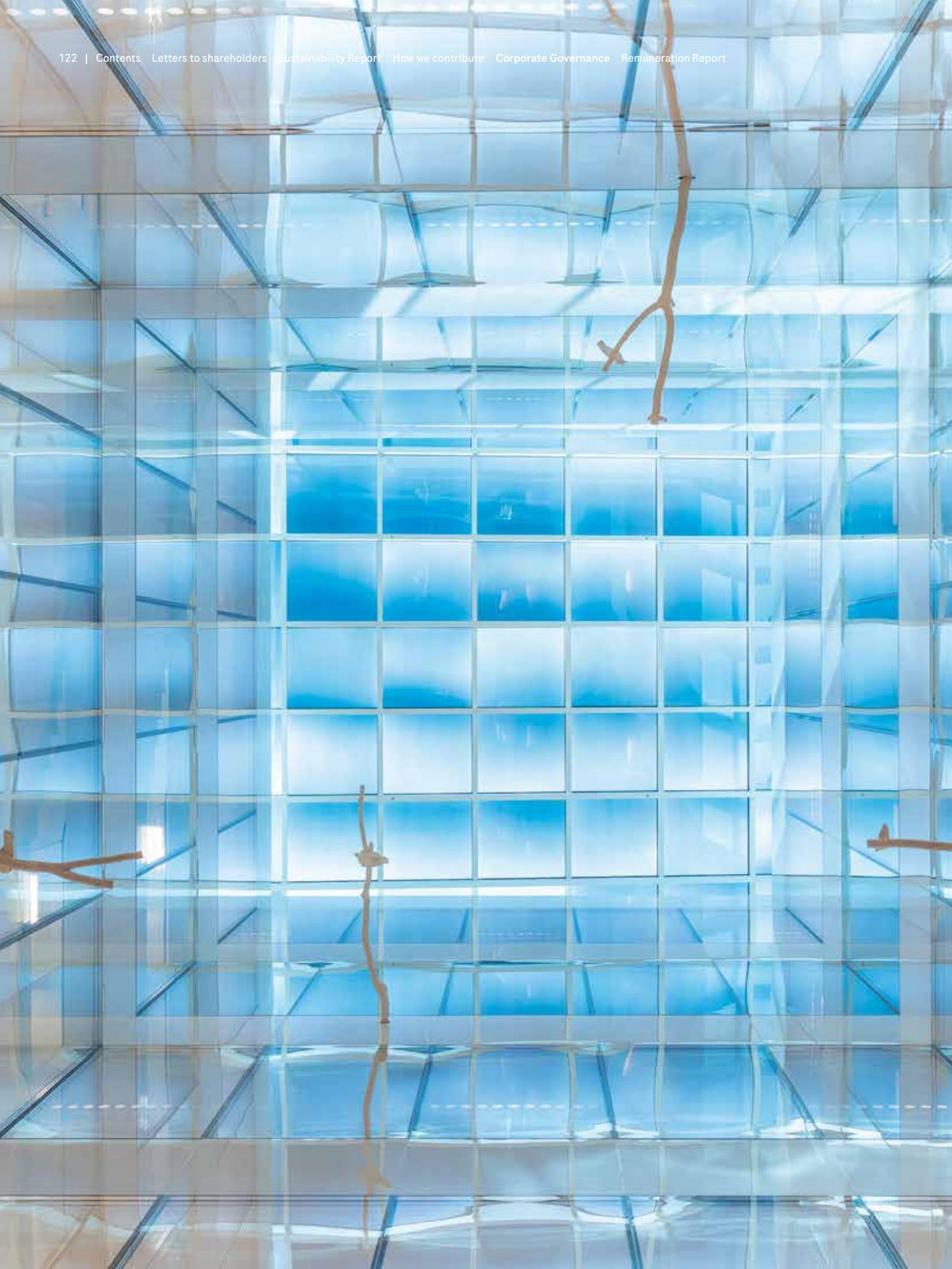
define who is responsible for which tasks to ensure smooth, efficient operation. Roche security teams partner closely to follow governance and risk management processes, ensuring security privacy end to end.

Our security experts ensure effective vulnerability and incident management and promote security and privacy awareness, supported by training. We hold our partners and vendors to the same high standards we set for ourselves. Through a rigorous assessment process, we mitigate risks and ensure our partners meet stringent cybersecurity and compliance requirements. Finally, we report on product security and privacy and integrate customer feedback into product requirements.

## **Looking ahead**

Today's world is more digitally connected than ever before, but with that comes network fragility. Attacks have become more sophisticated and the proliferation of connected devices has increased the threat surface. To put it in terms of the castle and the moat: the castle stores more treasure, the invaders have learned to swim, and the moat's water level is dropping.

To achieve our mission in this environment, we've traded the castle and moat for a model of zero-trust networking and shared responsibility. Through a sensible and thoughtful approach, we balance the realities of today's modern workforce with a pragmatic security approach that understands the threat landscape and user behaviour. This allows us to focus on what drives us each day: doing now what patients need next.



# Corporate Governance

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# Principles

Business activities with a focus on sustainable value creation and innovation, a management culture conforming to recognised standards of good corporate governance and a policy of transparent communication embody Roche's corporate governance principles, which build the basis for the successful implementation of Roche's commitment to serving all its stakeholders.

A strong Board of Directors which represents the interests of the shareholders and all other stakeholders, and highly skilled managers who act with integrity are extremely important.

Roche ranked as one of the top three most sustainable healthcare companies in the Pharmaceuticals index of the Dow Jones Sustainability Indices (DJSI) for the 15th year running. This recognition is based on an in-depth analysis of economic, social and environmental performance. Sustainability is at the core of our business practices and this award reflects our commitment to running our business in a way that is ethical, responsible and creates long-term value for stakeholders.

This Corporate Governance Report sets out the structures, processes and rules which Roche takes as the basis for well-functioning corporate governance. In doing so, Roche complies with all

relevant corporate governance requirements, in particular with all applicable laws, the Swiss Stock Exchange (SIX Swiss Exchange) directives and the Swiss Code of Best Practice for Corporate Governance promulgated by the Swiss business federation 'economiesuisse'. The company's internal governance framework, particularly its Articles of Incorporation and Bylaws, embodies all the principles needed to ensure that the company's businesses are managed and supervised in a manner consistent with good corporate governance, including the necessary checks and balances.<sup>1</sup>

The printed Annual Report contains selected links to the Roche website (<https://www.roche.com>). Readers are thus provided not only with a 'snapshot' of our company at the reporting date but are also directed to sources which they can consult at any time for up-to-date information about corporate governance at Roche. Whereas each Annual Report covers a single financial year ending 31 December, our website contains information of a more permanent nature, as well as the latest Roche news. The company's Articles of Incorporation, Bylaws and the curricula vitae of current and former members of the Board of Directors and the Corporate Executive Committee are published on our website (status as per end of term and as at the reporting date on 31 December of each year, at least of the last ten years).

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<sup>1</sup> <https://www.roche.com/about/governance>

## Annual General Meeting

Board of Directors  
and Board Committees

Corporate Executive Committee

Enlarged Corporate Executive Committee



# Board of Directors

## Review AGM 2023

Under the chair of Roche's now-resigned Chairman, Dr Christoph Franz, the 105th ordinary Annual General Meeting (AGM) of Roche Holding Ltd was held on 14 March 2023 for the first time since 2019 without any COVID-19 restrictions and with shareholders attending in person again.

As successor of Dr Christoph Franz, shareholders elected Dr Severin Schwan as a member of the Board of Directors (member since 2013) and as the new Chairman of the Board of Directors for a term of one year as provided by the Articles of Incorporation. At the same time with this election, Dr Severin Schwan resigned as a member of the Corporate Executive Committee (member since 2006) and as the CEO Roche Group (since 2008).

Furthermore, the AGM re-elected André Hoffmann, Dr Jörg Duschmalé, Dr Patrick Frost, Anita Hauser, Prof. Dr Richard P. Lifton, Dr Jemilah Mahmood, Bernard Poussot and Dr Claudia Suessmuth Dyckerhoff as members of the Board of Directors for a term of one year as provided by the Articles of Incorporation.

Moreover, Prof. Dr Akiko Iwasaki and Dr Mark Schneider were elected as new members of the Board of Directors for a term of one year.

In addition, the AGM re-elected André Hoffmann, Prof. Dr Richard P. Lifton, Bernard Poussot and elected Dr Jörg Duschmalé and Anita Hauser as members of the Remuneration Committee for a term of one year.

## Review on reporting year

At its organising meeting immediately following the AGM, the Board of Directors determined the structure and composition of its remaining committees as shown on page 129 (see also page 8 and page 137 'Board of Directors and Corporate Executive Committee').

## Outlook AGM 2024

On 12 March 2024, at the forthcoming AGM the Board of Directors nominates Dr Severin Schwan as its Chairman for re-election.

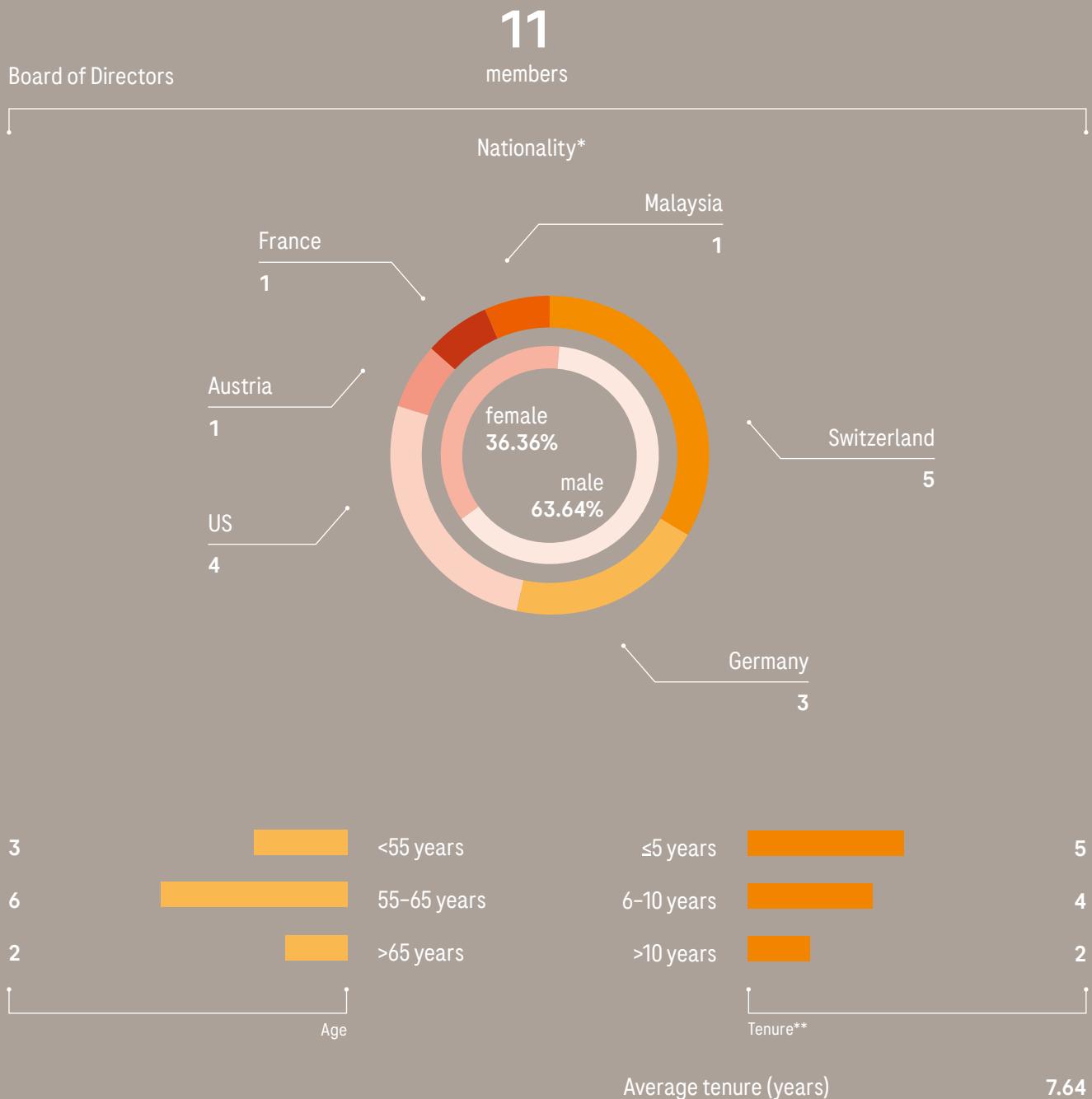
The Board of Directors further nominates all other remaining members of the Board of Directors for re-election.

Moreover, the Board of Directors nominates André Hoffmann, Dr Jörg Duschmalé, Anita Hauser and Prof. Dr Richard P. Lifton for re-election to the Remuneration Committee at the AGM in 2024.

The Board of Directors nominates Testaris AG for election as independent proxy by the AGM in 2024 for the period from 2024 until the conclusion of the 2025 ordinary AGM of shareholders.

Board of Directors  
and Board Committees





\* Incl. 2x dual citizen and 1x triple citizen | \*\* Calculated from year of first election to 2024

Composition as at 31.12.2023	Name (year of birth)	Nationality	Committee membership/ chair*	(Non)- executive/ (In-) dependent member	Function	First elected
<b>Board of Directors</b>	Dr Severin Schwan (1967)	CH, AT, DE	D*	E	Chairman	2013 (as a member) 2023 (as Chairman)
	André Hoffmann (1958) (representative of the shareholder group with pooled voting rights)	CH	A*, C*, D	E, G	Vice-Chairman	1996
	Dr Jörg Duschmalé (1984) (representative of the shareholder group with pooled voting rights)	CH	B, C	E, G	Member	2020
	Dr Patrick Frost (1968)	CH	B*	E, G	Member	2020
	Anita Hauser (1969)	CH	C, D	E, G	Member	2017
	Prof. Dr Akiko Iwasaki (1970)	US	A	E, G	Member	2023
	Prof. Dr Richard P. Lifton (1953)	US	C	E, G	Member	2015
	Dr Jemilah Mahmood (1959)	MY	A	E, G	Member	2022
	Bernard Poussot (1952)	US, FR	C	E, G	Member	2015
	Dr Mark Schneider (1965)	US, DE	B	E, G	Member	2023
	Dr Claudia Suessmuth Dyckerhoff (1967)	DE	A, B	E, G	Member	2016
<b>Secretary to the Board of Directors</b>	Per-Olof Attinger (1960)					

A Corporate Governance and Sustainability Committee  
 D Chairman's/Nomination Committee  
 G Independent member of the Board of Directors

B Audit Committee  
 E Non-executive director  
 \* Committee chairperson

C Remuneration Committee  
 F Executive director – currently no member

Roche's Board of Directors' independence definition is based on the definition in the Swiss Code of Best Practice for Corporate Governance of 'economiesuisse' (see [https://www.economiesuisse.ch/sites/default/files/publications/swisscode\\_e\\_web.pdf](https://www.economiesuisse.ch/sites/default/files/publications/swisscode_e_web.pdf)) and is complemented by specific preceding criteria (see <https://www.roche.com/about/governance/board-of-directors>).

#### Members of the Board of Directors: CVs and mandates

Detailed information is available as follows:

- a) Current members: <https://www.roche.com/about/governance/board-of-directors>
- b) Former members (at least of the last ten years): <https://www.roche.com/about/governance/ec-bod-former>
- c) Information at the reporting date on 31 December of each year (at least of the last ten years): <https://www.roche.com/about/governance/archiv-former-cvs>

Information of the members of the Board of Directors shown is in accordance with the Directive on Information relating to Corporate Governance (DCG, <https://www.ser-ag.com/dam/downloads/regulation/listing/directives/dcg-en.pdf>) and also specifically includes mandates in accordance with article 734e and article 626 para. 2 point 1 of the Federal Act on the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations [CO]) that may be carried out in comparable positions in other undertakings with commercial objects. Rules on mandates applying for members of the Board of Directors and the Corporate Executive Committee are in accordance with §22.4 of the Articles of Incorporation of Roche Holding Ltd (<https://assets.cwp.roche.com/f/126832/x/bb7e156602/roche-statuten-2023-en.pdf>) and are explained on page 137.

<b>Board of Directors Committees</b>	<b>A Corporate Governance and Sustainability Committee</b>  André Hoffmann (Chair) Prof. Dr Akiko Iwasaki Dr Jemilah Mahmood Dr Claudia Suessmuth Dyckerhoff	<b>B Audit Committee</b>  Dr Patrick Frost (Chair) Dr Jörg Duschmalé Dr Mark Schneider Dr Claudia Suessmuth Dyckerhoff	<b>C Remuneration Committee</b>  André Hoffmann (Chair) Dr Jörg Duschmalé Anita Hauser Prof. Dr Richard P. Lifton Bernard Poussot	<b>D Chairman's/Nomination Committee</b>  Dr Severin Schwan (Chair) André Hoffmann Anita Hauser
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# Corporate Executive Committee

In 2023, memberships of the Corporate Executive Committee and of the Enlarged Corporate Executive Committee changed as follows.

## Corporate Executive Committee

With his election as the new Chairman of the Board of Directors of Roche Holding Ltd on 14 March 2023, Dr Severin Schwan resigned as a member of the Corporate Executive Committee (member since 2006) and as the CEO Roche Group (since 2008).

Effective 14 March 2023, the Board of Directors appointed Dr Thomas Schinecker, former CEO Roche Diagnostics, as Dr Schwan's successor as the CEO Roche Group. Due to Bill Anderson's resignation as CEO Roche Pharmaceuticals effective 31 December 2022, Dr Thomas Schinecker became in addition the ad interim CEO Roche Pharmaceuticals as of 1 January 2023 until 28 February 2023.

Effective 1 January 2023, Matt Sause, former Head of Roche Diagnostics' North America region, succeeding Dr Thomas Schinecker, became CEO Roche Diagnostics and a member of the Corporate Executive Committee.

Effective 1 March 2023, Teresa Graham, former Head of Global Product Strategy for Roche Pharmaceuticals, was appointed CEO Roche Pharmaceuticals and became a member of the Corporate Executive Committee.

## Enlarged Corporate Executive Committee

Effective 1 March 2023, Dr Levi Garraway, Head of Global Product Development and Chief Medical Officer, became a new member of the Enlarged Corporate Executive Committee.

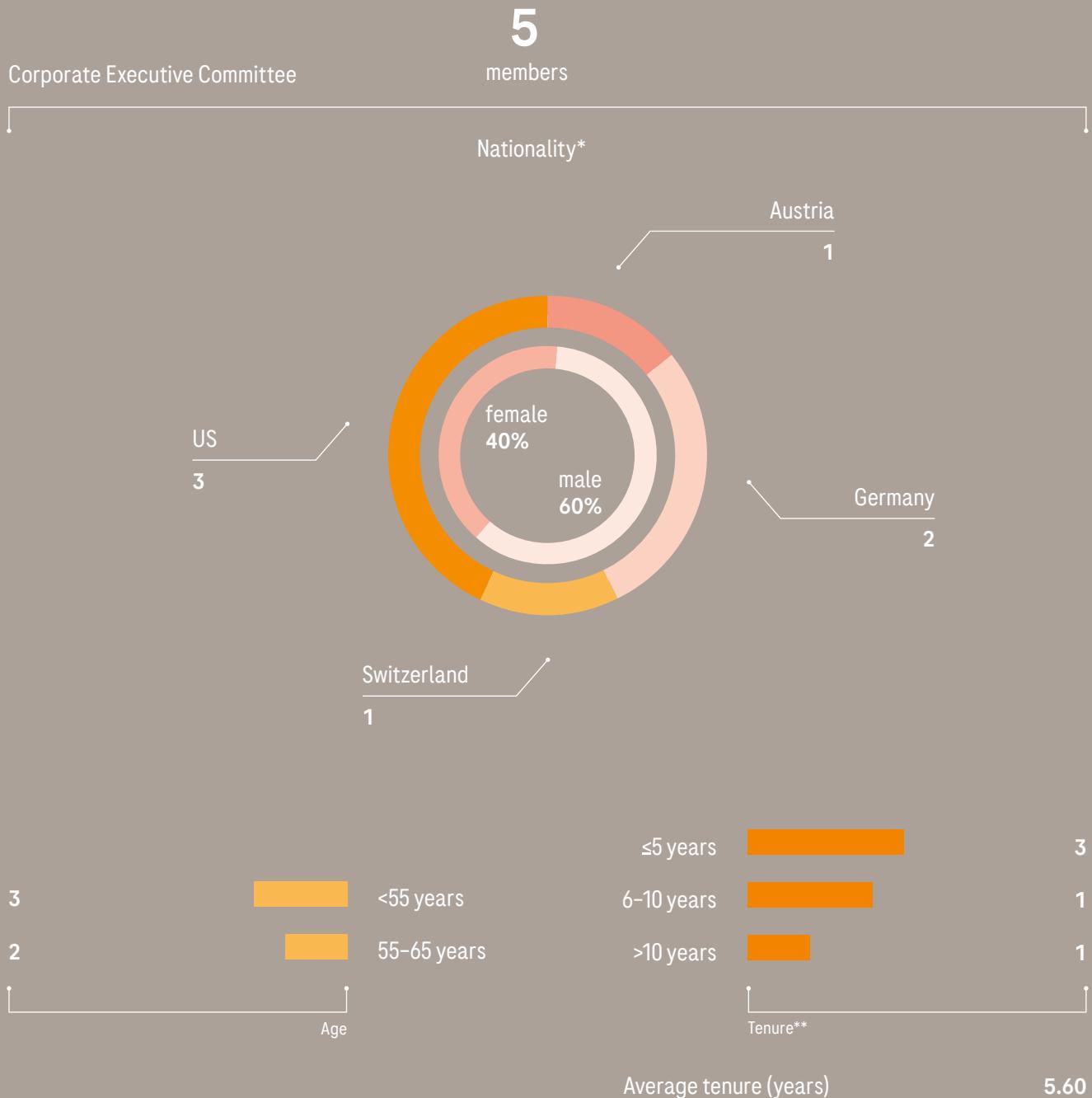
As of 1 April 2023, Silke Hörnstein, former Head of Global Strategy and Transformation for Roche Diagnostics, became Head of Corporate Strategy and Sustainability as well as Secretary to the Corporate Executive Committee and a new member of the Enlarged Corporate Executive Committee.

Information on each member of the Corporate Executive Committee and of the Enlarged Corporate Executive Committee is listed on page 133 (see also page 12 and page 137 'Board of Directors and Corporate Executive Committee').

## Corporate Executive Committee



## Enlarged Corporate Executive Committee



\* Incl. 2x dual citizen | \*\* Calculated from first year of membership in the Corporate Executive Committee to 2024

Composition as at 31.12.2023	Name (year of birth)	Nationality	Position	Since
<b>Corporate Executive Committee</b>	Dr Thomas Schinecker (1975)	AT, DE	CEO Roche Group	2019 (as a member) 2023 (as CEO)
	Teresa Graham (1973)	US	CEO Roche Pharmaceuticals	2023
	Matt Sause (1977)	US	CEO Roche Diagnostics	2023
	Dr Alan Hippe (1967)	CH, DE	Chief Financial and Information Officer	2011
	Cristina A. Wilbur (1967)	US	Chief People Officer	2016
	Claudia Böckstiegel (1964)	CH, DE	General Counsel	2020
	Prof. Dr Hans Clevers (1957)	NL	Head Roche Pharma Research and Early Development (pRED)	2022
	Dr Levi Garraway (1968)	US	Head Global Product Development and Chief Medical Officer	2023
	Silke Hörnstein (1975)	DE	Head Corporate Strategy and Sustainability	2023
	Dr Aviv Regev (1971)	IL, US	Head Genentech Research and Early Development (gRED)	2020
<b>Secretary to the Corporate Executive Committee</b>	Dr James H. Sabry (1958)	CA, US	Global Head Pharma Partnering	2018
	Barbara Schädler (1962)	DE	Head Group Communications	2019
	Silke Hörnstein (1975)	DE		2023
<b>Statutory Auditors of Roche Holding Ltd</b>	KPMG Klynveld Peat Marwick Goerdeler SA (reporting years 2004–2008)			
	KPMG AG (since 2009)			
	Auditor in charge: John A. Morris (2004–2010)			
	Ian Starkey (2011–2017)			
	Mark Baillache (2018–2021)			
<b>Chief Compliance Officer</b>	François Rouiller (since 2022)			
	Pascale Schmidt (1973)			2020

**Members of the Corporate Executive Committee: CVs and mandates**

Detailed information is available as follows:

- a) Current members: <https://www.roche.com/about/governance/executive-committee>
- b) Former members (at least ten years back): <https://www.roche.com/about/governance/ec-bod-former>
- c) Information at the reporting date on 31 December of each year (at least of the last ten years): <https://www.roche.com/about/governance/archiv-former-cvs>

Information of the members of the Corporate Executive Committee shown is in accordance with the Directive on Information relating to Corporate Governance (DCG, <https://www.ser-ag.com/dam/downloads/regulation/listing/directives/dcg-en.pdf>) and also specifically includes mandates in accordance with article 734e and article 626 para. 2 point 1 of the Federal Act on the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations [CO]) that may be carried out in comparable positions in other undertakings with commercial objects. Rules on mandates applying for members of the Board of Directors and the Corporate Executive Committee are in accordance with §22.4 of the Articles of Incorporation of Roche Holding Ltd (<https://assets.cwp.roche.com/f/126832/x/bb7e156602/roche-statuten-2023-en.pdf>) and are explained on page 137.

# Group structure and shareholders

Roche's operating businesses are organised into two divisions: Pharmaceuticals and Diagnostics.

The Pharmaceuticals Division comprises the two business segments Roche Pharmaceuticals (including Genentech in the United States) and Chugai.

In 2021, the Diagnostics Division replaced the previous business area structure of its four business areas with new customer areas. Sales are presented by the following customer areas: Core Lab, Molecular Lab, Point of Care, Pathology Lab, Diabetes Care (for details see Finance Report, page 26).

Business activities are carried out through Group subsidiaries and associated companies. Detailed

information on Roche Holding Ltd and on significant subsidiaries and associated companies (including company name, listing information, domicile, share capital and equity interest) is listed in the Finance Report, Note 33 to the Roche Group Consolidated Financial Statements ('List of subsidiaries and associates', page 143).

Major shareholders are listed in the Finance Report, Notes 22 and 32 to the Roche Group Consolidated Financial Statements ('Equity attributable to Roche shareholders' and 'Related parties', pages 100 and 140), and in Note 4 to the Financial Statements of Roche Holding Ltd ('Significant shareholders', page 190). In addition, significant shareholders are published on the relevant webpage (see link below\*) of the disclosure office of SIX Exchange Regulation.

## Pharmaceuticals

	Roche Pharmaceuticals (incl. Genentech)
	Chugai
	Core Lab
	Molecular Lab
	Point of Care
	Pathology Lab
	Diabetes Care

## Diagnostics

Composition as at 31.12.2023

\* SIX Exchange Regulation: <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

André Hoffmann (above), Chairman of the Corporate Governance and Sustainability Committee and of the Remuneration Committee, and Dr Jörg Duschmalé (below), member of the Audit Committee and of the Remuneration Committee

André Hoffmann (Vice-Chairman of the Board of Directors, Chairman of the Remuneration Committee and of the Board's Corporate Governance and Sustainability Committee and member of the Board's Chairman's/Nomination Committee) and Dr Jörg Duschmalé (member of the Board of Directors, of the Board's Audit Committee and of the Remuneration Committee) serve in their respective capacities on the Board and its committees as representatives of the shareholder group with pooled voting rights and receive the remuneration set forth in the Remuneration Report on page 162 and in the Finance Report, Note 32 to the Roche Group Consolidated Financial Statements ('Related parties', page 140). No other relationships exist with the shareholders with pooled voting rights.

There are no cross-shareholdings.



# Capital structure

Information on Roche's capital structure is provided in the Finance Report, Notes to the Financial Statements of Roche Holding Ltd (page 187). Additional details are contained in the Articles of Incorporation of Roche Holding Ltd.<sup>2</sup>

Movement in recognised amounts during the last three financial years are detailed in the Finance Report, Notes to the Financial Statements of Roche Holding Ltd (page 189).

The company has a share capital of CHF 106,691,000, divided into 106,691,000 fully paid bearer shares with a nominal value of CHF 1 each. There are no restrictions on the exercise of the voting rights of these bearer shares.

There is no authorised or conditional capital.

In addition, 702,562,700 non-voting equity securities (NES) have been issued in bearer form. They do not form part of the share capital and confer no voting rights. Each NES confers the same rights as one share to participate in available earnings and in any liquidation proceeds following repayment of the share capital. Roche's NES and the rights pertaining thereto (including the provisions protecting the interests of NES holders) are described in §4 of the Articles of Incorporation of Roche Holding Ltd.

Information on debt instruments which have been issued and on outstanding bonds is provided in the Finance Report, Note 21 to the Roche Group Consolidated Financial Statements ('Debt', page 94).

Information on employee stock options is provided in the Finance Report, Note 27 to the Roche Group Consolidated Financial Statements ('Equity compensation plans', page 114), including detailed information on the Stock-settled Stock Appreciation Rights (S-SARs) Plan, the Restricted Stock Units (RSUs) Plan, Roche Connect and the Roche Option Plan.

Roche has issued no options apart from employee stock options as described in the Finance Report, Note 27 to the Roche Group Consolidated Financial Statements ('Equity compensation plans', page 114), and options issued in connection with debt instruments.

Neither the options awarded to employees nor the debt instruments which have been issued have any effect on Roche's share capital.

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<sup>2</sup> <https://www.roche.com/about/governance/article-of-incorporation>

# Board of Directors and Corporate Executive Committee

Information on each member of the Board of Directors and on each member of the Corporate Executive Committee is listed on pages 129 and 133. Members of the Board of Directors have no age limit or restriction on their term of office.

Curricula vitae (CVs) of all current and former members (of at least the last ten years) of both bodies and other information (including information on the years of their first election, Board memberships, additional positions, memberships and activities) are available and continuously updated on the Internet. In addition, the status of the CVs of both bodies at the relevant reporting date on 31 December (of at least the last ten years) is separately available, too.<sup>3</sup>

Rules pursuant to article 626 para. 2 point 1 of the Federal Act on the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations [CO]) on the number of permitted activities of the Board of Directors and the Corporate Executive Committee members are outlined in §22.4 of the Articles of Incorporation of Roche Holding Ltd.<sup>4</sup>

- *No member of the Board of Directors may assume more than 10 additional mandates, of which no more than 4 may be in publicly listed companies.*
- *No member of the Corporate Executive Committee may assume more than 5 additional mandates, of which no more than 1 may be in a publicly listed company.*

These restrictions do not apply to:

- a. Mandates at companies controlled by the company or which control it.
- b. Mandates which a member of the Board of Directors or of the Corporate Executive Committee assumes by order of the company or by order of companies controlled by the company.
- c. Mandates at associations, foundations, family foundations and employee welfare foundations.

Mandates shall mean mandates in comparable functions at other companies with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed as a single mandate.

Since 2014, the Annual General Meeting has elected all members of the Board of Directors, the Chairman of the Board of Directors and the members of the Remuneration Committee on an annual basis in elections in which each nominee is voted on separately (see §18 of the Articles of Incorporation of Roche Holding Ltd<sup>4</sup> and the minutes of the 105th ordinary Annual General Meeting of Roche Holding Ltd, held on 14 March 2023<sup>5</sup>).

With the exception of Dr Severin Schwan, none of the members of the Board of Directors in office at the end of 2023 was a member of Roche's Corporate Executive Committee or served in an executive capacity at any Group subsidiary during the three financial years preceding the current reporting period and they are for lack of existing business connections with the Group or any Group subsidiary independent. Roche's Board of Directors' independence definition is based on the definition in the Swiss Code of Best Practice for Corporate Governance of 'economiesuisse' (see [https://www.economiesuisse.ch/sites/default/files/publications/swisscode\\_e\\_web.pdf](https://www.economiesuisse.ch/sites/default/files/publications/swisscode_e_web.pdf)) and is complemented by specific preceding criteria (see <https://www.roche.com/about/governance/board-of-directors>).

The Principles of Governance (principles of delegation and competence, reservation of powers and management of a group of companies) of the executive bodies of the company include economic, environmental and social topics. The principles together with the internal organisation of the Board of Directors, the division of authority

<sup>3</sup> <https://www.roche.com/about/governance/board-of-directors> and <https://www.roche.com/about/governance/executive-committee>, in addition see pages 129, 133 and 151.

<sup>4</sup> <https://www.roche.com/about/governance/article-of-incorporation>

<sup>5</sup> <https://www.roche.com/about/governance/annual-general-meetings>

## Board of Directors and Board Committees

### Corporate Executive Committee



and responsibilities between the Board and management, the remits of the Board Committees, and the information and control mechanisms available to the Board in its dealings with corporate management, are governed by the Bylaws.<sup>6</sup>

The Board of Directors of Roche Holding Ltd is organised so as to ensure that the Group conducts its businesses responsibly and with a focus on long-term value creation. To this end, the Roche Board has delegated certain responsibilities to several committees.<sup>7</sup> Their composition and chairpersons as at 31 December 2023 are described on pages 8 and 129. Each committee's authorities and responsibilities are defined in detail in the Bylaws of the Board of Directors.<sup>8</sup>

All the committees (with the exception of the Chairman's/Nomination Committee) are chaired by independent directors.

According to the Bylaws of the Board of Directors, a Board meeting may be convened without the Chairman present at the request of any of its members. The Roche Board meets once a year to assess the Chairman's performance. This meeting, which is not attended by the Chairman, is chaired by the Vice-Chairman.

As part of the Management Information System (MIS), the Board has access to an electronic information platform which provides timely information to the Board of Directors and the Board Committees as does the system of controls as set forth below.

The Board of Directors has established a system of controls which is continuously monitored by the Audit Committee, by the Corporate Governance and Sustainability Committee and by the Board of Directors and consists of the following elements:

- Report on operating and financial risks (risk management system)

The Roche Group has established a risk management process covering the entire company with a system in place to identify and manage all types of risks and opportunities potentially affecting its business (including economic, environmental and social impacts). The Board of Directors is the highest governance body involved. Roche's Risk Management Policy sets out the approach and accompanying responsibilities. Roche's Pharmaceuticals and Diagnostics Divisions and Group functions conduct a formal assessment process at least once a year and must develop management plans for their most material risks and opportunities. These risk management

<sup>6</sup> <https://www.roche.com/about/governance/article-of-incorporation>

<sup>7</sup> <https://www.roche.com/about/governance/committees>

<sup>8</sup> <https://www.roche.com/about/governance/article-of-incorporation>

plans are monitored and deviations reviewed in regular performance dialogues. The consolidated Group Risk Report including target risk profile is discussed by the Corporate Executive Committee and approved together with the Group Business Plan by the Board of Directors. All material risks are reviewed by the Board on a yearly basis. The effectiveness of the risk management process is monitored by the Group Risk Advisory team and the overall process is regularly reviewed by external auditors, with findings presented to the Audit Committee and the full Board. For details on risk management and the Risk Management Policy, see 'Risk management' on our website.<sup>9</sup> Financial risk management is described in the Finance Report.<sup>10</sup>

- System of internal controls over financial reporting (see page 162 of the Finance Report)
- Internal audit

Group Audit reports administratively to the General Counsel, has direct access and gives regular briefings to the Audit Committee, to the Corporate Governance and Sustainability Committee and to the Chairman of the Board of Directors about ongoing activities and audit reports. The Chief Audit & Risk Advisory Executive attends the Audit Committee and partly the Corporate Governance and Sustainability Committee meetings, as do the external auditors. Group Audit is an independent appraisal function which evaluates and reviews the Group's activities as a service to the Board of Directors and to management. The annual audit plan with yearly defined focus areas is validated by senior management and approved by the Audit Committee. The Roche Group is committed to maintaining a high standard of internal control throughout its worldwide operations. Management is responsible for assessing the business risks in all aspects of its operation and for implementing effective and efficient processes and controls whilst ensuring compliance with internal and external rules and regulations. By conducting operational audits, Group Audit determines management's response to the risks surrounding business processes and systems, and evaluates the appropriateness, completeness and efficiency of the processes and controls. Action plans to implement necessary changes and enhancements

are developed together with the business/auditee and are tracked to completion.

- Statutory auditors, see page 144
- Chief Compliance Officer and Compliance Officers in subsidiaries, see page 146
- Safety, Security, Health and Environmental Protection department<sup>11</sup>
- Corporate Sustainability Steering Committee<sup>12</sup>
- Scientific Ethics Advisory Group (SEAG)<sup>13</sup>

The members of the Corporate Executive Committee are invited to attend meetings of the Board of Directors for, and report in person on, those agenda items concerning them. When the situation warrants, members of the Enlarged Corporate Executive Committee may also be invited to attend. The Board Committees invite the Chairman of the Board and Corporate Executive Committee members to deliver reports at committee meetings and may elect to commission independent expert reports and call on the services of consultants.

Each year several black-out periods are imposed during which members of the Board of Directors and senior managers and certain other employees are prohibited from trading in company stock. The following black-out periods are/were in effect for 2024 and 2023, respectively:

#### **Black-out periods**

2024	2023
26 December 2023 to	26 December 2022 to
1 February 2024	3 February 2023
1 April to 24 April 2024	1 April to 26 April 2023
26 June to 25 July 2024	26 June to 27 July 2023
1 October to	1 October to
23 October 2024	19 October 2023

Black-out periods can be changed by the Chairman of the Board of Directors if circumstances warrant.

Roche employees involved in the preparation of regular publicity events (in particular annual and half-year reports and media conferences, quarterly sales releases) or having otherwise access to such potentially share price sensitive information of Roche are subject to these black-out periods.

9 <https://www.roche.com/about/sustainability/approach/risk-management>

10 Additional information is provided in the Finance Report, Note 31 to the Roche Group Consolidated Financial Statements, 'Risk management', page 126.

11 <https://www.roche.com/about/sustainability/environment>

12 <https://www.roche.com/about/sustainability>

13 <https://www.roche.com/innovation/ethical-standards/advisory>



Dr Patrick Frost, Chairman of the Audit Committee

Irrespective of whether the relevant information is share price sensitive for Roche or not, during the black-out periods these persons shall keep the relevant information confidential and must not (i) disclose it to any non-insider within or outside Roche (including family members), (ii) buy, sell or otherwise trade in equity securities of Roche (shares, non-voting equity securities) as well as options or similar instruments and derivatives based thereon, or (iii) provide trading recommendations thereon. The automatic execution of predefined periodic purchase orders under the Roche Connect programme is not subject to these black-out periods. For addressees, scope and exceptions with regard to the black-out periods please refer to the Roche Group Insider Directive (<https://assets.cwp.roche.com/f/126832/x/3e96b30141/group-insider-policy.pdf>). In the reporting year, no exceptions to the general rules were granted.

In 2023, the Board of Directors met for 10 meetings: meetings from 1 to 8 hours in length, including a

full-day meeting. In addition, the Board went on a 5-day trip to a major non-European affiliate.\*

The Board Committees met as follows in 2023:

- Chairman's/Nomination Committee: 7 meetings (approx. 2 hours each\*)
- Remuneration Committee: 3 meetings<sup>14</sup> (approx. 2 hours each\*)
- Audit Committee: 5 meetings (approx. 3 to 4 hours each\*)
- Corporate Governance and Sustainability Committee: 3 meetings (approx. 2 to 3 hours each\*)

The Board of Directors regularly conducts an assessment (self-assessment / assessment by third parties via electronic survey and personal interviews) of its performance. In 2023, a third-party assessment took place.

Members of the Corporate Executive Committee have a maximum ordinary notice period of twelve months. There are no change-of-control clauses in the employment contracts.

There are no management contracts which fall within the scope of subsection 4.4 (annex) of the SIX Directive on Information relating to Corporate Governance.

<sup>14</sup> Remuneration Committee members recuse themselves from deliberations and decisions on matters that affect their interests.

\* These figures indicate the actual length of meetings and do not include the directors' extensive pre-meeting preparations and post-meeting follow-up activities.

**Attendance at Board and Board Committee meetings in 2023**

	Board	Chairman's/ Nomination Committee	Remuneration Committee	Audit Committee	Corporate Governance and Sustainability Committee
<b>Number of meetings</b>	<b>10</b>	<b>7</b>	<b>3</b>	<b>5</b>	<b>3</b>
S. Schwan	10	5* (+2***)	3***	5***	3***
A. Hoffmann	10	7	3	-	3
J. Duschmalé	10	-	2*	5	-
P. Frost	10	-	1**	5	-
A. Hauser	10	5*	2*	-	1**
A. Iwasaki (member of the Board since March 2023)	8*	-	-	-	2*
R. P. Lifton	10	-	3	-	-
J. Mahmood	10	-	-	-	3
B. Poussot	10	-	3	-	-
M. Schneider (member of the Board since March 2023)	9*	-	-	4*	-
C. Suessmuth Dyckerhoff	10	-	-	5	3
C. Franz (member of the Board until March 2023)	1**	2**	1**	-	-

- Not a member of that committee

\* Member since March 2023

\*\* Member until March 2023

\*\*\* Guest

# Remuneration, shareholdings and loans

All details regarding remuneration, shareholdings and loans (content and method of determining the compensation and the shareholding programmes, basic principles and elements of compensation and shareholding programmes for serving and former members of the Board of Directors and Corporate Executive Committee, together with a description of the authorities and procedure for determining such) are set forth in the separate Remuneration Report on pages 148 to 177 and in the Finance Report, Notes 22 and 32 to the Roche Group Consolidated Financial Statements ('Equity attributable to Roche shareholders' and 'Related parties', pages 100 and 140), and are listed in Note 6 to the Financial Statements of Roche Holding Ltd ('Board and Executive shareholdings', page 191).

The following rules on remuneration, shareholdings and loans for the Board of Directors (Board) and the Corporate Executive Committee (CEC) are set forth in the Articles of Incorporation (AoI):<sup>15</sup>

Content	Rules in AoI <sup>15</sup> for	
	Board	CEC
Rules on the principles applicable to performance-related pay	§24.1-5	§24.2-5
Rules on the principles to the allocation of equity securities, convertible rights and options	§24	§24
Additional amount for payments to members of the Corporate Executive Committee appointed after the vote on pay at the Annual General Meeting of shareholders	-	§23.5
Rules on loans, credit facilities and post-employment benefits	§24.1 and §25.1	§24.2 and §25.2
Rules on the vote on pay at the Annual General Meeting	§23	§23

<sup>15</sup> <https://www.roche.com/about/governance/article-of-incorporation>

# Participatory rights of shareholders

The participatory rights of shareholders are defined in Roche's Articles of Incorporation.<sup>16</sup> As Roche shares are issued to bearer, there are no restrictions on admission to Annual General Meetings, with the exception that shares must be deposited within a specified period before the date of a meeting and an admittance card must be issued in the shareholder's name, as provided in §12 of the Articles of Incorporation. Any shareholder can elect to be represented by a third party at an Annual General Meeting.

The Articles of Incorporation contain no restrictions on the exercise of voting rights, and the only quorum requirements are those stipulated in §16, in conformity with the Swiss Code of Obligations (CO).

Under §10.2 of the Articles of Incorporation, shareholders who, alone or together, hold at least 0.5% of the share capital or the votes may until but no later than 36 days before the Annual General Meeting request that an item be included on the agenda or that a motion relating to an agenda item be included in the notice convening the Annual General Meeting.

The rules on the issue of instructions to the independent proxy and rules on the electronic participation in the Annual General Meeting are laid down in the corresponding invitation to the Annual General Meeting and are not regulated in the Articles of Incorporation.

# Change of control and defensive measures

The Articles of Incorporation contain no provisions on the mandatory bid rule. Swiss law applies.

There are no change-of-control clauses. Those components of remuneration based on Roche

non-voting equity securities would be terminated in the event of an acquisition, and vesting period restrictions on pre-existing awards would be removed, so that all such options could be exercised immediately.

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<sup>16</sup> <https://www.roche.com/about/governance/article-of-incorporation>

# Relationship to statutory auditors

At the Annual General Meeting of Roche Holding Ltd on 14 March 2023, the shareholders voted to appoint KPMG AG (KPMG) as statutory auditors.

Based on the existing legal requirements of the Swiss Code of Obligations (Article 730a) concerning the maximum term of office of seven years of the auditor in charge, François Rouiller has been the auditor in charge since the business year 2022 (information on how long the auditor in charge has been serving in this capacity is provided on page 133).

The statutory auditors participate in Audit Committee meetings. They prepare written and oral reports on the results of their audits. The Audit Committee oversees and assesses the auditors and makes recommendations to the Board (for information on the authorities and responsibilities of the Audit Committee, see Article 8.1 of the Bylaws<sup>17</sup>). The statutory auditors participated in all five meetings of the Audit Committee in 2023.

The performance of KPMG is assessed based on different elements such as affiliate surveys (to evaluate the service level at the country level), interviews with Roche key stakeholders and the self-evaluation of the KPMG internal processes to ensure compliance with the Federal Audit Oversight Authority (FAOA) Audit Committee Guide.

KPMG's independence is ensured by limiting KPMG from providing certain non-audit services. Furthermore, permitted services cannot exceed in total 20% of the audit fee unless they are explicitly reviewed and approved by the Audit Committee. The company has a formal policy governing the engagement of the statutory auditor for non-audit

services of which limits for certain permitted other services are agreed by the Audit Committee. Each potential non-audit service engagement is reviewed against this policy before any authority to proceed is given.

The auditors have direct access to the Audit Committee and its chair as well as the Chief Audit & Risk Advisory Executive to discuss relevant issues.

The reports of the statutory auditor on the Consolidated Financial Statements and on the Financial Statements can be found on pages 163 and 195, respectively, of the Finance Report.

KPMG received the following remuneration for their services as statutory auditors of Roche Holding Ltd and as the auditors of other Roche companies (including Chugai):

	2023	2022
	(millions of CHF)	
Audit services	22.2	21.4
Audit-related services		
– Assurance	0.7	0.7
Tax services	2.5	2.8
Other services	0.5	0.4
<b>Total</b>	<b>25.9</b>	<b>25.3</b>

The audit fee is reviewed by the Chief Audit & Risk Advisory Executive and approved by the Audit Committee every year and takes into consideration changes in Roche's business, as well as changes in financial reporting and audit standards and regulations.

<sup>17</sup> <https://www.roche.com/about/governance/article-of-incorporation>

The statutory auditors are elected each year by the Annual General Meeting.

Audit services are provided as legally required.

Audit-related services include assurance and accounting services provided by auditors but which are not necessarily provided by the statutory auditor. These services, which go beyond the legal requirements, could include other attestation services, comfort letters and consultations.

Tax services include services with respect to compliance, tax returns and tax advice except those services related to the audit of tax.

Other services include advice relating to process improvements, regulations and trainings.

An external audit services tender, completed in 2022, for the external auditing services starting with the 2024 financial year, in which four audit firms were invited to participate, concluded based on the assessment of the audit firms as part of the tender process to reappoint KPMG as the external auditor for the 2024 financial year.

## Relationship to the independent proxy

Since 2019, Testaris AG has served as the independent proxy and at the Annual General Meeting on 14 March 2023, shareholders elected Testaris AG as the independent proxy for the period from 2023 until the conclusion of the 2024 ordinary Annual General Meeting of shareholders. Testaris AG was paid for its services for the Annual General Meeting 2023 according to expenditure totalling CHF 16,085 (2022: CHF 15,974).

The Board of Directors nominates Testaris AG for election as independent proxy by the Annual

General Meeting 2024 for the period from 2024 until the conclusion of the 2025 ordinary Annual General Meeting of shareholders.

The rules on the issue of instructions to the independent proxy and the rules on the electronic participation in the Annual General Meeting are laid down in the corresponding invitation to the Annual General Meeting and are not regulated in the Articles of Incorporation.

# Information policy

As provided by §30 of the Articles of Incorporation<sup>18</sup>, corporate notices are published in the Swiss Official Gazette of Commerce and in other daily newspapers designated by the Board of Directors ('Basler Zeitung', 'Finanz und Wirtschaft', 'L'Agefi', 'Le Temps', 'Neue Zürcher Zeitung').

Roche reports its half-year and full-year results in business reports (published in print and/or online formats) and at media events. In addition, detailed first-quarter and nine-month sales figures are published each year in April and October. The most current list of publication dates is available on the Internet.<sup>19, 20</sup>

All relevant information and documents, including all media releases<sup>19</sup>, investor updates<sup>20</sup> and

presentations to analyst and investor conferences are available on the Internet.<sup>20</sup> Further publications are available on  
<https://www.roche.com/publications>  
or can be ordered by  
e-mail: [materials.management.mm1@roche.com](mailto:materials.management.mm1@roche.com)  
or fax: +41 (0)61 688 69 02

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F. Hoffmann-La Roche Ltd, Investor Relations,  
Group Finance, 4070 Basel, Switzerland  
Tel.: +41 (0)61 688 88 80  
Fax: +41 (0)61 691 00 14

Additional information, including details on specific contact persons, is available on the Internet.<sup>21</sup>

# Chief Compliance Officer and Compliance Officers network

The Chief Compliance Officer with the Compliance Officers network is committed to ensuring that the Roche Group Code of Conduct<sup>22</sup> is consistently complied with throughout the Roche Group. The Chief Compliance Officer also serves as a contact person for shareholders, employees, business partners, customers, suppliers and the general public on issues relating to the implementation of and compliance with this code.

Employees and other parties who become aware of violations of the Roche Group Code of Conduct can bring them to the attention of their managers

or supervisors, to the local Compliance Officer or report them to the Chief Compliance Officer<sup>23</sup> (Ms Pascale Schmidt, e-mail: [global.compliance\\_administration@roche.com](mailto:global.compliance_administration@roche.com)). Such disclosures will be treated confidentially. In addition, employees and third parties may anonymously report irregularities or complaints in their mother tongue via the Roche Group SpeakUp Line. As part of the continuous enhancement of Roche's human rights programme and in compliance with applicable laws and regulations, any interested party can report its allegations through the same channel if they believe in good faith that an actual

18 <https://www.roche.com/about/governance/article-of-incorporation>

19 <https://www.roche.com/media>

20 <https://www.roche.com/investors>

21 <https://www.roche.com/contact/investor-contacts>

22 <https://www.roche.com/about/governance/code-of-conduct>

23 <https://www.roche.com/about/governance/code-of-conduct/compliance-officer>

or potential human right violation has occurred in Roche or in Roche's value chain. In case of questions or uncertainties about the interpretation of the Roche Group Code of Conduct and its reference documents, employees may reach out to their line managers, the local Compliance Officer or the Chief Compliance Officer, or contact the Roche Group Code of Conduct Help & Advice Line ([global.helpandadvice@roche.com](mailto:global.helpandadvice@roche.com)). This compliance tool also serves as a platform for ideas and suggestions concerning those documents.

In addition, Roche has established a Business Ethics Incident Management System (BEIMS) which enables the Chief Compliance Officer to capture, track and monitor alleged violations, from initial reports through to resolution.

Business ethics incidents are recorded in the system when the internal investigations team or the regional/local management receives specific and concrete information about an alleged violation of the Roche Group Code of Conduct in one of certain predefined categories.<sup>24</sup> The Corporate Governance and Sustainability Committee and the Audit Committee of the Board of Directors are regularly informed of substantial violations and management's corrective actions taken.

The Chief Compliance Officer reports to the General Counsel and also submits regular reports to the Corporate Governance and Sustainability Committee and as needed to the Audit Committee of the Board of Directors.

## Non-applicability/negative disclosure

It is expressly noted that any information not contained or mentioned herein is either non-applicable or its omission is to be construed as a negative declaration (as provided in the

SIX Swiss Exchange Directive on Information relating to Corporate Governance and the commentary thereto).

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<sup>24</sup> <https://www.roche.com/about/governance/code-of-conduct>



# Remuneration Report

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# 1. Principles

## 1.1 Overview

Motivation, expertise and performance of employees are key to the success of Roche as an innovative and agile company. This conviction forms the basis of our compensation policy.

Roche aims to remunerate all employees fairly, transparently and in line with market conditions, in order to enable them to participate appropriately in the company's success. We pursue this goal by providing equitable, competitive, performance-based and results-oriented compensation.

We strive for a balanced mix of fixed and variable compensation components geared to each employee's position and management responsibility.

Firstly, the variable components are intended to create additional financial incentives to achieve corporate goals and to keep innovation at a consistently high level while increasing the value that the company creates for all stakeholder groups. Secondly, in order to allow employees and managers to participate in the company's business success, variable compensation components are key. Both objectives are incentivised by annual bonus payments and long-term securities-based programmes.

For a global company like Roche, market-competitive remuneration plays a key role along with a performance- and success-based, transparent compensation structure. To ensure that compensation packages are competitive, both the structure and individual components are regularly benchmarked based on the relevant Swiss, European and international market criteria. Our remuneration guidelines and their underlying principles are also subject to regular outside comparisons.

However, our compensation policy is only one factor in safeguarding Roche's future success. The key element is a corporate culture that offers employees conditions in which they can make their best possible contribution to the shared corporate goal of improving healthcare for patients. This includes a sound and a sustainability-oriented value system that is based on integrity, courage and passion. At the same time, our decentralised management approach plays a major role with its wide scope for individual decision-making, respectful interactions, openness to diversity, wide-ranging training and development opportunities and an attractive working environment. A unidimensional diminishment to questions on remuneration would fall by far too short.

## 1.2 Members of the Board of Directors and the Corporate Executive Committee: CVs and mandates\*

Detailed information is available as follows:

AUDITED

	Board of Directors	Corporate Executive Committee
a) Current members	<a href="https://www.roche.com/about/governance/board-of-directors">https://www.roche.com/about/governance/board-of-directors</a>	<a href="https://www.roche.com/about/governance/executive-committee">https://www.roche.com/about/governance/executive-committee</a>
b) Former members (at least of the last ten years)	<a href="https://www.roche.com/about/governance/ec-bod-former">https://www.roche.com/about/governance/ec-bod-former</a>	
c) Information at the reporting date on 31 December of each year (at least of the last ten years)	<a href="https://www.roche.com/about/governance/archiv-former-cvs">https://www.roche.com/about/governance/archiv-former-cvs</a>	

\* The audited information on activities at other companies in accordance with Art. 734e CO can be found under link c).

Information of the members of the Board of Directors and of the Corporate Executive Committee shown is in accordance with the Directive on Information relating to Corporate Governance (DCG) (<https://www.ser-ag.com/dam/downloads/regulation/listing/directives/dcg-en.pdf>) and also specifically includes mandates in accordance with article 734e and article 626 para. 2 point 1 of the Federal Act on the Amendment of the Swiss Civil Code (Part Five:

The Code of Obligations [CO]) that may be carried out in comparable positions in other undertakings with commercial objects.

Rules on mandates applying for members of the Board of Directors and the Corporate Executive Committee are in accordance with §22.4 of the Articles of Incorporation of Roche Holding Ltd (<https://assets.cwp.roche.com/f/126832/x/bb7e156602/roche-statuten-2023-en.pdf>, in addition see page 137).

## 2. Remuneration decision process and approval framework

### 2.1 Overview

Each year the Remuneration Committee of Roche's Board of Directors decides the remuneration of Board members and the members of the Group's Corporate Executive Committee.

Chairman, Group CEO and all other members of the Group's Corporate Executive Committee must

not be present when the Remuneration Committee decides their corresponding compensation and have no right to a say in decisions. The decision right is reserved to Remuneration Committee members only.

#### Remuneration decision process and approval framework as of 2023

Remuneration components	Beneficiary		Decision by	Approval by
Base pay / basic remuneration	Board of Directors (BoD) Chairman (C)	✓	Corporate Executive Committee (CEC)	✓
Bonus	-		✓	
Stock-settled Stock	-		✓	
Appreciation Rights (S-SARs)				
Restricted Stock Units (RSUs)	-		✓	
Pension	✓ (C only)		✓	

The Remuneration Committee tracks market data on salaries at other leading global pharmaceutical companies<sup>1</sup> and at major Swiss companies<sup>2</sup> and reports its findings to the full Board. The external consulting firm PricewaterhouseCoopers AG (PwC) assists the Remuneration Committee of Roche in performing market comparisons and as an advisor. PwC has additional mandates in the Roche Group. Information on the Remuneration Committee's remit, powers and procedures for making remuneration decisions can be found in the Bylaws of the Roche Board of Directors<sup>3</sup> and in the Articles of Incorporation.<sup>4</sup> They are also outlined in the sections below on the principles governing specific remuneration components (see 3.).

Total aggregate amounts that are based on these decisions are submitted to the General Meeting for approval. The General Meeting shall vote annually and with binding effect on the approval of the remuneration (that the Board of Directors has resolved) of the Board of Directors and the Corporate Executive Committee (for details see 4. and 5.).

<sup>1</sup> Peer set 2023: Abbott Laboratories, AbbVie, Amgen, AstraZeneca, Bristol-Myers Squibb, Danaher, Eli Lilly, GlaxoSmithKline, Johnson & Johnson, Medtronic, Merck & Co., Novartis, Novo Nordisk, Pfizer, Sanofi

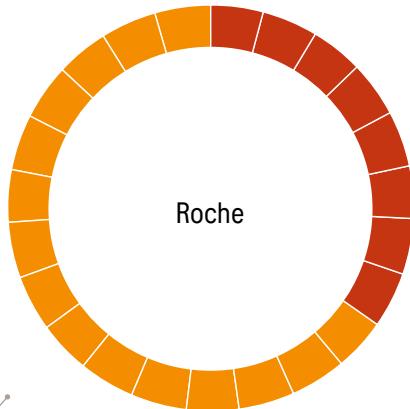
<sup>2</sup> Peer set 2023: ABB, Alcon, Holcim, Lonza, Nestlé, Richemont, UBS, Zurich

<sup>3</sup> <https://www.roche.com/about/governance/article-of-incorporation>

<sup>4</sup> <https://www.roche.com/about/governance/article-of-incorporation>

Abbott Laboratories  
AbbVie  
Amgen  
AstraZeneca  
Bristol-Myers Squibb  
Danaher  
Eli Lilly  
GlaxoSmithKline  
Johnson & Johnson  
Medtronic  
Merck & Co.  
Novartis  
Novo Nordisk  
Pfizer  
Sanofi

Peer set for 2023

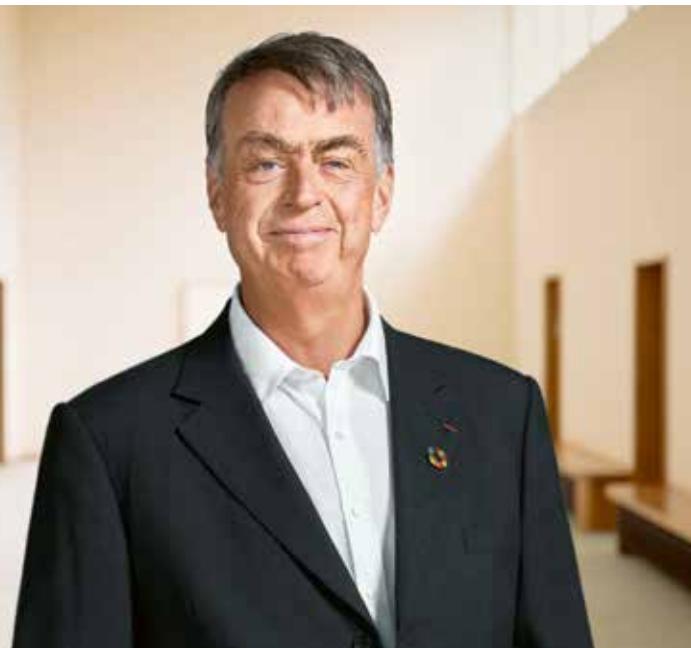


Peer set for 2023

ABB  
Alcon  
Holcim  
Lonza  
Nestlé  
Richemont  
UBS  
Zurich

**Market comparison companies for salary assessment**

● Pharma peer set   ● Major Swiss companies



André Hoffmann, Chairman of the Remuneration Committee

## **2.2 Procedure for submitting total Board and Executive remuneration for shareholder approval at the Annual General Meeting**

Each year at the Annual General Meeting (AGM) shareholders approve the total remuneration for the Board of Directors and for the Corporate Executive Committee as decided by the Board of Directors' Remuneration Committee and the Board of Directors, respectively.

According to the approval at the AGM 2014, Roche has committed itself to obtaining separate and binding shareholder approvals of the total remuneration paid to the Board of Directors and to the Corporate Executive Committee as follows:

### **Retrospective approval**

Total aggregate bonus amounts for the Corporate Executive Committee and the Chairman of the Board of Directors (for 2023 for the resigned Chairman only) for the financial year just ended will be submitted retrospectively at each ordinary AGM for separate and binding approval.

### **Prospective approval**

All other Board and Executive aggregate remuneration will be submitted prospectively to the AGM for separate and binding approval for the period between two ordinary AGMs.

This Remuneration Report shall be submitted to an advisory vote by the shareholders at the AGM 2024.

**Approval of total remuneration at the Annual General Meeting (AGM) 2024****Approval of total remuneration****Retrospective:**

Chairman (C) of the Board of Directors (BoD):

- Bonus for financial year 2023  
(total amount, for 2023 to resigned C only)

Corporate Executive Committee (CEC):

- Bonus for financial year 2023 (total amount)

**Prospective:**

Board of Directors (BoD):

Aggregate total remuneration (AGM 2024–AGM 2025)

- Basic remuneration

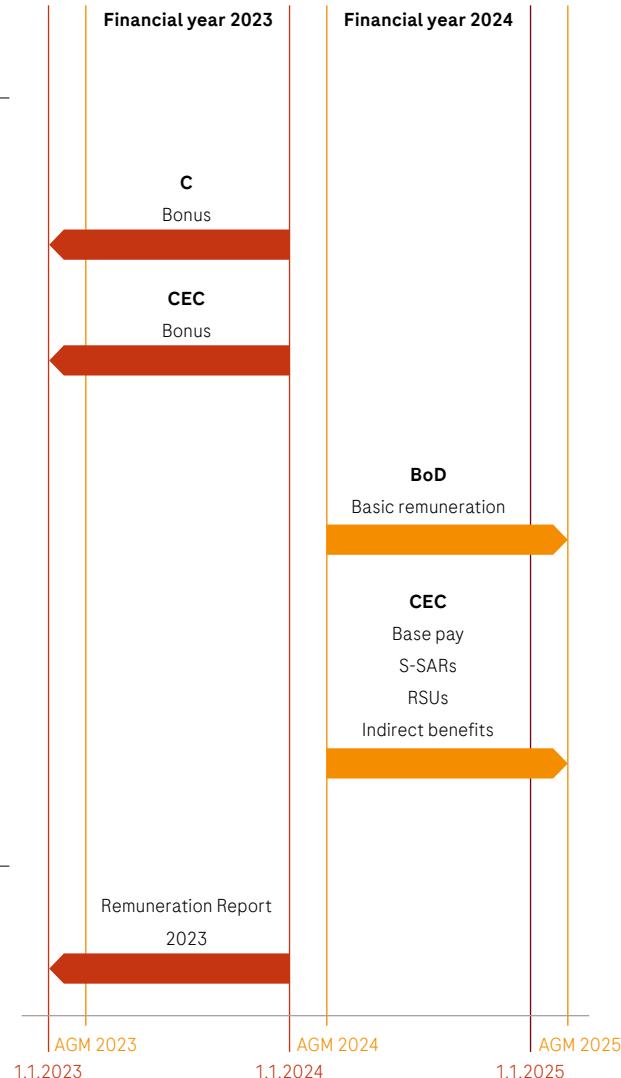
Corporate Executive Committee (CEC):

Aggregate total remuneration (AGM 2024–AGM 2025)

- Base pay
- Stock-settled Stock Appreciation Rights (S-SARs)
- Restricted Stock Units (RSUs)
- Indirect benefits

**Advisory vote****Retrospective:**

- Advisory vote on the 2023 Remuneration Report at the AGM 2024



# 3. Remuneration components

## 3.1 Overview of remuneration elements

The remuneration to the members of the Board of Directors and the Corporate Executive Committee is composed of the following elements:

The Corporate Executive Committee's fixed base salary is complemented with the annual variable bonus as **Short-Term Incentive (STI)** and with perennial remuneration elements (S-SARs, RSUs) as **Long-Term Incentive (LTI)**.

The remuneration components are linked to the employees' performance, the company's

financial performance and non-financial success<sup>5</sup> and thus align the interests of Roche and its employees with those of shareholders. Societal and environmental objectives<sup>6</sup> are also taken into account.

The **LTI** remuneration components are intended to sustainably, homogenously and in a long-term-oriented perspective align management's interest with those of shareholders and holders of non-voting equity securities and to give participating managers an additional incentive to achieve sustainable shareholder value growth.

**Composition of remuneration to the Board of Directors and the Corporate Executive Committee**

	Board of Directors		Corporate Executive Committee	
Annual remuneration elements	C	BoD	CEO Roche Group	CEC
<b>Base pay / basic remuneration</b> (see 3.1.1)	✓ Cash and for ten years blocked non-voting equity securities and/or shares	✓ Cash	✓ Cash	✓ Cash
<b>Bonus</b> (see 3.1.2)	-	-	✓ Cash or non-voting equity securities and/or shares	✓ Cash
<b>Pensions, etc.</b> (see 3.1.5)	✓	-	✓	✓
Perennial remuneration elements				
<b>Stock-settled Stock Appreciation Rights (S-SARs)</b> (see 3.1.3)	-	-	✓	✓
<b>Restricted Stock Units (RSUs)</b> (see 3.1.4)	-	-	✓	✓

5 <https://www.roche.com/investors/reports/performance>

6 <https://www.roche.com/about/sustainability/environment/goals-performance>

The LTI of the **Corporate Executive Committee and the Enlarged Corporate Executive Committee** is composed of 80% S-SARs and 20% RSUs (based on the already existing individual target value of the total LTI for Corporate Executive Committee members of 133.33% of a base pay measured on 1 January of a year). Vesting and

expiration periods are aligned for any newly issued S-SARs and RSUs (see below). Unlike all other participants of the two programmes, members of the Corporate Executive Committee have no choice in determining the mix of RSUs and S-SARs, which since 2019 have a four-year cliff vesting.

#### **Corporate Executive Committee LTI**

Mix (S-SARs/RSUs) fixed	Base for calculation	Vesting period	Cliff vesting	Expiration period
<b>80% S-SARs</b>	Based on the individual target value of the total LTI for Corporate Executive Committee members of 133.33% of a base pay measured on 1 January of a year	<b>4 years</b>	<b>4 years</b>	<b>10 years</b>
<b>20% RSUs</b>		<b>4 years</b>	<b>4 years</b>	-

**The remaining participants of the S-SARs and RSUs programme** are offered on a yearly basis a choice of three combinations to determine the mix of Restricted Stock Units (RSUs) and Stock-settled Stock Appreciation Rights (S-SARs, options are used instead of S-SARs in some countries). The following options are available:

<b>Choice 1</b>	<b>Choice 2</b>	<b>Choice 3</b>
80% S-SARs	50% S-SARs	20% S-SARs
20% RSUs	50% RSUs	80% RSUs

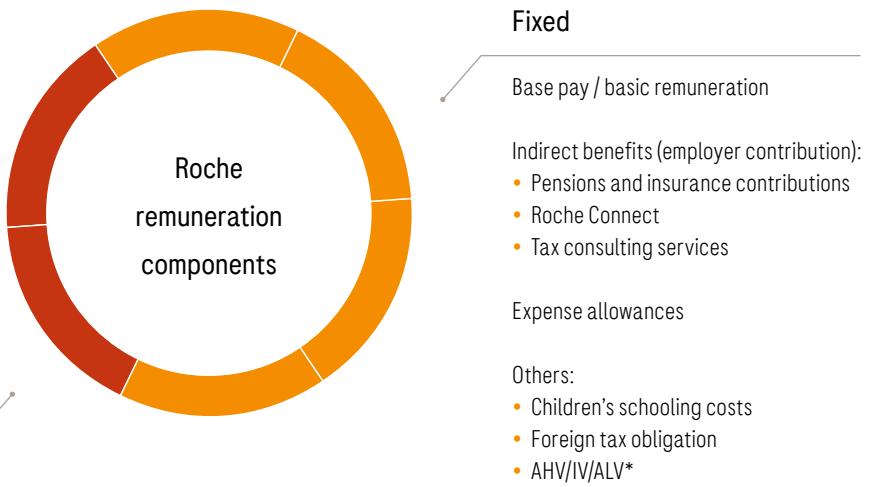
Offering this level of choice empowers participants to engage more fully in their total rewards, enables them to better understand a critical element of their compensation and increases the value of the programme.

This attractively designed Roche Long-Term Incentive programme enables Roche to attract, motivate and retain the best talent and keep it aligned with the company's long-term success.

STI:  
• Bonus

LTI:  
• Stock-settled Stock Appreciation Rights  
• Restricted Stock Units

Variable, long-term



\* Employer contribution of social securities' beneficial parts

### 3.1.1 Base pay (fixed)

Base pay / basic remuneration is determined for each position based on salary market data of other leading global pharmaceutical companies (see footnote 1) and of other major Swiss companies (see footnote 2) and reflects individuals' abilities, experience and performance over time. Pay adjustments are likewise linked to individual performance and take into account prevailing market conditions and the company's overall financial situation.

The Remuneration Committee makes and reviews the final decision on the basic remuneration paid to the Chairman of the Board of Directors and on the individual base pay to members of the Corporate Executive Committee and on the remuneration of the other members of the Board.

### 3.1.2 Bonuses (variable)

Bonuses are annually awarded for individual contributions of value creation in a business year and are meant to be an incentive to strive for outstanding results and to create new business opportunities. Bonus amounts are linked to Group and divisional core profits, sales growth at constant exchange rates, Operating Profit After Capital Charge (OPAC) based on core operating profit, core earnings per share and non-voting equity security (NES) growth at constant exchange rates, product development pipeline, diversity of employees and managers<sup>7</sup> and environmental goals.<sup>8</sup> Additionally, they are linked to the achievement of measurable and qualitative individual or functional performance objectives. For competitive reasons, Roche does not disclose the individual performance objectives of members of its Corporate Executive Committee and of its Chairman.

<sup>7</sup> <https://www.roche.com/about/people-culture>

<sup>8</sup> <https://www.roche.com/about/sustainability/environment/goals-performance> and SHE goals 2020–2025 for the Roche Group: <https://assets.cwp.roche.com/f/126832/x/70206811f5/20200331-she-goals-2020-2025-communication.pdf>

In December at the end of a reporting year or in January following a reporting year, the Remuneration Committee decides on the bonuses and their amounts payable to the members of the Corporate Executive Committee and to the Chairman of the Board (for 2023 to the resigned Chairman only) in respect of the relevant reporting year, based on performance against the aforementioned objectives. At the same time, the Remuneration Committee also decides in what form bonuses will be awarded, i.e. cash payments and/or blocked (if applicable) non-voting equity securities and/or shares.

The Remuneration Committee uses its discretion appropriately in the weighting of each criterion and in the bonus allocation.

In 2023 in total, 84,279 employees were eligible for a bonus under the Roche Bonus Program.

### **3.1.3 Stock-settled Stock Appreciation Rights (S-SARs) (long-term)**

The S-SARs proportion of the LTI of the Corporate Executive Committee is 80% (based on the individual target value of the total LTI for Corporate Executive Committee members of 133.33% of a base pay measured on 1 January of a year).

S-SARs entitle holders to benefit financially from any increase in the value of Roche's non-voting equity securities between the grant date and the exercise date. S-SARs granted all vest together after four years and then have to be exercised within ten years of the grant date. Unexercised S-SARs lapse without compensation. The fair value of S-SARs is calculated at the grant date using the trinomial model for American call options (for details see page 171).

S-SARs to the Corporate Executive Committee are allocated individually at the Remuneration Committee's discretion.

In 2023 in total, 24,221 employees received S-SARs.

### **3.1.4 Restricted Stock Units (RSUs) (long-term)**

The proportion of Restricted Stock Units (RSUs) of the members of the Corporate Executive Committee is 20% of the total LTI (based on the individual target value of the total LTI for Corporate Executive Committee members of 133.33% of a base pay measured on 1 January of a year).

RSUs contain rights to receive non-voting equity securities and/or shares after a four-year vesting period plus a value adjustment (being the amount equivalent to the sum of the dividend paid during the vesting period attributable to the number of non-voting equity securities and/or shares for which an individual award has been granted). They will all be vested to the recipient for the Corporate Executive Committee after four years only. Thereafter, resulting non-voting equity securities and/or shares may remain blocked for up to ten years.

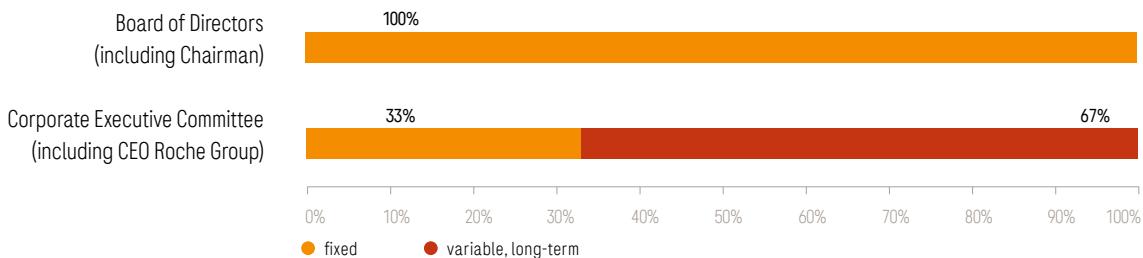
RSU awards are allocated individually for the Corporate Executive Committee at the Remuneration Committee's discretion.

In 2023, RSUs served as a remuneration component for 24,395 eligible Roche employees.

### **3.1.5 Indirect benefits**

As shown in 5.8 (5.3 [for the CEO Roche Group] and 4.3 [for the Chairman], respectively), members of the Corporate Executive Committee additionally received indirect benefits (pension funds / insurance contributions, Roche Connect, payments for foreign tax obligation and tax consulting services and annual expense allowances). Individual members of the Corporate Executive Committee received payments as shown in 5.9.

### 3.2 Weighting (fixed / variable, long-term) of 2023 remuneration components (at target and as percentage of total remuneration in 2023)



The variable, long-term remuneration paid out to the members of the Corporate Executive Committee ranged from 57% to 84% of the total compensation.

### 3.3 Ratio of variable remuneration components relative to fixed base pay of the Corporate Executive Committee 2023

**Ratio of variable remuneration components (bonuses, S-SARs and RSUs) relative to % of value of fixed base pay**

Criteria	STI (variable)	LTI (long-term) (total: 133.33%**)	
		S-SARs (80% of total LTI)	RSUs (20% of total LTI)
Individual target value*	Bonus	106.66%**	26.66%**
Minimum	100%	0%	0%
Maximum	0%	106.66%	26.66%
Performance criteria	200%	Value development determined by performance of NES after grant	Value development determined by performance (plus a value adjustment for dividends) of NES after grant
Split in %	Group objectives Individual objectives	n/a n/a	n/a n/a
a) Group objectives b) Individual objectives	70% 30%	n/a n/a	n/a n/a
Weighting criteria / Decision on objectives	At the Remuneration Committee's discretion		

n/a - not applicable

\* Assessed in consideration of the performance of competitors and the macroeconomic development

\*\* Based on the already existing individual target value of the total LTI for Corporate Executive Committee members of 133.33% of a base pay measured on 1 January of a year

For all further details please refer to the following sections of this Remuneration Report.<sup>9</sup>

<sup>9</sup> See also in the Finance Report Note 32 to the Roche Group Consolidated Financial Statements ('Related parties', page 140) and Note 6 to the Financial Statements of Roche Holding Ltd ('Board and Executive shareholdings', page 191).

# 4. Remuneration of the Board of Directors

## 4.1 Resolution and approval

Remuneration of the Chairman of the Board of Directors and of members of the Board of Directors is decided at the Remuneration Committee's discretion.

The remuneration is in the form of cash payments and is annually tracked against market data on directors' pay at other leading global pharmaceutical companies (see footnote 1) and other major Swiss companies (see footnote 2), and is assisted by the consultancy of PwC.

As in the previous years, the Board of Directors will submit the total aggregate bonus of the resigned Chairman of the Board of Directors for the 2023 financial year to the General Meeting 2024 for retrospective binding approval.

For the new, incumbent Chairman of the Board of Directors, from 2023 the base remuneration determined by the Remuneration Committee will consist of a cash component and a new component in the form of shares blocked for ten years. At the same time, the bonus component will no longer apply to the incumbent Chairman of the Board of Directors from 2023.

The maximum amount of the total aggregate remuneration of the Board of Directors for the period between the ordinary General Meeting 2024 and the ordinary General Meeting 2025 will be tabled separately in 2024 as in the previous years for the General Meeting's prospective binding approval (see 2.2).

## 4.2 Amount of remuneration to the members of the Board of Directors

In 2023, the members of the Board of Directors<sup>10</sup> received remuneration and additional compensation as shown in the 'Remuneration of members of the Board of Directors 2023' table on page 162 for their Board activities. Roche paid employer contributions totalling CHF 139,063 (2022: CHF 201,074) to social security agencies for the members of the Board of Directors beside the legally required contributions separately stated for the incumbent and the resigned Chairman of the Board of Directors.

The basic remuneration of the Board of Directors (excluding the Chairman) has remained unchanged since 2001.

With the exception of the resigned Chairman of the Board of Directors (bonus in the form of blocked shares) and the incumbent Chairman of the Board of Directors (award of blocked shares as part of the basic remuneration), members of the Board of Directors were not awarded any shares, non-voting equity securities, S-SARs or RSUs.

There are no loans or credits granted to the members of the Board of Directors.

AUDITED

In 2023, for their advisory service on the Genentech Scientific Resource Board, Prof. Dr Akiko Iwasaki and Prof. Dr Richard P. Lifton received honoraria amounting to USD 22,000 (CHF 19,773) and to USD 22,000 (CHF 19,773), respectively.

<sup>10</sup> For a list of members, their positions and their committee memberships and chairmanships see page 129.

**Remuneration of members of the Board of Directors 2023 (in CHF)**

AUDITED

	Basic remuneration	Additional remuneration for committee members/chairs <sup>11</sup>	Additional special remuneration	Additional BVG costs*	<b>Total remuneration</b>
(See '4.3 Total remuneration paid to the incumbent and the resigned Chairman of the Board of Directors')					
S. Schwan, Chairman	400,000 <sup>12</sup>	-	-	2,815	402,815
A. Hoffmann, Vice-Chairman	300,000	60,000	-	4,592	364,592
J. Duschmalé	300,000	60,000	-	-	360,000
P. Frost	300,000	60,000	-	6,293	366,293
A. Hauser	250,000	22,500	19,773 see page 161	-	292,273
A. Iwasaki (since March 2023 <sup>13</sup> )	300,000	30,000	19,773 see page 161	-	349,773
R. P. Lifton	300,000	30,000	-	-	330,000
J. Mahmood	300,000	30,000	-	-	330,000
B. Poussot	250,000	22,500	-	-	272,500
M. Schneider (since March 2023 <sup>13</sup> )	300,000	60,000	-	7,392	367,392
C. Suessmuth Dyckerhoff	<b>3,000,000</b>	<b>375,000</b>	<b>39,546</b>	<b>21,092</b>	<b>3,435,638</b>
<b>Total<sup>14</sup></b>					
<b>Resigned member:</b>					
C. Franz (until April 2023)	(See '4.3 Total remuneration paid to the incumbent and the resigned Chairman of the Board of Directors')				

\* Costs under the provisions of the Swiss Federal Occupational Old Age, Survivors' and Invalidity Pension Act (BVG). In accordance with the minimum requirements for insurance benefits under BVG, half of the costs for four members of the Board of Directors who are subject to compulsory insurance are borne by the company.

11 With the exception of members of the Chairman's Committee (Chairman, Vice-Chairman), Board members receive CHF 30,000/year for each committee they serve on and CHF 60,000/year for each committee they chair.

12 Remuneration for serving as Vice-Chairman of the Board

13 Prorated remuneration for the period from March to December 2023

14 Additionally, employer contribution to AHV/IV/ALV totalling CHF 570,084 (including the Chairman) was paid that does not form part of remuneration.

**Remuneration of members of the Board of Directors 2022 (in CHF)**

	Basic remuneration	Additional remuneration for committee members/chairs <sup>15</sup>	Additional special remuneration	Additional BVG costs*	<b>Total remuneration</b>
C. Franz, Chairman	(See Annual Report 2022, page 196, '4.3 Total remuneration paid to the Chairman of the Board of Directors')				
A. Hoffmann, Vice-Chairman	400,000 <sup>16</sup>	-	-	6,734	406,734
J. Duschmalé	300,000	30,000	-	4,475	334,475
P. Frost	300,000	60,000	-	-	360,000
A. Hauser	300,000	30,000	-	6,159	336,159
R. P. Lifton	300,000	30,000	16,709	-	346,709
J. Mahmood (since March 2022 <sup>17</sup> )	250,000	22,500	-	-	272,500
B. Poussot	300,000	30,000	-	-	330,000
S. Schwan	(See Annual Report 2022, page 200, '5.3 Highest total remuneration paid to Dr Severin Schwan as a member of the Corporate Executive Committee', remuneration received in his primary function as CEO Roche Group is reflected in total remuneration for the Corporate Executive Committee)				
C. Suessmuth Dyckerhoff	300,000	60,000	-	7,019	367,019
<b>Members until March/ September 2022<sup>18</sup></b>					
P. Bulcke (until March 2022)	75,000	7,500	-	-	82,500
H. Clevers (until March 2022)	75,000	7,500	-	-	82,500
J. Brown (until September 2022)	225,000	45,000	-	-	270,000
<b>Total<sup>19</sup></b>	<b>2,825,000</b>	<b>322,500</b>	<b>16,709</b>	<b>24,387</b>	<b>3,188,596</b>

\* Costs under the provisions of the Swiss Federal Occupational Old Age, Survivors' and Invalidity Pension Act (BVG). In accordance with the minimum requirements for insurance benefits under BVG, half of the costs for four members of the Board of Directors who are subject to compulsory insurance are borne by the company.

15 With the exception of members of the Chairman's Committee (Chairman, Vice-Chairman), Board members receive CHF 30,000/year for each committee they serve on and CHF 60,000/year for each committee they chair.

16 Remuneration for serving as Vice-Chairman of the Board

17 Prorated remuneration for the period from March to December 2022

18 Prorated remuneration for the period from January to March 2022 and from January to September 2022, respectively

19 Additionally, employer contribution to AHV/IV/ALV totalling CHF 461,365 (including the Chairman) was paid that does not form part of remuneration.

#### 4.3 Total remuneration paid to the incumbent and the resigned Chairman of the Board of Directors

Since his election in March 2023, Dr Severin Schwan as incumbent Chairman received total remuneration for 2023 as shown.

##### Total remuneration paid to the incumbent Chairman of the Board of Directors Dr Severin Schwan (in CHF)\*

	2023	2022
Base salary		n/a
- in cash	2,001,818	Dr Severin Schwan, executive member of the Board of Directors, received his remuneration in 2022 in his primary function as CEO Roche Group.
- in shares	1,564,910**	
Pension funds / insurances / annual expense allowances / children and education allowance (including employer contribution of social securities' beneficial parts)	976,660	
<b>Total<sup>20</sup></b>	<b>4,543,388</b>	

n/a - not applicable

\* Remuneration since April 2023 as Chairman of the Board of Directors; for remuneration as resigned CEO from January to March 2023 see 5.2, 5.4–5.10, respectively.

\*\* In the form of shares blocked for ten years (calculation of number of shares based on the price at the date of transfer; calculation of value in consideration of reduction of value due to blocking period of ten years [reduced market value: 55.839%])

20 Additionally, employer contribution to AHV/IV/ALV of CHF 224,367 was paid that does not form part of remuneration.

As resigned Chairman, Dr Christoph Franz received total remuneration listed below until his resignation in April 2023.

##### Total remuneration paid to the resigned Chairman of the Board of Directors Dr Christoph Franz (in CHF)\*

	2023	2022
Base salary (in cash)	1,167,000	3,500,000
Bonus (subject to approval of the Annual General Meeting)	583,334**	1,750,000**
Pension funds / insurances / annual expense allowances / other remuneration*** (including employer contribution of social securities' beneficial parts)	328,398	669,777
<b>Total<sup>21</sup></b>	<b>2,078,732</b>	<b>5,919,777</b>

\* Remuneration until April 2023 as Chairman of the Board of Directors: as per terms of his resignation agreement, Dr Christoph Franz remained at Roche until end of April to ensure a smooth handover to his successor and received his remuneration until 30 April 2023.

\*\* In the form of shares blocked for ten years (calculation of number of shares based on the price at the date of transfer in March 2024 and 2023, respectively, after approval at the AGM 2024 / AGM 2023, respectively; calculation of value in consideration of reduction of value due to blocking period of ten years [reduced market value: 55.839%]) to be submitted for shareholder approval at the AGM 2024 / as approved at the AGM 2023, respectively

\*\*\* Including fee to Dr Christoph Franz in 2023 amounting to a total of JPY 15.47 million (CHF 98,971) received for serving as a member of the Board of Directors of Chugai Pharmaceutical Co., Ltd.

21 Additionally, employer contribution to AHV/IV/ALV of CHF 206,654 (2022: CHF 260,291) was paid that does not form part of remuneration.

The Remuneration Committee's bonus proposal for the resigned Chairman in respect of the 2023 financial year (in the form of shares blocked for ten years, payable in March 2024) will be put for shareholder binding vote at the 2024 ordinary Annual General Meeting (see 4.6).

Both total remunerations are contained in the total remuneration of the Board of Directors in 4.4.

#### **4.4 Total remuneration paid to the Board of Directors**

For the 2023 calendar year the members of the Board of Directors (including the incumbent and the resigned Chairman of the Board of directors) received remuneration including bonus (for the resigned Chairman) and employer contribution of social securities' beneficial parts totalling CHF 10,107,396 (2022: CHF 9,150,679), excluding additional employer contribution paid to social securities totalling CHF 570,084 (2022: CHF 461,365).

#### **4.5 Remuneration paid to the former members of the Board of Directors**

No remuneration was paid.

#### **4.6 Board remuneration subject to approval at the Annual General Meeting**

##### **4.6.1 Submission of the resigned Chairman's total aggregate bonus for a binding retrospective vote at the Annual General Meeting 2024**

Remuneration to the resigned Chairman of the Board of Directors includes a bonus award of CHF 583,334, in the form of shares blocked for ten years as shown in the table in section '4.3 Total remuneration paid to the incumbent and the resigned Chairman of the Board of Directors'. The Board of Directors will submit the Remuneration Committee's bonus proposal for the resigned Chairman in respect of the 2023 financial year (in the form of shares blocked for ten years, payable in March 2024, excluding legally required employer contributions to AHV/IV/ALV) for retrospective binding shareholder vote at the 2024 ordinary Annual General Meeting (AGM).

##### **4.6.2 Submission of the Board's total aggregate future remuneration for the period between the 2024 ordinary AGM and the 2025 ordinary AGM for a prospective binding shareholder vote at the 2024 AGM**

The Board of Directors proposes that the 2024 ordinary AGM approve Board remuneration totalling not more than CHF 12,000,000 (excluding legally required employer contributions to AHV/IV/ALV) for the period between the 2024 ordinary AGM and the 2025 ordinary AGM. The compensation of the members of the Board of Directors is paid in cash, and for the Chairman of the Board of Directors, compensation consists of a component in cash and a component in the form of shares blocked for ten years (calculation of value in consideration of reduction of value due to blocking period of ten years [reduced market value: 55.839%]) as determined by the Remuneration Committee.

##### **4.6.3 Reconciliation of the reported remuneration with the shareholders' prospectively approved remuneration for the members of the Board of Directors**

The 2022 ordinary AGM prospectively approved Board remuneration totalling not more than CHF 10,000,000 (excluding legally required employer contributions to AHV/IV/ALV and excluding bonuses) for the period ending at the 2023 ordinary AGM. For comparison, from the 2022 ordinary AGM to the 2023 ordinary AGM actual remuneration amounted to CHF 7,859,786 (excluding legally required employer contributions to AHV/IV/ALV and excluding bonuses) and remained within the approved total remuneration limit.

The 2023 ordinary AGM approved Board remuneration totalling not more than CHF 10,000,000 (excluding legally required employer contributions to AHV/IV/ALV and excluding bonuses) for the period ending at the 2024 ordinary AGM.

With the change of the Chairman of the Board of Directors, the remuneration components have been changed as of 2023 insofar as, on the one hand, there is no longer a bonus remuneration for the Chairman of the Board of Directors, but on the other hand, the base compensation increases, which now consists of a component in cash and a component in the form of shares blocked for ten years (calculation of value in consideration of reduction of value due to blocking period of ten years [reduced market value: 55.839%]) as per the Remuneration Committee's decision (see 4.3). From the 2023 ordinary AGM to the 2024 ordinary AGM actual remuneration (excluding legally required employer contributions to AHV/IV/ALV, including the reduction for the blocking period) remained within the approved total remuneration limit. As before, detailed calculation will be made and reported after the end of the aforementioned period.

#### 4.7 Security holdings

Directors André Hoffmann and Dr Jörg Duschmalé and members of the founder's families who are closely associated with them belong to a contractually bound shareholder group with pooled voting rights. At the end of 2023 this group held 69,318,000 shares (64.97% of issued shares). Detailed information about this group can be found in the Finance Report, Note 32 to the Roche Group Consolidated Financial Statements ('Related parties', page 140) and in Note 4 to the Financial Statements of Roche Holding Ltd ('Significant shareholders', page 190).

In addition, as at 31 December 2023 (as at 31 December 2022, respectively) the members of the Board of Directors and persons closely associated with them held Roche shares, non-voting equity securities (NES) and American Depositary Receipts (ADRs\*\*\*) as shown in the table '4.7.1 Security holdings (shares, NES, ADRs)' below.

##### 4.7.1 Security holdings (shares, NES, ADRs)

	(as at 31 December 2023)					(as at 31 December 2022)				
	Shares (number)	Non-voting equity securities (NES) (number)	Others (number/ type)	Close relatives' security holdings (number/type)		Shares (number)	Non-voting equity securities (NES) (number)	Others (number/ type)	Close relatives' security holdings (number/type)	
<b>Board of Directors</b>										
S. Schwan	244,786	97,876	-	-		215,956	91,966	-	-	
A. Hoffmann	-*	200	-	-		-*	200	-	-	
J. Duschmalé	-*	-	-	-		-*	-	-	-	
P. Frost	2,000	-	-	-		2,000	-	-	-	
A. Hauser	3,000	150	-	20 NES		3,000	150	-	20 NES	
A. Iwasaki	-	-	-	-		n/a	n/a	n/a	n/a	
R. P. Lifton	-	-	300 ADRs***	-		-	-	300 ADRs***	-	
J. Mahmood	-	-	-	-		-	-	-	-	
B. Poussot	500	500	-	-		500	500	-	-	
M. Schneider	2,500	2,500	-	-		n/a	n/a	n/a	n/a	
C. Suessmuth Dyckerhoff	-	2,710**	-	-		-	2,710**	-	-	
<b>Total</b>	<b>252,786</b>	<b>103,936</b>	<b>300 ADRs***</b>	<b>20 NES</b>		<b>221,456</b>	<b>95,526</b>	<b>300 ADRs***</b>	<b>20 NES</b>	

n/a - not applicable

\* Shares held by the shareholder group with pooled voting rights not listed

\*\* Jointly held with close relative

\*\*\* Roche's ADR (American Depositary Receipt) listed on OTCQX (<https://www.otcmkts.com/stock/RHHBY/quote>) International Premier under the symbol RHHBY, ISIN US771195104. Traded in USD, eight (8) ADRs represent one (1) underlying NES.

As Chairman, Dr Severin Schwan is not entitled to receive new LTIs (S-SARs and RSUs). His LTIs awarded in his former role as CEO are listed

below in the tables '4.7.2 Stock-settled Stock Appreciation Rights (S-SARs)' and '4.7.3 Restricted Stock Units (RSUs)'.

#### **4.7.2 Stock-settled Stock Appreciation Rights (S-SARs)**

	Number of S-SARs held on 31 December 2023						
	2023	2022	2021	2020	2019	2018	2017
S. Schwan (awarded in former role as CEO)	115,095	75,635	100,746	103,260	122,322	100,677	85,476
Price (CHF)	263.65	359.70	306.45	308.05	271.65	220.80	251.90
Market price per NES on 31 December 2023 (CHF)	244.50						
Expiry date	10.3.2033	17.3.2032	18.3.2031	19.3.2030	15.3.2029	15.3.2025	16.3.2024
Grant value per S-SAR (CHF)	37.07	56.41	42.35	41.32	34.88	26.49	31.20
Since 1.1.2012: – Trinomial model for American call options							

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#### **4.7.3 Restricted Stock Units (RSUs)**

	Number of RSUs held on 31 December 2023			
	2023	2022	2021	2020
S. Schwan (awarded in former role as CEO)	4,046	2,965	3,481	3,463
Grant value per RSU	CHF 263.65 (NES closing price at grant date on 10 March 2023)	CHF 359.70 (NES closing price at grant date on 17 March 2022)	CHF 306.45 (NES closing price at grant date on 18 March 2021)	CHF 308.05 (NES closing price at grant date on 19 March 2020)

AUDITED

# 5. Remuneration of the Corporate Executive Committee

## **5.1 Resolution and approval**

Remuneration of the members of the Corporate Executive Committee was decided at the Remuneration Committee's discretion, taking into account market comparisons.

As in the previous years, in 2024 the Board of Directors will separately submit the total aggregate bonuses of the Corporate Executive Committee for the 2024 financial year to the General Meeting for retrospective binding approval.

The maximum amounts of the total other aggregate remuneration of the Corporate Executive Committee for the period between the ordinary General Meeting 2024 and the ordinary General Meeting 2025 will be tabled separately in 2024 as in the previous years for the General Meeting's prospective binding approval (see 2.2).

## **5.2 Amount of remuneration to members of the Corporate Executive Committee**

The general provisions assigning authority for decisions on Corporate Executive Committee

remuneration to the Remuneration Committee and to the Board of Directors are outlined on page 152, '2. Remuneration decision process and approval framework'.

In 2023, members of the Corporate Executive Committee received remuneration for their work as shown in 5.4–5.10. The amount of remuneration for the CEO Roche Group, Dr Thomas Schinecker, is explained in 5.3 in detail. Total remuneration of the Corporate Executive Committee in 2023 is shown in 5.11.

Remuneration in 2023 to Dr Severin Schwan in his role as the resigned CEO Roche Group is reflected in the remuneration components (see 5.4–5.10) and is included and aggregated in the total remuneration of the Corporate Executive Committee (see 5.11).

### **5.3 Highest total remuneration paid to Dr Thomas Schinecker as a member of the Corporate Executive Committee**

As CEO Roche Group (including as ad interim CEO Roche Pharmaceuticals, January–March 2023), Dr Thomas Schinecker received the highest

remuneration paid to a member of the Corporate Executive Committee as reflected in the following chart and included in the total amount paid to the Corporate Executive Committee (see '5.11 Total remuneration paid to the members of the Corporate Executive Committee', page 174).

#### **Highest total remuneration paid to Dr Thomas Schinecker, incumbent CEO Roche Group, as a member of the Corporate Executive Committee (in CHF)**

	2023	2022
Base salary	3,000,000	n/a
Bonus (subject to approval of the total aggregate bonuses for the Corporate Executive Committee by the Annual General Meeting)	3,200,000**	In 2022, Dr Thomas Schinecker received his remuneration in his role as CEO Roche Diagnostics.
S-SARs <sup>22</sup>	2,534,697	
RSUs <sup>23</sup>	446,768	
Roche Connect	32,499	
Pension funds / insurances	341,490*	
Other payments incl. expense allowance / for tax consulting services	50,325	
<b>Total<sup>24</sup></b>	<b>9,605,779</b>	

n/a - not applicable

\* Including employer contribution of social securities' beneficial parts

\*\* In the form of shares (calculation of number of shares based on the price at the date of transfer in March 2024 after approval at the AGM 2024)

22 S-SARs 2023: number: 79,169, grant value according to the trinomial model for American call options: CHF 40.42. Trinomial model for American call options value as described in '5.6 Stock-settled Stock Appreciation Rights (S-SARs) of the other members of the Corporate Executive Committee', page 170. S-SARs 2023 are blocked for four years and may thereafter be exercised only, whilst non-voting equity securities resulting from exercise are automatically blocked for an additional four years (calculation of value of non-voting equity securities in consideration of reduction of value due to additional blocking period of four years; reduced market value: 79.209%).

23 Calculation of RSUs value 2023: number of RSUs: 3,062, multiplied by grant value of CHF 261.30 (NES closing price at grant date on 16 March 2023) per RSU (calculation of value of non-voting equity securities/shares in consideration of reduction of value due to blocking period of ten years; reduced market value: 55.839%).

24 Includes an annual expense allowance (CHF 30,000), payments for tax consulting services (CHF 7,215), family, children and education allowance (CHF 13,110). Additionally, employer contribution to AHV/IV/ALV of CHF 280,852 was paid that does not form part of remuneration.

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### **5.4 Base pay of the other members of the Corporate Executive Committee**

#### **Base pay (in CHF)**

	2023	2022
T. Graham	1,250,000	n/a
A. Hippe	1,600,008	1,600,000
M. Sause	1,009,624	n/a
C. A. Wilbur	1,026,039	1,006,167
<b>Total</b>	<b>4,885,671</b>	

n/a - not applicable

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In his role as the CEO Roche Group in 2023, Dr Severin Schwan received CHF 697,103 as base salary.

### **5.5 Bonuses of the other members of the Corporate Executive Committee**

The Remuneration Committee of the Board of Directors determined the Corporate Executive Committee members' bonuses based on the 2023 performance against the agreed objectives. The Remuneration Committee uses its discretion appropriately in the weighting of each criterion and in the bonus allocation. The total aggregate amount of bonuses will be brought forward for a binding vote by the Annual General Meeting 2024.

Except for Dr Thomas Schinecker, all members of the Corporate Executive Committee will

receive the bonus 2023 as a 100% cash payment. Dr Thomas Schinecker will receive the bonus in the form of Roche shares. Bonus payment is due in March 2024.

For his role as the CEO Roche Group in 2023, Dr Severin Schwan will receive the bonus award of CHF 550,741<sup>25</sup> in the form of Roche shares which are blocked for ten years. The bonus is part of the total aggregate amount of bonuses to the Corporate Executive Committee which will be brought forward for a binding vote by the Annual General Meeting 2024.

**Bonus (in CHF)**

	2023 (Subject to approval of the total aggregate bonuses of the Corporate Executive Committee by the Annual General Meeting 2024)	2022
T. Graham	1,700,000	n/a
A. Hippe	2,000,000	2,000,000
M. Sause	1,200,000	n/a
C. A. Wilbur	1,350,000	1,300,000
<b>Total</b>	<b>6,250,000</b>	

n/a - not applicable

AUDITED

### **5.6 Stock-settled Stock Appreciation Rights (S-SARs) of the other members of the Corporate Executive Committee**

S-SARs to the members of the Corporate Executive Committee are allocated individually at the Remuneration Committee's discretion. The S-SARs shown in the '5.15.2 Stock-settled Stock Appreciation Rights (S-SARs)' table on page 177 entitle holders to benefit financially from any increase in the value of Roche's non-voting equity

securities (NES) between the grant date and the exercise date. The strike price for S-SARs under the terms of this multi-year plan is the closing price for Roche NES at grant date. All S-SARs since 2019 vest four (previously granted S-SARs three) years after the grant date. Vested S-SARs can be exercised (converted into NES) within ten (previously granted S-SARs within seven) years of the grant date. Unexercised S-SARs lapse without compensation.

<sup>25</sup> Shares blocked for ten years (calculation of number of shares based on the share price at the date of transfer in March 2024 after approval at the AGM 2024). Calculation of shares in consideration of reduction of value due to blocking period of ten years (reduced market value: 55.839%)

Since 2019, the S-SARs proportion of the LTI of the Corporate Executive Committee is 80% (based on the already existing individual target value of the total LTI for Corporate Executive Committee members of 133.33% of a base pay measured on 1 January of a year).

The fair value of the S-SARs is calculated at the grant date using the trinomial model for American call options. The trinomial model is an effective method for valuation of American call options, as it considers the possibility of exercising the option any time prior to maturity (called 'American' option,

as compared to a 'European' option, which only allows exercise at its maturity date).<sup>26</sup>

The numbers of S-SARs, the strike prices, expiry dates and grant values for S-SARs are shown below and in the '5.15.2 Stock-settled Stock Appreciation Rights (S-SARs)' table on page 177. The numbers of S-SARs as calculated at the time of issue have been entered as values in the tables on page 169 and below. In 2023 for his role as CEO Roche Group, Dr Severin Schwan received S-SARs totalling CHF 3,379,509.<sup>27</sup>

#### **Stock-settled Stock Appreciation Rights (S-SARs)**

	2023			2022		
	Number	Grant value per S-SAR in CHF	Value in CHF	Number	Grant value per S-SAR in CHF	Value in CHF
T. Graham	27,249	40.42	1,101,405	n/a	n/a	n/a
A. Hippe	42,224	40.42	1,706,694	30,255	56.41	1,706,685
M. Sause	26,389	40.42	1,066,643	n/a	n/a	n/a
C. A. Wilbur	26,390	40.42	1,066,684	18,910	56.41	1,066,713
<b>Total</b>	<b>122,252</b>	<b>40.42</b>	<b>4,941,426</b>			
Price: CHF 261.30, expiry date: 16.3.2033						

n/a - not applicable

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<sup>26</sup> For further information on the trinomial model for American call options: Please refer to Boyle, Phelim P.: 'A lattice framework for option pricing with two state variables', The Journal of Financial and Quantitative Analysis, Volume 23, Issue 1 (Mar 1988), 1-12, [https://assets.cwp.roche.com/f/126832/x/e1222fd9e5/trinomial\\_model.pdf](https://assets.cwp.roche.com/f/126832/x/e1222fd9e5/trinomial_model.pdf)

<sup>27</sup> S-SARs 2023 (see 4.7.2, page 167); number: 115,095, grant value according to the trinomial model for American call options: CHF 37.07. S-SARs 2023 are blocked for four years and may thereafter be exercised only, whilst non-voting equity securities resulting from exercise are automatically blocked for an additional four years (calculation of value of non-voting equity securities in consideration of reduction of value due to additional blocking period of four years; reduced market value: 79.20%).

### **5.7 Restricted Stock Units (RSUs) of the other members of the Corporate Executive Committee**

Since 2019, the proportion of Restricted Stock Units (RSUs) of the members of the Corporate Executive Committee is 20% of the total LTI (based on the already existing individual target value of the total LTI for Corporate Executive Committee members of 133.33% of a base pay measured on 1 January of a year). RSU awards are allocated individually for the Corporate Executive Committee at the Remuneration Committee's discretion.

RSUs contain rights to receive non-voting equity securities and/or shares after a since 2019

newly defined four-year vesting period plus a value adjustment (being the amount equivalent to the sum of the dividend paid during the vesting period attributable to the number of non-voting equity securities and/or shares for which an individual award has been granted). They will be vested to the recipient for the Corporate Executive Committee after four years only. Thereafter, resulting non-voting equity securities and/or shares may remain blocked for up to ten years. In 2023 for his role as CEO Roche Group, Dr Severin Schwan received RSUs totalling CHF 595,650.<sup>28</sup>

#### **Restricted Stock Units (RSUs)**

	2023			2022		
	Number	Value at grant in CHF	Value in CHF	Number	Value at grant in CHF	Value in CHF
T. Graham	1,054	261.30	275,410	n/a	n/a	n/a
A. Hippe	1,633	261.30	238,267*	1,186	359.70	238,212*
M. Sause	1,021	261.30	266,787	n/a	n/a	n/a
C. A. Wilbur	1,021	261.30	266,787	741	359.70	266,538
<b>Total</b>	<b>4,729</b>	<b>261.30</b>	<b>1,047,251*</b>			

n/a – not applicable

\* Calculation of value in consideration of reduction of value due to an additional blocking period of ten years (reduced market value: 55.839%)

AUDITED

<sup>28</sup> Calculation of RSUs value 2023 (see 4.7.3, page 167): number of RSUs: 4,046, multiplied by grant value of CHF 263.65 (NES closing price at grant date on 10 March 2023) per RSU (calculation of value of non-voting equity securities / shares in consideration of reduction of value due to blocking period of ten years; reduced market value: 55.839%).

## 5.8 Indirect benefits of the other members of the Corporate Executive Committee

Employer contributions made in 2023 to social security schemes, pension plans and a Group-wide employee stock purchase plan (Roche Connect) in respect of members of the Corporate Executive Committee are shown in the 'Indirect benefits (employer contributions)' table below and in the table on page 169.

Roche Connect is a voluntary stock purchase plan offering employees the opportunity to buy Roche non-voting equity securities (NES) up to an amount equal to 10% of their annual base salary at a 20% discount. NES purchased under this plan are

subject to a holding period, which is four years in Switzerland.

In addition, members of the Corporate Executive Committee received annual expense allowances and some members payments for foreign tax obligations and tax consulting services as shown in the table below. Payments (employer contributions) of indirect benefits (payments for pension funds, insurances, expense allowance, family, children and education allowances, Roche Connect, tax consulting fees and including employer contribution of social securities' beneficial parts) in 2023 to Dr Severin Schwan amounted to CHF 176,458.

**Indirect benefits** (employer contributions) (in CHF)

		2023			2022			
	Pension funds / insurances*	Annual expense allowances	Roche Connect	Payments for tax / tax consulting services	Pension funds / insurances*	Annual expense allowances	Roche Connect	Payments for tax / tax consulting services
T. Graham	285,757	25,000	7,000	37,921	n/a	n/a	n/a	n/a
A. Hippé	435,864	30,000	39,996	4,136	425,494	30,000	39,996	10,884
M. Sause	341,490	30,000	-	29,904	n/a	n/a	n/a	n/a
C. A. Wilbur	435,864	30,000	18,744	513,187	425,494	30,000	18,744	141,119
<b>Total</b>	<b>1,498,975</b>	<b>115,000</b>	<b>65,740</b>	<b>585,148</b>				

n/a - not applicable

\* Including employer contribution of social securities' beneficial parts

AUDITED

## 5.9 Other remuneration and loans of members of the Corporate Executive Committee

To meet contractual obligations, in 2023 Roche paid a total of CHF 37,328 for relocation costs.

These additional payments are included in the total remuneration to members of the Corporate Executive Committee.

The company granted no loans or credits to the members of the Corporate Executive Committee.

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The maximum regular period of notice for members of the Corporate Executive Committee is 12 months. There are no change-of-control clauses in the employment contracts.

AUDITED

### **5.10 Remuneration to former members of the Corporate Executive Committee**

In 2023, to meet legal and contractual obligations, Roche paid remuneration of CHF 771,776 (excluding legally required employer contributions to AHV/IV/ALV of CHF 256,135) to Bill Anderson, who had resigned from the Corporate Executive Committee at the end of December 2022.

In 2023, no other payments to former members of the Corporate Executive Committee were made.

### **5.11 Total remuneration paid to the members of the Corporate Executive Committee**

For the 2023 calendar year, members of the Corporate Executive Committee (including Dr Severin Schwan as resigned CEO) received remuneration (including bonuses, employer contribution of social securities' beneficial parts) totalling CHF 34,431,779 (2022: CHF 37,181,576), excluding additional employer contribution paid to AHV/IV/ALV totalling CHF 1,104,210 (2022: CHF 1,819,906) that does not form part of remuneration.

No additional remuneration other than the above-mentioned payments was paid to current or former members of the Corporate Executive Committee.

### **5.12 The Corporate Executive Committee's remuneration subject to approval at the Annual General Meeting**

#### **5.12.1 Submission of the Corporate Executive Committee's total aggregate bonuses in respect of the 2023 financial year for a retrospective binding approval at the Annual General Meeting 2024**

The Board of Directors proposes awarding the members of the Corporate Executive Committee bonuses (for Dr Severin Schwan as resigned CEO in the form of Roche shares which are blocked for ten years, for Dr Thomas Schinecker as the incumbent CEO of the Roche Group in the form of shares and for all other members of the Corporate Executive Committee as a 100% cash payment, see 5.3 and 5.5) totalling CHF 10,000,741 in respect of the 2023 financial year (2022: CHF 10,691,950), excluding legally required employer contributions to social security agencies, and will submit this proposed total amount to the ordinary Annual General Meeting (AGM) 2024 for a retrospective approval vote.

#### **5.12.2 Submission of the Corporate Executive Committee's total future aggregate remuneration for the period between the 2024 ordinary AGM and the 2025 ordinary AGM for a prospective binding shareholder approval at the Annual General Meeting 2024**

The Board of Directors proposes that the 2024 ordinary AGM approve remuneration for the Corporate Executive Committee totalling not more than CHF 38,000,000 (excluding legally required employer contributions to AHV/IV/ALV and excluding bonuses) for the period between the 2024 ordinary AGM and the 2025 ordinary AGM.

The amount of the Corporate Executive Committee's total future aggregate remuneration is composed of base pay, long-term incentives S-SARs (calculated at grant value) and RSUs (see 3.1.4, calculated at the time of reservation of non-voting equity securities or shares), pension benefits (excluding legally required employer contributions to AHV/IV/ALV) as well as contributions for expenses, payments for foreign tax obligations, tax consulting services and Roche Connect.

### **5.12.3 Reconciliation of the reported remuneration with the shareholders' prospectively approved remuneration for the members of the Corporate Executive Committee**

The 2022 ordinary AGM approved remuneration for the Corporate Executive Committee totalling not more than CHF 38,000,000 (excluding legally required employer contributions to AHV/IV/ALV and excluding bonuses) for the period ending at the 2023 ordinary AGM. For comparison, from the 2022 ordinary AGM to the 2023 ordinary AGM actual remuneration amounted to CHF 34,026,906 (excluding legally required employer contributions to AHV/IV/ALV and excluding bonuses) in total and remained within the approved total amount.

As before, detailed calculation of the actual remuneration for comparison to the remuneration for the Corporate Executive Committee approved at the 2023 ordinary AGM totalling not more than CHF 38,000,000 (excluding legally required employer contributions to AHV/IV/ALV and excluding bonuses) for the period ending at the 2024 ordinary AGM will be made and reported after the end of the aforementioned period.

### **5.13 Clawback**

In addition to applicable statutory provisions, Roche's long-term incentive plans include the

option to partially reclaim distributed compensation as a result of special circumstances (clawback).

If the employee voluntarily serves notice of termination of employment, S-SARs (see 5.15.2) and RSUs (see 5.15.3) which are unvested at the date of termination of employment lapse immediately without any compensation.

Upon termination of employment as a result of serious misconduct, all S-SARs and RSUs granted and outstanding, whether vested or unvested, shall lapse immediately without any compensation. According to the S-SARs plan rules, serious misconduct by the participant may include (inter alia):

- activity leading to serious disciplinary action
- repeated or willful failure to perform such duties as have been reasonably assigned by Roche
- violation of any law or public regulation
- commission of a crime
- gross negligence or willful misconduct in employment
- engaging in conduct bringing disgrace or disrepute to Roche and/or any of its subsidiaries
- violation of any of Roche's directives and guidelines relating to business conduct

### 5.14 Guidelines for security holdings

Since 2012 members of the Corporate Executive Committee are required to hold Roche securities.

Members of the Corporate Executive Committee are required to hold Roche securities equivalent in value to 200% of their respective annual base salary. This requirement must be fulfilled within

five years from 15 March 2022 or, in the case of new members, within five years from the start of employment.

The requirement of Roche security holdings for the CEO Roche Group remains unchanged at 500% of his annual base salary, without a five-year limitation (new).

	Type of security	Value to be acquired
CEO Roche Group	Shares and/or NES	500% of annual base salary
Members of the Corporate Executive Committee	Shares and/or NES	200% of annual base salary

### 5.15 Security holdings

As at 31 December 2023 (as at 31 December 2022, respectively) the members of the Corporate Executive Committee and persons closely

associated with them held securities as shown in the following tables 'Shares and non-voting equity securities (NES)', 'Stock-settled Stock Appreciation Rights (S-SARs)' and 'Restricted Stock Units (RSUs)'.

#### 5.15.1 Shares and non-voting equity securities (NES)

	(as at 31 December 2023)				(as at 31 December 2022)			
	Shares (number)	NES (number)	Close relatives' security holdings (number/type)		Shares (number)	NES (number)	Close relatives' security holdings (number/type)	
<b>Corporate Executive Committee</b>								
T. Schinecker	-	3,599	Shares	NES	-	2,752	Shares	NES
T. Graham	-	6,459	-	-	n/a	n/a	n/a	n/a
A. Hippe	6,970	43,124	-	21	6,970	40,390	-	21
M. Sause	-	3,516	-	-	n/a	n/a	n/a	n/a
C. A. Wilbur	-	16,010	-	-	-	14,640	-	-
<b>Total</b>	<b>6,970</b>	<b>72,708</b>	<b>-</b>	<b>21</b>	<b>6,970</b>	<b>57,782</b>	<b>-</b>	<b>21</b>

n/a - not applicable

### 5.15.2 Stock-settled Stock Appreciation Rights (S-SARs)

	Number of S-SARs held on 31 December 2023						
	2023	2022	2021	2020	2019	2018	2017
<b>Corporate Executive Committee</b>							
T. Schinecker	79,169	20,801	22,669	20,652	3,872	-	-
T. Graham	27,249	4,412	13,344	14,180	8,960	8,304	3,975
A. Hippe	42,224	30,255	40,300	41,304	48,930	40,275	2,191
M. Sause	26,389	4,020	4,256	3,105	-	-	-
				2,931			
C. A. Wilbur	26,390	18,910	25,187	25,815	29,052	21,402	16,032
<b>Total</b>	<b>201,421</b>	<b>78,398</b>	<b>105,756</b>	<b>107,987</b>	<b>90,814</b>	<b>69,981</b>	<b>22,198</b>
Price (CHF)	261.30	359.70	306.45	308.05 335.45	271.65	220.80	251.90
Market price per NES on 31 December 2023 (CHF)	244.50						
Expiry date	16.3.2033	17.3.2032	18.3.2031	19.3.2030 30.4.2030	15.3.2029	15.3.2025	16.3.2024
Grant value per S-SAR (CHF)	40.42	56.41	42.35	41.32 44.71	34.88	26.49	31.20
Since 1.1.2012: - Trinomial model for American call options							

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### 5.15.3 Restricted Stock Units (RSUs)

	Number of RSUs held on 31 December 2023			
	2023	2022	2021	2020
<b>Corporate Executive Committee</b>				
T. Schinecker	3,062	815	783	693
T. Graham	1,054	2,076	922	475
A. Hippe	1,633	1,186	1,392	1,385
M. Sause	1,021	1,890	1,176	555 521
C. A. Wilbur	1,021	741	870	866
<b>Total</b>	<b>7,791</b>	<b>6,708</b>	<b>5,143</b>	<b>4,495</b>
Grant value per RSU	CHF 261.30 (NES closing price at grant date on 16 March 2023)	CHF 359.70 (NES closing price at grant date on 17 March 2022)	CHF 306.45 (NES closing price at grant date on 18 March 2021)	CHF 308.05 CHF 335.45 (NES closing price at grant date on 19 March 2020 and 30 April 2020, respectively)

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# Statutory Auditor's Report

**To the General Meeting of Roche Holding Ltd, Basel**

## **Report on the Audit of the Remuneration Report**

### **Opinion**

We have audited the Remuneration Report of Roche Holding Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a–734f of the Swiss Code of Obligations (CO) in the sections marked with a grey line and 'audited', including the respective footnotes, on pages 148 to 177 of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a–734f CO in the accompanying Remuneration Report complies with Swiss law and the Company's articles of incorporation.

### **Basis for Opinion**

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's Responsibilities for the Audit of the Remuneration Report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections marked 'audited' in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Board of Directors' Responsibilities for the Remuneration Report**

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### **Auditor's Responsibilities for the Audit of the Remuneration Report**

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a–734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG



François Rouiller  
Licensed Audit Expert  
Auditor in Charge

Basel, 29 January 2024



Paul Nichols



## Key dates for 2024

### **Annual General Meeting**

12 March 2024

### **First-quarter sales**

24 April 2024

### **Half-year results**

25 July 2024

### **Nine-month sales**

23 October 2024

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Sharing his journey with multiple sclerosis, Antoine helps us improve care for people with MS. Since 2019, serving as a patient expert, he has brought a valuable perspective to Roche, contributing to several significant outcomes.

Read his story on page 98  
of this Annual Report.

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