

# Behaviour in Business

## Roche Directive on Integrity in Business

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# Introduction

*“As a Group that operates around the globe, Roche does business in a responsible and ethical manner, with a high commitment to sustainable development, while creating a positive impact for individuals, society and the environment.”*

Any breach of integrity could result in a loss of our licence to operate, making us unable to serve the patients.

## **Perception Matters!**

We strive to avoid both the reality and perception of improper relations, as well as to maintain our personal and our company’s integrity and independence.

We are committed to following the *OneRoche Approach* principle, meaning that our integrity standards are equally binding for Group Functions, the Pharmaceuticals Division and the Diagnostics Division, incl. Diabetes Care. We also expect our business partners to comply with our integrity standards.

Roche is aware that adhering to these standards might lead to a loss of business in some cases. However, we are sure that doing so provides us with a business advantage.

The key expectations regarding integrity are set forth in the [Roche Group Code of Conduct](#), whereas this Directive specifies and explains selected aspects. Depending on group or persons (e.g. healthcare professionals, patient organisations), [additional and more stringent Roche Directives and Guidelines](#), as well as local laws, regulations or industry codes may apply.

# Business Integrity

*“Business integrity is doing the right thing by acting in line with the Roche Group Code of Conduct and our commitment to run our business in a socially responsible way.”*

## Roche’s Stance: Zero Tolerance

Roche rejects all forms of corrupt business behaviour, such as bribery, improper advantages, theft, fraud, embezzlement and misuse of company assets.

### Corruption

#### **Bribery**

Characterised by the offering, acceptance, exchange or tentative of exchange of improper advantages involving at least two persons

#### **Improper advantages**

Anything of value included but not limited to payments, rebates, meals, gifts, entertainment, travel expenses, sponsorship and charitable contributions if it is illegal or if the recipients has no entitlement to it

#### **Theft**

Unauthorised taking of the company’s property

#### **Fraud**

Criminal offence of deliberately deceiving another person in order to unjustly obtain an economic advantage (property or services).

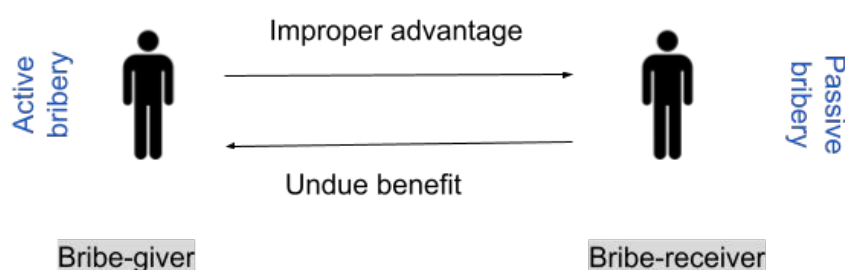
#### **Embezzlement**

Fraudulent appropriation by a person for their own use of property or money entrusted to them but owned by someone else.

#### **Misuse of company assets**

Roche employee’s unauthorised use of Roche assets for other reasons than to conduct Roche’s business

## Bribery and Improper Advantages



Bribery as per definition on page 10 includes at least two persons and is characterised by an exchange of improper advantages. An advantage is considered improper if it is illegal or if the recipient has no entitlement to it. Said advantage can be anything of value (e.g. payments, rebates, meals, gifts, entertainment, travel expenses, grants, sponsorships, charitable contributions).

*“Roche rejects all forms of bribery, i.e. public, private, active and passive.”*

Also providing the advantages to a person chosen by the intended target of the bribe (e.g. family members, friends) is considered a bribe and therefore prohibited. Already the offer or demand of an improper advantage is prohibited, even if the other side refuses and no exchange takes place. Indirect contributions, such as improper advantages made through consultants, advisers, suppliers or other third parties, are also prohibited.

Further, Roche does reject all forms of improper advantages, i.e. public, private, active and passive, even without a specific business decision in mind and without receiving anything in return, as it could be perceived as a manoeuvre to obtain the sympathies towards the giver.

*Any facilitation payments are forbidden unless such payments can be qualified as permissible advantages.*

## Permissible Advantages

However, there are situations where the giving of advantages is allowed. Employees may offer or provide advantages to business partners if the following conditions are cumulatively fulfilled:

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

## Gifts and Entertainment

Giving gifts & entertainment: Gifts or entertainment may be given to business partners only where appropriate (e.g.: gifts for HCPs are usually not allowed according to local laws and industry regulations) and where there is no risk of creating the perception of influencing the recipient in their decision and when not perceived as corruption.

*“Gifts must be of minimal value and entertainment must not go beyond what is reasonable, and both in any situation always in accordance with Roche standards and local regulations.”*

Expenditures for lavish or inappropriate gifts or entertainment may constitute acts of bribery and are strictly prohibited. Employees should also keep in mind the rules concerning the granting of permissible advantages set out above.

Receiving gifts & entertainment: Roche employees are prohibited from demanding or soliciting gifts or entertainment of any kind, both from existing and potential business partners. This includes not only merchandise but advantages of all kinds. Gifts and Entertainment may be accepted if they:

- ✓ are unsolicited;
- ✓ are not frequent;
- ✓ do not go beyond common courtesy;
- ✓ are an accepted local business practice; and
- ✓ do not raise any question of an obligation on your part.

# Conflict of Interest

*“As Roche employees we must avoid situations where personal interests conflict with, or even appear to conflict with, the interests of Roche.”*

Conflicts of interest make it difficult to make judgements and take decisions in an objective manner. It is important to be aware of the many ways in which a conflict of interest can occur. For example:

- Being involved in a hiring/retention decision regarding a friend or relative
- Being in the same vertical line of a friend or relative (e.g. having influence over conditions of employment or bonus)
- Being in a position to influence decisions with business partners that employ an employee, friend or relative or that are (partially) owned by an employee, friend or relative
- External or secondary employment outside of Roche, including giving paid speeches
- Being a board member of a non-Roche organisation. (see [Directive on Employee Holding Board Memberships](#));
- Having a personal, financial or commercial interest in a company which competes with or does (or seeks to do) business with Roche, that may raise bias or the perception of bias

Most conflicts of interest can be addressed in a simple and mutually acceptable manner through pro-active and open dialogue between employees and their Line Manager. If a potential, actual or perceived conflict of interest arises:

- Disclose it immediately to your Line Manager.
- Evaluate an appropriate solution.
- Involve other relevant functions (e.g.: P&C, Compliance and Legal) depending on the specific situation.
- Take mitigation actions, if required.
- The disclosure and the decision shall be in a written format. (Document the decisions and actions.)

Options for the Line Manager to address the conflict may include:

- Simply record, and continue to monitor for any changes.
- Separate the employee from some of the key decision-making processes or place restrictions on the involvement of the employee with the matter.
- Terminate the relationship causing the conflict.
- Make a pragmatic and informed decision to address the conflict of interest, e.g. by consulting a sounding board, through a review by an independent function or by establishing an approval flow, so that risks to Roche are minimised and the personal interests of the employee are protected as far as possible.

*If in doubt about whether there is a conflict of interest, consult your Line Manager, P&C Business Partner, Legal or Compliance Partner for guidance. And remember: Disclosing a conflict of interest will not lead to disciplinary measures, while a failure to do so may.*

# Dealing with Business Partners

Employees who deal with public and/or private business partners must adhere to the applicable [Roche Directives & Guidelines](#) as well as all other relevant laws and regulations.

*“We must conduct adequate due diligence of business partners and observe certain principles concerning their contracts and remuneration.”*

When services are provided to Roche or on behalf of Roche by business partners such as consultants, advisers or agents, the following principles apply:

Each agreement must be in compliance with both the legislation of the country to which it applies and Roche integrity standards

Where applicable, the agreements should include adherence to the [Roche Supplier Code of Conduct](#) as one of the obligations of the business partner

All agreements must clearly define the respective roles and responsibilities of the business partner and Roche, as well as the basis for the remuneration

The remuneration of the business partner should be in line with the fair market value of the services provided (e.g. [for HCPs](#)). In all cases, the business owner must be able to explain and justify the amount provided

All agreements must be reviewed at regular intervals to ensure that they remain current and appropriate for the activities in the country to which they relate

Payments must be in compliance with local legislation and Roche integrity standards and shall be made in the country in which the contracted services are rendered.

Applicable fiscal regulations of the respective countries must be taken into account

All corresponding payments must be properly entered into the company's books and available databases

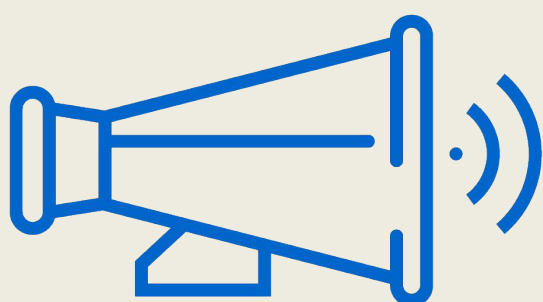
*In case of a compliance issue with a business partner, immediate remedial action must be demanded from said business partner. In serious cases, the agreement must be terminated.*



# Questions and Reporting Non-compliance

In case of any questions regarding the correct business behaviour, employees are encouraged to contact their Line Manager, the local or regional Compliance Officer, the Chief Compliance Officer, available local help and advice resources or the Roche Group Code of Conduct [Help & Advice Line](#).

In case of suspected non-compliance behaviour, employees shall contact their Line Manager, the local or regional Compliance Officer, the Chief Compliance Officer, Legal, People & Culture or the [Roche Group SpeakUp Line](#). Business partners and their employees shall report suspected non-compliant situations, which they face in connection with a Roche business, either to the local or regional Compliance Officer or the Chief Compliance Officer (via [www.roche.com](http://www.roche.com)).



**Scan to know more about SpeakUp Line**

# Definitions

**Business integrity** is defined 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.

**Corruption** is the abuse of entrusted power for obtaining illegal private gain.

**A conflict of interest** exists when an employee's personal interests are inconsistent with those of Roche and create conflicting loyalties.

**Fraud** is the criminal offence of deliberately deceiving another person in order to unjustly obtain an economic advantage (property or services).

**Embezzlement** is the fraudulent appropriation by a person for their own use of property or money entrusted to them but owned by someone else.

**Theft** means the unauthorised taking of the company's property with the intention of not returning that property to the company.

**Misuse of company assets** is a Roche employee's unauthorised use of Roche's assets for other reasons than to conduct Roche's business.

**Bribery** constitutes a special form of corruption involving at least two persons and is characterised by an exchange of improper advantages. The definitions are as follows:

- **Active bribery** is understood as the promise to give or the giving of any payment, including any improper advantage, whether directly or through intermediaries, to someone holding a public office (*public bribery*) or to someone in business (*private bribery*) with the intention and expectation to obtain an undue benefit in return for the bribe.
- **Passive bribery** is understood as the solicitation or acceptance of a payment or any other improper advantage, whether directly or through intermediaries, from someone in return for which the person who has accepted the bribe favours the giver in an undue way.
- An **advantage** can be anything of value, including payments, rebates, meals, gifts, entertainment, travel expenses, grants, sponsorships and charitable contributions. Even immaterial support, such as help getting a job, may qualify. Such an advantage is considered improper if it is illegal or if the recipient has no entitlement to it.

# Definitions

## **The granting of improper advantages**

is the promise to give or giving of an improper advantage without a specific business decision in mind; in contrast to the bribery definition above, there is nothing received in return. The improper advantage can, therefore, be seen as a manoeuvre to increase the sympathies towards the giver. Granting an improper advantage to a government official is a type of corruption and can be a punishable offence.

**A government official** is anyone who holds a public office, is employed by the state or has political influence. Examples include members of parliament, the armed forces, judges, customs officers, civil servants, politicians, public health officials (including physicians) and all persons employed by a government-owned organisation.

## **Entry into Force**

This updated Integrity Directive was reviewed and approved by the Roche Core Compliance Team, as well as endorsed by the Chief Executive Committee. It replaces the version from 2013 and enters into force as of June 2022.

**Doing now what patients need next**