

Position on Respecting Human Rights

Background¹

In the last 20 years, the responsibilities of business in relation to human rights have become prominent. Harvard Professor John Ruggie developed a framework that consists of three pillars: Protect, Respect, Remedy. The United Nations (UN) Human Rights Council approved the Ruggie Framework in 2011 by adopting the UN Guiding Principles (UNGPs) on Business and Human Rights. In 2015, the UN issued the Sustainable Development Goals (SDGs), which are closely linked to human rights. Legislation on human rights has been implemented by many countries. The European Union (EU) has also developed mandatory standards for companies operating in the EU member states and worldwide, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

Stakeholders' Expectations and Concerns

A variety of stakeholders, such as non-governmental organisations (NGOs), socially responsible investors, corporate responsibility rating agencies, employees and the public at large, are concerned about the protection of human rights. The public does not accept that businesses' profits are enabled by violations of fundamental human rights. Rather, the expectations are that businesses will maintain and apply the same high standards wherever they operate and will ask their business partners throughout the value chain to do the same. In the sphere of human rights, this would crystallise into three dimensions²: (i) doing no harm, (ii) making an impactful contribution and (iii) looking at the sphere of influence.

Roche's Position

Human rights ensure that people have a right to be treated with dignity. By applying the principle of "knowing and showing"³, Roche is committed to avoiding adverse impacts on human rights by focusing on the perspective of the rights' holder. While assessing the impact on the people, Roche strives to avoid negative impacts on human rights regardless of whether they are directly caused by, contributed by or linked to Roche's business.

Roche fully supports and implements the "Protect, Respect, Remedy" approach with regard to human rights as stipulated by the Ruggie Framework. Roche is a signatory of the ten UN Global Compact Principles, and it is committed to support the UN SDGs within the sphere of its business strategy, the Universal Declaration of Human Rights and the fundamental labour rights as stipulated by the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

¹Pertains to SDG 16

²UN Global Compact

³ UN Guiding Principles on Business and Human Rights

Roche takes the following approach in the sphere of human rights:

Policy

Roche supports and respects human rights as an integral part of its corporate strategy. This commitment is reflected in the [Roche Group Code of Conduct](#), the [Roche Supplier Code of Conduct](#), the [Roche Group Employment Policy](#) and the [Roche Group Policy on Safety, Security, Health and Environmental Protection \(SHE\)](#), all of which are embedded throughout the Roche Group.

Due Diligence

Based on an assessment of its impact through operations and through business relationships, Roche integrates all findings into its internal business functions and takes the appropriate action. Roche reviews and monitors progress internally and reports externally, such as on [its website](#) and in the Roche Annual Report. In order to simplify the due diligence in practice, the following tools have been established in cross-divisional collaboration:

- The [Roche Directive on Human Rights Due Diligence for Business Partners](#), which sets forth the framework and principles to ensure the protection of human rights across the Roche value chain.
- A human rights due diligence questionnaire for external business partners that includes questions regarding policies, risk assessment and implementation measures on human rights aspects.
- IT tools that support a consistent end-to-end process, allowing systematic and periodically repeated risk assessment (roll-out ongoing).

Remediation

Roche maintains and improves operational-level grievance mechanisms, which Roche understands to encompass also a preventive function. Employees as well as business partners are encouraged to speak up if they believe in good faith that a human rights violation has occurred.

The [Roche Group SpeakUp Line](#) is available for everyone internally and externally.

Roche's local and regional Compliance Officers serve as contacts for allegations too, which are then reported via the [Business Ethics Incident Management System \(BEIMS\)](#) to the [Chief Compliance Officer \(CCO\)](#). Human rights violations, especially of Roche's suppliers, can also be identified by the Global Procurement Department.

All allegations are taken seriously and are objectively investigated. If the allegation is substantiated, Roche takes appropriate remedial measures.

Roche's Engagement

Roche is fully committed to supporting and respecting human rights within the sphere of its business strategy and to ensuring that it is not complicit in any human rights abuses. This encompasses all internationally acknowledged human rights, such as labour rights, freedom of association and privacy rights. Similarly, Roche is committed to upholding the freedom of association and the effective recognition of the right of collective bargaining, the elimination of all forms of forced and compulsory labour (including all forms of slavery), the effective abolition of child labour and the elimination of discrimination in respect of employment.

It is Roche's policy to ensure that its employees do not discriminate against anyone on the grounds of gender, age, ethnicity, national origin, religion, disability, sexual orientation, HIV/AIDS infection, citizenship or any other relevant category.

Implementation

Roche has implemented the following measures to ensure that it goes beyond "doing no harm":

- Roche maintains a system of consistent global standards, which it also applies to its business partners, for example in areas like R&D, clinical trials, manufacturing and distribution. Roche has established a similar process on a local and regional level.
- Roche systematically identifies human rights that could be negatively impacted by its businesses in order to focus its efforts where it sees the biggest risks and the biggest impacts for remediation and improvement. These identified human rights focus areas are further prioritised so that they can be addressed properly through adequate mitigation measures.
- To identify and mitigate human rights risks in the company's collaboration with business partners, Roche's Group Legal & Compliance Department has elaborated an assurance declaration on the adequate application of Roche's compliance questionnaire for business partners, which includes due diligence obligations, as well as integrity clauses in contracts addressing the respect of human rights.
- Roche expects its suppliers to adhere to the Roche Supplier Code of Conduct, which embeds a strong commitment to human rights. To verify its implementation, Roche conducts sustainability assurance visits at its significant suppliers with the support of external audit firms, and any findings have the appropriate remediation actions and follow-up. Furthermore, a scalable risk algorithm and specialised audit techniques to identify and mitigate human rights risks in Roche's supply chain have been developed and incorporated into the Global Procurement proprietary inherent supplier risk tool. In early 2020, Global Procurement used its inherent risk tool to assess human rights risks across Roche's entire supplier base. The assessment resulted in a human rights risk mapping and risk-based identification of suppliers for the Supplier Sustainability Assurance Visit (SSAV) process. For any identified high risks,

Roche engages in a dialogue with the suppliers concerned and elaborates mitigation plans as part of its dedication for long-lasting relationships with its suppliers.

- To make a positive impact on human rights and increase supplier standards, Roche collaborates with peers and suppliers to its industry in the Pharmaceutical Supply Chain Initiative (PSCI). Finally, the collaboration with NGOs, government bodies and international organisations (IGOs) is essential to identify areas of concerns, and enables Roche to have a positive impact on human rights in general.

Governance

The topic of human rights is a standard item on the agenda of the Roche Group's governing body for sustainability matters, the Corporate Governance and Sustainability Committee (CGSC) of the Board of Directors, with a view to executing oversight over the implementation of the company's approach, as well as recommending potential improvements in order to remain at the level of best practice.

Reporting

Roche is committed to reporting continuously internally and externally with concrete examples of how it supports the Ruggie Framework and complies with mandatory requirements regarding human rights protection, both at the Group headquarters level as well as at the level of the affiliates.

Roche's unwavering commitment to uphold and defend human rights persists as the company actively contributes to the development of pragmatic and equitable approaches.

This Position was elaborated by the Corporate Sustainability Committee and adopted by the Corporate Executive Committee in December 2012.

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Further Information

- https://www.roche.com/sustainability/approach/human_rights.htm
- <https://www.roche.com/sustainability/suppliers.htm>
- <https://www.roche.com/about/sustainability/suppliers/human-rights>

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