

SHE goals for the Roche Group: 2020 - 2025

Introduction

Roche has always been and also wants to be in the future a company which positively contributes to the sustainable development of global society. We do this by inventing, developing, producing and selling new, innovative medicines, diagnostic tests and services and at the same time, offering medical and clinical insights.

Our activities to make these positive contributions on the other hand have negative impacts on the health and safety of employees and other people and on the environment, and negative impacts from outside Roche interfere with our ability to deliver our products and services. Therefore we professionally manage Safety, Security, Health and Environmental Protection (SHE) in the Roche Group to minimize such negative impacts.

One element of SHE management is setting SHE goals, developing action plans on how to achieve these goals and implementing them. Roche has done so successfully for many years. Based on long-term ambitions, we have developed mid-term (e.g. 5 years) goals for several periods in the past. Every year we publicly report on the progress towards these goals in the Roche Annual Report and the [Internet](#), as well as internally through SHE Information bulletins and other channels.

In 2019 we began the process to develop and define new SHE goals for the next 5 years, 2020 being the base year to compare with in 2021 – 2025 (*in 2021 we changed the reference year to 2019 for some of the goals and correspondingly adjusted these goals because of distortions in the numbers in 2020 due to the COVID-19 pandemic*).

- In a first step we evaluated what should be the basis to inform our goals.
- In the second step we analyzed which elements are relevant for and can be reasonably influenced by Roche.
- In the third step we developed the concrete goals we would need to ensure that we deliver the necessary contributions.
- And finally we invited a broad audience within and outside Roche to review and comment on these proposals.

In the following chapters we describe these steps accordingly.

The basis for our goals: what is needed by society and by Roche?

We selected the following sources (among others) as input to inform our goal setting:

- **The United Nations Sustainable Development Goals ([UN SDGs](#))**. There are 17 goals, underpinned by 169 targets (under the link above click on the icons to see more details). These goals and targets have been identified to be essential to help solve the most pressing problems of our planet.

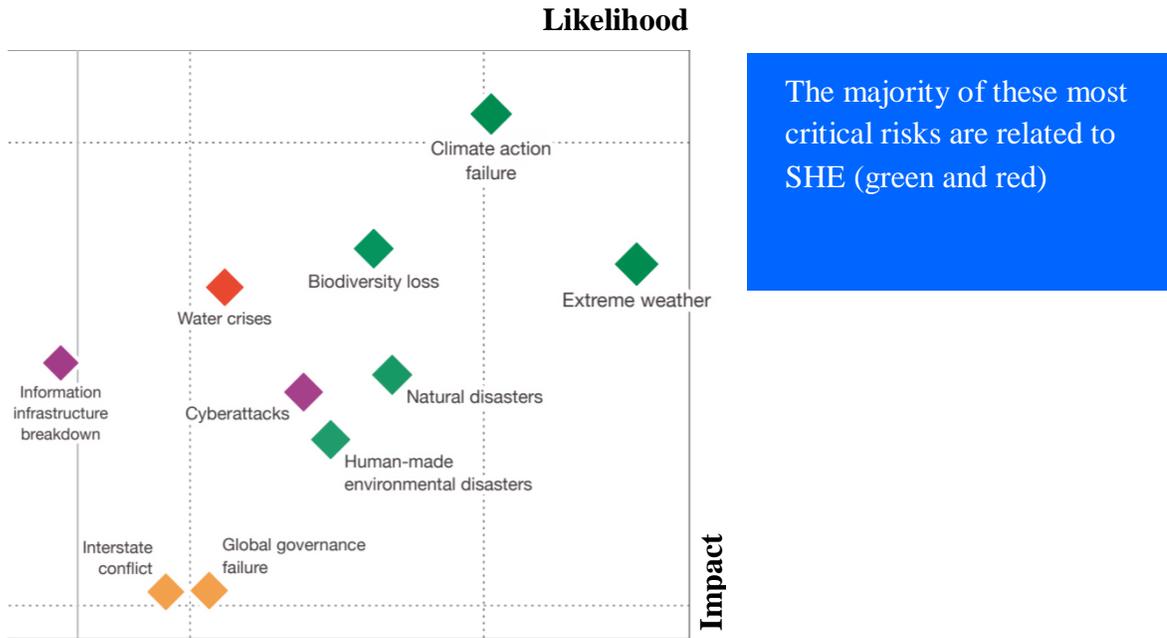


Not all of these 17 goals (and 169 targets) are equally relevant in the context of SHE at Roche. Our analysis revealed the following priorities to consider for our Roche SHE objectives:

UN Goals	Related Roche SHE Objectives
3: Good Health & Well-being	Protect & Promote Health
4: Quality Education	Educate in and Motivate for SHE
6: Clean Water & Sanitation	Avoid Pollution of Water; Reduce Water Consumption
7: Affordable & Clean Energy	Reduce Energy Consumption; Substitute with Sustainable Energies
8: Decent Work & Economic Growth	Safe, Healthy Workplaces
12: Responsible Consumption & Production	Safe, Healthy & Environmental Friendly Production
13: Climate Action	Eliminate Greenhouse Gases
17: Partnerships for the Goals	Partner with Others to Achieve the Goals

Dark blue: most relevant topics for SHE
 Light blue: other important SHE topics

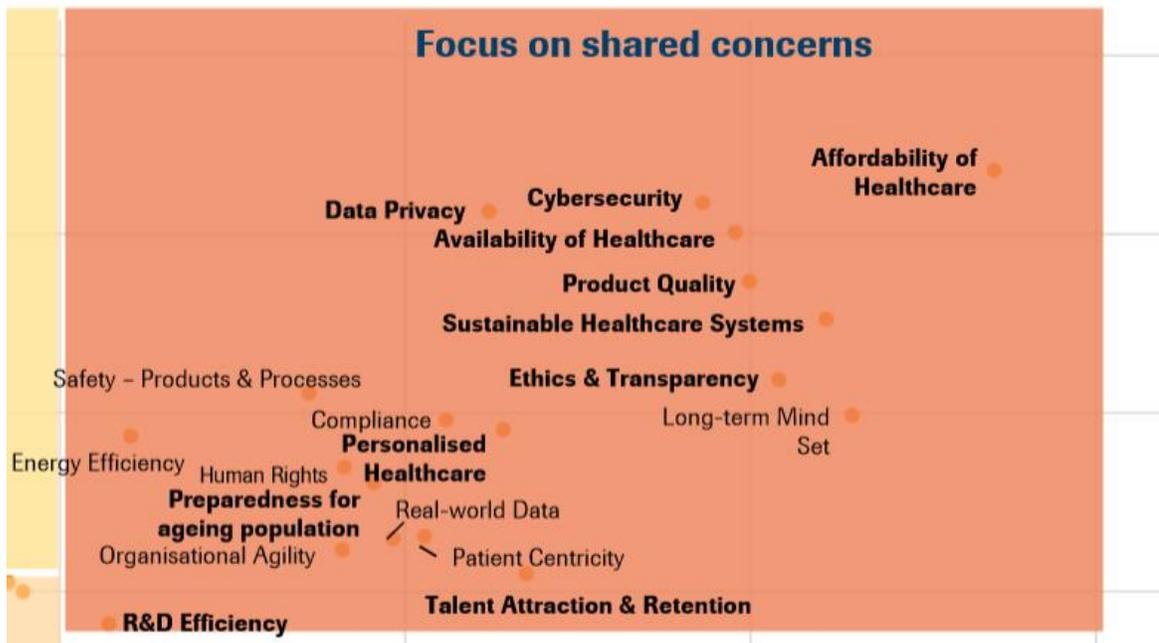
- **The World Economic Forum (WEF) [Risk Map 2019](#)**. The top (highest impact) right (highest probability) corner of that Risk Map looks as follows:



The following SHE objectives can help to tackle these risks:

WEF Risks	Related Roche SHE Objectives
Extreme Weather	Protect Assets (Resilience); Business Continuity Management (BCM)
Climate Change	Eliminate Greenhouse gases
Natural Disasters	Protect Assets (Resilience); BCM
Water Crisis	Reduce Water Consumption and Contamination
Environmental Disaster	Process Safety; Substitute hazardous materials

- **The Roche Sustainability Risk and Materiality Analysis.** In 2018 / 2019 Roche conducted a in-depth analysis of our most material sustainability risks:



A couple of objectives are connected with these priorities:

Material Roche Sustainability Risks	Related Roche SHE Objectives
Safety – Products and Processes	Process Safety Management; Product Stewardship
Energy Efficiency	Reduce energy consumption
Compliance	Implement Audit Recommendations

- **Past and current Roche goals.** A thorough analysis was conducted to evaluate which goals need to be pursued into the future. For some of the goals we were not able to develop suitable key performance indicators (KPIs). In these cases we replaced the goals with others which support the same objectives.

The general SHE objectives for 2020 – 2025

This analysis led to the following general objectives:



Purpose, People, Planet, Prosperity, 3rd Parties

The SHE goal 2020 and 10-year ambition for the Roche Group

Based on this analysis the Corporate Executive Committee (CEC) has selected the most important SHE objective (**minimize environmental impact**) and decided on a short-term goal and a long-term ambition as follows:

- **CEC SHE goal 2020** (for the blue multiplier of the Roche bonus system):
In 2020 reduce the **environmental impact of our operations** by **6 %** (2019 as baseline) and establish the **Product Stewardship score** for **10 products**.
- *CEC SHE goal 2021 (for the blue multiplier of the Roche bonus system):*
*In 2021 reduce the **environmental impact of our operations** by **19%** (2019 as baseline) and establish the **Product Stewardship score** for another **20 products**.*
- **CEC 10-year Ambition:**
Reduce **environmental impact** of our **operations** and **products** by **50%** from **2020 – 2029**, compared to 2019.

- **Remarks:**

1. **Operations:** The environmental impact of our operations is measured according to the method of the Swiss Office for the Environment (FOEN/BAFU). The KPI is Eco-balance points per employee, the same as we used in the past.
2. **Products:** The environmental impact of our products is measured as **Product Stewardship score** of selected products. This score is calculated through the evaluation of about 85 criteria which characterize the sustainability of our products (Roche internal method).
The 10 products¹ to be scored in 2020, together with 20 products in 2021 will form the baseline for an assessment of product stewardship (30 products²) over the years **2022 – 2025** (and later over the years 2026 – 2029, in support of the 2029 10-year ambition of the CEC).

¹ 8 products from Diagnostics, including at least 1 from Diabetes Care; 2 from Pharma

² The products scored in the evaluation years 2022 – 2029 can be the same as scored in the baseline years 2020 and 2021 or (partly) other products as determined by the product stewardship steering committee.

Long-term goal for the Climate

Roche has set the goal to **reduce the Scope 1&2¹ greenhouse gas emissions to real zero by 2050**, without just reverting to buying CO₂ reduction certificates. And we strive for significant reductions in the supply chain (scope 3) through real reductions and real compensations.

¹ *Scope 1: in-house emissions of our operations; Scope 2: Emissions from purchased energies*

The SHE goals for the Roche Group 2020 - 2025

Based on all of this input we have decided on the following concrete SHE goals for the Roche Group. If not indicated otherwise, the **base year** to compare with is **2020** and the **target year** is **2025**.

Improve People's Health and Productivity

Goal	Target	Remarks
<p>Ensure Safe Workplaces:</p> <p>Reduce Roche Accident Rate (RAR)</p> <p>Reduce number of Vehicle Collisions</p>	<p>< 0.05 [lost working days per employee] by 2025.</p> <p>-10% [collisions / million km] by 2025 compared to 2020.</p>	<p>-17% against the 2015 – 2020 goal (0.06)</p>
<p>Offer Healthy Workplaces</p>	<p>x% increase in Global Employee Health Score (EHS¹) derived from the Global Health Survey (GHS¹)</p>	<p>KPI: Global Employee Health Score (EHS) from the Global Health Survey (GHS) in GLINT². Conduct GHS in 2020. Set the goal (x%) in 2021. <i>(Postponed to 2021 / 2022 due to COVID-19)</i></p>
<p>Improve the Maturity of Health Risk assessments and management, in particular for psychosocial risks.</p>	<p>x% of sites are Mature = fully compliant to the Roche Group Directive K1/Annex 5 (Mental Health)</p>	<p>KPI: Maturity of mental health program.</p> <p>Develop and test the checklist in 2020. Set the goal (x%) in 2021.</p>

¹ Name may change

² GLINT = HR tool for employee surveys

Minimize
Environmental
Impact

Reduce
Greenhouse
Gases to Zero

Goal	Target	Remarks
Reduce the Environmental Impact of our Products	Improve the Product Stewardship Score of 30 selected products by 25% (baseline 2020 and 2021; evaluation 2022, 2023, 2024 and 2025).	Calculated according to an in-house scoring system. This goal supports the CEC 10-year ambition to reduce the eco-balance (including product stewardship score) by 50% from 2020 – 2029 (2019 baseline).
Reduce the Environmental Impact of our Operations	Reduce our Eco-Balance by 36% from 2019 – 2025 [eco-balance points per employee] <i>(Changed from 30% from 2020 - 2025 to 36% from 2019 - 2025)</i>	Calculated according to the method of the Swiss Federal Office for the Environment (FOEN, BAFU). This goal supports the CEC 10-year ambition to reduce the eco-balance (including product stewardship score) by 50% from 2020 – 2029 (2019 baseline).

In order to achieve the Eco-Balance goal for our operations we need to achieve the following:	
Reduce Greenhouse Gas emissions	<ul style="list-style-type: none"> • Sites¹ by the end of 2020 have developed a roadmap towards zero scope 1&2 greenhouse gas emissions by 2050 • 100% Sustainable Electricity by 2025 • -18% Scope 3 Greenhouse Gas Emissions [kg CO₂/employee] (<i>changed from 15% for 2020 – 2025 to 18% from 2019 – 2025</i>) • -10% Scope 1&2 Energy Consumption [Fossil fuel equivalent GJ/employee] • -18% Greenhouse Gas Emissions from Business Flights [kg CO₂/employee] (<i>changed from 15% for 2020 – 2025 to 18% from 2019 – 2025</i>) • -40% total Scope 1&2 Greenhouse Gas Emissions [kg CO₂/employee]
Phase-out Halogenated Hydrocarbons for refrigeration	<ul style="list-style-type: none"> • Legacy Roche: -25 % (2020 – 2025) • Genentech, Ventana -25% (2022 – 2027) • Zero for whole Roche Group by 2030
Reduce General Waste	<ul style="list-style-type: none"> • -10% General Waste [kg/employee], excluding construction waste
Increase Recycling Rate	<ul style="list-style-type: none"> • ≥80% of General Waste to be Recycled (excluding construction waste)
Reduce Plastic Waste	<ul style="list-style-type: none"> • -10% Plastic, separated fraction in general waste [tons absolute]
Reduce Nutrient discharges to receiving waters	<ul style="list-style-type: none"> • -5% Nitrogen [tons absolute] • -90% Phosphorus [tons absolute]
Reduce Water Consumption	<ul style="list-style-type: none"> • -15% Water Consumption [water risk weighted m³ per employee]
Stop the use of SVHC ¹	<ul style="list-style-type: none"> • 10 Years after they are put on the EU candidate list

¹ covering 85% of the Roche Group Scope 1&2 greenhouse gas emissions

² SVHC = Substances of Very High Concern

Keep our
Business
Running

Minimize
Damage to our
Assets

Goal	Target	Remarks
Ensure uninterrupted Delivery of Key Products & Services at a minimum acceptable level following a disruptive incident.	By 2025 , 90% of Commercial affiliates and 100% of Manufacturing, Distribution and R&D sites that play a role in the delivery of key products and services, have implemented a Business Continuity Process that is assessed on a regular basis.	List of key products and services is regularly updated.
Achieve/keep a high level of Security .	90 % K19 Directive Compliance Rate .	KPI to be defined in 2021.
Ensure Legal SHE Compliance	≥ 98% of sites have a legal SHE compliance Process in place and a signed Compliance Statement by 2025.	Yearly tracking.
Implement Audit Recommendations	≥ 90% verified Closure Rate of due SHE audit recommendations.	Every year, starting 2022 with implementation of Bwise Audit tool.

Ensure SHE
Knowledge and
Motivation

Goal	Target	Remarks
<p>Improve SHE Education throughout Roche</p>	<p>Every New Employee (including managers) finishes an approximately 45 Minutes Basic SHE Training.</p> <p>Every Employee (including managers) finishes a global, approximately 45 Minutes Training on a Specific SHE Topic per Year.</p> <p>90% of all sites have a SHE Education Matrix for all employees (including managers) and 90% of the Trainings are done accordingly, by 2025.</p>	<p>To be provided by Group SHE (e.g. RoSHE, new version)</p> <p>To be provided by Group SHE. Every year a relevant topic will be selected, including the learning concept.</p> <p>Complementary to the above courses. To be set up and implemented by the sites.</p>

Similar Goals
for Third
Parties

Goal	Target	Remarks
Roche only works with Suitable Business Partners	≥ 98% of K15 business partners are Assessed for and Compliant with Group SHE Directive K15, Annex 1, SHE Performance Expectations by 2025.	K15 business partners to be determined by the Divisions as per Group Directive K15 and divisional implementation guideline.

Consultation of the Goals

The goals were reviewed in an extensive Roche-internal and –external consultation process. We received a broad consensus on the goals.

Implementation

All sites are required to define **local goals** in support of the global goals, to set up an **action plan** which ensures that these local goals will be achieved, and **implement** the plan accordingly. Not all sites can make similar contributions to all the global goals, but **every site must make a fair effort to contribute** where they can best, using the available resources most efficiently.

The **General Manager / Site Manager is responsible** for the SHE goals. She/he is supported by the SHE Officer and Site Security Officer in defining the goals, developing the action plans and implementing them.

We will further communicate on these goals, describing more details of the goals and the KPIs as needed.

Remarks

- **Maturity of health risk assessments and management**
 - **KPI:** Maturity of mental health protection at work program according to the self-checklist.
 - Group SHE to develop and test the **self-checklist** and have affiliates report the maturity of their program during 2020 key figure reporting via GAIA. In 2021 set the goals for the 2021-2025 period.
- **Global employee health score**
 - **KPI:** Derive **employee health score** (EHS) from the **global health survey** (GHS) in GLINT (the HR tool for employee surveys), covering workplace physical environment and safety climate, workplace policies and culture, health status, work evaluation and experience.
 - Conduct the GHS in 2020 as baseline for setting goals for the 2021-2025 period. *(Postponed to 2021 due to COVID-19).*
- **Reduce the number of vehicle collisions**
 - Reporting needs to be improved. This might at first hand increase the number.
- **Reduce greenhouse gas emissions**
 - **Roadmaps:** Sites making up **85%** of scope 1&2 greenhouse gas emissions shall have developed by end of 2020 a **roadmap** towards zero greenhouse gas emissions by 2050. (Quality) criteria for plans have been developed by Group SHE ([Link](#)). The plans should describe the activities to improve **energy efficiency** and to **substitute** remaining energy demand by **sustainable energies**.
 - **100% sustainable energy:** 90% from on-site installations, power-purchase agreements (PPA), green tariffs and/or (inter-grid) virtual PPA. 10% from (unbundled) Renewable Energy Attribute Certificates (RECS).
 - **Scope 3:** Categories with robust available numbers will be included in the 15% reduction goal. Only real physical reductions, no offsets or certificates.
 - **Business flights:** Significant need for reducing flights. **Task forces at bigger sites** needed.
- **Reduce general waste / Increase general waste recycling rate**

- General waste consists of waste quantities that are sent for incineration, landfilling and/or recycling
- Re-use is excluded
- The goals also exclude chemical / hazardous waste
 - Roche has a general policy of not landfilling any chemical / hazardous waste. We are working on getting rid of the last small quantities.
- Construction waste / debris are not taken into account for the calculation of the goals as well, since this type of waste is heavily fluctuating year by year depending on the construction activities of the Group.
- Recycling is very important as waste has a significant negative impact on the natural environment, and valuable resources going to waste contributes to the depletion of these resources, including energy. Harmful chemicals and greenhouse gases are released from rubbish in landfill sites and recycling helps to reduce such pollution.
- General waste is best reduced by avoidance and reduction at the source.
- **Reduce plastic waste:** In addition to the formulated goal (reduction of plastic waste in our general waste), we also want to reduce plastic waste for customers and avoid improper disposal, through our product stewardship activities. This shall be achieved by reducing the use of plastic materials in general by avoidance and reduction at the source.
 - All plastic waste quantities are taken into account, either those sent for incineration, landfilling and/or recycling.
 - Potential negative side effects from omitting or substituting plastic materials must be duly considered.
- **Reduce water consumption**
 - Weighted for water risks like water stress, drought severity, and regulatory. Methodology for calculating the risk factors to be developed in 2020.
 - Reduce our water supply risk.
 - Sites with biggest risks, comprising 80% of total risk, to develop action plans.
- **Stop the use of SVHC**

- Where technically feasible. The number of SVHC is set to increase significantly.
SVHC = Substances of very high concern, as defined by the EU.
- Ensure **compliance** with Group Directive K19 **Security requirements**
 - The K19 compliance rate (in %) will be measured based on the K19 Gap Analysis Template. Details of the KPI will be developed in 2021.

Doing now what patients need next