

A YEAR IN REVIEW



#StrongerTogether

2020

“Roche has faced and weathered many challenges in its nearly 125 years. The solidarity and community we experience now in the fight against COVID-19 will significantly increase our collaboration, and there is no doubt that we will come out of this even stronger.”

Severin Schwan, CEO Roche Group



See video about
Roche in 2020



#Stronger

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Doing now what
patients need next

Together

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.

A close-up photograph of a healthcare worker wearing full personal protective equipment (PPE). The worker is wearing a blue surgical cap, a clear face shield, and a white N95-style respirator mask. They are looking upwards and to the right with a focused expression. The background is dark and out of focus.

A RELIABLE PARTNER DURING THE CORONA PANDEMIC



The reports began to appear, somewhat quietly, in early 2020. But very soon, the alarm began to ring loudly. A virus called SARS-CoV-2 was suddenly dominating the headlines and threatening lives around the world. Roche quickly realised the company had a new mission and a substantial list of vital undertakings. That list included:

- Developing new diagnostic tools
- Determining if any existing medicines could combat the infection or ease its symptoms
- Developing entirely new medicines to treat the virus
- Joining forces with governments, other business partners and organisations to accelerate progress
- Securing employee safety while maintaining business continuity to ensure supplies of tests and medicines reached patients in need



Nikki is a student at the University of California, Berkeley. After recovering from COVID-19 she is enjoying life again and spending time on her favourite outdoor activities.



See more about
Nikki's story

“It doesn’t get any closer to home than this.”

Nearly three years ago, Roche employee Michaela Hart’s daughter Nikki was diagnosed with a significant illness. But in March 2020, after Nikki’s latest hospital visit for treatment, something seemed off in a new and very different way.

“It was Friday the 13th,” explains Michaela, Vice President of Quality Systems and Compliance at Roche Diagnostics in Pleasanton, California. “Nikki started feeling sick. She had just been discharged from the hospital yet again, so it could have been a result of her ongoing treatments. But at this point, we had to face a new possibility: Could it be COVID-19?”

When Nikki became too sick to continue her education at the University of California, Berkeley, the family moved her home. But, in hopes that Nikki would soon return to school, they kept Nikki’s off-campus apartment. Their goal was to keep everything as normal as possible, and hope for the best.

“But she started feeling really sick, and not in the usual ways,” Michaela explains. “As hard as it was, I said to her, ‘because this could be COVID-19, you’d better self-isolate in your apartment. If I get sick, I can’t take care of you.’”

Nikki returned to her apartment, and soon became even sicker, with a high fever. Her doctor recommended that she be tested for COVID-19. The test came back negative. But Nikki was unconvinced. She said to her mother, “I know it is COVID-19. I have had the flu before. I feel different, and this is a different virus.”

Nikki insisted on another COVID-19 test. After a few weeks of waiting and several phone calls, she

received a positive result. Nikki consulted with her doctors using telemedicine, and travelling healthcare workers came to check her vitals and administer treatments (including intravenous fluids) through her partially opened apartment door. Nikki’s main concern, Michaela says, was to not infect others.

“Taking charge of her own healthcare gave her a sense of control,” Michaela says. “Being involved and being her own medical sleuth gave her a way of owning her diagnosis, which is really important for patients.” With an underlying illness and repeated episodes of severe dehydration, Nikki’s recovery has been a long journey. But she is handling it well. What really struck Michaela was her daughter’s strength, and her trust in being part of the Roche family—both as a patient, and as the daughter of an employee. “Her mindset is so very positive and strong,” Michaela says.

Throughout her career, Michaela has remained focused on being a champion for quality and on considering the voice and perspective of the customer and our patients in her daily workplace decisions. “But in this moment,” Michaela said, “I realised that this time I was the customer, and so was my daughter. It does not get any closer to home than this.”

“Being involved and being her own medical sleuth gave her a way of owning her diagnosis, which is really important for patients.”

“The future hinges on partnerships.”

Looking back on his experience with COVID-19 is painful for Alain Bindels, Head of Innovation Facilitation & Digitalisation at Roche. As he explains, “It was a very tough moment in my life. I really felt helpless, and realised how fragile life is. It was really two weeks of not knowing what the outcome would be. Will I get better? Will I be able to see my family again?”

He did recover. But Alain says he is not the same man he was before the virus. After 15 days on his back, a fever as high as 41.1 degrees Celsius and a loss of 10% of the oxygen in his blood, he stumbled out of bed with one word ever-present in his mind: solidarity.

Missed connections became clear

After COVID-19, Alain began to see connections in the world that he had missed before. He realised the importance of sustainability as a society, a community, and an individual. Alain now firmly believes that the future—personally and professionally—hinges on partnerships.

“I think the only way to go forward after COVID-19 is through collaboration and helping each other,” Alain says. “To be honest, before I became sick, I was not focused on sustainability or on sustainable

development goals. But through this experience, I have realised the importance of solidarity, sustainability, and building ecosystems to make change happen.”

An opportunity to harness solidarity around the globe

The disease transformed Alain, as well as the annual innovation summit he organises. As he observed the creativity and agility spurred by the pandemic, he recognised an opportunity to harness solidarity around the globe. Alain saw the power of uniting innovators across pharma, government, academia, start-ups, non-profits and individuals to work together to deliver solutions that matter for patients. “We had more than 2,500 registrations and 150 external companies joining, including companies from the EUvsVirus hackathon, for which Roche was a sponsor partner to find solutions for COVID-19.”

“My wish for the future is that we will have built this ecosystem of partnerships with start-ups, universities, experts, private companies, even NGOs. And, we will put the patient in the centre of all of that,” Alain says. “So the focus is now on determining how we can bring those worlds together into a functioning ecosystem that’s centred around patient needs.”

Life is fragile

When asked what surprised him most about his experience as a COVID-19 patient, Alain says it’s the fragility of life, and the connections that his vulnerability allowed him to see. “We all are part of a big community in a big world, and we have to take care of each other,” he says. “I think life is fragile, societies are fragile, and if we really want to create a positive future, a sustainable future for everybody, we need to rethink how we are working as a society, as a community and also on a personal level.”

The pandemic demonstrates the benefit of uniting innovators across pharma, government, academia, start-ups, non-profits and individuals.



Alain, Head of Innovation Facilitation & Digitalisation at Roche, states that he is not the same person as he was before contracting the SARS-CoV-2 infection. He now has one word ever-present in his mind: solidarity.



See more about
Alain's story



"To support the high demand for SARS-CoV-2 testing, we increased production capacity to unparalleled levels. Our allocation strategy ensures that these tests, consumables and systems are made available where they are needed most and can be most effective."

Thomas Schinecker, CEO Roche Diagnostics

Researching the novel coronavirus in the urgent search for solutions

Throughout human history, pandemics have afflicted the world. In fact, they are an inevitable part of life on earth. But, the global challenge of COVID-19 is one of the worst in modern history. That is why combating the virus demands a modern approach.

A quick start

The complete genome sequence of SARS-CoV-2 was determined and made public in January 2020, almost immediately after the initial outbreak. Other virus genome sequences followed quickly, from all over the world.

Sequence availability provides a vital blueprint to develop new tests to diagnose the virus, and drugs to fight it.

Summoning resources

Early on in the pandemic, Roche initiated internal research programmes to develop SARS-CoV-2 tests and to discover potential drugs that combat the virus. Roche also established an internal review team to rapidly evaluate a large number of potential partnering opportunities to determine which complemented our expertise and held the most promise.

Roche also provided support to external collaborators, including the Krogan Lab at the University of California, San Francisco, to identify possible new therapeutic approaches with existing FDA-approved medicines. Another collaboration with Calibr at Scripps Research, involved Roche providing several discovery stage compounds for screening of potential antiviral activity against SARS-CoV-2.

Before the end of the first quarter, the first Roche PCR diagnostic test to identify an active infection was approved and launched in record time, on a global scale.

Joining forces

In an unprecedented show of solidarity and urgency, in April 2020, a multinational group consisting of global health and regulatory agencies, more than a dozen leading biotech companies, and many renowned academic researchers banded together to battle a disease that knows no borders. The collaboration is called Accelerating COVID-19 Therapeutic Interventions and Vaccines, or ACTIV.

The effort, led by the National Institutes of Health (NIH) and the Foundation for the NIH, is a public-private partnership of truly pandemic proportions. It brings together a wide range of experts, including industry R&D leaders, the director of the NIH, the director of the National Institute of Allergy and Infectious Diseases, the Health and Human Services Office of the Assistant Secretary for Preparedness and Response, the Centers for Disease Control and Prevention, the US Food and Drug Administration (FDA), and the European Medicines Agency (EMA).

The global challenge of COVID-19 is one of the worst in modern history. That is why combating the virus demands a modern approach.

Since April, the entire ACTIV group has gathered on a weekly basis in one virtual room to share, align and develop a coordinated global response. The goals of ACTIV are straightforward: prioritise the best vaccine and drug candidates, streamline clinical trials and regulatory processes, and share knowledge and tools amongst all partners in order to respond to COVID-19—and future pandemics—as quickly as possible.

A key aspect of this approach is the willingness of people from industry, academia, government and even private foundations to work together to make a difference. The effort strives to break down the traditional boundaries and silos that normally slow progress. Openness, transparency, collaboration, and the shared goal addressing this global health crisis are the most important attributes of this unprecedented collaboration.

Roche is evaluating the safety and efficacy of Actemra/RoActemra in hospitalised adult patients with severe COVID-19 pneumonia. Part of this effort is a collaboration with the Biomedical Advanced Research and Development Authority (BARDA), a part of the US Department of Health and Human Services. This collaboration is not the first time Roche has combined forces with BARDA. Back in 2016, Roche entered into a multi-year, public-private partnership with the federal authority in an effort to jointly combat the rise of antibiotic resistance through development of new antibacterial drugs and point-of-care diagnostics.

In addition, in 2018, Roche entered into a private-public partnership with BARDA to advance the development of medicines for infectious diseases for which there is a significant unmet need. As part of the agreement, BARDA will provide funding that will support the development of baloxavir marboxil for severely ill hospitalised influenza patients, with the potential for funding of other studies.

Safeguarding ongoing clinical studies—and their participants

In March, the steep rise in SARS-CoV-2 infections began to capture a great deal of attention and resources at Roche. At the same time, the company took significant measures to ensure that ongoing clinical studies for other conditions continued uninterrupted. Because study participants, especially in those cancer trials, are often in the advanced stages of their disease, Roche went to great lengths to ensure they were as protected as possible.

The study teams were asked to be flexible, and empowered to take whatever steps necessary to protect patients. While the approach was unusual, it was also effective. Across functions, teams developed multiple ways to protect patients, without disrupting the studies. These methods were adjusted to meet specific needs, down to the level of individual patient requirements. As a result, planned pivotal trial starts, filings and drug launches remain largely on track.

“COVID-19 has changed the way we do many things, in lots of positive ways. It has really given a huge sense of purpose and mission on why we actually do science.”

William Pao, Head of Roche Pharma Research & Early Development (pRED)



"The ongoing complexities of COVID-19 require multiple lines of defence. By joining forces with other companies we hope to offer additional treatment options for hospitalised and non-hospitalised COVID-19 patients, and to ease the burden on hospitals during a global pandemic."

Bill Anderson, CEO Roche Pharmaceuticals

Partnerships—built by combining strengths

Developing anti-COVID-19 medicines

As people around the globe continue to struggle with the COVID-19 pandemic, it has become very clear that more solutions are needed, quickly. Since early 2020, Roche has focused relentlessly on doing everything possible to help people and communities impacted by COVID-19. One of our efforts is a global partnership with Regeneron to collaborate on the development, manufacturing and distribution of their investigational COVID-19 antibody combination of casirivimab and imdevimab.

This antibody combination, currently in adaptive studies, targets specifically against SARS-CoV-2. It consists of two non-competing, virus-neutralising antibodies, casirivimab and imdevimab, that are administered together and bind to the critical receptor-binding domain of the virus's spike protein, which may diminish the risk of viral escape.

Initial data of an ongoing study showed a reduction in viral load and a decrease in medically attended visits in non-hospitalised patients with COVID-19. In November 2020, the FDA granted an Emergency Use Authorization (EUA) for casirivimab and imdevimab.

A leading biotech manufacturer, Roche is well placed to help bring this new therapy to patients. As part of the global Regeneron partnership, we are committing a significant amount of manufacturing capacity, and are working to expand supply of this antibody combination beyond the US to as many people as possible.

In October, a partnership with Atea Pharmaceuticals Inc. was announced to develop, manufacture and distribute AT-527, Atea's investigational oral direct-acting antiviral, to people around the globe.

These partnership agreements are clear examples of the amazing things we can accomplish when our efforts are aligned on a common vision, and when we keep the patient at the centre of everything we do.

Partnering on innovative drug discovery platform technologies

While working together with all stakeholders is crucial to combating the COVID-19 pandemic, it is just as vital in fighting other, non-COVID-19-related diseases. In spite of the pandemic, we succeeded in establishing 92 new partnerships, all focused on developing the latest scientific innovations and bringing them to patients. Multiple collaboration agreements also support our efforts in increasing efficiency in drug discovery across different therapeutic areas.

Key partnership examples include:

Blueprint Medicines/Roche:

Licence and collaboration agreement on a new personalised treatment, Gavreto (pralsetinib), for patients with RET-altered non-small cell lung cancer (NSCLC), medullary thyroid carcinoma, other types of thyroid cancers, and other solid tumours.

These partnership agreements are clear examples of the amazing things we can accomplish when our efforts are aligned on a common mission.

Reverie Labs/Roche/Genentech:

Multi-target collaboration agreement to utilise artificial intelligence (AI) in drug discovery. Reverie's machine learning platform promises to augment and accelerate drug discovery by increasing the power of predictive algorithms for relevant small-molecule properties. Both pRED and gRED will leverage the platform for several small-molecule kinase programs, supporting Roche's aim of delivering twice as many medical advances to society at half the cost.

Arrakis/Roche:

Collaboration and licence agreement to develop RNA-targeted small molecules across several disease areas. Arrakis has developed a pioneering drug discovery platform that integrates RNA bioinformatics and structural tools with a comprehensive proprietary screening process. The platform can identify small molecules that impact a broad set of targets across all pRED disease areas. Arrakis will lead initial research activities; Roche will conduct further R&D and commercialisation.

Vividion/Roche:

Collaboration and licence agreement to develop small-molecule medicines for difficult-to-drug intracellular targets. Vividion's proprietary drug discovery platform will help address a range of targets of interest to pRED across oncology and immunology. Roche will provide binding ligands to defined targets nominated under the collaboration.

In addition to new drug discovery technologies, Roche entered into multiple new partnerships ranging across different therapeutic areas and modalities, these include:

Bicycle Therapeutics/Genentech:

Collaboration agreement to discover, develop and commercialise novel Bicycle Therapeutics based immuno-oncology therapies.

Forge/Roche:

Collaboration to identify and develop a novel antibiotic for treating serious lung infections attributed to antibiotic-resistant Gram-negative bacteria.

Samsung (Harman International)/Roche:

Collaboration and research agreement to develop a digital therapeutics platform for autism and other digital health products.

UCB/Genentech:

Development and commercialisation agreement to develop, manufacture and commercialise UCB0107, a mid-domain anti-Tau antibody, for the treatment of Alzheimer's disease.

Inflazome/Roche:

Acquisition of oral small-molecule inhibitors of NLRP3 that complement Roche's existing immunology and neuroscience portfolios and will provide the potential for add-on or combination with other products in development.

These collaboration agreements also support our efforts to increase efficiency in drug discovery across multiple therapeutic areas.

“In 2020, it became more obvious than ever before that working together with all stakeholders is crucial to combating the COVID-19 pandemic and to ensuring we are not slowing down innovation across other disease areas.”

James Sabry, Global Head of Pharma Partnering



Thanks to the hard work of our dedicated staff, Roche can deliver high double-digit millions of tests per month.



See more about
SARS-CoV-2 diagnosis

Safeguarding operations

Scientists at Roche have continued to work tirelessly throughout the year to develop an entire portfolio of tests and solutions to help fight this pandemic.

Stepping up for patients: swift development of SARS-CoV-2 diagnostic solutions

Across all Roche Diagnostics manufacturing and distribution sites, rapid response teams worked around the clock to produce and deliver commercial tests to detect the novel coronavirus.

In March, our PCR-based cobas SARS-CoV-2 test received FDA EUA, the first in what would become a comprehensive portfolio of solutions to help combat the pandemic. Within hours of receiving this authorisation from the FDA, the manufacturing team in Branchburg, New Jersey, sent test kits out the door. Colleagues in the Indianapolis distribution centre began shipments within the US just two days later.

From zero to 160 million in record time

Tremendous personal commitment, effort and cross-functional collaboration made it possible to develop, produce and distribute this first test within weeks. Since approval, millions of tests have been delivered globally, in accordance with our allocation strategy of providing tests where they are most needed and where they can be most effective.

To provide millions of tests per month for our high-throughput cobas 6800/8800 systems, Roche Molecular Systems teams in Branchburg worked around the clock. Multiple task forces were created to maximise production capacity while maintaining the health and safety of manufacturing personnel. In addition, we continued to supply

reagents and consumables for SARS-CoV-2 testing to laboratories for use on our MagNA Pure and LightCycler systems. Over the course of the year, production output for PCR tests was increased four-fold.

The PCR test was soon followed by the launch of our Elecsys Anti-SARS-CoV-2 antibody test, which received an FDA EUA in May. This serology test is designed to help accurately assess prior infection with SARS-CoV-2 and determine if a patient has developed antibodies against the virus. This information is essential for epidemiologic studies, ongoing surveillance and vaccine studies. We quickly began shipping the new antibody test to leading laboratories globally and ramped up production capacity to high double-digit millions per month to serve healthcare systems in the US and in countries accepting the CE mark. Hospitals and reference laboratories can run the test on Roche's cobas e analysers, which are widely available around the world.

Across all Roche Diagnostics sites, emergency response teams worked around the clock to develop, produce and deliver diagnostic tests to be used to combat the pandemic.

Scaling up production of medicines to meet demand

Producing biologics is complicated and time-consuming under the best circumstances. The process of persuading live cells to produce biological medicine is exacting and highly technical. Most biologics are based on very large, complex proteins produced by cells. Because the cells are living, each one needs careful tending, a sterile environment, and constant monitoring, all with strict documentation under government regulatory rules.

In March, many countries were moving into lockdown in response to the ever-widening pandemic. At the same time, Roche expert teams around the world were ramping up, with the goal of supplying needed medicines for those who rely on them, and making as much medicine as possible for those who might need it later on.

In early March, a request came in to the team at the Genentech 'fill and finish' facility in Hillsboro, Oregon, where liquid biologic medicines are transferred from large batches into smaller vials, then labelled, packed and prepared for shipping across the globe.

They were asked to conduct an inter-company technology transfer—the precise process of transferring skill, knowledge, technologies and methods for producing specific products and processes from one Roche manufacturing site to another. A transfer takes an incredible amount of planning, attention to detail and close coordination to ensure that the production can be transferred from one site to another in alignment with rigorous parameters, controls and quality systems, all with regulatory approval. But the move was vital to making sure enough medicines would be available for patients.

A technology transfer normally takes 12 to 18 months. The Hillsboro team completed the process in just four weeks, without compromising on quality or safety. The secret to being quick and nimble was giving teams a clear focus, defined goals and the power to make decisions.

Because the product had to be on a plane the day after it was manufactured, precise transportation scheduling was crucial. But early in the transfer process, the team quickly discovered only a few flights were available to get the medicines to their destinations, both within the US and around the world. The Roche supply chain experts helped the team track and target the flights they needed to meet the demand, and the tight schedule. An undertaking like this typically takes about 90 days from production planning to releasing and shipping. The Hillsboro team completed the job in just 22 days.

Despite lockdown, social distancing, uncertainty, and home schooling, and other challenges, the team worked nonstop, in shifts, seven days a week, from mid-March to July. Finally, over the 4 July holiday, they took a short break.

The team completed a complex task in four weeks instead of 12 to 18 months, without compromising on quality or safety.



See more about
technology transfer

“It has been the most rewarding six months of my career, and we are proud of the achievements made and the impact we can make for patients, and for society.”

A Hillsboro employee on working nonstop, in shifts, seven days a week, from mid-March to July 2020



Throughout the course of the pandemic, Roche production and logistics teams have repeatedly proven their expertise, excellence and deep commitment to serving patients worldwide.

Keeping the system running

As many worked from home to curb the spread of the coronavirus, Roche sites around the world continued to operate uninterrupted, around the clock. Working tirelessly and tenaciously, manufacturing and logistics teams across the organisation continued to produce and ship urgently needed medicines and tests. While the everyday heroes at Roche have always understood the importance of their work, they knew it was even more important during the pandemic, and fully realised the gravity of their mission. Patients with cancer, autoimmune diseases, heart disease, and other rare conditions depended on them for treatments.

Agility was crucial. Examples include a three-year old child with haemophilia, who was at risk of running out of vital Hemlibra supplies. Due to the lockdown, this medicine could not be delivered by the regular cold-chain logistics companies. The local Roche team took action, reviewing a range of possible solutions and finding a way to ensure the family received their medicine in time, and treatment continued uninterrupted.

Another illustrative example comes from the combined efforts of highly motivated teams from Roche Pharma Basel, Roche HUB in Singapore, and Roche Diabetes Care. Thanks to their work, more than 25,000 units of medication and medical products were loaded onto a joint OneRoche charter flight, and delivered to Myanmar, which was under lockdown and not accessible by commercial flights or by road. This special solution helped to save lives by providing medication patients needed, including Tecentrig, Kadcyla, Herceptin, and Accu-Chek from Roche Diabetes Care.

Tirelessly and tenaciously, manufacturing and logistics teams across the Roche organisation continued to produce and ship medicines and tests that people needed urgently.

The pandemic did present some supply and logistics challenges. But, thanks to the resilience of our global network, disruptions have been minimal, and Roche has continued to deliver crucial tests and life-saving medicines to patients around the world. Roche is working urgently to accelerate manufacturing capacity in order to maximise production of critical tests and medicines, with the goal of increasing available supply globally.

Roche is committed to delivering as many coronavirus tests as possible to areas where they are most needed. Tests have been shipped from Roche's production sites to locations where appropriate infrastructure is in place and testing can begin without delay.

While Roche works to ensure a coordinated, global overview of additional supply requests, provision of medicines is managed on a country level, in accordance with local rules and regulations and in close collaboration with local authorities.

As the pandemic spread across the globe, the Roche Finance organisation kept watch over the entire enterprise, providing the expertise needed to navigate the uncertainty and keep the company on course.

In a time of heightened need, the finance team provided insights and transparency at record speed, supporting the unfolding strategic dialogue and decision-making across the organisation. The strategic guidance kept funding flowing, helping to protect business continuity and ensure minimal impact to the R&D pipeline, while still being able to invest with confidence in further long-term

research. On an operational level, finance performed all their tasks successfully, without any trial runs. That success was due to technology, automation, and, most importantly, the expertise, experience and unprecedented collaboration and teamwork among affiliates, headquarters and service teams.

In procurement, teams partnered closely with suppliers to work wonders. They accelerated contracting to help set up COVID-19-related Actemra/RoActemra trials in twelve days, as opposed to six months. They sourced materials to ensure business continuity, and procured time-critical blood samples, essential for scientists to develop the COVID-19 antibody assay.

Over five million personal protective equipment items, including surgical face masks, were sourced and delivered to over 60 organisations, including suppliers and other companies in need. In the same spirit, procurement provided 40% more supplier financing, making both established and newly developed financial solutions available to partner companies within days. The agile and flexible ways of working demonstrated throughout the COVID-19 pandemic are now procurement's 'new normal'.

The agile and flexible ways of working demonstrated throughout the COVID-19 pandemic are now procurement's 'new normal'.

“Like many healthcare workers and others who have responded to COVID-19, I’ve struggled to balance work needs and the needs of my family. I’m exhausted but very proud to say that we were able to release a test that’s going to be used in many countries throughout the world to test millions of people.”

A Pleasanton employee, Roche Molecular Systems, California



"Countries recognise we are all in this together. There has been a lot of effort on the regulatory front to improve access to COVID-19-related products, not just for domestic consumption but also for exports to support other economies."

Harjit Gill

“Technology is a critical factor in containing an outbreak.”

As the world fights the pandemic, Harjit Gill, CEO of the Asia Pacific Medical Technology Association (APACMed), shares lessons learned so far, and explains the role of regulators in preparing the region for challenges in the future.

“Social distancing, self-isolation and ‘flattening the curve’ have slowly found a way into everyday conversations. Yet, nothing could have prepared the world for the pandemic we are facing, that has put a strain on our collective resources and way of life,” explains Harjit Gill. While diagnostics is at the core of sustainable healthcare, its role, now more than ever, is critical in containing an outbreak. By helping identify infected patients early, testing can prevent community-wide transmission and ensure access to timely treatment. In a race to bring much-needed equipment, testing technologies and treatments into countries, health authorities are working around the clock to ensure regulations can meet the needs in this constantly changing environment.

The sudden emergence and rapid transmission of COVID-19 has devolved into a global health crisis that current healthcare systems have not faced before. The highly infectious nature of the novel coronavirus has led to countries taking drastic actions to prevent its widespread transmission. While the emergence of the severe acute respiratory syndrome (SARS), Middle East respiratory syndrome (MERS), and more recently, Ebola have highlighted the gaps plaguing healthcare systems, not every outbreak has reached pandemic level. With two-thirds of the world’s healthcare systems ill-prepared for pandemics according to the Global Health Security Index report, hospitals

have been scrambling to manage the outbreak, while the medical technology industry has doubled its efforts to ramp up production.¹

Harjit Gill describes the steps governments in Asia-Pacific have taken to streamline regulatory processes to ensure the availability of important resources to fight the growing pandemic. These include accelerating approvals for medical products such as personal protective equipment and diagnostic test kits and enabling EUAs of unapproved products when approved alternatives are not available.

Taking advantage of digital technologies in healthcare

“We’ve seen both public and private sectors ramping up the adoption of digital technologies, such as telehealth, case tracking and contact tracing, AI-assisted diagnosis software, and remote trainings. If we could push for wider and deeper utilisation of digital technologies in the entire ecosystem, we would be much better prepared for the next crisis,” states Harjit Gill.

While diagnostics is at the core of sustainable healthcare, its role, now more than ever, is critical in containing an outbreak.

¹ <https://www.ghsindex.org/wp-content/uploads/2019/10/2019-Global-Health-Security-Index.pdf>

Utilising telemedicine to safely help patients

Technology in medicine and pharmaceuticals has never been more powerful, or more important. These examples demonstrate how Roche is utilising new technologies to help patients safely.

Digital pathology that serves patient and clinician

The spread of COVID-19 has added new challenges, as well as an element of actual physical danger to the practice of pathology. With physicians and their staffs at higher risk of exposure to the virus while on site at the hospital or laboratory, digital pathology that enables remote diagnoses has emerged as a vital technology.

Roche now offers a comprehensive solution that supports pathologists in their transition into the digital era. The technology, which enables pathologists to collaborate from anywhere in the world, is primed to make an important contribution to telehealth now and in the future.

The ability to diagnose patients from any location is particularly crucial during a global pandemic. Digitising a glass slide with the powerful whole slide scanner and integrating the result into a workflow tool like uPath enterprise software for collaboration can significantly boost efficiency

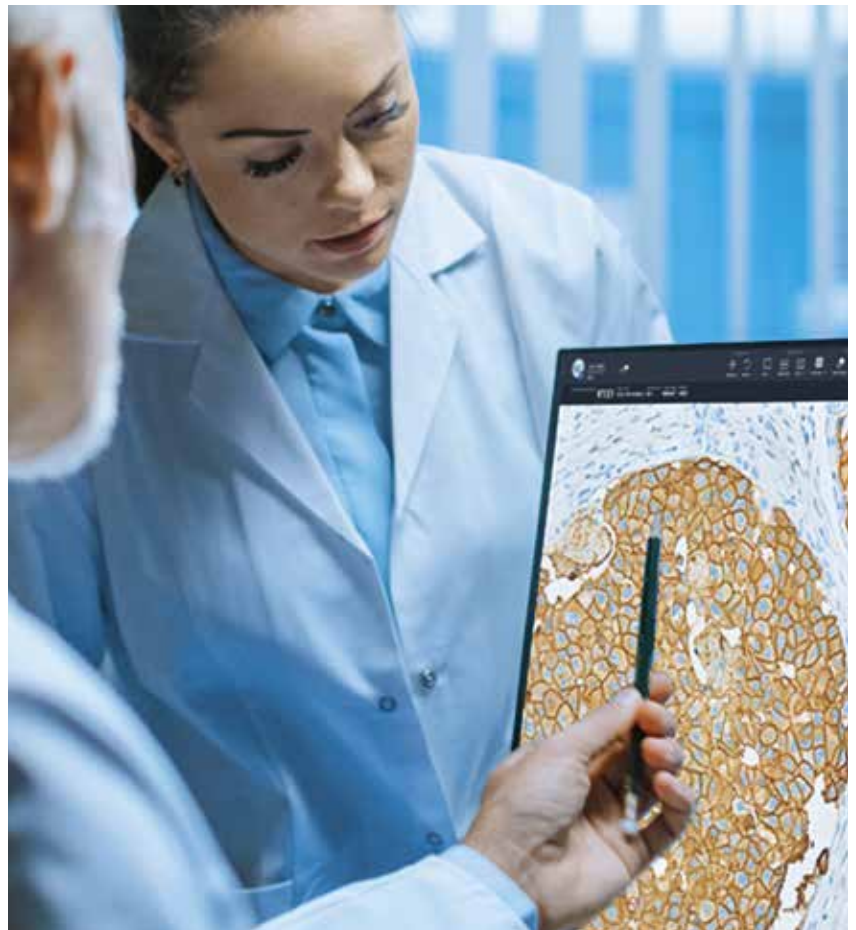
and safety. Adding artificial intelligence algorithms for whole slide image analysis offers the potential to bring important new information to pathologists that can profoundly impact patients. These tools do not replace pathologists—they enable them to be more efficient and confident in their diagnoses.

More precise diagnostics lead to more effective treatment

Many new tissue tests for cancer require a high level of quantitation to determine the specific subtype of the cancer and whether the patient qualifies for a targeted therapy. These assays can depend on tumour- and immune-cell counts, along with precise estimates of the tumour area. In some cases, combinations of biomarkers on the same slide—or multiplex assays—give the pathologist the ability to pinpoint the molecular drivers of the cancer and raise the confidence of selecting the best treatment plan for the patient. These complex assays are difficult to interpret manually and can benefit greatly from image analysis algorithms to support the evaluation of the pathologist.

Lung cancer provides a helpful example. In the past, there have been few treatment options for patients with this disease. Today with more therapies to treat the disease, it is more important than ever for patients to get a precise diagnosis. New tools and technologies—including the CE-IVD uPath PD-L1 (SP263) image analysis algorithm for NSCLC—aid medical teams in determining the most effective treatment for each patient based on more standardised, precise and consistent methods. With an end-to-end solution from slide scanning to full digital workflow and automated image analysis, Roche Digital Pathology provides a complete solution for healthcare providers transitioning into the digital era.

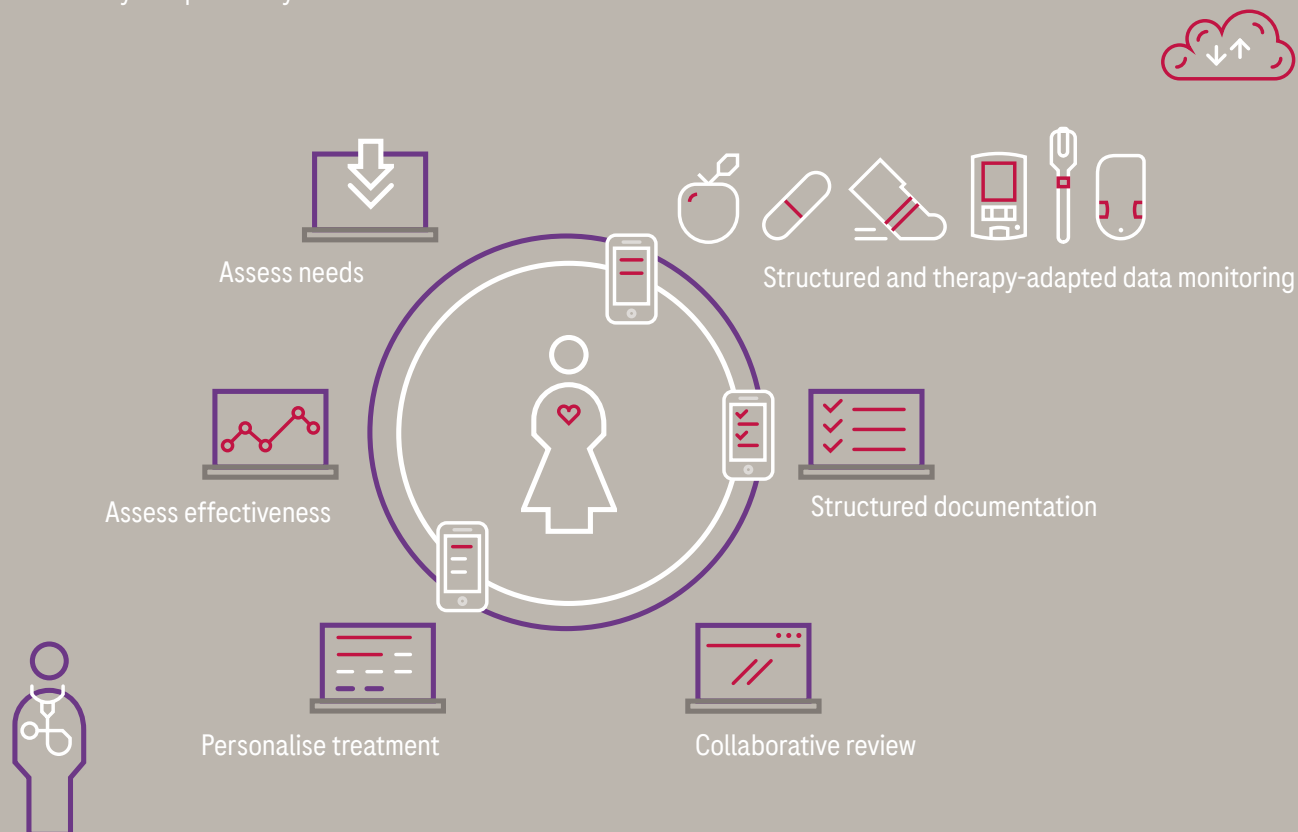
The ability to diagnose patients from any location is a particularly critical benefit during a global pandemic.



People with underlying diseases face a higher risk of severe illness in the course of COVID-19. To reduce this risk, social distancing and telemedicine are important factors to avoid infection while maintaining access to medical counselling and care.

Bringing true relief through integrated Personalised Diabetes Management

Enabled by an open ecosystem



Diabetes care had to change significantly during the COVID-19 pandemic, and a boost in the adoption of digital technologies was vital.

Seamlessly connecting people with diabetes and healthcare professionals

While people with diabetes are at a similar risk of contracting COVID-19 as the general population, if they do become infected, they face a higher risk of severe illness. Maintaining blood glucose levels in the therapeutic target range—both short- and long-term—is crucial to reducing the likelihood of serious COVID-19 disease. Against this background, social distancing and limited access to healthcare posed additional challenges for the nearly half a billion people living with diabetes worldwide.

Diabetes demands constant monitoring, and patients have to make numerous treatment decisions throughout their day regarding diet, exercise and medication. Many of these decisions are made by the patients themselves, ideally in close coordination with their physician. During the COVID-19 pandemic, diabetes care had to change significantly, and a boost in the adoption of digital technologies was essential. Roche was able to facilitate this shift with a strategy of integrated Personalised Diabetes Management (iPDM). In recent years, Roche has developed an open ecosystem for diabetes care that enables more meaningful interaction between people with diabetes and their physicians.

In January 2020, Roche launched the RocheDiabetes Care Platform. This key component of the open ecosystem is utilised by healthcare professionals, and integrates data from more than 140 devices and solutions from Roche, our partners and our competitors. The platform is designed to contextualise data points through smart algorithms and to provide actionable insights for a more personalised approach to diabetes care. Several additional solutions for the platform were introduced throughout 2020. These included the RocheDiabetes InsulinStart service, which enables an easy transition to insulin therapy for people with type 2 diabetes, as well as the RocheDiabetes RemoteCare solution, which allows healthcare professionals to monitor

people with diabetes outside of conventional health check-ups.

In an effort to expand self-support capabilities for people with diabetes worldwide, Roche decided early in the COVID-19 pandemic to provide free access to the Pro version of its patient-facing mySugr app. The app enables patients to share their data with their healthcare professionals—which is even more important at a time when patients are spending significantly less time with their physicians.

The app is an integral part of the open ecosystem and offers features like structured logging and documentation of therapy-relevant data, accurate insulin dose calculations, reminders, engaging challenges and coaching to help people better manage their daily diabetes routine.

In December 2020, Roche announced a partnership with Diabeloop, a French medtech company. Through this partnership, Roche has entered into the field of automated insulin delivery to help advance the management of insulin pump therapy. The Accu-Chek Insight insulin pump will be Roche's first pump that automatically doses insulin based on readings from a continuous glucose monitor, thus lowering the burden for people with diabetes in daily therapy management. Sharing diabetes-relevant data through integrated solutions has proven especially beneficial in a time when face-to-face visits are limited and remote consultations have become the preferred method of ensuring uninterrupted support. Through its systematic approach of iPDM centred on physician-patient interaction, Roche has strengthened the connection between patients and their care teams, helping people with diabetes to confidentially manage their condition during the COVID-19 pandemic.

New options for patients with other diseases

While COVID-19 dominates the public discussion, many people are combating other serious diseases. Roche continues its research and development activities in multiple disease areas, including oncology, immunology, infectious diseases, ophthalmology and neuroscience.

New therapy for spinal muscular atrophy

Allie is a 39-year-old who lives with spinal muscular atrophy (SMA) type 2 and has never been on treatment. She has a YouTube channel where she has chronicled her journey leading up to receiving Evrysdi. Her story includes the FDA approval of Evrysdi and learning from her doctor that she was approved to receive the treatment. It culminates in a heart-warming video of her taking her first dose and her experience going forward. The video shows her caregiver assisting her with administering Evrysdi, with Allie noting that this treatment is a “big deal for her” and she is “hopeful” and “thankful” that these scientific advancements will allow her “to stay alive longer and live”.

HPV testing to prevent cervical cancer

In 2020, Roche made significant strides for women's health through improvements in cervical cancer screening, triage, and diagnostic testing. The WHO

estimates that 311,000 women globally die each year from this disease, which is nearly 100% preventable with proper screening, vaccination and treatment. Roche focuses on the science behind HPV, the known cause of almost all cases of cervical cancer, to help provide answers that aid clinical decision-making around patient care.

Advanced, objective p16/Ki-67 biomarker technology is a next-generation triage solution for women who test positive for high-risk HPV. The technology offers significant improvement in risk stratification, compared to traditional Pap cytology. The IMPACT (IMproving Primary screening And Colposcopy Triage) trial of nearly 35,000 women is a landmark cervical cancer screening study that supported multiple FDA approvals received in 2020. These include CINtec PLUS Cytology and cobas HPV for use on the cobas 6800/8800 Systems. The cobas HPV test identifies women at risk for cervical cancer by detecting the presence of high-risk HPV DNA in cervical samples. Additionally, CINtec PLUS Cytology is the first triage test based on dual-stain technology using the biomarkers p16 and Ki-67 to identify women at risk who may benefit most from immediate follow-up. Together with CINtec Histology, a p16 biomarker test used in cervical biopsies to provide clear diagnostic confirmation of cervical lesions due to HPV, these innovations advance the goal of eliminating cervical cancer.

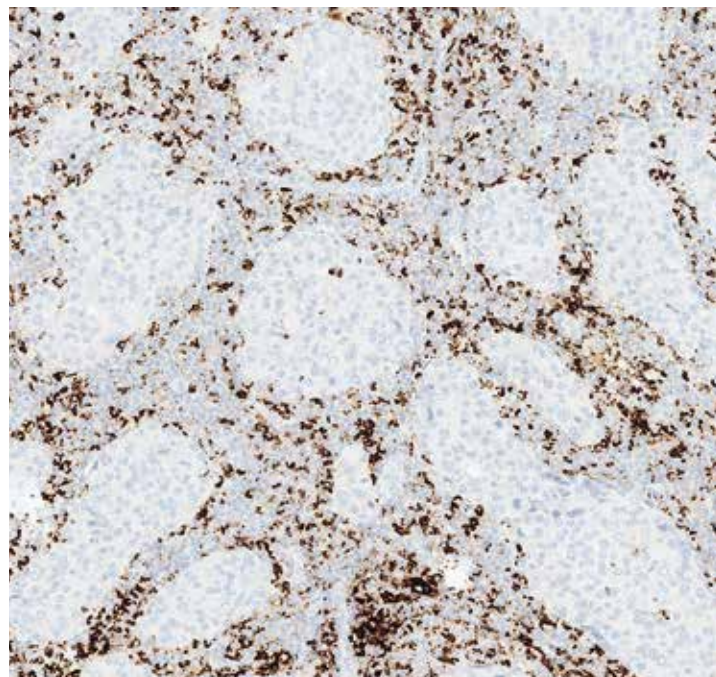
The patient perspective also comes from within

Many Roche employees are also patients or caregivers in their personal lives. They deal with illnesses of all types, from COVID-19 to breast cancer, diabetes to diseases of the central nervous system, and many more. Through these experiences, they have gained expertise in areas beyond their regular work responsibilities.

The WHO estimates that 311,000 women globally die each year from cervical cancer, which is nearly 100% preventable with proper screening, vaccination and treatment.



The approvals of medicines for rare diseases make a meaningful difference for people living with such conditions, those who support them and physicians who treat them. They also exemplify how patients, industry, academia and authorities can find solutions together.



Eva Joseph looks through a microscope at her own cancer tissue sections on glass slides. These slides are explained to her by Eric Walk, Chief Medical Officer, Roche Tissue Diagnostics, Tucson, Arizona, during her site visit in November 2019.



See more about triple-negative breast cancer

While COVID-19 dominates the public discussion, many people are combating other serious diseases.

To enable as many people as possible to benefit from this substantial experience and expertise, CareRing was established in 2020. This internal community provides a framework for Roche employees to share experiences, support each other, and reassure other colleagues fighting a disease that they are not alone. CareRing is also an effective way to support our commitment to putting the patient at the centre of every effort. Through the programme, employees can share their insights and experiences with Roche business teams early in the product development process. CareRing members also help to inform strategy discussions and communication efforts, including during the COVID-19 pandemic.

In its first year, more than 700 employees around the world joined CareRing. Members were active in more than 20 groups dedicated to an expansive range of health issues. CareRing has been recognised by the Reuters Pharma Awards Europe as the Most Promising MVP/Pilot. The award celebrates CareRing's potential to disrupt the status quo and allow contact with real patients in the early stages of projects and activities.

"If it weren't for this treatment, I would not be here."

Retired business woman Eva Joseph had already survived breast cancer once, nearly 20 years ago. But it returned—with a vengeance. When Eva received a diagnosis of triple-negative breast cancer, and learned it had spread to her lungs and sternum, she believed it was a certain death sentence. "I was terrified," Eva, 72, recalled of learning she was facing a highly aggressive disease that has a poor prognosis. "I thought I would be dead in a week. I didn't know anyone who survived stage IV cancer."

Each year, about 300,000 people are diagnosed with triple-negative breast cancer, worldwide. This diagnosis means that the three most common proteins associated with breast cancer growth—oestrogen receptor, progesterone receptor, and

HER2/neu—are not expressed in the tumour, making it difficult to treat.

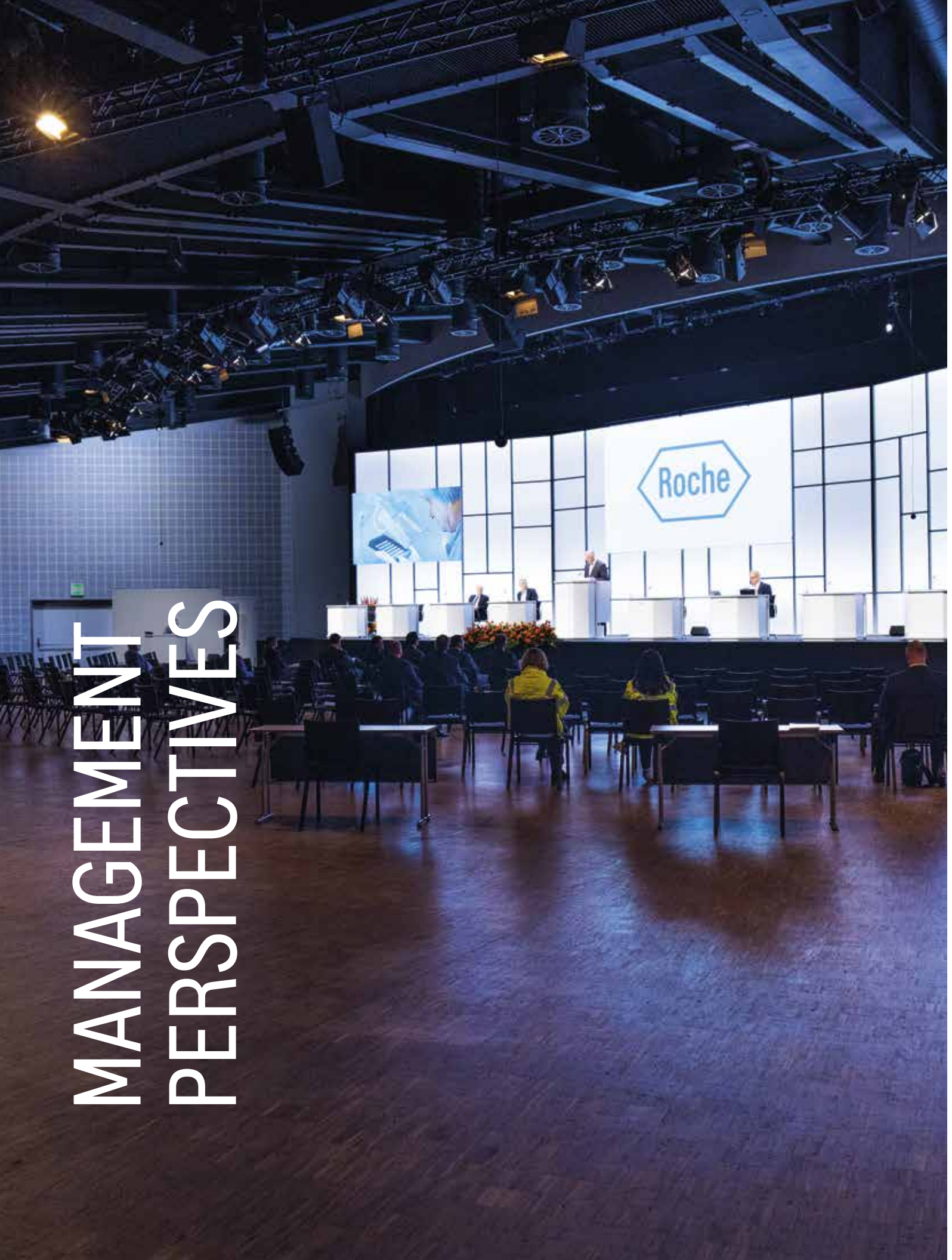
Fortunately, Eva's oncologist told her about a new clinical study, and a chance for survival. She quickly had a formidable team on her side. A Roche cancer immunotherapy medicine and a Roche diagnostic test, along with a powerful collaboration between the diagnostics and pharmaceuticals teams that delivered both to the market, brought new hope to Eva, and other patients with her diagnosis. "This is amazing," said Eva, whose tumours have nearly vanished. "I feel it's a blessing that I am able to receive treatment that just wasn't there for so many others before me."

The results were quick, and promising. As Eva explains, "after several rounds of treatment, I began to feel stronger and my scans showed that the tumours in my lungs and sternum were shrinking. If it weren't for this treatment, I would not be here."

While it typically takes 24 weeks to submit a test for FDA approval, the diagnostics team came together to cut time to submission in half for this important test. Based on the study, the FDA approved the Roche test and treatment, followed soon by other countries, making this the only test/therapy combination approved for triple-negative breast cancer globally. A remarkable partnership between Roche's Pharmaceuticals and Diagnostics Divisions has led to better care for patients like Eva, who is now passionate about spreading the word about new testing and treatment options. Eva and her husband Dwight have also rallied in support of cancer research funding.

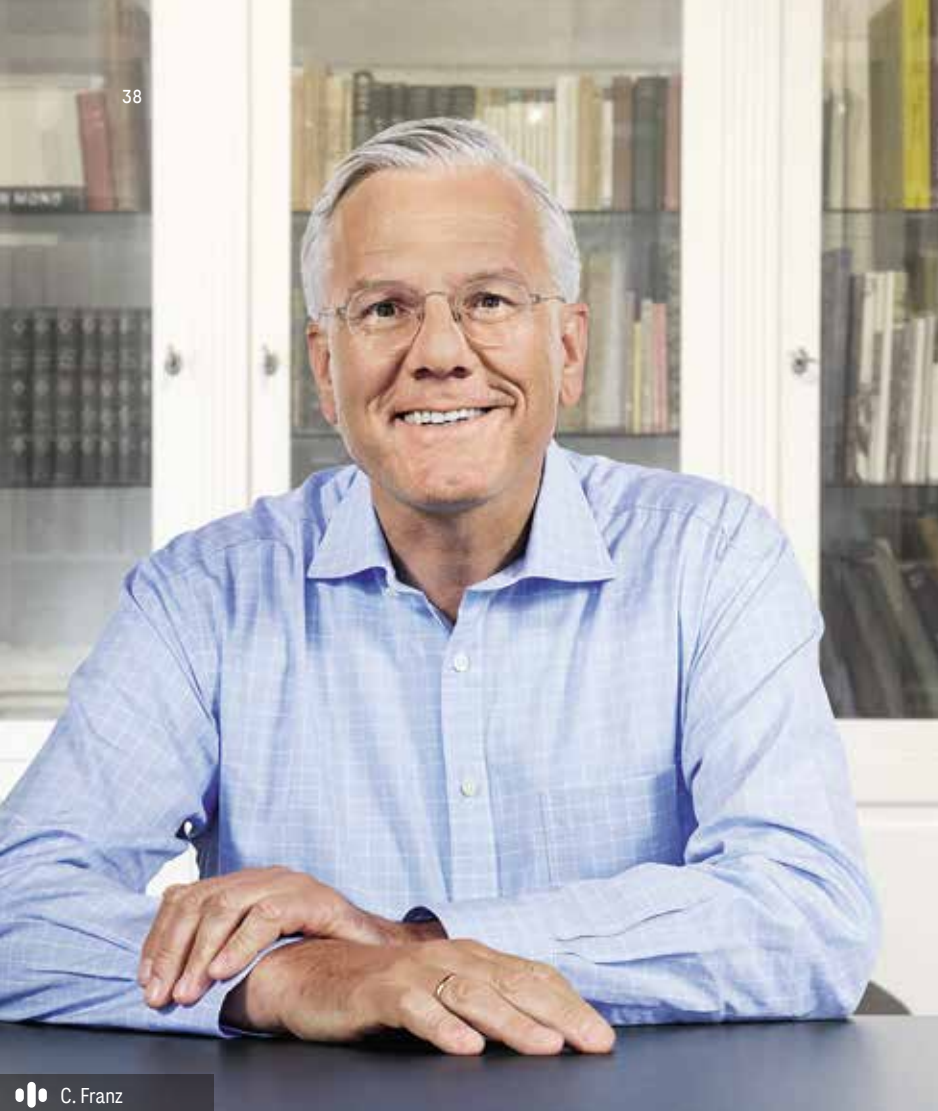
"I want to tell everyone I can that there is help and there is hope," Eva said. "I can help others. I can give information, and that gives hope to people like me with triple-negative breast cancer. We have hope."

MANAGEMENT PERSPECTIVES





With our strong focus on collaboration and sharing knowledge, the lockdown measures introduced across the globe meant that Roche had to find smart new ways to ensure we could continue our research, produce medicines and diagnostic tests without interruption, and work with partners to keep supply chains moving.



Roche Board of Directors on 31 December 2020.

Dr Christoph Franz (1960) Chairman, C, D*, E, G | André Hoffmann (1958) Vice-Chairman, Representative of the shareholder group with pooled voting rights, A*, C*, D, E, G | Paul Bulcke (1954) B, E, G | Dr Jörg Duschmalé (1984) Representative of the shareholder group with pooled voting rights, B, E, G | Dr Patrick Frost (1968) B, E, G | Anita Hauser (1969) A, E, G | Prof. Dr Richard P. Lifton (1953) C, E, G | Bernard Poussot (1952) C, E, G | Prof. Dr Hans Clevers (1957) A, E, G | Julie Brown (1962) B*, E, G | Dr Severin Schwan (1967) F | Dr Claudia Suessmuth Dyckerhoff (1967) A, E, G

A Corporate Governance and Sustainability Committee | B Audit Committee | C Remuneration Committee | D Chairman's/Nomination Committee | E Non-executive director | F Executive director | G Independent member of the Board of Directors | * Committee chairperson

Dear Shareholders,

In 2020, the coronavirus pandemic dominated world affairs like no other event in recent history. It placed tremendous demands on all of us—some of them excessive. For this reason, we at Roche are grateful to be part of the front-line effort to overcome the pandemic. In particular, we developed extremely reliable diagnostic tests in record time and—thanks to close, trusting relationships with governments and authorities—have been able to deploy them where they can offer the greatest benefit.

I am very proud of what our more than 100,000 employees around the world are accomplishing in this difficult situation. Not only have they given their utmost in dealing with COVID-19, but they have also done everything in their power to ensure that patients have reliable supplies of medicines and diagnostic tests for conditions of all types. After all, serious diseases do not simply disappear just because a new virus has emerged. Roche employees have ensured that vital continuity persists, despite a shortage of transport capacity and the difficulties associated with consulting with doctors.

The value of a strong infrastructure for diagnostics has increased substantially during the pandemic. Broad access to molecular diagnostic tests is essential to controlling new and recurring infectious diseases. But these tests can also help prevent other conditions, such as cervical cancer and liver cancer due to hepatitis C. State-of-the-art diagnostics make early identification or prevention possible for a growing number of diseases which, in turn, helps to improve health outcomes and boost cost-effectiveness in the healthcare system.

In Pharmaceuticals, we have worked closely with health authorities to test several of our medicines

for efficacy in patients severely affected by COVID-19, and have launched new research projects. We are working in partnership with others on all levels—including within the pharmaceutical industry—more intensively than ever before. In times of crisis in particular, solidarity and cooperation are the keys to success. *(For more on this, see the interview with CEO Severin Schwan on page 43).*

The COVID-19 crisis has led to fewer patients seeing their doctors for a routine check-up, or to start a new therapy. Moreover, three of our most important cancer treatments are now facing competition from biosimilars in the USA. Despite that competition, ongoing strong demand for our new medicines Tecentriq (cancer immunotherapy), Hemlibra (haemophilia) and Ocrevus (multiple sclerosis), and for our new molecular tests, led to a slight sales increase of 1%** to CHF 58.3 billion. IFRS net income increased by 17% (7% in Swiss francs) to CHF 15.1 billion mainly due to the lower goodwill write-offs compared to the previous year. In view of the positive overall result and our outstanding prospects, we will be proposing a further dividend increase to CHF 9.10 per share. Subject to your approval, this will be the 34th consecutive dividend increase.

One major reason for our confidence is the impressive progress we have made in our product pipeline. Last year, we were granted authorisations for four new medicines, and we have a record number of 19 new compounds in registrational studies or filed for approval.

Here I would like to mention two newly approved medicines used to treat rare diseases: Evrysdi for hereditary SMA, a disease that causes muscle weakness, and Enspryng, a major milestone

** Unless otherwise stated, all growth rates in this report are at constant exchange rates (CER; average 2019).

in the treatment of a genetic disorder in which the nerve cells are attacked by the body's own immune system.

Rest assured, the COVID-19 crisis will pass. But there still are plenty of other serious illnesses, and Roche will continue to combat them. In the nearly 125 years since its founding, Roche has repeatedly reinvented itself in order to seize opportunities and help more people. Thanks also to our proactive commitment to digitalisation, your company is in excellent shape for the future, and well positioned to achieve medical breakthroughs—well beyond the coronavirus—through outstanding scientific performance. To this end, we will once again

increase our already record level of research and development spending.

I would like to thank all our employees for their exceptional commitment in these challenging times, our partners for their greatly valued cooperation, and you, dear shareholders, for your confidence in and loyalty to our company.

C. Franz

Dr Christoph Franz
Chairman of the Board of Directors

Christoph Franz on a visit to Roche Diagnostics, Penzberg, Germany. In conversation with employees, he informs himself on site about the challenges and the contributions in R&D, production and logistics in connection with the SARS-CoV-2 tests.



“I am very proud of what our employees are doing in this difficult situation. Because one thing is clear: none of the serious or life-threatening diseases simply disappears just because there is a new virus.”

Christoph Franz, Chairman of the Board of Directors



S. Schwan



B. Anderson



T. Schinecker



A. Hippe



C. A. Wilbur



A. Regev



W. Pao



J. H. Sabry



B. Schädler



C. Böckstiegel

Roche Corporate Executive Committee on 31 December 2020.

Dr Severin Schwan (1967), CEO Roche Group | Bill Anderson (1966), CEO Roche Pharmaceuticals | Dr Thomas Schinecker (1975), CEO Roche Diagnostics |
 Dr Alan Hippe (1967), Chief Financial and Information Officer | Cristina A. Wilbur (1967), Chief People Officer | Dr Aviv Regev* (1971), Head Genentech Research & Early
 Development (gRED) | Dr William Pao* (1967), Head Roche Pharma Research & Early Development (pRED) | Dr James H. Sabry* (1958), Global Head Pharma Partnering |
 Barbara Schädler* (1962), Head Group Communications | Claudia Böckstiegel* (1964), General Counsel

* Member of the Enlarged Corporate Executive Committee

Severin Schwan, did the coronavirus pandemic take you by surprise?

Yes, like a lot of people, I was surprised that the pandemic grew to such a scale more or less overnight. But pandemics are hardly a new phenomenon. We are by no means the first to live through such difficult times, and coronavirus will not be the last pandemic either—unfortunately.

How did Roche fare?

I have been hugely impressed with the way our people responded to the crisis. We developed tests in record time, got production up and running, and many teams are working around the clock. In addition to huge commitment, I am also seeing far-reaching changes in the way we work. We have all become more agile and more courageous.

We can also see how effective our decentralised decision-making structures are. They have been key to act so quickly.

More agile and more courageous—what do you mean by that?

Let me give an example. Increasing individual responsibility has been one of my concerns for several years now, and it is one our workforce shares with me. However, this is easier said than done in a large, complex organisation such as Roche.

Working together to beat the coronavirus has speeded up the process. Almost every day, I hear of cases where people have simply taken the initiative and acted on their ideas without waiting for the green light from ‘above’. It is the kind of thing you see in small start-up companies, and I think it is fantastic. We are also completely changing the way we work with external partners. The changes that Roche is going through will be lasting.

What is new about the way you work with partners outside the company?

Never before has knowledge been shared so quickly and transparently, including communication with the regulatory authorities. What used to take months or years now takes just weeks or even days.

We are hoping that this speed and trust will continue in the ‘post-coronavirus era’ so that millions of people will benefit from them.

Partnership has suddenly become important within the industry, too; competitors are working together to help fight COVID-19...

Companies working jointly or with universities or research centres is nothing new. Roche is regarded as a pioneer in the field and is very much in demand as a partner. What is new, though, is the global scale of activities such as development, data sharing, and production. I have never seen anything like it before.

What has happened to make everyone join forces all of a sudden?

The urgency of finding a medical solution and the realisation that we will emerge from the crisis significantly faster if we work together.

Could you give us an example?

Global production capacity for antibody treatments for COVID-19 is extremely limited and will take time to build up. This is where Roche, the world’s leading biotech company, has stepped in, partnering with Regeneron to produce their antibody treatment and make it available to patients worldwide.

Apart from research, development and production, where else does Roche have partnerships?

Pretty much everywhere! You can actually achieve more by working together, for example when it comes to giving people around the world access to our medicines and diagnostics. Making sure that our coronavirus tests end up where they are most urgently needed was a particularly important issue in 2020—an enormous challenge that we cannot overcome alone.

The same goes for climate change, where we want to reduce our environmental impact by half over the next decade. We are looking at our products’ environmental footprints at all stages of the value creation and supply chain. This is another area in which we are working closely with our business partners. On this point, I am obviously delighted that we have once again—for the eleventh time—been ranked the world’s most sustainable healthcare company in the Dow Jones Sustainability Indices.

COVID-19 is turning the world upside down. That has meant that the fight against other diseases or antibiotic resistance is losing momentum somewhat. Do you see it like that?

Yes, unfortunately. If there is one thing the world should have learnt from this pandemic, it is that being prepared can save people's lives and is more cost-efficient in the long term.

Antibiotic-resistant bacteria are already claiming 700,000 lives every year, and numbers are rising. It is a major threat, but far too little is being done about it. We are one of the few companies still working on infectious diseases, even though the financial incentives to do so are virtually non-existent. That has to change.

What exactly needs to change?

Well, antibiotics revolutionised 20th-century medicine. Today, almost a century after penicillin

was discovered, we have a wide range of antibiotics at our disposal. The only thing is, we have to use them sparingly. This is especially true of the more recent reserve antibiotics, which should only be used when existing antibiotics do not work. There's one simple reason for that: the fewer reserve antibiotics we use, the lower the risk of bacteria becoming resistant to them. However, the quantities sold of these reserve antibiotics are very small: something that needs to be reflected in the reimbursements. Otherwise, the investment in research and development is just not worthwhile.

At some point the pandemic will end. What consequences will that have for Roche?

The pandemic has thrown the value of diagnostics and digitalisation into sharp relief. Diagnostics will get a boost, and we will continue to systematically expand our digital healthcare business. This is where the future of the Roche Group and the future of healthcare lie.

Let us assume for a minute that this future were already reality. What would have been different?

Just imagine that the treatments used in recent months and the data obtained had been systematically logged by computer. And, imagine we were able to continuously evaluate and analyse this immense 'treasure trove of data'—in anonymised form, of course. Then we would be able to get a much better view of how patients respond to the various treatments in a much shorter time, and the research and development of medicines for COVID-19 would be at a substantially more advanced stage.

I regard this 'real-world data'—patient data from routine clinical practice—as the next big topic in medicine. Such data would be hugely valuable not only for COVID-19, but also for many other diseases.

And what will your biggest personal takeaway from the pandemic be?

The lockdown gave us time to reflect on the things that are truly important in life. Family, friends, and our own health, of course, but also solidarity with others in challenging times. The crisis has shown us how much we need each other—and that we are stronger together.

With a live projection on its building 1 in Basel Roche expressed a big 'thank you' to all those doing their part to help during the COVID-19 crisis.



*“I am very impressed with the way
our employees have managed this crisis.
We have all become more agile and
courageous.”*

Severin Schwan, CEO Roche Group



“Now, more than ever, patients need us to deliver innovative medicines across multiple disease areas.”

Bill Anderson, CEO Roche Pharmaceuticals

At the time of the initial outbreak of the pandemic, little was known about the new coronavirus and the disease it causes. I am so grateful to colleagues around the world who have stepped up to fight the pandemic, ensuring continuity of patient care across all disease areas, while addressing medical questions about the implications of COVID-19.

More than ever, we have been called upon to deliver innovative medicines across multiple disease areas, to overcome unprecedented supply chain and logistics hurdles, and to help meet the demands of the pandemic. This experience has reminded us of the crucial role of robust clinical trials, which help answer some of the most pertinent scientific questions. It has also demonstrated the importance of reliable health systems. And it has encouraged parties across the healthcare continuum to work with greater speed, efficiency and collaboration.

It has been proven that being there for each other with care and compassion is not just for lockdown, but for life.

The COVID-19 pandemic clearly demonstrates the value and importance of diagnostics, and we have been at the very forefront in the fight against this global healthcare crisis.

In record time, we have developed a comprehensive testing portfolio for this new viral disease. We have significantly ramped up our manufacturing capacities, and are providing millions of tests per month to help fight the pandemic and reduce the burden on healthcare systems. At the same time, we have been able to continue making substantial contributions to healthcare through new tests and solutions for cancer, HIV, women's health, and more.

The exceptional challenges of 2020 demanded an exceptional response, and I am intensely proud of the commitment and resilience demonstrated across our organisation. Our agile, open and collaborative mindset helps us to continue addressing the challenges healthcare faces and to do what is right for our patients and our customers.

“We are providing millions of tests per month to help fight the pandemic and reduce the burden on healthcare systems.”

Thomas Schinecker, CEO Roche Diagnostics





“Our finance, procurement and IT expertise helped to navigate the uncertainty and keep the company on course.”

Alan Hippe, Chief Financial and Information Officer

As the pandemic spread across the globe, our finance, procurement and IT colleagues provided the expertise needed to navigate the uncertainty and keep the company on course. Roche Finance provided insights and transparency at record speed. This enabled us to keep funding flowing, protecting business continuity, and upholding our ability to invest with confidence in further long-term research.

Our procurement colleagues partnered closely with suppliers on many business-critical issues. These included accelerating contracting on COVID-19-related Actemra/RoActemra trials and procuring time-critical blood samples, which are essential to developing the COVID-19 antibody assay.

Our IT organisation kept our business systems up and running and our people connected. When COVID-19 hit, over 95% of our more than 100,000 employees across the globe shifted to remote working, almost overnight! We fared very well, thanks to our cloud and platform-as-a-service strategy, forward-thinking and focused investments in our infrastructure, and dedicated people around the world. I am so incredibly grateful and immensely proud of all three groups.

Upon sensing the accelerated pace and unpredictable nature of change, we began to consciously shift to a more agile way of working a few years ago.

A key aspect of this transition was embracing a mindset that looks at every situation and challenge as an opportunity to add value for patients and all our stakeholders. With this mindset in place, leaders have enabled people to connect and work in more self-sufficient, creative and networked ways that are driven by capabilities and outcomes, rather than hierarchy or established paradigms. This new approach proved especially effective in a year like 2020.

No one could have predicted how dramatically this pandemic would impact our lives. The response from colleagues across Roche was impressive, and further demonstrated how we are able to make the seemingly impossible possible.

I am inspired and incredibly proud of our people, our special culture, and our deep commitment to our purpose.

“Our shift to a more agile way of working has proven especially effective in a year like 2020.”

Cris Wilbur, Chief People Officer





“We have launched trials in COVID-19 pneumonia in a matter of weeks, rather than months.”

Aviv Regev, Head of Genentech Research & Early Development (gRED)

Even before I joined Genentech Research & Early Development in August 2020, the clear focus of my colleagues was on doing all we can in the fight against the pandemic. We are learning that COVID-19 has several different phases, and different treatments may be appropriate for each. gRED embarked on the early development of therapeutics to help COVID-19 patients, and we have launched several trials to study the impact of some of our medicines on COVID-19 pneumonia. These trials were launched in a matter of weeks, rather than the more typical months—without compromising on scientific rigour.

The goal of one of these studies (the COVASTIL trial) is to see if we can potentially prevent progression of tissue damage in the lung due to the COVID-19 infection, and help patients with lung tissue damage recover more quickly.

I am thrilled to continue our transformative scientific efforts for seriously ill patients, in collaboration with many great colleagues and partners.

In addition to ensuring the health and safety of everyone in pRED, our early research and development focused on protecting the lives of patients in our trials, maintaining as much momentum as possible on our discovery and clinical portfolios, continuing to bring in external opportunities, and ensuring ethical treatment of animals.

We also prioritised combating COVID-19. Experts from across pRED led or joined key international collaborations across industry and academia. Internally, many supported the Actemra/RoActemra trials and/or the scientific evaluation of external opportunities, such as the Regeneron collaboration agreement. Others from the pRED team pitched in to help Roche Diagnostics accelerate launch timelines for COVID-19 tests, shared desperately needed lab supplies with local hospitals, and enabled patients in local communities to receive Actemra/RoActemra.

I am very proud of, and grateful to, all the pRED employees who went above and beyond during this time to do now what patients and humankind need next.

“We focused on maintaining as much momentum as possible on our discovery and clinical portfolios.”

William Pao, Head of Roche Pharma Research & Early Development (pRED)





“When we emerge from this pandemic, I am convinced that we will have established closer connections with stakeholders across the industry.”

James Sabry, Global Head of Pharma Partnering

In 2020, it became more obvious than ever before that working together with all stakeholders is crucial in combating a pandemic like COVID-19, while ensuring we do not slow down innovation in other disease areas.

Working together with our partners and scientists across the organisation, we entered into 92 exciting new collaborations, 90% of them signed during the global pandemic. In the fight against COVID-19, we collaborated closely with consortia and authorities to share our broad expertise with the goal of accelerating the development of potential treatments. In addition, our new partnerships with Gilead, Regeneron, and Atea Pharmaceuticals allowed us to further develop, manufacture, and distribute molecules that potentially can both treat and prevent SARS-CoV-2 infections.

When we emerge from this pandemic, I am convinced that we will have established closer connections with stakeholders across the industry that will enable us to bring forward the best new treatments for patients now and in the future.

Reflecting on 2020, I am struck by the sheer intensity and relentless nature of these transformative and volatile times. The COVID-19 pandemic impacted everything from travel to business to our daily interactions as human beings.

Beyond ensuring business continuity, communications has been heavily engaged in staying on top of the global changes in the pandemic situation, in order to enable a smooth transition both into and out of lockdowns. We also facilitated communication activities around launches of our SARS-CoV-2 tests, the commencement of clinical trials, and other company milestones.

One thing that I have been particularly glad to see is the passion with which Roche employees pursue our mission of delivering better healthcare for patients, with many reaching out to communities to offer help. In a year of extremes, solidarity has been a critical factor in retaining and validating the trust that is placed in us by patients, partners, and the wider world. We truly are #StrongerTogether.

“One thing that I am particularly glad to see is the passion with which Roche employees pursue our mission.”

Barbara Schädler, Head of Group Communications





“Our concern has always been to keep our employees safe and healthy, ensuring business continuity.”

Claudia Böckstiegel, General Counsel

When I took over as General Counsel, Switzerland had just gone into lockdown. My attention inevitably focused on the legal support for all of our company's efforts to maintain business continuity.

Roche's concern has always been to keep our employees safe and healthy, whether they work from home, or on-site in business-critical functions that ensure the uninterrupted manufacturing of medicines and diagnostics.

As a team, we leveraged our expertise in safety, health, and environment to ensure that we continued to supply patients with much-needed medicines, every day. While we were fortunate to have pandemic plans in place, it is not possible to be prepared for every potential situation. The extent of the crisis required an extraordinary commitment from all the people involved.

I wish to express my deep and wholehearted thanks to all my teams, and the many Roche employees who worked so hard to make this happen.

Celebrating 125 years of Roche

Life is at the core of everything we do at Roche. Each day, our employees and partners dedicate our bold science, innovative diagnostics and breakthrough medicines to improving the lives of the people we serve. This is both our 125-year legacy and our promising future.

In 2021, as we celebrate where we have been, what we are doing and where we are going, what we are really celebrating is life. Life—in its beauty and its complexity, as moments to be experienced, shared and remembered, as the possibilities beyond the horizon. Life—transformed by science from despair to hope.

In 2021, we celebrate life.

125 YEARS
Celebrate Life

REPORTING AND STRATEGY





Transparent reporting, engaging with our stakeholders, and a focus on developing new medicines and diagnostic solutions are core components of our business approach.

Our reporting approach

Roche is committed to transparent reporting, and we endeavour to drive our economic, social and environmental performance with the same diligence as our financial performance.

Reporting scope and boundaries

Our financial and non-financial reporting consists of the Annual Report, the Finance Report and the online report. It includes the annual financial statements, consolidated financial statements and non-financial performance indicators. It covers all regions and divisions of the Roche Group from 1 January to 31 December, 2020. The financial reporting scope is defined and outlined in our Finance Report, and there have been no significant changes in scope in 2020 compared to 2019.

GRI standards and materiality

We have followed the GRI (Global Reporting Initiative) G4 guidelines since 2014, and have transitioned to the GRI Standards in 2017. By using the GRI guidelines, we disclose the most critical impacts of our activities on the environment, society and the economy. To this end, we conducted a first materiality analysis at the corporate level in 2014. In 2018/2019, we conducted a second global materiality assessment including expert interviews and feedback from more than 600 stakeholders. The results of this assessment are featured on pages 60 and 61 of this report, and are also published on our website (*see link on page 60*).

Risk management

Our Risk Management Policy sets out Roche's approach to identifying, analysing, managing and reporting internal and external risks and opportunities. A consolidated Group Risk Report, which covers all material risks and opportunities,

is discussed annually with the Corporate Executive Committee and reviewed by the Board of Directors. The effectiveness of the Group Risk Management Process is regularly monitored by the Group Risk Advisory team and the overall process reviewed by the Audit Committee of the Board of Directors, and as well reviewed externally when appropriate. Risk management is embedded at all levels of the Group. Our Pharmaceuticals and Diagnostics Divisions and global functions conduct a formal risk and opportunity assessment process at least once a year and must develop response plans for their most material risks and opportunities.

Read more in 'Corporate Governance' on page 118.

We also identify long-term business sustainability trends with associated risks and opportunities on an annual basis and integrate these into our existing Group risk management process. Each year, emerging trends (including associated risks and opportunities) are identified from internal and external sources.

Based on these findings the Corporate Sustainability Committee prioritises and selects the top business sustainability trends. Among the trends identified are healthcare evolution and rising chronic and infectious diseases.

UN Sustainable Development Goals

We support the United Nations Sustainable Development Goals (SDGs) within the sphere of our corporate business strategy. We contribute to a



number of the SDGs and are particularly pleased to see a dedicated goal on Health (SDG 3). This goal is closely connected with the achievement of universal health coverage, which goes hand in hand with better access to quality essential medicines and diagnostics. This fits in perfectly with our vision to improve and save lives. Since 2016, the SDGs have been an integral part of our annual reporting.

Examples of our contribution to the UN goals are listed on our UN SDG webpage (*see link on page 60*) and are mapped to our material topics as featured on page 61.

External assurance

Our non-financial reporting has been verified by PricewaterhouseCoopers AG (PwC), an independent third party. PwC focused on the materiality determination process, the design of the sustainability risks, the opportunities determination process and the figures in the areas of Safety, Security, Health, and Environmental protection, people and contributions. Since 2019, and as a result of Roche's strengthened control framework, review procedures and reporting aspects, the figures related to our grants, donations and sponsorships to healthcare and patient organisations are subject to reasonable assurance performed by PwC. These figures are disclosed on the non-financial reporting key performance indicators webpage, including the PwC assurance report.

See 'Independent Assurance Report' on page 168.

Business sustainability trends

Healthcare evolution

The healthcare evolution develops towards a continuum of care approach, including prevention, treatment and cure, offering a wider range of solutions (products and services). This is a unique opportunity to accelerate delivery of truly integrated, patient-centric and personalised healthcare solutions. For example, we have introduced our Navify Symptom Tracker, which offers remote monitoring of COVID-19 symptoms. We are also developing cloud-enabled integration engines to support digital health ecosystems, and mobile apps for patients and healthcare professionals, like the mySugr app to monitor and manage diabetes on a smartphone. The risks and opportunities associated with this new digital health arena are assessed and managed through the Group Risk Management Process.

Rising chronic and infectious diseases

Increasing rates of chronic conditions—such as diabetes or cardiovascular diseases—are putting a lot of pressure on the healthcare system, leading to rising costs of long-term treatment and threatening recent societal gains in life expectancy and quality. In addition, outbreaks of infectious diseases are on the rise. The COVID-19 pandemic that we are currently experiencing has demonstrated the significant social and economic impact of pandemics. It has also exacerbated the need to work in closer collaboration with global institutions, governments and other partners to develop new drugs and/or innovative products. It has encouraged us to explore new approaches driven by the urgency, for example to speed up the drug development process.

Materiality assessment and stakeholder engagement

Engaging with our stakeholders is essential to building trust and an understanding of their expectations. By embedding their feedback in our strategy and our daily business, we are able to jointly address our common issues and develop long-term solutions.

In order to identify the topics that are particularly relevant to Roche, its stakeholders, and society at large and to deliver lasting shared value, in 2018 and 2019 we conducted an in-depth, corporate-level materiality assessment among our key stakeholders. This assessment built on the first materiality analysis (conducted in 2014) by adding an external perspective, gaining critical insights into what is important to our stakeholders, and learning what they consider to be emerging trends and topics.

Our approach

Our approach to materiality assessment is integrated—building on our Group Risk Management Process—and inclusive, being designed in collaboration with colleagues across multiple functions (Risk Advisory, Human Resources, Investor Relations, Compliance, Finance, Safety, Security, Health and Environmental Protection and Communications).

We used the outcomes of our Group Risk Management Process as a starting point to identify the key emerging trends relevant to the Roche Group. We then conducted qualitative interviews with more than 30 experts across broad stakeholder categories, including patient organisations, global

institutions, peers, suppliers, contract research organisations, universities, and investors. We also collected over 600 external and internal stakeholder views via an online survey to identify the most important and pressing issues that Roche should address in the next three to five years.

In the final step, we analysed the various insights and identified 19 material topics that stood out as highly relevant to us and to our key stakeholders. To properly address these topics, we aligned them with our current goals and are measuring performance through our defined set of indicators.

In addition, the materiality assessment has been shared internally with the functions in charge of managing respective topics. The assessment has also informed discussions on defining our new corporate goals, subsequent sustainability objectives, and the communications priorities that have been rolled out as of 2020. Finally, the outcomes of the materiality assessment have been integrated into our 2020 Group Risk Management Process.

The process and the results of our materiality analysis have been endorsed by the Roche Corporate Sustainability Committee.

Our 19 material topics

We are committed to delivering sustainable value to all stakeholders by addressing the following material topics:

Our commitment	Our performance	Our material topics	Supporting UN SDGs
Innovating for patients We are committed to developing medicines and diagnostics that significantly improve people's lives, and to delivering rapid, broad, sustainable patient access to our products.	• 28.9 million patients treated with Roche medicines • 23.4 billion tests conducted with Roche Diagnostics products • 37 BTDs (breakthrough therapy designations) awarded by the FDA since 2013 • 32 Roche medicines on the WHO Model List of Essential Medicines	• Sustainable healthcare systems • Availability of healthcare • Affordability of healthcare • Personalised healthcare • Real-world data • Patient centricity • R&D efficiency • Preparedness for aging society • Product safety • Product quality	3 GOOD HEALTH AND WELL-BEING 
Being a trustworthy partner We are committed to establishing mutually beneficial, long-term relationships with our partners.	• 131 new partnerships in Pharmaceuticals and Diagnostics • 30% of business critical suppliers audited	• Human rights • Ethics and transparency • Compliance • Product safety • Product quality • Cybersecurity • Data privacy • Real-world data	16 PEACE, JUSTICE AND STRONG INSTITUTIONS  17 PARTNERSHIPS FOR THE GOALS 
Providing a great workplace We are committed to providing a work environment where our employees are encouraged to build their careers and pursue their passions.	• 32% of key leadership roles held by women • 68% employee engagement	• Talent attraction and retention • Organisational agility • Preparedness for aging society	4 QUALITY EDUCATION  5 GENDER EQUALITY 
Protecting the environment We are committed to minimising our environmental impact in our operations and in the use of our products.	• 19% decrease in energy consumption per employee since 2015 • 26% decrease in general waste per employee since 2015	• Energy efficiency • Long-term mindset	6 CLEAN WATER AND SANITATION  7 AFFORDABLE AND CLEAN ENERGY  13 CLIMATE ACTION 
Delivering continued growth We are committed to creating value continuously for our stakeholders and achieving sustainable, high profitability.	• +1%* in Group sales • +4% in core operating profit • 21% of sales invested in R&D	• Long-term mindset	8 DECENT WORK AND ECONOMIC GROWTH  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 

* All growth rates in this report are at constant exchange rates (CER; average 2019).

Our strategy

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 nearly 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.

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 and *in vitro* diagnostics, rather than diversify into other sectors like generics, biosimilars or over-the-counter medicines. Our pursuit of excellence in science, our distinctiveness, 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.

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 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.

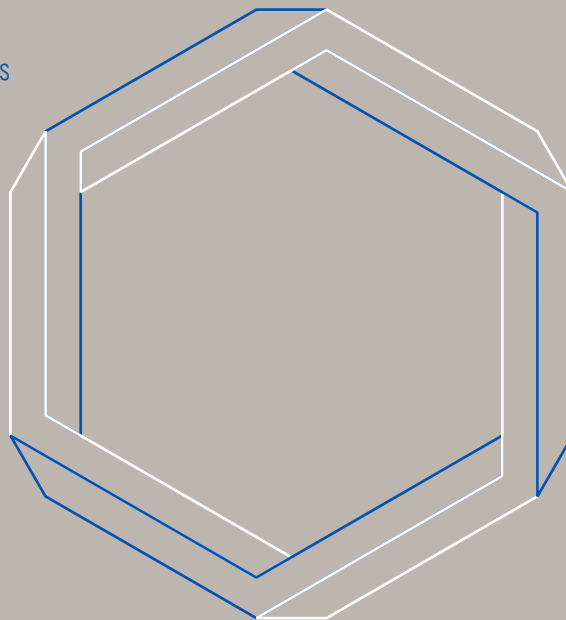
Our set-up is designed for innovation. Our autonomous research and development centres and alliances with more than 200 external partners foster a diversity of scientific approaches and agility. Our global geographical scale and reach enables us to attract talent in the leading global science clusters and to quickly bring our solutions to people who need them.

What we do

Our focus
Fitting treatments to patients

Our distinctiveness
Excellence in science

Our delivery
Value for all stakeholders



How we do it

Our leadership
Inspiring outcomes that matter

Our ways of working
Agile and networked

Our set-up
Built for innovation

SUPPORTING PATIENTS





For COVID-19 and other severe diseases: We are developing a broad portfolio of diagnostic solutions and new medicines—within Roche and jointly with a number of partners across the industry.

Diagnostic solutions—the backbone of treatment decisions

Reliable testing to contain the spread of the COVID-19 pandemic and to support the development of effective and safe medicines and vaccines.

In response to this ongoing public health crisis, Diagnostics has drawn on the strength of our global network across multiple sites in an ongoing effort to increase production of our SARS-CoV-2 portfolio. We have made substantial investments in building the additional manufacturing capacity that will enable us to increase production of tests, as well as the instruments on which those tests are performed.

In February of 2020, we began working with the US Food and Drug Administration (FDA) to produce a coronavirus test under Emergency Use Authorization (EUA) guidance. In March, we launched the ground-breaking cobas SARS-CoV-2 test, which is run on the widely available, high-volume cobas 6800/8800 systems. This molecular test received FDA EUA, and is also available in countries accepting the CE mark.

Less than two months later, we received FDA EUA for the high-volume Elecsys Anti-SARS-CoV-2 antibody test. This serology (blood) test has a specificity greater than 99.8%, and 100% sensitivity 14 days post-PCR confirmation. The test can help assess a patient's immune response to the virus. We also launched Viewics LabOPS COVID-19 for efficiency improvements in laboratories in May.

The SARS-CoV-2 rapid antibody test, launched in July, is intended for qualitative detection of IgM and/or IgG antibodies to the virus in a person's blood (serum, plasma or whole blood). This means that the test can be used to determine whether

patients have already been infected with the virus, and therefore have antibodies. This test was launched in partnership with SD Biosensor, Inc., South Korea, with whom Roche has a global distribution agreement.

In September, Roche launched the Elecsys Anti-SARS-CoV-2 S antibody test for markets accepting the CE mark, which targets antibodies against the spike protein. In November, we received an FDA EUA for this test. It can also be used to quantitatively measure antibodies in people who have been exposed to SARS-CoV-2, and can play an important part in characterising a vaccine-induced immune response. The majority of current candidate vaccines aim to induce an antibody response against the spike protein of the virus.

In December, we announced a partnership with Moderna, Inc. to use the Elecsys Anti-SARS-CoV-2 S antibody test in Moderna's mRNA-1273 vaccine research trials. This will facilitate quantitative measurement of SARS-CoV-2 antibodies and help to establish a correlation between vaccine-induced protection and levels of anti-receptor binding domain antibodies.

Also in September, Roche received EUA from the FDA for the cobas SARS-CoV-2 & Influenza A/B test for use on the cobas 6800/8800 systems. This test is intended for the simultaneous qualitative detection and differentiation of SARS-CoV-2, influenza A and influenza B in patients suspected of having



A total of 15 solutions for SARS-CoV-2 diagnosis were developed in record time in 2020, including both molecular and immunodiagnostic solutions for clinical laboratory and point-of-care settings—along with an unparalleled ramp-up of our production capacities. Our solutions can help better contain the community spread of the virus.



Providing quality, high-volume testing will help healthcare systems respond more effectively to the pandemic. A broad portfolio of diagnostic solutions was developed and launched in 2020.

a respiratory viral infection. It is also available in markets accepting the CE mark.

For urgent and emergency care settings, Roche also received an EUA from the FDA in September for the cobas SARS-CoV-2 & Influenza A/B test on the cobas Liat System. This test provides results in just 20 minutes.

Roche also launched in collaboration with SD Biosensor, Inc. the SARS-CoV-2 rapid antigen test in markets accepting the CE mark and will file for an EUA from the FDA in the first quarter of 2021. The SARS-CoV-2 rapid antigen test is for use on symptomatic people in point-of-care settings. The test can help healthcare professionals identify a SARS-CoV-2 infection in people suspected of carrying the virus, with results typically ready in 15 minutes. In addition, it serves as a valuable initial screening test for individuals who have been exposed to SARS-CoV-2-infected patients or have been in a high-risk environment.

In December, Roche launched a high-volume Elecsys SARS-CoV-2 antigen test to aid in the diagnosis of SARS-CoV-2 infection. The test is available in countries accepting the CE mark, and Roche has filed for an FDA EUA. Performed by healthcare professionals, the test uses swab samples from patients with signs and symptoms suggestive of COVID-19, or from people with either known or suspected exposure to SARS-CoV-2.

Changing the standard of care to benefit patients

Apart from SARS-CoV-2 tests, Roche introduced several other important diagnostic advancements for customers and patients in 2020. These include a broader test menu for the cobas 6800/8800 systems. Currently, more than 1,000 of these instruments are in place, and almost twice the number projected for the year were installed in



2020. This expansion will help laboratories meet the global need to rapidly boost testing due to COVID-19, and it will help increase patient access to our solutions and drive future growth in our molecular business.

The cobas Epstein-Barr virus (EBV) and BK virus (BKV) tests, both aimed at transplant patients, are run on the cobas 6800/8800 systems. After first granting a breakthrough device designation (BDD) for these tests, the FDA then approved the EBV test in August and the BKV test in September. These are fast, reliable tools that enable healthcare professionals to monitor and treat patients at risk for the common—but life-threatening—consequences of EBV and BKV infections after transplantation of solid organs and/or stem cells.

In September, the first test for the qualitative detection of HIV-1 and HIV-2 infections on the cobas 6800/8800 systems received FDA approval. Worldwide, most HIV infections are HIV-1, with HIV-2 infections largely limited to people in or from West Africa. However, HIV-2 infections have been steadily increasing in the US and Europe due to immigration. Both types of the virus have the same routes of transmission, and both can cause AIDS. Knowing the specific strain helps healthcare providers confidently treat patients with the most effective therapy, and guides their approach to monitoring and clinical management. Also in September, we launched the FDA-approved Elecsys HIV Duo immunoassay.

The FDA also approved the addition of the CINtec PLUS Cytology test to the cobas 6800/8800 systems in September. It is the first triage test based on biomarker technology for women whose cervical cancer screening results are positive for high-risk types of human papillomavirus (HPV). This advancement will help drive a life-saving revolution in cervical cancer prevention and treatment.

In December, we launched the cobas PIK3CA mutation test in countries accepting the CE mark for patients with advanced or metastatic breast cancer. The test, which detects 17 mutations in the PIK3CA gene, can help clinicians identify patients who may benefit from targeted therapy as supported by medical guidelines.

Through advanced and accurate testing, laboratories have the capability to predict the onset of disease, and to detect who needs intervention at the individual or population level.

Apps and algorithms

Three image analysis algorithms launched in 2020 are helping pathologists deliver more rapid and accurate test results in oncology: our uPath PD-L1 (SP263) algorithm in non-small cell lung cancer diagnosis and our uPath HER2 Dual ISH algorithm in HER2-positive breast cancer diagnosis.

Another example is cobas prime, which we launched in the US and in countries accepting the CE mark. This is the first and only fully automatic, pre-analytical system to prepare the variety and volume of samples labs receive for molecular testing, which helps to reduce manual work in molecular labs.

As part of the fight against COVID-19, Roche launched the decision support solution Navify Remote Monitor, enabling businesses and schools to restore operations. Consisting of a mobile app for students and employees and a web portal for organisations, this solution collects self-reported risk factors and displays recommendations based on official guidelines to facilitate decisions on returning to work or school.

Meeting the needs of today—anticipating the needs of tomorrow

COVID-19 has already demonstrated how innovative testing helps spearhead innovative approaches to patient care and healthcare systems management. Through advanced and accurate testing, laboratories have the capability to predict the onset of disease, and to detect who needs intervention at the individual or population level.

Drug development during the pandemic

Despite the massive disruption of a global pandemic, our commitment to developing new medicines remained unbroken in 2020.

Thanks to a range of innovative approaches, our development efforts became even more effective in 2020. This improvement resulted in nine new molecules moving to pivotal clinical studies in 2020, compared to approximately three per year over the last four years. Additionally, significant increases in our partnering efforts provided access to four late-stage medicines in 2020, about four times the average of recent years. In 2020, we were granted authorisations for four new medicines, and we have a record number of 19 new compounds in registrational studies or filed for approval.

Searching for COVID-19 treatments

Early in the pandemic, Roche initiated several approaches: an internal early research programme focused on the discovery of medicines for COVID-19, testing of Roche medicines already approved for other diseases, and a large number of potential collaborations.

The phase III Covacta study of Actemra/RoActemra did not meet its primary endpoint of improved clinical status in hospitalised adult patients with severe COVID-19-associated pneumonia. In addition, the key secondary endpoints, which included the difference in patient mortality at week four, were not met; however, there was a positive trend in time to hospital discharge in patients treated with Actemra/RoActemra.

The phase III Empacta study met its primary endpoint, showing that patients with COVID-19-associated pneumonia who received Actemra/RoActemra plus standard of care were 44% less likely to progress to mechanical ventilation or death, compared to patients who received a placebo plus standard of care. There was no statistical difference in mortality between patients who received Actemra/RoActemra or placebo by day 28. The study enrolled patient populations that are often underrepresented in clinical studies and have been disproportionately affected by the COVID-19 pandemic. The trial was conducted in Brazil, Kenya, Mexico, Peru, South Africa and the US.

Remdacta, a global phase III, randomised, double-blind, multicentre study, was initiated to evaluate the safety and efficacy of Actemra/RoActemra plus the antiviral remdesivir, versus placebo plus remdesivir in hospitalised patients with severe COVID-19 pneumonia. The study is being conducted in collaboration with Gilead Sciences, Inc., and enrolment began in June.

In August, Roche and Regeneron Pharmaceuticals, Inc. joined forces to help address the COVID-19 pandemic to develop, manufacture and distribute Regeneron's investigational antibody combination. It consists of two non-competing, virus-neutralising antibodies, casirivimab and imdevimab. In November, the FDA granted an Emergency Use Authorization



Our continued investments in R&D are essential to overcoming the many devastating diseases currently without options for patients. In 2020, approvals were granted for two medicines to treat two rare diseases, demonstrating important progress.

(EUA) for Regeneron's antibody combination. Initial data from a phase II portion of an ongoing study showed a reduction in viral load and a decrease in medically attended visits in non-hospitalised patients with COVID-19. Additional data from this study are expected in early 2021. We are working with health authorities and global health institutions in a concerted, collective response, with the aim of achieving approvals.

In October, Roche and Atea Pharmaceuticals, Inc. entered a partnership to develop, manufacture and distribute AT-527, Atea's investigational oral direct-acting antiviral targeting COVID-19, to people around the globe. AT-527 acts by blocking the viral RNA polymerase enzyme needed for viral replication and is currently being studied in a phase II clinical trial for hospitalised patients with moderate COVID-19. A phase III clinical trial, expected to start in the first quarter of 2021, will explore the potential use in patients outside the hospital setting.

New medicines for rare diseases of the CNS

Two FDA approvals offer meaningful benefits for patients living with rare disorders of the central nervous system (CNS) which previously had limited treatment options: Enspryng (satralizumab-mwge) for the treatment of a rare disorder of the CNS (neuromyelitis optica spectrum disorder, NMOSD); and Evrysdi (risdiplam) for people with spinal muscular atrophy (SMA).

Enspryng is the first and only subcutaneous treatment for adults living with NMOSD. This condition primarily damages the optic nerve(s) and spinal cord, causing blindness, muscle weakness, and paralysis. It often is misdiagnosed as multiple sclerosis. Until recently, people living with NMOSD

did not have medicines specifically tested and designed to treat the condition. Today, 40% of those with the condition remain untreated, and many are misdiagnosed. The importance of this development can be better understood by a hypothetical example. Think about a woman in her mid-thirties—perhaps established in her career, starting a family, or with young children. She is living her life to its fullest, until she begins to experience symptoms of NMOSD. Her prognosis becomes grim when we overlay these statistics:

- 30% of people living with the condition are frequently misdiagnosed with multiple sclerosis.
- 46% of people with NMOSD that drove a car stopped after their first episode.
- After onset, 83% either stopped work or needed to reduce their working hours.
- 50% of patients require a wheelchair or become functionally blind within only five years.

Enspryng, which was designed by Chugai, a member of the Roche Group, builds upon the work conducted at Roche to develop first-in-class treatments for neuroimmunological diseases. It is a great example of our commitment to following the science in order to deliver groundbreaking medicines for the most complex and difficult-to-treat conditions. After years of dedicated effort and collaboration, the FDA approval of Enspryng exemplifies how patients, industry, and academia can work together to find solutions.

A significant breakthrough for patients

Evrysdi was approved for the treatment of spinal muscular atrophy (SMA) in adults and children two months of age and older. Throughout their lives, many people with SMA may lose their ability to perform critical physical movements, such as sitting upright. This loss of function can impact the ability to independently participate in aspects of daily life, and can even be life-altering. Without treatment, around half of the babies with type 1 SMA, the most severe form, will die by the age of two.

In clinical studies, Evrysdi showed clinically meaningful improvements in motor function in people of varying ages and differing levels of SMA severity, including types 1, 2 and 3. Infants achieved the ability to sit without support for at least five seconds, a key motor milestone not normally

Today, 40% of people living with NMOSD remain untreated, and many are misdiagnosed.

achievable in the natural course of the disease. Evrysdi also improved survival without permanent ventilation at the ages of 12 and 23 months, compared to natural history. A liquid medicine, Evrysdi is administered daily at home. It was developed in collaboration with the SMA Foundation and PTC Therapeutics.

The Evrysdi accomplishment also achieved two other significant scientific breakthroughs: The study was the first placebo-controlled trial in adults with SMA. And, the development of this medicine shows that we can interfere with biology at the deepest, most fundamental level, targeting a small molecule with a degree of precision that we previously did not think was possible.

Expanding the portfolio of cancer medicines

Gavreto (pralsetinib) received FDA approval for the treatment of adults with metastatic RET-altered non-small cell lung cancer (NSCLC), as detected by an FDA-approved test. This once-daily, oral precision therapy was designed to selectively target RET alterations, including fusions and mutations. RET-activating fusions and mutations are key disease drivers in many cancer types, including NSCLC and medullary thyroid cancer, and treatment options that selectively target these genetic alterations are limited. In NSCLC, RET fusions represent approximately 1-2% of patients.

Gavreto is a perfect fit with our personalised healthcare strategy, and an excellent example of the practice of delivering targeted cancer medicines based on genomic alterations. The success of Gavreto demonstrates the power of understanding each person's unique disease, as well as the critical role next-generation sequencing and insights like those provided by Foundation Medicine, a member of the Roche Group, play in achieving better outcomes.

Phesgo received FDA approval for the treatment of early and metastatic HER2-positive breast cancer. This fixed-dose combination of Perjeta and Herceptin with hyaluronidase is administered by subcutaneous injection, and is used in combination with intravenous chemotherapy.

Phesgo is the first medicine developed by Roche that combines two monoclonal antibodies, and can



Victoria, school student: "I am a child in a wheelchair, but I am not ill. I live with spinal muscular atrophy."

be administered by a single injection. Administration can take approximately eight minutes for the initial loading dose, and approximately five minutes for each subsequent maintenance dose. This is compared to approximately 150 minutes for a sequential infusion of a loading dose of Perjeta and Herceptin using the standard intravenous formulations, and between 60 and 150 minutes for subsequent maintenance infusions of the two medicines.

The European Commission granted conditional marketing authorisation for Polivy (polatuzumab vedotin) in combination with bendamustine and MabThera/Rituxan for the treatment of people with relapsed or refractory diffuse large B-cell lymphoma, who are not candidates for a haematopoietic stem cell transplant. Polivy represents a new off-the-shelf and much-needed treatment option for people with this aggressive form of lymphoma.

PHC—across the care continuum

When the availability of personalised care increases, both individual patients and society benefit.

The Roche approach to personalised healthcare (PHC) is rooted in a combination of advanced diagnostics, medicine, data, analytics, and digital technology, all with the goal of serving both patients and society at large. This requires a holistic perspective of the entire healthcare system.

Instead of viewing the individual components of the patient care continuum—prevention, diagnosis, treatment and monitoring—separately, Roche approaches them as a comprehensive system of integrated healthcare solutions. Our goal is to reduce complexity and costs while optimising patient and societal outcomes.

Putting the patient at the centre of the care continuum establishes a high bar for scientific research, which is driven by data and technology. When data become insights, systems learn, outcomes improve, and lives benefit.

The use of data and technology for scientific research relies on the trust of patients. We are committed to transparency and integrity in our data privacy practices. And, we work to advance inclusive research around the globe to ensure our scientific insights are truly representative and result in new solutions that address the needs of broad and diverse populations. Furthermore, Roche has invested in new clinical trial designs that generate insights from the real world. These insights improve patient outcomes, as well as the overall care experience.

However, no organisation can achieve better outcomes for patients and society working alone. A collective effort that includes patients, providers, payers, policymakers, regulators, biopharma companies and technology companies enables everyone to contribute their unique perspective, expertise and experience. At Roche, we are confident that the combination of our deep scientific expertise, a holistic healthcare system approach, and close collaboration with partners across the ecosystem will make personalised care a reality for patients worldwide.

The COVID-19 pandemic has been a wake-up call for healthcare systems, exposing systemic gaps and weaknesses. At the same time, it has demonstrated what can be achieved when individual contributors join forces to drive change and innovation collaboratively. For example, Roche has partnered with local service providers in Canada, Italy and Spain to establish mobile blood draw facilities, providing patients with safe and timely comprehensive genomic profiling, despite the breakdown of healthcare infrastructure and the inability of local facilities to provide sufficient care.

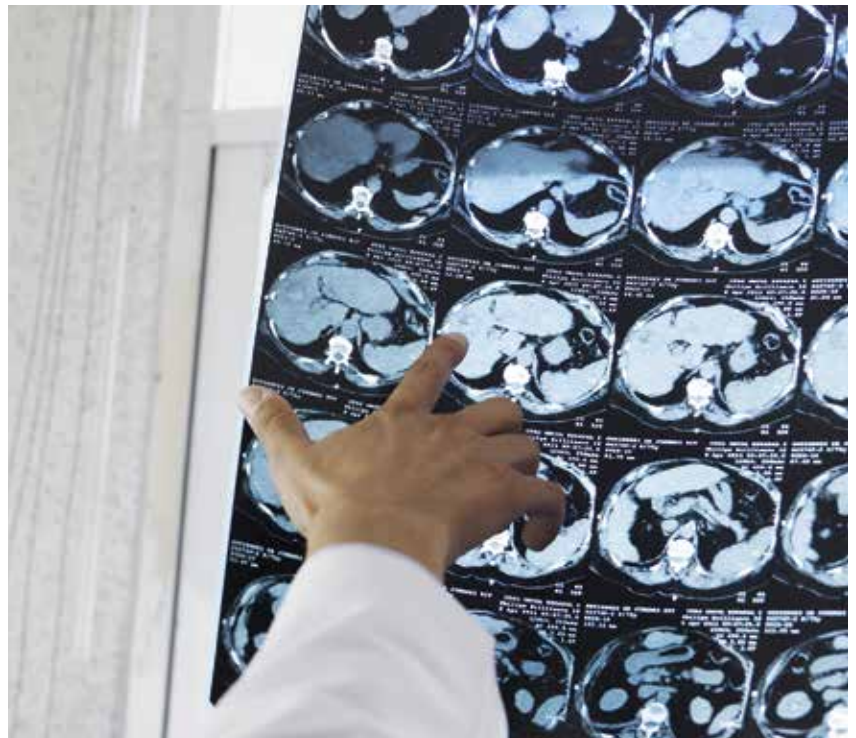
The pandemic caused a significant decrease in the number of in-person doctor visits, threatening the health of patients managing diseases of all types, including neovascular age-related macular degeneration, an eye disease that causes severe vision loss. To help ensure patients managing the

UN SDGs



Material topics

- Patient centricity
- R&D efficiency
- Personalised healthcare
- Real-world data
- Preparedness for aging society



Due to COVID-19 regular health checks, and medical appointments for follow-up treatments were often declined or delayed. This affected a range of disease areas, including cancer, diabetes, diseases of the central nervous system, diseases of the eye, and many more.



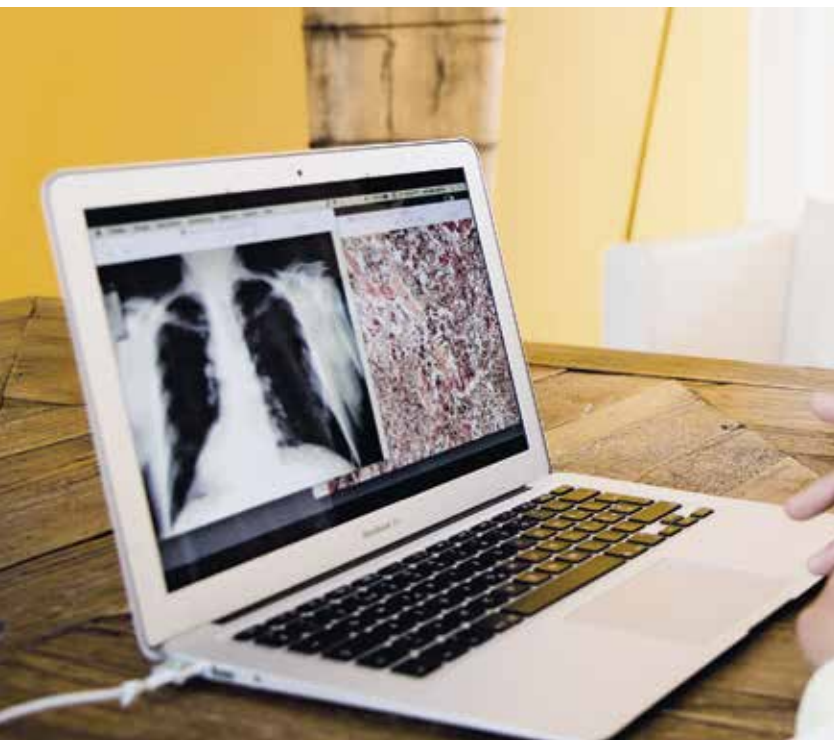
New technologies help patients receive uninterrupted counselling safely, while also reducing the risk of exposure for physicians and their staff, especially during the pandemic. Digital pathology, diabetes management and MS are just a few examples of conditions now being treated through new technology.

disease could continue their care, Roche partnered with Moorfields Eye Hospital in the United Kingdom to launch a pre-commercial trial of the Home Vision Monitor App. Patients can access the app on their smart devices from the safety of their own homes, to test for changes in their vision function once or twice weekly. The care team can remotely monitor each patient's disease progression and detect those who need clinic visits.

Roche is a founding member of INSIGHT—the health data research hub for eye health in the United Kingdom, which aims to build one of the world's largest data resources in ophthalmology. When this data is combined with advanced analytics, the result can transform how eye diseases are diagnosed and managed. Data from INSIGHT are already being used to understand the impact of COVID-19 on patients with these conditions.

In addition to helping ensure patients with life-threatening or chronic diseases receive uninterrupted care, a team of Roche data scientists and epidemiologists created a novel data and analytics tool to develop an understanding of the relationship among mobility, infection and morbidity of SARS-CoV-2. This tool is being made available to local hospitals and testing facilities to enable them to allocate resources more effectively.

The pandemic has accelerated this new era of PHC and enabled new avenues for Roche to put this new paradigm into practice today. It has served as a powerful catalyst for accelerating the use of telemedicine and other digital tools, which allow patients to get the care they need while minimising the risk of exposure and reducing the burden on overloaded healthcare facilities.



See more about the
Navify Tumor Board

Making PHC a reality through global partnerships

Our vision of personalised healthcare measures success by the level of improvement in treatment access and patient care experience. This includes creating an adaptive learning ecosystem, which can only be achieved through collaborative partnerships based on a shared vision and purpose.

In Australia, Roche has partnered with the Ministry of Health and several clinical networks to fight one of the most aggressive types of cancer. A clinical trial, specifically designed for a specific form of lung cancer, increases patient access to comprehensive genomic profiling (CGP) of their cancer and, if applicable, targeted therapy, based on their test results. The trial has the potential to improve patients' prognoses and can also serve as a blueprint for making personalised healthcare part of clinical practice for patients in Australia.

Roche and the Belgian Society of Medical Oncology (BSMO) joined forces to transform cancer care through personalised diagnosis and treatment. At the core of the programme is a study in which up to 1,000 patients with solid tumours will receive CGP to show the value of CGP, linked to therapy access and the use of molecular tumour boards. The goal is to sustainably deliver better outcomes to patients through establishing new pathways of funding for innovative care.

Together with public and private sector partners, Roche Denmark has built a secure virtual platform of encrypted and anonymised data from health records. The OSCAR platform supports faster and sustainable access to personalised care and serves as a self-sustaining learning platform for the healthcare system.

Similar efforts in Canada, Hong Kong, South Korea, Singapore, Switzerland, Taiwan, UAE, the US, and several other countries are demonstrating the effectiveness of comprehensive, interconnected solutions that include testing, clinical decision support tools for physicians, access to the right therapies, and innovative funding models.

In addition to public-private cancer-care partnerships across the globe, Roche also

Oncology partnerships lay the groundwork for personalised healthcare options in diverse healthcare systems worldwide.

collaborates with a range of partners across the healthcare sector, each of which contributes unique expertise to the advancement of patient care. In 2020, Roche invested in advancing remote monitoring tools needed to improve disease management, make more timely care decisions and enable more efficient use of resources.

Research shows that nearly half of chemotherapy patients in the US experience unplanned emergency department visits and hospital inpatient stays during cancer treatment. These events are largely due to inadequately controlled symptoms and side effects of treatment, including pain, nausea and dehydration.¹ To help address this important issue, Roche collaborated with the Fred Hutchinson Institute for Cancer Outcomes Research to develop a digital remote monitoring system for patients. The system has the potential to greatly reduce unplanned emergency visits and inpatient stays by enabling earlier intervention and improved outpatient management.

Roche also entered into a partnership with Harman International, a subsidiary of Samsung Electronics Co., Ltd., to create a digital therapeutic platform that leverages virtual reality technology to assist individuals with autism spectrum disorder. This partnership combines technology and device experience with deep knowledge of neuroscience in an effort to develop innovative medicines.²

1 Hutchinson Institute for Cancer Outcomes Research (HICOR) at Fred Hutchinson Cancer Research Center

2 <https://news.harman.com/releases/releases-20200501>

New insights developed by connecting diverse real-world datasets can support research and development and optimise clinical decision-making.

Accelerating research and development through data

Every day, data necessary for optimal care of patients are collected, creating a large pool of information known as real-world data. However, these data reside within individual patients' records and are not organised or structured in a way that allows healthcare providers to discern actionable insights to improve care broadly for all of their patients. Turning that real-world data into 'meaningful data at scale' is key to generating new insights to inform novel transformative diagnostics, therapeutics and tools to support clinical decision-making, and to creating healthcare ecosystems that can continuously learn from each patient encounter.

Foundation Medicine and Flatiron Health, members of the Roche Group, have been at the forefront of this effort. Foundation Medicine has created a genomic database, and Flatiron Health developed a process for curating and harmonising clinical data from the electronic health records of more than two million patients. The result is the creation of some of the largest, most representative deidentified clinical data sets in the US. These innovative tools, and the insights derived by the scientists and engineers who have created them, are currently in use by cancer researchers worldwide.

Real-world data from Flatiron Health was utilised to evaluate the benefit/cost ratio of treatment with Perjeta in a first-line treatment setting. These data helped to contextualise the value of Perjeta treatment in early-stage breast cancer. In another

example, Flatiron Health data was used to evaluate the risks faced by HER2-positive breast cancer patients taking Kadcyla who had a specific pre-existing heart problem. This analysis provided critical insights that suggested Kadcyla does not worsen these cardiac issues for these patients, supporting a product label update in the European Union to inform prescribers and patients of this important information.

Over the last few years, Flatiron Health and Foundation Medicine have partnered on an ambitious project to combine a subset of their data into the first-of-its-kind clinico-genomic database, or CGDB. This rapidly growing, continuously updated real-world data set serves as a key source for data-driven medicine, as it offers high-quality, longitudinal clinical data, combined with high-quality genomic diagnostic data. The insights derived from this database have the potential to transform the field with new research, have regulatory and patient access applications and can facilitate new care options.

CGDB in action

Currently, Roche researchers are leveraging CGDB data to understand the relationship of tumour-genomic features with clinical outcomes across a wide range of tumour types and clinical settings. These insights may be important when considering targets for therapeutic development, specific patient populations that may selectively benefit from a therapy, the choice of combination therapy approaches, and additional development opportunities for a given molecule.

The CGDB may also serve as a source for an external (or virtual) control arm in tumour-agnostic settings, where a single drug is used to treat all cancer types that have the genetic mutation or biomarker that is targeted by the drug. In certain situations, conducting a randomised, placebo-controlled trial that includes both an active (experimental) and a traditional control arm can be very difficult. This new type of external control arm was used in the development of the cancer medicine Rozlytrek, and supported its regulatory approval in Japan.

In the future, information from new data types, including imaging data, digital pathology, and

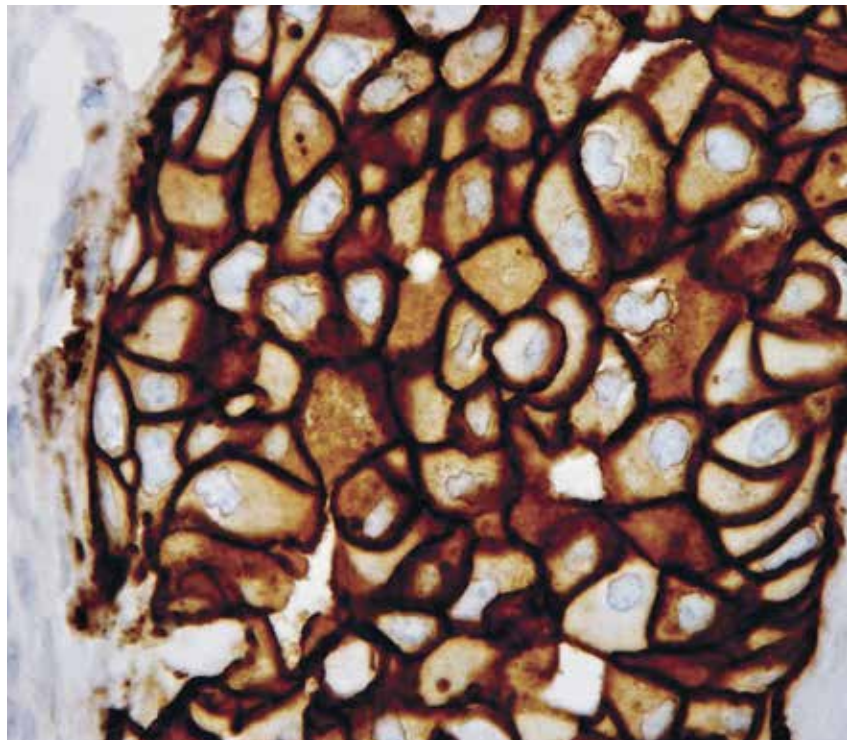
A FoundationOne test helped to identify the mutation that had caused this patient's bladder cancer—an aberration typical in breast cancer patients. Treatment with a combination of two targeted therapies was successful.

data from wearables and mobile phone apps, can be combined with clinical or clinico-genomic databases to yield further insights that can help accelerate and improve clinical trial programmes and delivery of patient care. Furthermore, this type of data holds the potential to support access and reimbursement decisions so patients can benefit from innovative treatments sooner.

Liquid biopsy advancing personalised care

In August 2020, the FDA approved FoundationOne Liquid CDx, Foundation Medicine's comprehensive pan-tumour liquid biopsy test for patients with solid tumours. Through a simple blood draw, the test identifies circulating tumour DNA for more than 300 cancer-related genes. This allows more patients with advanced cancer to benefit from comprehensive genomic profiling insights, particularly when a tissue biopsy is not possible or recommended. These insights can help physicians to determine a personalised treatment plan for each individual patient, based on the specific mutations identified.

Roche's contributions to advancing personalised healthcare in 2020 show that through a comprehensive system approach and purposeful partnerships, patients worldwide can receive better care through the combined advances in diagnostics, medicines, data, and digital technologies. Roche continues to serve as a connector and catalyst, seeking purposeful partnerships across society to establish integrated healthcare solutions and help global health systems work better for individuals, healthcare providers, payers and society at large.



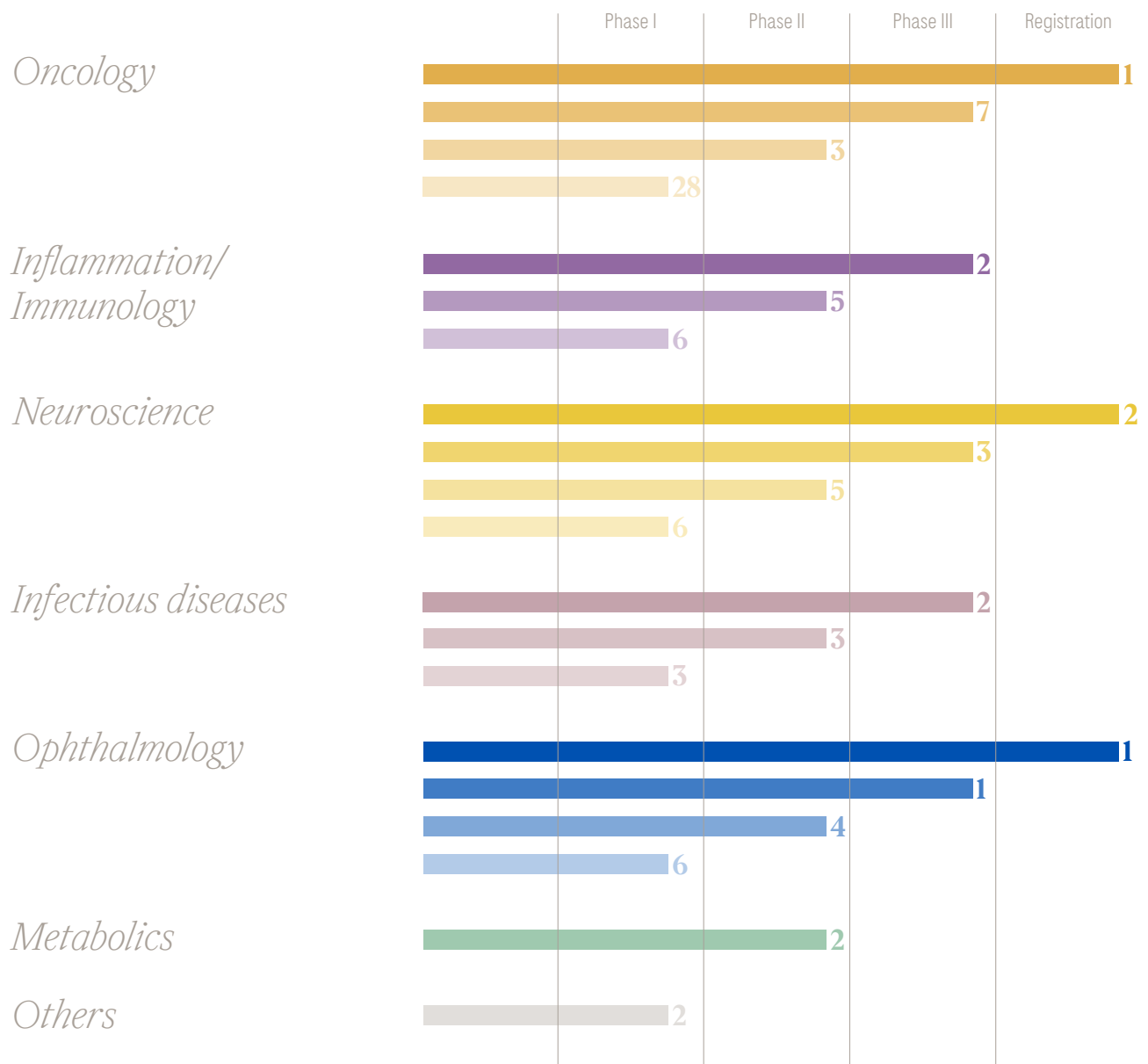
“When I talk to patients and when I talked to Jennifer about the genomic profiling, we spoke about this idea of having a toolbox, and wanting to use the right treatments at the right time during the course of treatment for her disease.”

Dr Jeffrey Rothenstein, Medical Oncologist at the Durham Regional Cancer Centre, Oshawa, Canada



Read more about
Jennifer's story

Pharmaceuticals clinical pipeline



Our pipeline of 92 new molecular entities covers a broad range of diseases, and highly innovative technologies are applied to create and produce the active molecules.

Access—for everybody—worldwide

The pandemic has proven that it has never been more important, or more urgent, to work closely with external partners to improve access to medicines.

We have a crucial role to play in supporting our stakeholders all over the world, many of whom were already facing budget and resource constraints, and now need to factor in economic recovery post-COVID-19.

Life-changing innovation in medicine is only meaningful if it reaches those who need it. Our goal is to work in partnership to develop tailored access solutions that create rapid, broad and sustainable access. But there are many reasons why innovations do not reach those who need them. Because our portfolio consists primarily of hospital-administered treatments which often require specialist skills and infrastructure, we truly understand the multi-dimensional nature of the access challenge. When translating our global strategy to a country level, we make sure we understand the key barriers that may keep patients from benefiting from our innovations. Our access strategy is focused on four key pillars:

- Affordability
- Capacity
- Outcomes certainty
- Value

We work across the healthcare spectrum—from governments and payers to NGOs, multilaterals, and insurance companies. And, as these specific examples show, we are making significant progress at both local and international levels:

- We are an active member of the industry's Access Accelerated initiative, which is focused on non-communicable diseases (NCD) care in low- and lower-middle-income countries (LMICs).
- Our partner, the City Cancer Challenge, is making significant progress in building capacity at a city level and is now working with nine cities with populations over one million across the world.
- More than 510,000 people are on Roche patient support programmes.¹ In 14 LMICs, we have achieved a 60% increase in population with access to the cancer medicines Herceptin and MabThera/Rituxan, and now reach almost 700 million.
- We have set a goal to increase patient access to the breast cancer combination therapy Herceptin plus Perjeta in 15 emerging markets growing from 5,900 patients in 2017 to 35,700 by 2022.
- The Global Access Program for HIV testing has seen a fourfold increase in tests run since its launch in 2014, and has been expanded beyond HIV to include tests for *Mycobacterium tuberculosis* (MTB), hepatitis B and C (HBV and HCV) and human papillomavirus (HPV) for LMIC programmes.²

Another significant priority for Roche is measuring our impact. In 2020, we joined forces with Boston University to create a Roche Monitoring and Evaluation Framework. This framework provides us with a consistent methodology to evaluate the social and patient impact of our access programmes.

¹ Roche, data on file

² <https://www.roche.com/media/releases/med-cor-2019-07-22b.htm>

UN SDGs

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
17 PARTNERSHIPS FOR THE GOALS

Material topics

- Sustainable healthcare systems
- Availability of healthcare
- Affordability of healthcare



Working in collaboration with global partners across the healthcare spectrum has enabled us to increase access to screening, diagnosis, and treatment, while also improving the capacity of local healthcare systems.



Next-generation medicines and new diagnostic solutions represent important options for patients, and highlight the need to increase access to these therapies.

Working with Boston University's School of Public Health gives us an objective perspective, and the assessment tool will be used across the world to quickly understand where access initiatives are having real impact, to ensure we are addressing the right challenges and to understand where we need to think differently.

Supporting Universal Health Coverage

Roche is committed to supporting Universal Health Coverage (UHC), which means that any patient anywhere can access essential quality health services without facing financial hardship. We recognise UHC as an important vehicle for addressing inequalities and promoting access to quality medicines. We see an urgent need to address the huge inequities in access to healthcare around the world—particularly in LMICs. We stand ready to play our part in advancing UHC by working in partnership with multiple stakeholders on tailored solutions to create broad, rapid access. In an effort to address health coverage inequality, we are partnering with stakeholders across the supply chain, and at different health service delivery points, to execute our tailored solutions. Our focus is in four key areas:

- Supporting resilient healthcare systems—we actively support governments' efforts to build strong and resilient healthcare systems.
- Ensuring access to essential medicines and diagnostics—32 Roche medicines are on the WHO Essential Medicines List and Roche provides more than 90 tests that are on the WHO Essential Diagnostics List.
- Delivering tailored pricing solutions—we address affordability and budget constraints with different pricing models and work with insurers to help introduce broader benefit packages that protect patients, particularly those affected by NCDs.
- Assisting vulnerable groups in high-income countries—we create programmes and patient support programmes to enhance access.



A responsible approach to pricing

We are committed to ensuring our innovations reach patients today, while continuing to invest in medical advances to meet patients' needs tomorrow. In collaboration with our healthcare system partners, we use tailored pricing solutions to ensure as many patients as possible have access to our innovations. These solutions include:

- Finance-based agreements, such as price volume, cost sharing, and capping, which address concerns about affordability and budget uncertainty.
- Performance-based agreements that utilise real-world data to mitigate uncertainty about the benefit and impact of our medicines. Payment is made according to the level of clinical or health benefit achieved.
- Patient-support programmes that are designed to support patients in managing out-of-pocket costs.
- The International Differential Pricing (IDP) approach, which has been recently updated. This approach provides a framework for aligning the prices a public health system pays for our innovative new medicines with the country's relative income. It takes into account the country's GDP, as well as its public healthcare investment and the UN's Human Development Index. We expect this to ensure broader and faster access to our medicines in countries with constrained economies.

Evolving pricing models to meet needs

The focus on developing new pricing models for innovative medicines is increasing. These models can differ widely from country to country, and from health system to health system. We know that there is concern around whether they improve the overall affordability of medicines. Our approach to pricing is fair and responsible, based on three key determinants—firstly, the benefit the medicine brings to patients, families and society; secondly, the local healthcare system, reimbursement and regulatory context; and thirdly, to allow us to continue sustainable long-term innovation for patients in the future.

Our innovation business model is built to allow us to continue to take the R&D risks needed to develop more innovative medicines. Tackling some of the most complex disease areas carries high risk, but

We are committed to ensuring our innovations reach patients today, while continuing to invest in medical advances to meet patients' needs tomorrow.

the value for patients with limited or no options is measurable. The launch of several new medicines for some very rare diseases of the CNS in 2020 is a clear demonstration of these benefits.

Innovative medicines are helping to cure, stop, or slow disease progression, improve quality of life, reduce medical complications, avoid hospitalisations, reduce the need for surgery and prevent disability. Specific examples include:

- A dramatic reduction in AIDS-related deaths due to HIV treatments.³
- Enormous developments in cancer care enabling 50% of cancer patients to survive more than 10 years—an illness that used to be a death sentence.⁴
- A full 95% of viral hepatitis C cases can now be cured.⁵

Alliance for access to COVID-19 therapies

Global pharmaceutical and diagnostics companies have issued a joint statement, in collaboration with the Bill & Melinda Gates Foundation, to ensure that the world's population has access to COVID-19 diagnostics, as well as future vaccines and medicines. In a communiqué published on 30 September 2020, a total of 16 companies, including Roche, emphasised their commitment to ensuring that poorer countries can afford the products they need, including through donations and the distribution of products at cost. The joint declaration of the life sciences companies is signed by their respective CEOs or heads of pharmaceuticals.

3 <https://www.who.int/news/item/09-12-2020-who-reveals-leading-causes-of-death-and-disability-worldwide-2000-2019>

4 <https://www.cancerresearchuk.org/health-professional/cancer-statistics/survival>

5 <https://www.who.int/news-room/fact-sheets/detail/hepatitis-c>

Our partnerships and innovative solutions are helping to break down barriers to care and improve patient health outcomes in areas with the greatest need.

Our portfolio of cervical cancer solutions and automated testing platforms demonstrates our commitment to providing clinicians and laboratories with the best tools possible to protect women's health.



Fighting HIV/AIDS

In 2020, Roche continued its support of HIV programmes through partnerships with global funders. We also provided innovative laboratory solutions, and worked with donors towards more effective use of resources in order to reach more patients in more places. To expand awareness, Roche partnered with the non-profit organisation (RED)⁶ to emphasise the importance of HIV diagnostics in reaching the UNAIDS goal of an AIDS-free generation by 2030.

It is estimated that each year, around 13 million HIV viral-load tests are provided to help patients monitor their antiretroviral therapy in eligible countries. In addition, more than 1,800 laboratory professionals in Africa have received training in collaboration with our Roche Scientific Campus in Johannesburg, South Africa.

Roche developed solutions specifically for resource-limited countries. These include the cobas Plasma Separation Card, an easy-to-use sample collection device that increases access in remote areas. And the mobile health application iThemba Life, which delivers HIV test results, education, treatment, and appointment reminders directly to a phone.

In India, Roche formed a private-public partnership focused on building disease awareness, improving testing quality and maintaining turnaround time. Through the programme we worked with experts from organisations such as the Clinton Health Access Initiative (CHAI) and Metropolis to partner with The National AIDS Control Programme and share diagnostics expertise. By establishing central labs and building transport partnerships, we increased both the capacity and quality of testing capabilities in 2020.

Working to eliminate the hepatitis C virus infection

Egypt has one of the highest numbers of hepatitis C virus (HCV) infections in the world—6% of the population are infected. In early 2018 the country launched a massive effort to eliminate the disease by 2023 through a nationwide screening and treatment initiative.⁷ Roche worked with Egypt's government officials and healthcare agencies to provide robust and dependable HCV diagnostic



See more about
cervical cancer

solutions to help manage and achieve this ambitious goal. Roche provided modern diagnostic systems and trained about 100 healthcare workers to ensure the efficiency and reliability of the screening programmes. Of a target population of 62.5 million, Egypt had screened more than 49 million people.⁸ More than one million tested positive for HCV RNA and began treatment.

Eliminating cervical cancer

Cervical cancer remains one of the leading causes of death for women. In August 2020, the World Health Organization (WHO) launched a global strategy to accelerate the effort to eliminate cervical cancer as a public health problem. The strategy included the 90:70:90 target: vaccinate 90% of women against HPV, screen 70% of women aged between 35 to 45 for cervical cancer and provide care to 90% of women diagnosed with cervical cancer.

With new recommendations and policies in place, Roche has begun working with multiple NGOs and other partners to deliver reliable and clinically validated HPV and cancer screening tools in sub-Saharan Africa, and is working closely with Ministries of Health in Kenya, Namibia, Nigeria and South Africa to change guidelines and policies.

In Latin America, local Roche teams developed comprehensive disease management solutions to support local cervical cancer programmes. Two examples illustrate the success of the effort: In Chile, only 52% of women were screened for cervical cancer, resulting in many cases going undetected, and many women developing advanced cancer. Roche partnered with the Ministry of Health and other stakeholders to generate value-based evidence around the use of HPV screening. Ten centres for HPV screening were established, more than 2,000 healthcare professionals (HCPs) were educated (90% of all primary care HCPs in Chile), and more than 100,000 women have been screened.

In Brazil, Roche worked with the University of Campinas and the Indaiatuba municipality to demonstrate the value of HPV screening. This formed the basis for new HPV testing guidelines rolled out to 40,000 HCPs. As a result, the city has increased screening of women aged between 25 to 64 from 30% to more than 80% within 18 months.



6 (RED) is a division of the ONE campaign, a global movement to end extreme poverty and preventable diseases by 2030.

7 Ministry of Health and Population [Egypt], El-Zanaty and Associates [Egypt], ICF International. Egypt Health Issues Survey 2015. Cairo, Rockville, MD: Ministry of Health and Population, ICF International; 2015.

8 Waked I et al. Screening and Treatment Programme to Eliminate Hepatitis C in Egypt. *N Engl J Med*. 2020 Mar 19; 382(12): 1166–1174

Supporting a nurturing, diverse and inclusive working environment

Addressing the needs of our diverse employee population while inspiring solidarity and unlocking the potential of all our people.

New ways to work

The COVID-19 pandemic has amplified our agility journey and changed the way we work at Roche. We have become faster, more flexible and bolder, while also deepening our connection to our purpose and the special facets of our culture. Addressing the multiple challenges resulting from the pandemic required high personal engagement, innovation and co-creation, and we are proud of the contributions we have achieved together. In several ways, dealing with this unprecedented situation fostered the acceleration of our transformation. Novel ways to successfully manage enormous tasks were implemented rapidly and systematically. Our people were not constrained by hierarchical boundaries, and were empowered to put ideas into practice, leveraging their vast breadth of capabilities.

Critical results were immediately evident: The transition to working from home (WFH) was made within days, and new collaboration tools became an integral part of working across all of Roche; highly accurate SARS-CoV-2 tests were developed, manufactured and launched in amazingly short time frames; and R&D efforts identified possible COVID-19 solutions for patients.

This difficult time has confirmed our belief that our people are our greatest asset. We remain steadfast in our commitment to ensuring the environment we provide for our people is nurturing, diverse and inclusive.

Diversity and Inclusion

Roche has never, and will never, tolerate discrimination in any form. We embrace the unique attributes of our people, including age, gender, physical ability, nationality, sexual orientation, culture, life experience, working or thinking styles, capabilities, preferences, and/or needs.

At the highest level, diversity refers to ‘the mix’—the wide range of visible and invisible differences among people—and inclusion means making the mix work. This is done by proactively sensing and implementing initiatives that create an environment where people feel a strong sense of belonging, are treated fairly and respectfully, have equal access to opportunities and resources, and can be themselves while contributing fully to the organisation’s success.

In 2011, the UN Guiding Principles on Business and Human Rights (UNGPs) identified the three pillars of ethical, human-centric business practices as: ‘Protect, Respect and Remedy.’ Roche fully supports and implements the UNGPs¹, and is equally committed to supporting:

- The UN Sustainable Development Goals (SDGs)
- The 10 UN Global Compact Principles
- The Universal Declaration of Human Rights
- The International Labour Organization Declaration on Fundamental Principles and Rights at Work
- The UN Global LGBTI Business Standards (Roche Group endorsed these standards in 2020)

¹ https://www.roche.com/sustainability/approach/human_rights.htm

UN SDGs



Material topics

- Talent attraction and retention
- Organisational agility
- Patient centricity



At Roche, we are committed to ensuring the environment we provide is nurturing, diverse, and inclusive. We embrace our people's visible and invisible differences and support them in unfolding their capabilities.

We work to stay in step with—and often ahead of—current D&I standards. This is not only the right thing to do; it also prepares us for the way business is changing. Trends indicate that more than 80% of our tertiary educated workforce is women and people with different ethnic backgrounds. By 2025, millennials will make up 75% of the workforce, bringing even more change to the way we work.

At Roche, we view D&I as an engine of innovation and a key to our success. That is why we are aiming to reflect this diverse workforce in our leadership, further deepening our global commitment to D&I. We strive to achieve representation of global society by employing people from a wide range of backgrounds and cultures.

As part of our commitment to being a great place to work and to driving innovation, Roche is dedicated to supporting D&I, and works in accordance with UN SDG 5: 'Achieve gender equality and empower all women and girls.' Roche promotes equal opportunities and measures how many women reach leadership positions, which is a key step towards equality.

Fostering a safe and healthy workplace during the pandemic

When the COVID-19 alarm went off, we benefited from our business continuity and pandemic/influenza preparedness processes, which we initiated in the recent past. This prior planning enabled us to make

a rapid and massive transition to working virtually, while also ensuring the protection of employees working on site or with customers, and instituting safety and health protocols for business interactions with others. We also offered the Roche Elecsys Anti-SARS-CoV-2 antibody test to all Roche employees around the world.

Working hard during a pandemic, be it from home or on site, can have a significant impact on people's well-being. These impacts can range from a feeling of isolation to combating the distractions that come with a lack of control over the work environment at home. As part of Roche's Global Live Well activities, special focus was given to health and well-being in the time of COVID-19. Additionally, a wide range of employee assistance programmes were offered globally, including general tips on WFH, ergonomics, mental health, fitness, mindfulness/resilience, nutrition and social well-being.

Because Roche is a networked organisation, our local and regional experts were already empowered to find and implement localised solutions that aligned with local needs, situations and constraints (eg, laws and regulations). Working as a global network, we were able to scale and apply those solutions quickly.

The significant adaptations we made to our ways of working also enabled us to keep making a positive difference for patients. Thanks to these measures, we managed to protect business continuity at all our sites and did not experience any massive disruptions in our production lines. This ensured continuous development and delivery of medicines and diagnostics solutions to patients.

We are committed to carrying the positive elements of this unprecedented experience into our own 'new normal', while ensuring the health and safety of our employees remains a top priority by:

- Striving to maintain a healthy workplace for employees by encouraging flexible working arrangements to the maximum extent possible within the local legislative environment
- Continuing to learn what we can do better, building a network of respective experts at all our sites and empowering those experts to be even more active in the future

Tomorrow's leadership

Our ambition is to reflect our global workforce demographics in our senior leadership. We will translate this effort into annual goals, which will dynamically consider the changes in our global workforce. In 2020, we focused on two dimensions: increasing the number of women in key leadership positions and increasing the number of people in key leadership positions with nationalities from under-represented regions.

- Being part of local benchmark groups in order to exchange information and share learnings and best practices with other companies

In response to the COVID-19 pandemic, we conducted a Global Employee Opinion Survey (GEOS) in April 2020. The goal of this pulse survey, focused on the impact of the pandemic only, was to understand how everyone was doing and what Roche could do to better support our employees in these challenging times. Here are some of the impressive results:

- 71% of all eligible employees gave their feedback
- 91% of all participants said they felt supported by Roche when it came to their well-being
- 96% said they felt proud to work for Roche

Occupational health and safety

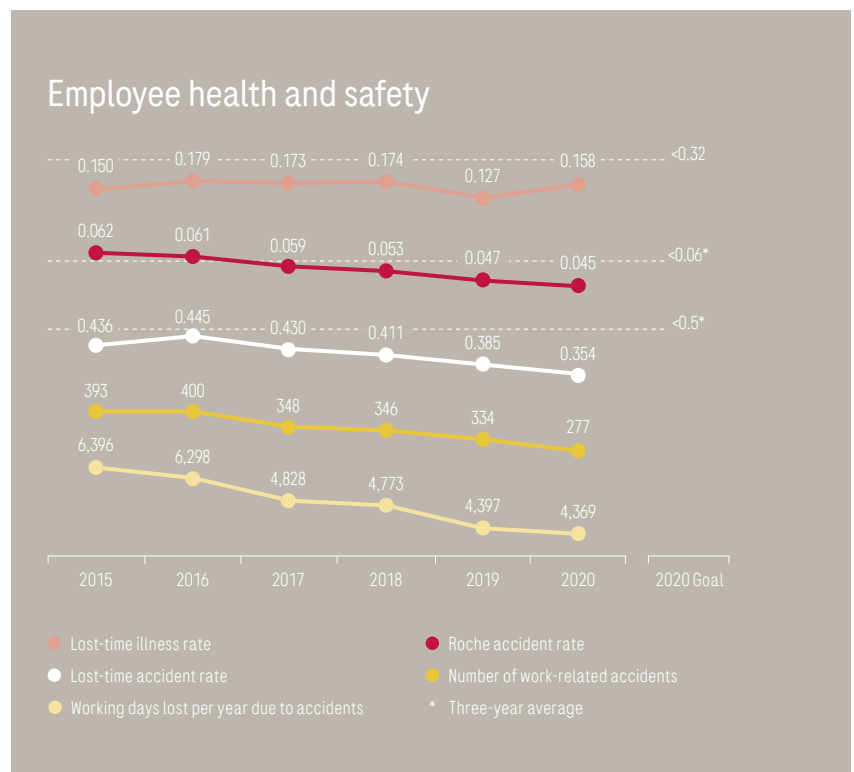
While the COVID-19 pandemic significantly increased our focus on health and safety, we have been unwavering in ensuring our employees—and everyone we work with—are protected. Roche's view, both in our own workplaces as well as in those of our third-party manufacturers and suppliers, is clear: All categories of work and their tasks must be safe and healthy. In order to consistently fulfil this commitment, we have established safe working practices through proper procedures and clear direction for all employees. A fatal contractor accident happened at Roche in Basel. It has not yet, however, been clarified whether this was an occupational accident. Our feelings are with the family of the victim.

Prevention of overexposure to substances is a cornerstone of the protection of the health of Roche's employees and others who handle our substances. To define the necessary measures, we need to know the potency/toxicity of each substance and the level of exposure caused by each operation. Over the years, Roche has assessed and established levels of acceptable exposure for approximately 2,000 substances, and applied them systematically to ensure that they do not exceed the established standards. With this data in place, we can ensure protection from overexposure through engineering controls. When needed, new processes are designed to meet these criteria and existing ones are modified to meet the most current standards of containment.

Guided by our purpose, we made significant adaptations to our ways of working to keep making a positive difference for patients.

Safety is everyone's responsibility. It rests with all levels of management and with each employee. As a result of our established practices, we have reached all our safety goals during the last five-year period (see graph).

With a mindset of continual improvement, we are building on this path of success, including setting a series of new five-year health and safety goals that are both feasible and ambitious. For a complete breakdown of these new goals, please visit our website.²



² https://www.roche.com/environment/our_she_goals_and_performance



During extraordinary times, people make the difference—those who make sure that others who are ill with the coronavirus, or any other disease, continue to receive the care, tests and medicines they need. These stories spotlight just a few of the remarkable contributions of many outstanding employees.

Now, more than ever, we rely on each other.
We are #StrongerTogether.



See more about our
everyday heroes

Everyday heroes

Putting patients first

The COVID-19 pandemic had a detrimental effect on many patients' ability to receive treatment. Multiple efforts were undertaken to help ensure that patients can continue their treatment without interruption. Here are just a few examples that represent a wide range of such efforts.

Lara Stallard-Taylor, Roche Australia

"This country has one of the highest populations of people with MS. Because MS patients are already immuno-compromised, going into hospital to receive Ocrevus treatment actually presents a higher risk of becoming infected with SARS-CoV-2. As a result of that increased risk, patients were electing to delay their Ocrevus treatment. Those delays meant a patient's MS would no longer be under control. It quickly became clear an alternative treatment option was needed to help keep patients with MS safe and ensure their treatment was not interrupted. We quickly decided to develop a home-treatment programme and bring the Ocrevus infusion directly to the patient. Immediately, a core project group was formed, and through significant networking and collaboration, the programme came together quickly. Rather than the six months typically required for such an effort, the project began in just over two months."

Faith Morilla, Edgar DeLasAlas, Roche Philippines

"Many of the patients we serve were experiencing some sort of disruption in their care. What really took us aback was seeing that a number of physicians had actually had at least one patient deteriorate or die during that period when they weren't able to seek care. That was a huge call to action for our team. We immediately jumped in and started

with Flexcare transport, which enabled us to get patients from wherever they were to their doctor, to their care. Next, we started talking with doctors and patients about what more we could do. From there, we built upon the idea of having alternative sites where patients can be treated outside of the hospital setting. Because a lot of them have an understandable fear of going to hospitals, this was an important effort."

Volunteering in COVID-19 treatment centre

Colleagues from Roche Hungary, trained as doctors, volunteered at Hungary's biggest COVID-19 treatment centre and inspired others to do whatever they can.

Levente Molnar, Roche Hungary

"The doctors and nurses were grateful for any kind of help they could get during these extremely stressful times. They provided regular and quick feedback, so you could learn and do better every day. After a month of being at the pulmonology centre, I realised that I could help not only with my medical knowledge, but also with things that I had learned during our agile transformation process in Roche over the past year. This included visualising and summarising problems and procedures, IT solutions and connecting colleagues in Diagnostics with local doctors."

Janos Santha, Roche Hungary

"While I worked in a hospital previously as a medical doctor, I was in a different speciality altogether. I arrived at the hospital two weeks after Levente and he was able to highlight areas on which I could focus my attention. This freed up the time of the specialists in the ICU."

Protecting the environment

Over the years, society has come to expect more from corporations, particularly in the areas of social responsibility and transparency.

Today, stakeholder groups expect corporations to maximise their environmental responsibility throughout their entire supply chain. At Roche, corporate social responsibility, ethical conduct in business, respect for human rights, and a commitment to protecting the environment have been top priorities for many years.

For decades, we have firmly believed that environmental responsibility is an integral element of good business behaviour. Our mature environmental management system (EMS) ensures we maintain the highest standards of environmental responsibility both internally, and across our supply chain.

Internal operations—prevention is key

As a company with global production operations, Roche is exposed to risks that could possibly damage people, goods, the environment and our reputation. Our mature EMS, combined with professional risk management, minimises these risks substantially. Our local sites and business areas serve as the first line of control. They are responsible for implementing standards and setting up programmes, procedures, inspections, self-assessments, and corrective and preventive actions. Local safety, security, health and environmental protection (SHE) officers act as advisors to Roche business unit managers, ensuring that we meet local regulations and adhere to corporate standards.

The second line of control lies at the group level, where an audit team, working with SHE specialists,

inspects our facilities' environmental performance and evaluates their implementation of our SHE policy as well as their compliance with legal requirements and internal standards. The team uses the results of these evaluations to stipulate future improvements. We audit both our pharmaceutical and diagnostic facilities regularly, and review those that present increased risk with greater frequency.

Standards for the entire supply chain

Roche developed the Supplier Code of Conduct to hold its suppliers to its own high standards of responsible business. To ensure compliance, our own inspectors, or third-party auditors managed by us, examine the operations of all relevant suppliers and, where necessary, recommend improvements.

In alignment with our own internal standards, we have established detailed performance expectations for our third-party suppliers. Individual Roche departments act as the first line of control, utilising audits and assessments to confirm all contract manufacturers, suppliers and service providers meet expectations.

As with the internal process, the second line of control for suppliers sits at the Group level, which defines and controls the audit strategy. In the event of non-compliance, we may either terminate a contract, refuse to renew it or request improvements, which we may actively assist the supplier in implementing.

UN SDGs



Material topics

- Energy efficiency
- Long-term mindset



Roche aims to maximise efficient energy usage, cut energy consumption and increase the use of sustainable energy sources, all while continuing to expand its global business. We therefore implement innovative technologies and continuously upgrade our infrastructure to improve energy efficiency.

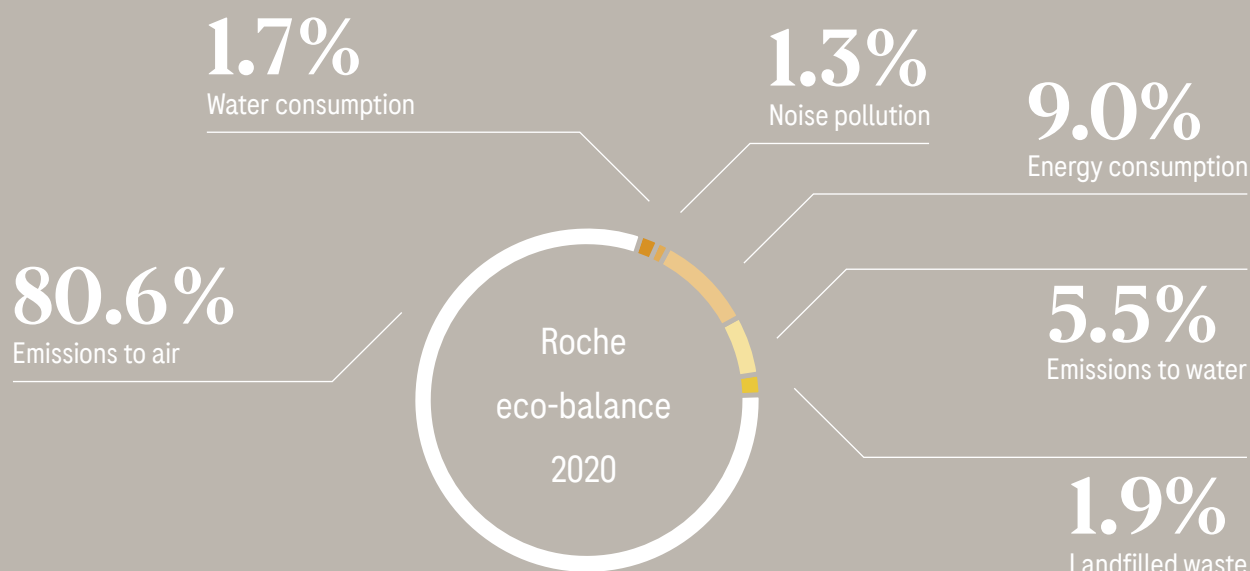
Our expectations for suppliers are clearly communicated and thoroughly enforced. It is not uncommon for Roche to terminate a collaboration when a partner does not operate in a responsible manner, or does not work to minimise adverse impacts on the environment.

Continually minimising our ecological footprint

Roche has been monitoring and actively minimising its environmental impact for many years. We use the concept of 'eco-balance' to measure the ecological footprint resulting from our business activities. This system allocates points for ecologically relevant parameters (eg, emissions, contamination, resource consumption, waste, etc.)¹ and provides us with a global view of how we are impacting the Earth's ecosystems. By measuring the point totals against the size of our workforce, we are able to monitor our environmental impact down to the level of small organisational units.

Our aim for 2020 was to improve our eco-balance by 6%, as compared to 2019. Both the COVID-19 pandemic as well as our improvements in decreasing energy consumption, air emissions, as well as in reducing the weight of both general and chemical waste, led to a further improvement of approximately 25% in our eco-balance.

The last five-year goal period concluded at the end of 2020, and our successes in reaching those environmental goals contributed significantly to the decrease in our environmental footprint (see *graph on page 100*). Roche and its stakeholders are clear on the company's long-term future, and we are committed to upholding our environmental responsibility. To support that commitment, we have set a new series of five-year environmental goals, which are both ambitious and feasible. For a complete breakdown of our new goals for 2020–2025, please visit our website.²



¹ Developed by the Swiss Federal Office for the Environment; we are compliant with their latest guidelines.

² https://www.roche.com/sustainability/environment/our_she_goals_and_performance.htm

A responsible approach to energy usage and sustainability

Roche is committed to a sustainable energy future, and has made huge improvements in this area in recent years, for example by increasing the share of renewable energy. Our aim is to maximise efficient energy usage, cut energy consumption and increase the use of sustainable energy sources, all while continuing to expand our global business. To help us reach this goal, we have set up energy-saving action plans at individual sites. These plans include the implementation of innovative technologies and continuous upgrading of infrastructure to improve energy efficiency.

Roche's commitment to sustainable energy even extends to our individual customers. We work to help them increase their own energy efficiency by designing our diagnostic instruments to utilise as little energy as possible.

Converting Roche's suppliers to renewable energy

We set high expectations for our suppliers' energy sustainability, encouraging them to conserve natural resources and even helping them convert to sustainable energy.

Our procurement organisation is in the process of implementing a pilot project in the UK to convert our suppliers to 100% renewable energy by sharing Roche's electricity rate, which is obtained through a corporate Power Purchase Agreement for offshore wind turbine energy. All we ask of our suppliers is that they provide us with their Greenhouse Gas Protocol scope 2 emissions, both before converting to 100% renewable energy and after. This will allow Roche to measure the exact carbon footprint reduction.

In the next five years (2020–2025), we aim to reduce scope 3 greenhouse gas emissions in the supply chain by 15%. Roche Global Procurement has also set a divisional goal to increase the number of "Green Suppliers" by 50% over the next five years.

Phasing out greenhouse gases

Most of the energy used by Roche comes from the burning of fossil fuels, which releases carbon dioxide, a greenhouse gas (GHG), into the atmosphere. Our

Our aim is to reduce emissions at their source. Since most of our emissions originate from the transformation and use of energy, we focus our actions on all issues surrounding energy usage.

aim is to reduce emissions at their source. We are reducing our carbon footprint by purchasing energy-efficient equipment and by increasing sustainable energy supplies. We are also monitoring employee travel needs and work processes. The approach is having an impact. Since 2004, the company has reduced GHG emissions by approximately 74%.

Improving water stewardship

Along with energy, water is one of the major commodities used by the pharmaceutical industry. Around the world, poor water quality is resulting in higher purification costs and increased risk of product contamination. As a responsible user of water, Roche upholds its corporate sustainability values by contributing to the well-being of the ecosystems and communities in which it operates.

At the same time, some Roche operations remain exposed to a number of associated risk factors. Many of Roche's sites are affected by physical water supply risks such as water stress and drought, as well as regulatory risks that can impact business continuity.

One of our new environmental goals is to reduce risk-weighted water consumption per employee. Roche established this goal to combat the multitude of water risk factors, beyond water stress. To track progress against this 2025 goal, Roche is developing a water risk metric that will account for the most significant physical, regulatory and reputational risk factors.



While delivering innovative tests, we take responsibility, along with other stakeholders, to minimise the impact of our diagnostic products on safety, security, health and the environment throughout the entire product life cycle.

We actively support the responsible management of our products' end of life.

Promoting responsible waste management

Our commitment to product stewardship demonstrates our concern about the waste generated by patients and customers using our products, and we actively support the responsible management of such waste at the products' end of life.

Our Diagnostics Division has assembled a team to provide guidance relating to operational waste generated on our production sites as well as liquid wastes, consumables, and packaging resulting from the operation of our diagnostics instruments.

The team also looks at best ways to decommission instruments at end of life. Examples of recent guidance for decommissioning include:

- Detailed information on components that require special handling from a safety and environmental standpoint.
- A template contract for instrument recycling vendors to ensure Roche requirements are applied uniformly, worldwide.
- A process for evaluating recycling vendors to ensure they are capable of responsibly managing the recovery, recycling, and disposal processes.

In the Pharmaceuticals Division, Genentech manages the US Product Take-Back Council (PTC), in partnership with the Diagnostics Division and the Diabetes Care business. PTC covers take-back programmes for unused medicines and used medical 'sharps': the lancets and needles that are used in disease management. Beyond regulatory compliance, the PTC has established criteria to help product teams understand the key elements of 'good', 'better', and 'best' take-back programmes, and guide them in delivering higher levels of patient support for their products.

To promote safe disposal of sharps, Diabetes Care participates in, and financially supports, a collaborative effort with other pharmaceutical and medical device manufacturers and a non-profit organisation. This collaboration has resulted in significant improvements in the accessibility and quality of information about proper disposal to patients and caregivers, and is changing behaviour towards the responsible disposal of sharps.

Becoming EverGreener

Roche's environmental goals (2015–2020) have now come to a close. With success in all areas, it is a clear sign that Roche takes environmental responsibility seriously. Ever since the founders set us on course for a greener future, we have kept the momentum going—with a proactive mindset Roche becomes ever greener. Our performance since the early 2000s is a clear demonstration of our commitment to success.

Since 2004, we have reduced our energy consumption (scope 1 and 2) by approximately 54% per employee. Driven by the decrease in energy consumption and a parallel decrease in the use of fossil fuels, our CO₂ emissions have consequently decreased by approximately 74% per employee in the same period. Our strategy was clear then and is clear now: We put our own business in order first, by reducing energy intensity (energy usage per employee) and then, we substitute the remaining energy with the energy generated from sustainable sources. With this strategy almost 70% of the electrical power consumed by Roche now comes from sustainable sources. By taking this approach, Roche positions itself ahead of the climate change scenarios published by the Intergovernmental Panel on Climate Change.

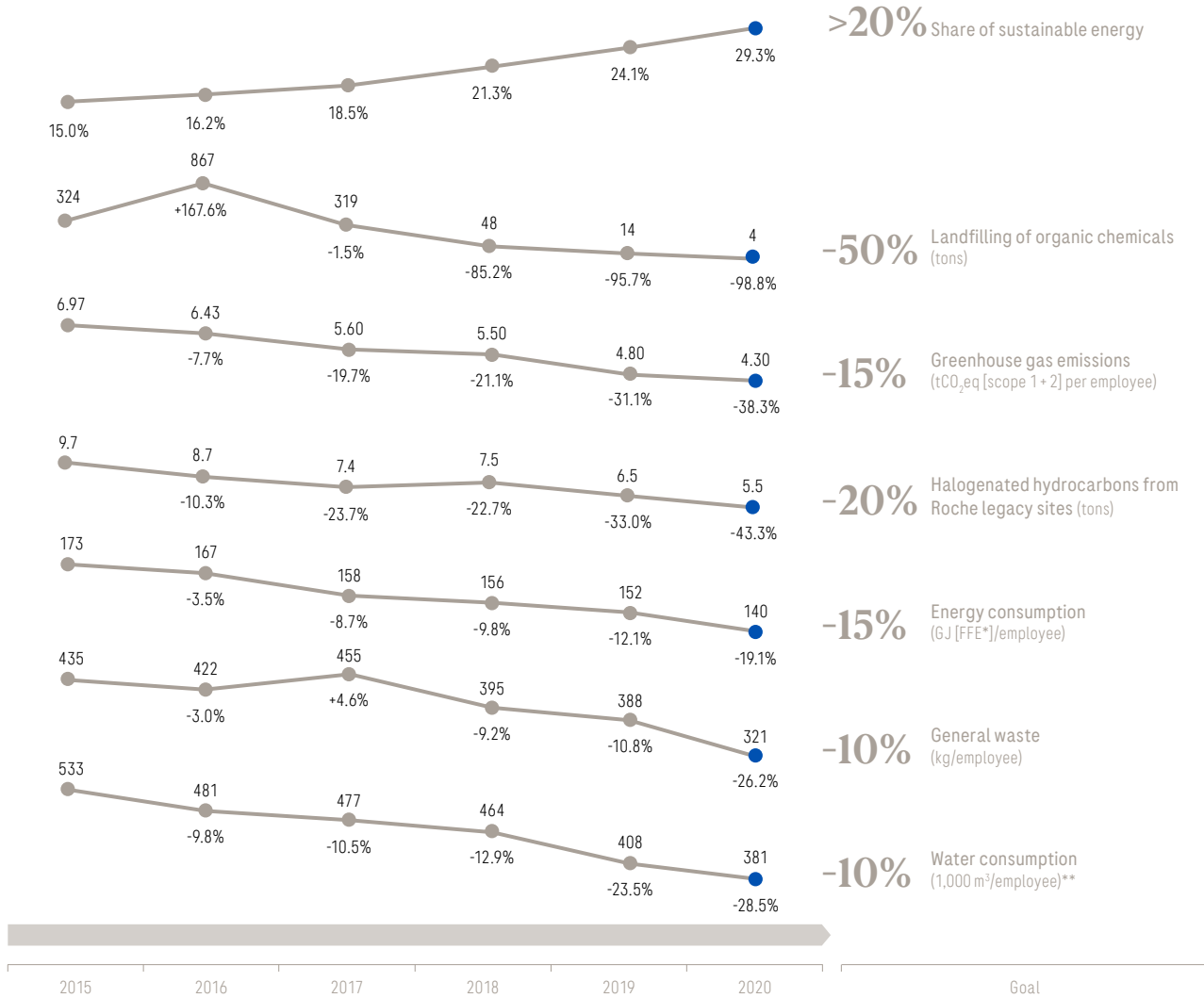
Looking forward, Roche's long-term goal is to reduce greenhouse gas (GHG) emissions from owned or controlled sources or from the generation of purchased energy to zero by 2050. Most GHG emissions at Roche originate from the transformation and use of energy. Therefore, to lower GHG emissions, Roche opts for energy-efficient technology. For example, our headquarters in Switzerland have integrated thermal networks in the new buildings that use rejected, or otherwise wasted heat.

Like many industries in the past, Roche and its affiliated companies used landfills to dispose of chemical and solid wastes. Since the 1970s, Roche has advocated incineration of hazardous wastes as a more suitable alternative. Today, Roche affiliates around the globe are directed to refrain from sending any organic chemical wastes or potentially harmful substances to landfills.

All our actions aim to reduce our environmental impact to a minimum. We are committed to operating within or below the 'budget of nature' and leaving behind a stable living environment for future generations. To help make this journey a success, Roche sites worldwide are developing roadmaps towards a sustainable energy future, and we continually set and monitor challenging but realistic environmental goals. We will be monitoring our new environmental goals (2020–2025) very carefully.

Ever since the Roche founders set us on course for a greener future.
#EverGreener

Five-year goals (2015–2020)



* FFE: Fossil Fuel Equivalent | ** Weighted by water stress | Changes in % related to 2015

Energy consumption in terajoules

	2020	2019	2018	2017
Total (scope 1 and scope 2)	8,420	8,983	9,185	9,219
Energy (scope 1 and scope 2) consumption (GJ/employee*)	81	89	91	91

* Data collected by Group SHE | GJ = gigajoule

CO₂-equivalent emissions in tonnes

	2020	2019	2018	2017
Scope 1*				
Fuel combustion	251,943	282,184	284,890	291,850
Halogenated hydrocarbons	4,872	5,973	4,746	3,469
Scope 2**, #	189,003	195,766	263,973	270,123
Scope 3***				
Business flights	56,937	201,522	195,530	203,814

* Scope 1: Direct emissions generated within own facilities | ** Scope 2: Indirect emissions from purchased energy |

*** Scope 3: Indirect emissions (not included in scope 2) in the value chain | # Market-based data

Halogenated hydrocarbons in tonnes*

	2020	2019	2018	2017
Inventory	92.0	90.8	91.3	114.3
Consumed released	1.5	2.2	2.2	1.3

* Global inventory including Chugai, Genentech and Ventana

Emissions into the air in tonnes

	2020	2019	2018	2017
VOCs*	73	85	85	101
Particulates	16	13	20	20
Nitrogen oxides	113	133	201	232
Sulphur dioxide	3	4	5	7

* Volatile organic compounds

Water usage and discharge

	2020	2019	2018	2017
Water withdrawn (million m ³)	14.9	15.9	16.6	15.9
Water consumed (million m ³)	2.8	3.1	3.4	3.0
Organic matter discharged to waterways after treatment (t)	76	127	185	144
Heavy metals discharged to waterways after treatment (kg)	174	228	149	129

Landfilled and incinerated waste in tonnes

	2020	2019	2018	2017
General waste generated	11,139	10,500	11,183	12,478
Chemical waste generated	13,332	17,422	13,563	17,245
Contaminated soil	38*	91,951	77,681	108,766
Construction waste	5,919	14,360	8,443	16,189

* Less contaminated soil was removed in 2020 due to reduced remediation activities at the Kesslergrube, Germany.

Supporting communities during the pandemic

Roche philanthropy helped communities where we live and work—and beyond—face the COVID-19 crisis.

Roche has a long history of philanthropic engagement, with a clear strategy and focus. Throughout 2020, we remained strongly committed to our partners and the communities we serve across our four philanthropic pillars: humanitarian aid, environment, education and the arts.

In 2020, we continued to fulfil our commitments, supported changes in focus related to COVID-19 and increased our support in the areas we could have the largest impact. Because this year's extraordinary conditions have greatly increased the importance of community support, we also responded to global appeals and supported new humanitarian projects.

Prevention first

Roche has been the main external sponsor of South Africa's Phelophepa healthcare trains for over 25 years. We were proud to continue to support this programme, which served as an important element of South Africa's response to the COVID-19 crisis. The trains operate through a partnership between the South African Ministry of Health and Transnet, the country's main freight and logistics company.

In addition to our annual sponsorship, Roche made a donation through the Friends of Phelophepa, an employee foundation, to provide personal protective equipment (PPE) and sanitising equipment to keep the trains' healthcare workers as safe as possible. We also donated masks and hygiene campaign material for the staff to use in their community outreach efforts.

As a result, 203,870 people were screened for the virus. In addition, the Phelophepa healthcare staff ran 3,000 mental health workshops to help the communities cope with the mental stress, fear and anxiety stemming from the pandemic.

Emergency appeals

According to the United Nations High Commissioner for Refugees (UNHCR), Kenya is host to the fifth highest number of refugees in Africa, with a refugee population of almost half a million people. Most of the refugees live in the Dadaab and Kakuma camps, which are located in isolated parts of the country that have insufficient national health system capacity. When COVID-19 arrived in the region, concern for the safety of these individuals increased considerably.

The UNHCR issued a global emergency appeal for funds to protect the refugees. Roche responded with a donation which went to both refugee camps, as well as to urban areas hosting refugees. The funds were used to provide a range of much-needed materials, including soap, sanitisers, PPE and medical supplies. A portion of the donation also went to improving water, sanitation and hygiene facilities, training rapid response teams, raising awareness about hand hygiene and setting up isolation centres.

Roche also responded to emergency appeals from several smaller non-governmental organisations (NGOs) that have been making a significant

UN SDGs

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS

Material topics

- Long-term mindset
- Availability of healthcare



Prior to the pandemic, the primary services offered on the Phelophepa healthcare trains were optical, dental, wellness and psychology. These services were halted in 2020 in order to focus on stopping the spread of the virus in underserved and rural areas.



See more about the
Phelophepa healthcare trains



Through Re&Act, our employee foundation, we began a new project with the NGO Child's Dream, supporting quality education in Cambodia. Despite the pandemic, Roche employees found creative and safe ways to keep our annual tradition of fundraising for youth and education—the Children's Walk—going.

impact. For example, the Foundation Esther Fayulu requested funding for Kimbondo, one of the largest orphanages in the Democratic Republic of Congo. Our support helped to provide for disinfection of the premises, the purchase and distribution of masks and hygiene equipment, and even food for 100 infants and children for six months.

Digital and hardship relief for students

For young people studying in developing countries, poor internet bandwidth and limited access to computers make online learning even more challenging. Roche helps meet the needs of hundreds of students around the world through our emerging market scholarship programme.

One of our education partners, Fundación Educación, supports university students in Colombia, El Salvador, Guatemala and Peru. The organisation took on the challenge through a 'digital relief fund' designed to build a technical infrastructure to digitise their education programmes. Roche contributed to this fund, which lends laptops and prepaid mobile cards to ensure students can access their online courses. In addition, we supported a 'hardship relief fund' to support students struggling to cover their basic needs during these difficult times.

In 2020, we also provided hardship relief to many other partners. These included the Maharishi Institute, which provides holistic university education to students in Johannesburg, South Africa; the Kiran Children's Village, which supports the higher education of students from very poor families in India; and the Roger Federer Foundation, which provided 6,900 children attending Early Childhood Development Programmes in Malawi with food and information about COVID-19 prevention.



A walk like never before

Every year since 2003, Roche employees across the globe have come together to participate in our global fundraising event, the Roche Children's Walk. The event supports the Roche Employee Action and Charity Trust (Re&Act) and local children's charity projects. Due to gathering restrictions, employees from 133 sites in 63 countries found creative ways—ranging from virtual auctions to walking in place—to continue to join forces and raise money for charity.

Most of our Re&Act partners continued supporting their children's projects during the crisis. The employee foundation also began a new partnership with Child's Dream, which supports children and youths in Cambodia, Laos, Myanmar and Thailand. Through our five-year commitment, we are helping to improve access to education in Cambodia by providing quality school buildings, which will benefit 3,000 students, as well as computer lab facilities for 2,000 students, and scholarships for 175 marginalised high-school students. In 2020, Child's Dream built a new school with 12 classrooms, completed a new computer lab facility for 251 students and provided 35 scholarships.

We also began supporting a new project with the 1,000 Days Fund, a Jakarta-based NGO, to reduce stunting among children in Indonesia. It is designed to reduce stunting by 5–10% as well as build evidence for the best ways of sustainably tackling the problem.

Secondments go digital

The global philanthropic secondment programme allows us to share our company and employee expertise with NGOs that are helping to improve global health and education in communities around the world. B360 Education and Partnerships, a Swiss-based NGO promoting knowledge exchange between companies in Europe and universities in Africa, began offering a virtual career starter programme in 2020. We arranged for two Roche employees—from Global Insights & Digital Engagement and People & Culture in Nigeria and Ghana—to coach four recent graduates from the Namibia University of Science and Technology and the University of Namibia.

We remained strongly committed to our partners and communities during the pandemic—supporting a wide range of response plans.

After disaster, helping communities to rebuild

As part of our commitment to society, Roche philanthropy supports communities in their rebuilding efforts after significant disasters. Here are two examples from 2020.

Following the explosion in Lebanon on 4 August 2020, we contributed to a broad spectrum of relief efforts across the country. After confirming the safety of our 90 employees and ensuring they had the immediate assistance they needed, we contributed to a number of emergency response and rebuilding initiatives. We donated Rocephin, a Roche antibiotic, to hospitals and healthcare centres experiencing shortages; replaced damaged diagnostic laboratory equipment; supported the International Committee of the Red Cross with a donation for emergency medical supplies; made donations to rebuild severely impacted healthcare institutions; and provided support to local NGOs and cancer funds.

In January 2020, Australia faced unprecedented and unrelenting bushfires. Roche made a donation to the Australian Red Cross Disaster Relief and Recovery Fund, which helped to provide over 50,000 people living in evacuation centres with food, water and other basic necessities.

Meeting high standards of business ethics

We can only provide meaningful benefits to society if we uphold the high standards for ethics, integrity, and sustainability.

At Roche, we are convinced that integrity is and will remain the basis of our sustainable and successful business. Today, our employees, investors, customers, and other stakeholders view topics such as ethics, integrity and sustainability as increasingly vital. Every employee has the responsibility to behave with integrity and to act in accordance with our shared company values. This goes far beyond complying with laws and regulations. It is about making a positive impact on society with our business endeavours.

Our efforts include strengthening stakeholders' understanding of—and trust in—our business. In this respect, we remain independent of any political affiliation. In 2020, we spent CHF 11.4 million in Switzerland, which included payments to industry associations and various chambers of commerce, financial assistance for trade unions, and donations to political parties at cantonal and federal level. Donations to political parties were each in the low double-digit thousand range in Swiss francs, and together accounted for approximately 2% of the total contributions and donations.

In 2020, we launched our updated Roche Group Code of Conduct (CoC), which clearly defines our expectations for business behaviour, and provides practical guidance and clear examples. The CoC serves as our 'business card', and specifies our commitment to making a valuable, significant, and sustainable impact on society.

Fostering a culture of integrity

In the updated CoC, we incorporated topics of emerging interest to Roche and our stakeholders. These topics include digitalisation, personalised healthcare, information governance, real-world data, and human rights. Throughout 2020, Roche conducted several activities designed to inform, educate and foster the spirit of the key messages included in the CoC. Each month, we focused on a specific compliance topic, such as discrimination and harassment, data privacy, or conflict of interest. The activities provided information on the topic through a variety of tools, including quizzes, infographics and animations. In order to increase the acceptance and to empower our people, we fostered an inclusive approach: All activities and material were co-created with affiliates and across functions, reflecting the diversity and inclusion of our organisation. This way, we were able to devise activities tailored and addressed to local needs. In addition to increasing awareness and understanding of compliant business behaviour, employees were encouraged to speak up about any potential violation of our CoC they might encounter. They can share these concerns through multiple lines, such as their managers, compliance officers, or through the Roche Group SpeakUp Line. *(See the box on the next page for more details.)*

Adapting policies to meet changing needs

Throughout the COVID-19 pandemic, we have received an increasing number of requests to deliver

UN SDGs



Material topics

- Human rights
- Ethics and transparency
- Patient centricity
- Availability of healthcare
- Compliance



At Roche, we are convinced that integrity is and will remain the basis of our sustainable and successful business. This includes safeguarding high-quality supplies and requiring all our suppliers and service providers to protect and support human rights.



Roche's biggest IT workforces are still located in San Francisco and Basel.

our medicines and diagnostics free of charge, and to donate personal protective equipment, food and other essential items. We believe we can find sustainable solutions that best serve patients by working alongside healthcare stakeholders.

In light of the current global crisis, we added specific guidance for COVID-19-related requests to our principles in order to address the most urgent questions and issues. In these unprecedented times, we wanted to ensure we could help in a timely manner, while always maintaining compliance. The guidance helps to understand which activities—and in particular those related to fair distribution and allocation of products—are allowed and which still infringe regulations. Actions are always subject to local law, as well as our internal policies.

Jointly enhancing sustainable value

We require all our business partners, eg, distributors, suppliers and service providers, to meet our integrity standards. Before entering into a business relationship, we perform risk-based due diligence with the potential partner. Suppliers must successfully complete the due diligence process and commit to Roche's principles for ethics and sustainability, as defined in the Supplier Code of Conduct (SCoC). While we conduct onsite audits to ensure that all high-risk suppliers adhere to our SCoC, we pay particularly close attention to those in industries known to employ vulnerable populations, as well as high-volume suppliers, and suppliers in high-risk locations.

Roche updated the SCoC in 2020 to ensure it is in alignment with the CoC. In this context, we also put greater emphasis on sustainability: We expect our suppliers to help foster social, environmental and economic development, and to contribute to the sustainability of the communities in which they operate. An illuminating example of our sustainability efforts on a local level is found in medical waste recycling in Shanghai, China.

China has become the world's second largest medical device market. Because improper medical waste management can cause environmental pollution, Roche, in collaboration with a third-party company, developed and implemented an innovative process for the safe disposal of used diagnostic instruments. This sustainable medical waste treatment process has since been adopted by competitors. Through this successful collaboration, Roche has set the medical device industry benchmark for sustainable used medical instrument disposal.

Another example of successful local efforts comes from information technology (IT). While many large companies outsource IT jobs to far-flung parts of the world, two of Roche's biggest IT workforces are still located in San Francisco and Basel. When we created shared service centres within Roche, we did so in places like Kuala Lumpur, Budapest, and San Jose. These centres are run by internal Roche employees or small key partnerships. This structure puts us in a better position to protect human rights and, at the same time, develop talent locally in those countries.

Managing risk and opportunities

We have expressly committed ourselves to the UN Guiding Principles on Business and Human Rights. And we enforce that commitment with our affiliates and suppliers, worldwide.

Roche is proud to be a part of the Pharmaceutical Supply Chain Initiative (PSCI). This group of pharmaceutical and healthcare companies is committed to improving the social, health, safety and environmental outcomes in the communities where suppliers are located. Within the framework of the PSCI, Roche was a driving force behind the development of an industry-wide process to better identify and prevent violations of human rights or environmental standards among suppliers. We expect our suppliers to comply with our quality standards and strict principles regarding ethics, working conditions, environmental protection, health and safety. We also require them to deal with risks appropriately and to ensure their business continuity.

Supplier risk is embedded throughout the supplier life cycle. We tailor our risk management approach to the supplier and the type of risk present. This means that certain high-risk suppliers are assessed more frequently.

We regard our suppliers and service providers as partners, and go beyond the traditional audit concept to ensure standards are upheld. We conduct Supplier Sustainability Assurance Visits (SSAVs) with the goal of creating mutual trust and adding value. This goal stands in contrast to conventional audits, which are often regarded as monitoring missions. Roche works with its suppliers to bring them into compliance with our standards. If, after attempts have been made to bring the supplier into compliance, the supplier remains unable to meet Roche's minimum requirements, we will reconsider the engagement with that supplier, up to and including termination of the business relationship.

In 2020, we conducted 60 SSAVs and Safety, Security, Health and Environment (SHE) audits worldwide. The main findings related to excessive overtime and/or inadequate compensation for overtime; ineffective maintenance of employee

Suppliers have to commit to our sustainability principles in order to work with us.

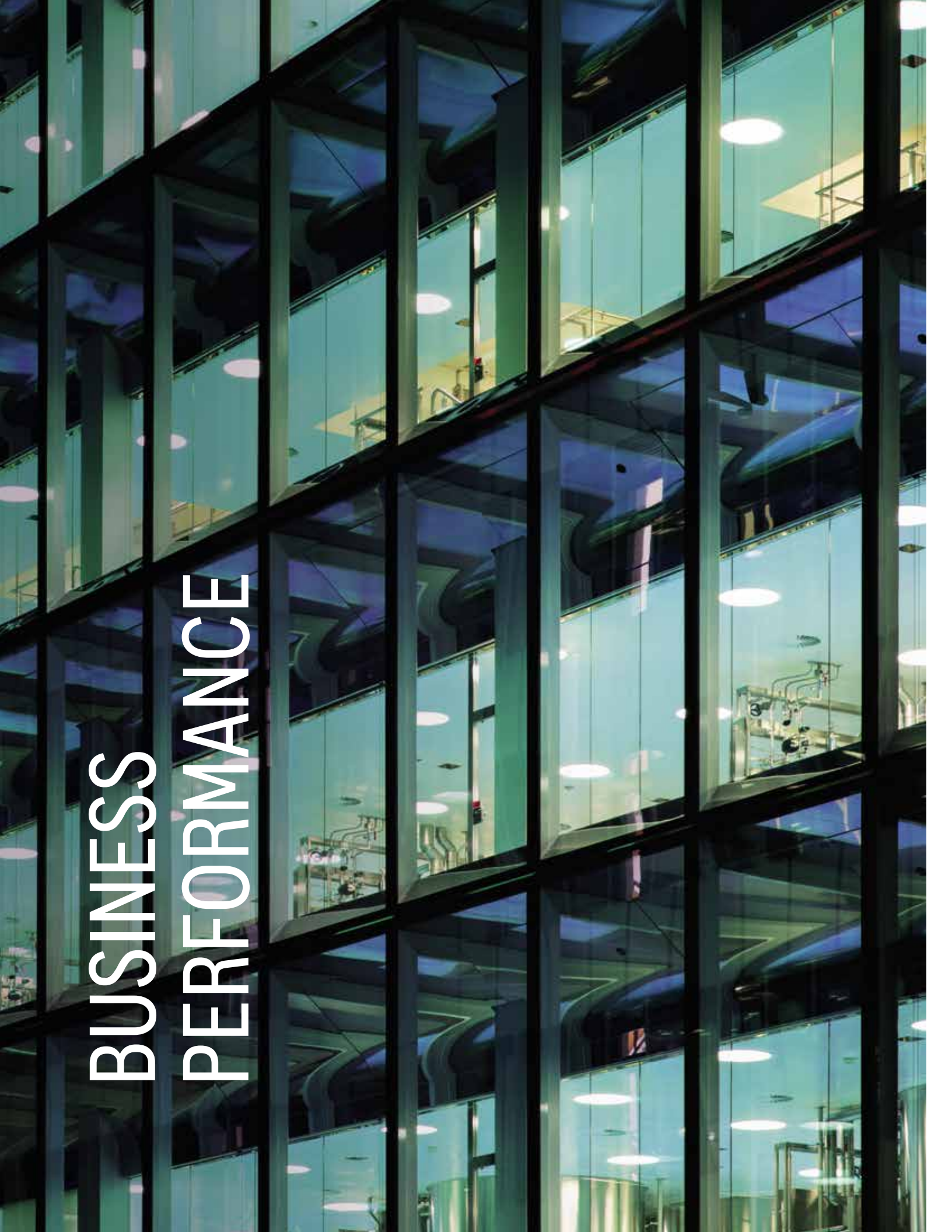
time records or other deficiencies of management systems; findings related to emergency exits and lack of fire drills conducted.

This example illustrates how we partner with our suppliers to help increase human rights standards: Because truckers may be forced to perform their jobs in unsafe conditions for employers who do not obey labour laws, we performed an SSAV at the trucking company of one of our major logistics suppliers. We were able to interview employees from the sub-supplier without management present. The result was positive, with no human rights violations found. Based on the successful pilot, we plan to perform more audits of truck drivers. The audit findings will be used to support a petition from different companies to governments in various countries to build safe rest stops for truckers.

Compliance

In 2020, 181 employees used the Roche Group SpeakUp Line, operated by an external provider, which is available in 53 languages in 103 countries. The Chief Compliance Officer received 646 reports of alleged violations of the Code of Conduct via the Business Ethics Incident Reporting system. Of these, 214 were unfounded, 263 were founded, and 169 are still under investigation. As a result, 178 employment contracts and 5 agreements with business partners were terminated on grounds of unethical behaviour.

BUSINESS PERFORMANCE





Group sales increase 1% at constant exchange rates (CER); 5% decline in Swiss francs, as a result of continued appreciation of the Swiss franc against most currencies.

UN SDG

8 DECENT WORK AND
ECONOMIC GROWTH

Material topic

· Long-term mindset

ROCHE GROUP

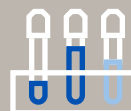
Sales in 2020 (CHF millions)



58,323 +1%
Roche Group



44,532 -2%
Roche Pharmaceuticals



13,791 +14%
Roche Diagnostics

In 2020, Group sales rose 1%* (-5% in CHF) to CHF 58.3 billion. The core operating profit increased 4% (-4% in CHF), reflecting the underlying business performance, and core EPS grew 4% (-5% in CHF), ahead of sales. The appreciation of the Swiss franc against almost all currencies had a significant adverse net impact on the results expressed in Swiss francs compared to constant exchange rates.

The IFRS net income increased 17% (7% in CHF). This increase is mainly due to the lower goodwill write-offs compared to the previous year.

Sales in the Pharmaceuticals Division decreased 2% to CHF 44.5 billion, mainly due to stronger than expected biosimilars competition and the COVID-19 pandemic. The new medicines (launched since 2012) continued their strong growth (+32%, or +CHF 4.7 billion). In 2020, they generated sales of CHF 18.4 billion, thus already contributing more than 40% to the division's total sales.

While sales of the new medicines grew strongly, the impact of the competition from biosimilars for the established medicines Herceptin, Avastin and MabThera/Rituxan was significant, with an estimated combined CHF 5.1 billion of sales reduction in the US, Europe and Japan.

The COVID-19 pandemic also had an overall negative impact on the division's sales in 2020, especially for

medicines where regular visits to health practices or hospitals are needed (ie, for infusions), as many people continue to avoid visits to doctors. This was partly compensated by additional sales of Actemra/RoActemra (+32%) mostly due to treatment of patients with severe COVID-19-associated pneumonia.

The Diagnostics Division reported strong sales growth of 14% to CHF 13.8 billion. This growth is primarily due to our world-leading portfolio of new COVID-19 tests. Molecular Diagnostics was the main growth contributor (+90%), driven by molecular COVID-19 tests.

Sales of diagnostics for SARS-CoV-2, developed only this year, and emergency testing clearly exceeded COVID-19-related declines in routine diagnostics sales. Additional product launches in the fourth quarter, such as the spike antibody test, which is used in several COVID-19 vaccine trials, further underlines Roche's speed and innovation power.

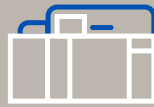
Outlook for 2021

Despite the continued strong impact of biosimilars, sales are expected to grow in the low- to mid-single digit range, at constant exchange rates. Core earnings per share are targeted to grow broadly in line with sales, at constant exchange rates. Roche expects to increase its dividend in Swiss francs further.

* All growth rates in this report are at constant exchange rates (CER; average 2019).

DIAGNOSTICS

Top-selling product portfolios in 2020 (CHF millions)



3,874 -6%

cobas
Immunodiagnostics



1,708 +180%

cobas
Virology



850 +5%

Ventana
Advanced staining



306 -8%

cobas
Blood screening



1,670 -5%

Accu-Chek
Diabetes Care

Growth was reported in EMEA (+19%), North America (+26%), Latin America (+14%) and Japan (+5%). The sales decrease in Asia-Pacific (-3%) was driven by China (-11%) due to the decrease in routine testing following severe COVID-19 pandemic restrictions.

In addition to our broad new COVID-19 testing portfolio, Roche introduced several other important diagnostic advancements for customers and patients.

These include the cobas prime (the first fully automatic, pre-analytical system to prepare the variety and volume of samples labs receive for molecular testing) and three next-generation uPath image analysis algorithms for rapid and accurate test results in oncology (digital pathology: automated analysis of scans generated from tissue samples).

Other Roche market firsts include the cobas Epstein-Barr virus (EBV) and BK virus (BKV) tests, which were approved by the FDA mid-year. Both tests had previously received breakthrough device status. These fast, reliable tools (both performed on our high-throughput cobas 6800/8800 systems) enable healthcare professionals to monitor and treat patients at risk for the common, but life-threatening, consequences of EBV and BKV infections after transplantation of solid organs and/or stem cells.

Centralised and Point of Care Solutions sales declined by 1%; its immunodiagnostics business was strongly impacted by the decline in routine testing worldwide, but particularly in China, due to the COVID-19 pandemic. In EMEA, the decline of the routine testing has been more than compensated by the sales growth of the point-of-care COVID-19

Apart from SARS-CoV-2 tests, Roche introduced several other important diagnostic advancements for customers and patients in 2020.

testing products (such as our SARS-CoV-2 Rapid Antigen test), while in North America, this decline was offset by the Roche CustomBiotech business (products and solutions for diagnostics and biotech manufacturers).

Sales in **Molecular Diagnostics** increased 90%. The strong sales growth was driven by the segments virology (predominantly SARS-CoV-2, such as the first high-throughput PCR test launched in March), LightMix systems (pathogen detection panel) as well as point-of-care molecular diagnostics.

Diabetes Care sales decreased 5% due to patients switching to continuous glucose monitoring systems. The COVID-19 pandemic also had a negative impact. The decrease was reflected mainly in the EMEA region. Demand for digital diabetes management solutions (RocheDiabetes Care Platform, mySugr and Accu-Chek SugarView) continued to be strong.

Tissue Diagnostics sales increased 5%, due to growth in advanced staining instruments sales and recovery from manufacturing delays in the prior year, as well as increased sales in companion diagnostics. This was partially offset by lower testing volume due to the COVID-19 pandemic.

PHARMACEUTICALS

Incremental sales in 2020 (CHF millions)



1,027
Tecentriq
Oncology



932
Hemlibra
Haemophilia



874
Ocrevus
Neuroscience



732
Actemra/RoActemra
Immunology



623
Perjeta
Oncology



472
Kadcyla
Immunology



350
Alecensa
Oncology



116
Gazyva/Gazyvaro
Oncology

In the United States, sales decreased by 6%, as a result of the increasing competition from biosimilars for MabThera/Rituxan, Herceptin and Avastin (combined: -38%). This was partially offset by sales of Ocrevus, Hemlibra, Tecentriq and Actemra/RoActemra. Ocrevus sales were driven by both new and returning patient demand, partly dampened by COVID-19 effects. Tecentriq sales increased mainly due to growth in the new indications (certain forms of lung, breast and liver cancer).

In Europe, sales grew by 1% with new product sales more than compensating for the biosimilar competition to Herceptin, MabThera/Rituxan and Avastin (combined: -37%) and impacts of the COVID-19 pandemic. Tecentriq sales continued to grow strongly following successful launches. Hemlibra and Ocrevus also showed strong uptake.

In Japan, sales decreased by 6%, as a result of the considerable competition from biosimilars and government price cuts. This decline was partially compensated for by recently launched products including Tecentriq and Hemlibra. Perjeta sales grew due to the launch of an additional indication for early breast cancer.

In the International region, sales growth (+7%) was mostly driven by China and Russia. China saw a strong uptake of Perjeta and Alecensa; this was partially offset by the impact of the National Reimbursement Drug List update and COVID-19.

Ocrevus (first approved in 2017; CHF 4.3 billion, +24%). Relapsing and primary progressive forms of multiple sclerosis; shorter 2-hour infusion. The strong demand for this treatment in both indications has continued, while the COVID-19 pandemic has had a certain negative impact. In the US, growth was driven both by new and returning patients.

Despite the massive disruption of a global pandemic, our commitment to developing new medicines remained unbroken in 2020.

Perjeta (first approved in 2012; CHF 3.9 billion, +18%). HER2-positive breast cancer. The increased patient demand for this medicine was mostly driven by the International region, mainly in China (in both early breast cancer and metastatic breast cancer settings).

Tecentriq (first approved in 2016; CHF 2.7 billion, +55%). Cancer immunotherapy for various types of cancer (either alone or in combinations), ie, certain types of lung, bladder, breast and liver cancer. Strong sales growth reported by all regions, notably in the US, where higher sales were driven by the new indications for extensive-stage small cell lung cancer, PD-L1-positive triple-negative breast cancer and unresectable or metastatic hepatocellular carcinoma.

Hemlibra (first approved in 2017; CHF 2.2 billion, +68%). Haemophilia A with and without factor VIII inhibitors; only prophylactic treatment that can be administered subcutaneously once weekly, once every two weeks or once every four weeks. Sales continued to show a strong uptake, especially in the US and Europe, despite COVID-19 restrictions having some impact on potential new patients.

CORPORATE GOVERNANCE





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

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.

For the eleventh time, in 2020 Roche ranked the most sustainable company in the Pharmaceuticals index of the Dow Jones Sustainability Indices (DJSI). This recognition is based on an in-depth analysis of economic, social and environmental performance. The DJSI serve as a benchmark for investors who integrate sustainability considerations into their portfolios. 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.¹

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 (status as per end of term and as at the reporting date on 31 December of each year, at least of the last five years) members of the Board of Directors and the Corporate Executive Committee are published on our website.

For further details please refer to the following report.

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

Annual General Meeting

Annual General Meeting

Board of Directors
and Board Committees

Board of Directors

Board Committees

Chairman's/Nomination Committee

Remuneration Committee

Audit Committee

Corporate Governance and Sustainability Committee

Corporate Executive Committee

Corporate Executive Committee

CEO
Roche GroupCEO
PharmaceuticalsCEO
DiagnosticsChief Financial and
Information OfficerChief People
OfficerEnlarged Corporate Executive
Committee

Enlarged Corporate Executive Committee

gRED

pRED

Partnering

Communications

General Counsel

Board of Directors

Due to the Federal Council's declaration of an 'extraordinary situation' based on Article 7 of the Epidemics Act of 28 September 2012 and pursuant to Ordinance 2 on Measures to Combat the Coronavirus (COVID-19 Ordinance 2, amendment of 16 March 2020), the 102nd Annual General Meeting (AGM) of Roche Holding Ltd was held on 17 March 2020 without the physical participation of shareholders. Shareholders had been requested to exercise their rights via the independent proxy, Testaris AG.

At the AGM of Roche Holding Ltd, on 17 March 2020, shareholders re-elected Dr Christoph Franz as Chairman of the Board of Directors.

Furthermore, the AGM re-elected André Hoffmann, Julie Brown, Paul Bulcke, Prof. Dr Hans Clevers, Anita Hauser, Prof. Dr Richard P. Lifton, Bernard Poussot, Dr Severin Schwan 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.

Dr Andreas Oeri and Prof. Sir John Bell retired as long-standing members of the Board of Directors and Dr Jörg Duschmalé, new representative of the shareholder group with pooled voting rights, and Dr Patrick Frost were elected as additional new members of the Board of Directors for a term of one year.

In addition, the AGM elected Dr Christoph Franz, André Hoffmann, Prof. Dr Richard P. Lifton and Bernard Poussot as members of the Remuneration Committee.

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 123 (see also page 38 and page 128 'Board of Directors and Corporate Executive Committee').

Roche's Honorary Chairman, Dr. h. c. Fritz Gerber, died on 10 May 2020 at the age of 91 years. For more than two decades, he had shaped Roche's

Board of Directors and Board Committees

Board of Directors
Board Committees
Chairman's/Nomination Committee
Remuneration Committee
Audit Committee
Corporate Governance and Sustainability Committee

development into a leading global healthcare company in an exceptionally successful dual role as Group CEO (1978–1998) and Chairman of the Board of Directors (1978–2001).

On 16 March 2021, at the forthcoming AGM the Board of Directors nominates the Chairman and all remaining members of the Board of Directors for re-election.

Moreover, the Board of Directors nominates Dr Christoph Franz, André Hoffmann, Prof. Dr Richard

P. Lifton and Bernard Poussot for re-election as members of the Remuneration Committee at the AGM in 2021.

The Board of Directors nominates Testaris AG for election as independent proxy by the AGM in 2021 for the period from 2021 until the conclusion of the 2022 ordinary AGM of shareholders.

Composition as at 31.12.2020	Name (year of birth)			First elected
Board of Directors	Dr Christoph Franz (1960)	C, D*, E, G	Chairman	2011
	André Hoffmann (1958) (representative of the shareholder group with pooled voting rights)	A*, C*, D, E, G	Vice-Chairman	1996
	Dr Jörg Duschmalé (1984) (representative of the shareholder group with pooled voting rights)	B, E, G		2020
	Julie Brown (1962)	B*, E, G		2016
	Paul Bulcke (1954)	B, E, G		2011
	Prof. Dr Hans Clevers (1957)	A, E, G		2019
	Dr Patrick Frost (1968)	B, E, G		2020
	Anita Hauser (1969)	A, E, G		2017
	Prof. Dr Richard P. Lifton (1953)	C, E, G		2015
	Bernard Poussot (1952)	C, E, G		2015
	Dr Severin Schwan (1967)	F		2013
	Dr Claudia Suessmuth Dyckerhoff (1967)	A, E, G		2016
	Dr Annette Luther (1970), since 1 April 2020			
Secretary to the Board of Directors				

Curricula vitae (CVs) of members of the Board of Directors:

a) current members: https://www.roche.com/about/governance/board_of_directors.htm

b) former members (at least of the last five years): https://www.roche.com/about/governance/ec_bod_former.htm

c) information of CVs at the reporting date on 31 December of each year (at least of the last five years):

https://www.roche.com/about/governance/archiv_former_cvs.htm

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

Corporate Executive Committee

Dr Gottlieb A. Keller, General Counsel, member of the Corporate Executive Committee and Secretary to the Board of Directors, retired after 35 years with Roche at the end of March 2020.

The Board of Directors has appointed Claudia Böckstiegel, former Head of Legal for the Diagnostics Division, to the position of General Counsel as of 1 April 2020. She reports as a member of the Enlarged Corporate Executive Committee to Dr Severin Schwan.

In parallel, Dr Annette Luther, former General Manager of Roche Diagnostics International Ltd, Rotkreuz, Switzerland, became Secretary to the Board of Directors. She reports to Dr Christoph Franz.

Effective 31 July 2020, Dr Michael Varney, Head of Genentech Research & Early Development (gRED) and member of the Enlarged Corporate Executive Committee, retired from the company after more than 15 years.

Effective 1 August 2020, Dr Aviv Regev, former Chair of the Faculty, Core Institute member, and member of the Executive Leadership Team of the Broad Institute of MIT and Harvard, as well as Professor of Biology at MIT and Investigator of the Howard Hughes Medical Institute, joined Genentech as the new Head of gRED. She reports as a member of the Enlarged Corporate Executive Committee to Dr Severin Schwan.

Information on each member of the Corporate Executive Committee and of the Enlarged Corporate Executive Committee is listed on page 125 (see also page 42 and page 128 'Board of Directors and Corporate Executive Committee').

Corporate Executive Committee

Enlarged Corporate Executive Committee

Corporate Executive Committee				
CEO Roche Group	CEO Pharmaceuticals	CEO Diagnostics	Chief Financial and Information Officer	Chief People Officer
Enlarged Corporate Executive Committee				
gRED	pRED	Partnering	Communications	General Counsel

Composition as at 31.12.2020

	Name (year of birth)	Position	Since
Corporate Executive Committee	Dr Severin Schwan (1967)	CEO Roche Group	2008
	Bill Anderson (1966)	CEO Roche Pharmaceuticals	2019
	Dr Thomas Schinecker (1975)	CEO Roche Diagnostics	2019
	Dr Alan Hippe (1967)	Chief Financial and Information Officer	2011
	Cristina A. Wilbur (1967)	Chief People Officer	2016
Enlarged Corporate Executive Committee	Dr Aviv Regev (1971)	Head Genentech Research & Early Development (gRED)	2020
	Dr William Pao (1967)	Head Roche Pharma Research & Early Development (pRED)	2018
	Dr James H. Sabry (1958)	Global Head Pharma Partnering	2018
	Barbara Schädler (1962)	Head Group Communications	2019
	Claudia Böckstiegel (1964)	General Counsel	2020
	Per-Olof Attinger (1960)		2010
Secretary to the Corporate Executive Committee			
Statutory Auditors of Roche Holding Ltd	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 (as of business year 2018)		
Chief Compliance Officer	Pascale Schmidt (1973)		2020

Curricula vitae (CVs) of the members of the Corporate Executive Committee and the Enlarged Corporate Executive Committee:

a) current members: https://www.roche.com/about/governance/executive_committee.htm

b) former members (at least five years back): https://www.roche.com/about/governance/ec_bod_former.htm

c) information of CVs at the reporting date on 31 December of each year (at least of the last five years):

https://www.roche.com/about/governance/archiv_former_cvs.htm

Group structure and shareholders

In 2020, Roche's operating businesses are organised into two divisions: Pharmaceuticals and Diagnostics. The Pharmaceuticals Division comprises the two business segments Roche Pharmaceuticals and Chugai, whereas Genentech as the former third segment has been integrated into Roche Pharmaceuticals. The Diagnostics Division consists of the following four business areas: Centralised and Point of Care Solutions, Molecular Diagnostics, Tissue Diagnostics and Diabetes Care.

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 141).

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 99 and 138), and in Note 4 to the Financial Statements of Roche Holding Ltd ('Significant shareholders', page 184). In addition, significant shareholders are published on the relevant webpage (*see link below**) of the disclosure office of SIX Exchange Regulation.

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 and of the Board's Audit 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 150 and in the Finance Report, Note 32 to the Roche Group Consolidated Financial Statements ('Related parties', page 138). No other relationships exist with the shareholders with pooled voting rights.

There are no cross-shareholdings.

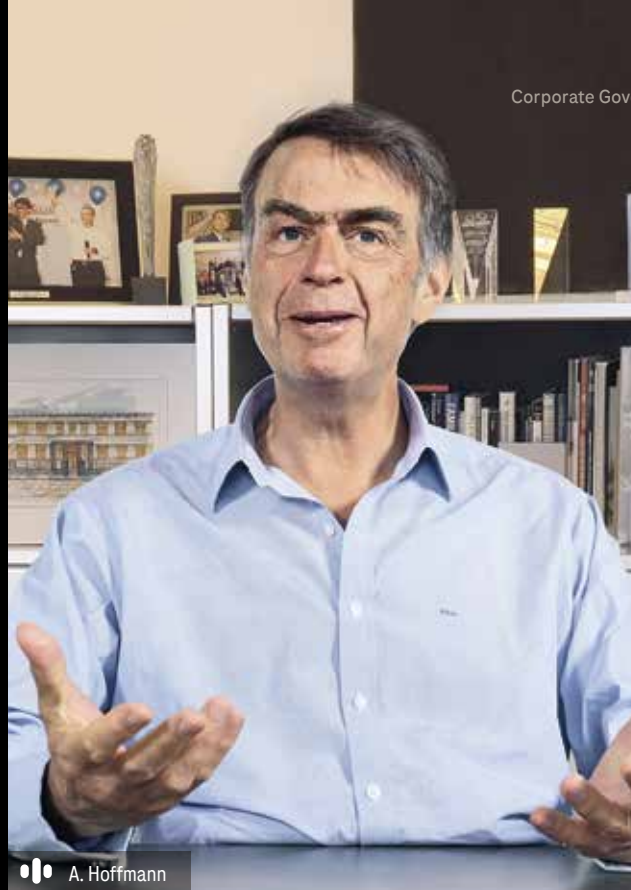
Pharmaceuticals

Diagnostics

Composition as at 31.12.2020

Roche Pharmaceuticals (incl. Genentech)
Chugai
Centralised and Point of Care Solutions
Molecular Diagnostics
Tissue Diagnostics
Diabetes Care

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



Dr Jörg Duschmalé, member of the Audit Committee, and André Hoffmann, Chairman of the Corporate Governance and Sustainability Committee and of the Remuneration Committee.

Capital structure

Information on Roche's capital structure is provided in the Finance Report, Notes to the Financial Statements of Roche Holding Ltd (page 183). Additional details are contained in the Articles of Incorporation of Roche Holding Ltd.²

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 183).

The company has a share capital of CHF 160,000,000, divided into 160,000,000 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 shares. Upon deposit, shares can be voted without any restrictions.

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 95).

Information on employee stock options is provided in the Finance Report, Note 27 to the Roche Group Consolidated Financial Statements ('Equity

² https://www.roche.com/about/governance/article_of_incorporation.htm

compensation plans', page 112), including detailed information on the Stock-settled Stock Appreciation Rights (S-SARs) Plan, the Restricted Stock Units (RSUs) Plan, the Performance Share Plan (PSP), 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 112) 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.

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 123 and 125. 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 five years) of both bodies and other information (including information on the years of their first election, 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 five years) is separately available too.³

Rules pursuant to article 12 para. 1 point 1 VegüV 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.⁴

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 Ltd⁴ and the Minutes of the 102nd Annual General Meeting of Roche Holding Ltd, held on 17 March 2020⁵).

With the exception of Dr Severin Schwan none of the members of the Board of Directors in office at the end of 2020 has been a member of Roche's Corporate Executive Committee or served in an executive capacity at any Group subsidiary during the five financial years preceding the current reporting period and they are for lack of existing business connections with 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' and is complemented by specific preceding criteria (see https://www.roche.com/about/governance/board_of_directors.htm).

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 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.⁶

The Board of Directors of Roche Holding Ltd is organised so as to ensure that the Group conducts

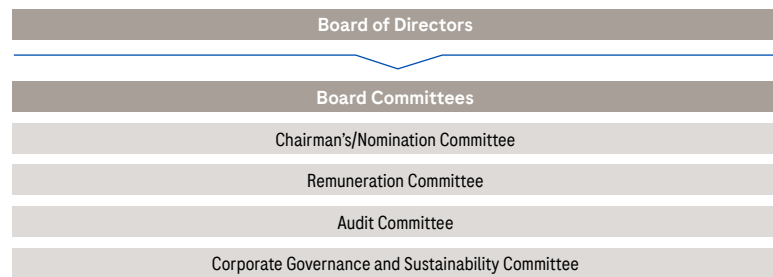
³ https://www.roche.com/about/governance/board_of_directors.htm and https://www.roche.com/about/governance/executive_committee.htm

⁴ https://www.roche.com/about/governance/article_of_incorporation.htm

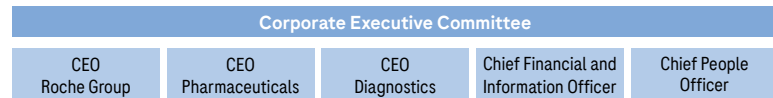
⁵ https://www.roche.com/about/governance/annual_general_meetings.htm

⁶ https://www.roche.com/about/governance/article_of_incorporation.htm

Board of Directors and Board Committees



Corporate Executive Committee



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.⁷ Their composition and chairpersons as at 31 December 2020 are described on page 38 and 123. Each committee's authorities and responsibilities are defined in detail in the Bylaws of the Board of Directors.⁸

All the committees 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 of Directors is regularly informed about the most important issues, sales performance, etc. 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 potentially affecting its business (including economic, environmental and social impacts, risks and opportunities and stakeholder input).

The Board of Directors is the highest governance body involved. Roche's Risk Management Policy sets out the approach and accompanying responsibilities. The Pharmaceuticals and Diagnostics Divisions and global functions conduct a formal risk assessment process at least once a year and must develop risk plans for their most material risks. These 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. 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, including risk factors and the Risk Management Policy, see 'Risk Management' on our website.⁹ Financial risk management is specifically described in the Finance Report.¹⁰

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

⁸ https://www.roche.com/about/governance/article_of_incorporation.htm

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

¹⁰ Additional information is provided in the Finance Report, Note 31 to the Roche Group Consolidated Financial Statements, 'Risk management', page 125.

- System of internal controls over financial reporting (see page 156 of the Finance Report)
- Internal audit
Group Audit reports to the General Counsel, has direct access and gives regular briefings to the Audit Committee and to the Corporate Governance and Sustainability Committee 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 (eg, market access, third-party management) 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 134
- Chief Compliance Officer and Compliance Officers in subsidiaries, see page 137
- Safety, Health and Environmental Protection Department¹¹
- Corporate Sustainability Committee¹²
- Science and Ethics Advisory Group (SEAG), for issues relating to genetic engineering¹³

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 employees are prohibited from trading in company stock. The following black-out periods are in effect for 2021:

26 December 2020 to 4 February 2021

1 April to 21 April 2021

26 June to 22 July 2021

1 October to 20 October 2021

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

In 2020, the Board of Directors met for 13 meetings, generally each from 3 to 6 hours in length, including a full-day meeting. Due to the COVID-19 pandemic, the Board of Directors held several additional extraordinary meetings (which are included in the above-mentioned figure). A planned 4-day visit to a major subsidiary by the Board of Directors had to be cancelled.*

The Board Committees met as follows in 2020:

- Chairman's/Nomination Committee: 8 meetings (approx. 2 hours each*)
- Remuneration Committee: 2 meetings¹⁴ (approx. 2 to 3 hours each*)
- Audit Committee: 5 meetings (approx. 3 to 4 hours each*)
- Corporate Governance and Sustainability Committee: 3 meetings (approx. 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.

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

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

¹³ https://www.roche.com/research_and_development/who_we_are_how_we_work/ethics_in_rd/ethical_conflicts.htm

¹⁴ 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

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.



André Hoffmann, Chairman of the Corporate Governance and Sustainability Committee.

Attendance at Board and Board Committee meetings in 2020

	Board	Chairman's/ Nomination Committee	Remuneration Committee	Audit Committee	Corporate Governance and Sustainability Committee
Number of meetings	13	8	2	5	3
C. Franz	13	8	2	–	–
A. Hoffmann	13	8	2	–	3
J. Brown	13	–	–	5	–
P. Bulcke	13	–	–	5	–
H. Clevers	12	–	–	1**	2*
J. Duschmalé (member of the Board since March 2020)	12*	–	–	4*	–
P. Frost (member of the Board since March 2020)	12*	–	–	4*	–
A. Hauser	13	–	–	–	3
R.P. Lifton	12	–	2	–	–
B. Poussot	13	–	2	–	–
S. Schwan	13	–	–	–	–
C. Suessmuth Dyckerhoff	13	–	–	1**	3
J. Bell (retired in March 2020)	1**	–	–	–	–
A. Oeri (retired in March 2020)	1**	–	–	–	1**

– Not a member of that committee

* Member since March 2020

** Member until March 2020

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 138 to 165 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 99 and 138), and are listed in Note 6 to the Financial Statements of Roche Holding Ltd ('Board and Executive shareholdings', page 185).

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 (Aol)¹⁵:

Content	Rules in Aol ¹⁵ for	
	Board	CEC
Rules on the principles applicable to performance-related pay	§25.1-6	§25.1-6
Rules on the principles to the allocation of equity securities, convertible rights and options	§25.7	§25.7
Additional amount for payments to members of the Executive Committee appointed after the vote on pay at the Annual General Meeting of Shareholders		§24.5
Rules on loans, credit facilities and post-employment benefits	§25.1 and 3	§25.2 and 3
Rules on the vote on pay at the AGM	§24	§24

¹⁵ https://www.roche.com/about/governance/article_of_incorporation.htm

Participatory rights of shareholders

The participatory rights of shareholders are defined in Roche's Articles of Incorporation.¹⁶ 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.

Under §10.2 of the Articles of Incorporation, shareholders representing shares with a nominal value of at least CHF 1 million can request the placement of items on the agenda of an Annual General Meeting. This must be done no later than 28 days before the date of the 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.

¹⁶ https://www.roche.com/about/governance/article_of_incorporation.htm

Relationship to statutory auditors

At the Annual General Meeting of Roche Holding Ltd on 17 March 2020, 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, Mark Baillache has been the auditor-in-charge since business year 2018 (information on how long the auditors and auditor-in-charge have been serving in these capacities is provided on page 125). 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 Bylaws¹⁷). The statutory auditors participated in all five meetings of the Audit Committee in 2020.

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 Head of Group Audit 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 157 and 188, 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):

	2020	2019
	(millions of CHF)	
Auditing services	19.8	21.7
Audit-related services		
– Assurance	0.9	0.1
– Non-statutory audits	–	–
Tax services	2.9	1.9
Other services	0.1	0.4
Total	23.7	24.1

The audit fee is reviewed by the Head of Group Audit 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.

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

¹⁷ https://www.roche.com/about/governance/article_of_incorporation.htm

Auditing 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, consents 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.

Relationship to the independent proxy

Since 2019, Testaris AG served as the independent proxy and at the Annual General Meeting on 17 March 2020, shareholders elected Testaris AG as the independent proxy for the period from 2020 until the conclusion of the 2021 ordinary Annual General Meeting of Shareholders. Testaris AG was paid for its services for the Annual General Meeting 2020 according to expenditure totalling CHF 26,429 (2019: CHF 14,939).

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

Meeting 2021 for the period from 2021 until the conclusion of the 2022 ordinary Annual General Meeting of Shareholders.

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.

Information policy

As provided by §34 of the Articles of Incorporation¹⁸, 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 months sales figures are published each year in April and October. The most current list of publication dates is available in English and German on the Internet.¹⁹

All relevant information and documents, including all media releases, investor updates²⁰ and

presentations to analyst and investor conferences are available on the Internet. Further publications are available on

<https://www.roche.com/publications.htm>

or can be ordered by e-mail:

basel.warehouse-services@roche.com

or fax: +41 (0)61 688 69 02

The contact address for Investor Relations is:

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.²¹

¹⁸ https://www.roche.com/about/governance/article_of_incorporation.htm

¹⁹ <https://www.roche.com/media.htm>

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

²¹ <https://www.roche.com/investors/contacts.htm>

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 Conduct²² 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 Officer²³ (Ms Pascale Schmidt, e-mail: pascale.schmidt@roche.com, tel.: +41 (0)61 688 48 90). Such disclosures will be treated confidentially. In addition, employees may anonymously report irregularities or complaints in their mother tongue via a 'SpeakUp Line'. 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.

This compliance tool furthermore serves as a platform for ideas and suggestions concerning those documents.

In addition, Roche has established a Business Ethics Incident Reporting (BEIR) system which enables the Chief Compliance Officer to capture, track and monitor alleged violations, from initial reports by local Compliance Officers or the Group Internal Investigations department through to resolution.

Business ethics incidents are recorded in the system when the Group Internal Investigations department 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 pre-defined categories.²⁴ The Corporate Governance and Sustainability Committee and the Audit Committee of the Board of Directors are 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 Corporate Governance Directive and the Commentary thereto).

²² https://www.roche.com/about/governance/code_of_conduct.htm

²³ https://www.roche.com/about/governance/code_of_conduct/compliance_officer.htm

²⁴ https://www.roche.com/about/governance/code_of_conduct.htm

REMUNERATION REPORT





A performance- and success-based, transparent and market competitive remuneration is an important factor for a globally operating company like Roche.

1. Principles

Roche is an innovative and agile company whose success depends substantially on the expertise, motivation and performance of its employees. This conviction forms the basis of our compensation policy.

Roche aims to remunerate all employees fairly, transparently and in line with market conditions, 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, adequate compensation measures 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, 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 to 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.

Roche is committed to a fair, performance-based and results-oriented compensation policy that links employees' interests with those of various other stakeholder groups.

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 2020

Remuneration components	Beneficiary		Decision by	Approval by
	Board of Directors (BoD) Chairman (C)	Corporate Executive Committee (CEC) incl. CEO Roche Group		
Base pay/remuneration	✓	✓	Remuneration Committee	Annual General Meeting
Bonus	✓ (C only)	✓		
Stock-settled Stock Appreciation Rights (S-SARs)	–	✓		
Restricted Stock Units (RSUs)	–	✓		
Performance Share Plan (PSP) (last expired plan: PSP 2018–2020, see 3.1.5)	–	✓		
Decisions on pension	✓ (C only)	✓	Remuneration Committee	

The Remuneration Committee tracks market data on salaries at other leading global pharmaceutical companies¹ and at major Swiss companies² and reports its findings to the full Board. The external consulting firm PricewaterhouseCoopers (PwC) assists the Remuneration Committee of Roche in performing market comparisons and in advising. PwC has been awarded 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 Directors³ and in the Articles of Incorporation.⁴ They are also outlined in the sections below on the principles governing specific remuneration components (see 3.).

As of the end of 2018, no new awards are granted under the Performance Share Plan (PSP). Acting upon recommendations from the Remuneration Committee, at the end of 2020 the Board of Directors determined the payment of the last expired PSP 2018–2020 (see 3.1.5).

1 Peer set 2020: Abbott Laboratories, AbbVie, Amgen, Astellas, AstraZeneca, Bayer, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Johnson & Johnson, Merck & Co., Novartis, Pfizer, Sanofi, Takeda (no change in composition of peer set compared to 2019).

2 ABB, Credit Suisse, LafargeHolcim, Nestlé, Sonova, Straumann, Swiss Re, UBS, Zurich Insurance (no change in composition of peer set compared to 2019).

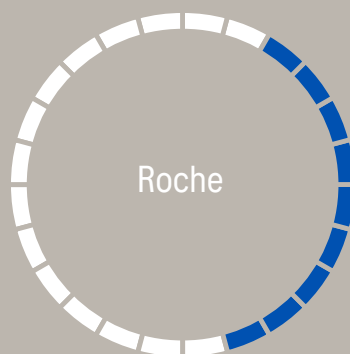
3 https://www.roche.com/about/governance/article_of_incorporation.htm

4 https://www.roche.com/about/governance/article_of_incorporation.htm

Since 2014, total aggregate amounts that are based on these decisions have been submitted to the General Meeting for approval implementing the 'Ordinance against excessive compensation at listed joint-stock companies' (Verordnung gegen übermässige Vergütungen bei börsenkotierten

Aktiengesellschaften [VegüV]). 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.).

Abbott Laboratories
AbbVie
Amgen
Astellas
AstraZeneca
Bayer
Bristol-Myers Squibb
Eli Lilly
GlaxoSmithKline
Johnson & Johnson
Merck & Co.
Novartis
Pfizer
Sanofi
Takeda



Peer set for 2020

ABB
Credit Suisse
LafargeHolcim
Nestlé
Sonova
Straumann
Swiss Re
UBS
Zurich Insurance

Peer set for 2020

Market comparison companies for salary assessment

● Pharma peer set ● Major Swiss companies

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 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.



André Hoffmann, Chairman of the Remuneration Committee.

Approval of total remuneration at the Annual General Meeting (AGM) 2021

Retrospective:

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

- Bonus for financial year 2020 (total amount)

Corporate Executive Committee (CEC) including CEO Roche Group:

- Bonus for financial year 2020 (total amount)

Prospective:

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

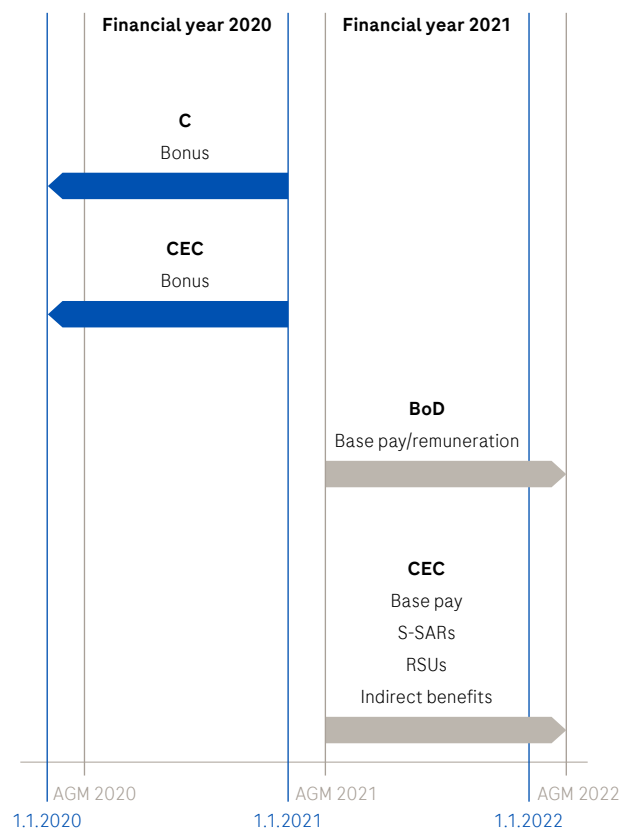
Aggregate total remuneration (AGM 2021–AGM 2022)

- Base pay/remuneration

Corporate Executive Committee (CEC) including CEO Roche Group:

Aggregate total remuneration (AGM 2021–AGM 2022)

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



3. Remuneration components

3.1 Overview of remuneration elements

Since 2019, for the Corporate Executive Committee and the Enlarged Corporate Executive Committee the composition of the remuneration components of the Long-Term Incentive (LTI) has been changed. The LTI of the **Corporate Executive Committee and the Enlarged Corporate Executive Committee** has been complemented with Restricted Stock Units (RSUs) and 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 as of 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
80% S-SARs	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	4 years	4 years	10 years
20% RSUs		4 years	4 years	-

Since 2019, **remaining participants of the S-SARs and RSUs programmes** 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:

Choice 1	Choice 2	Choice 3
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.

The expiration period for any newly issued S-SARs since 2019 was extended from seven years to ten

years. This gives participants an additional three years to exercise vested S-SARs. In parallel, the vesting schedule for any newly issued RSUs since 2019 was changed from three-year cliff vesting to four-year annual vesting. Each year, unlike for the Corporate Executive Committee and the Enlarged Corporate Executive Committee, 25% of the granted RSUs will vest and will become available to participants. The vesting schedule for S-SARs, three-year annual vesting, was also aligned with a four-year annual vesting schedule for any new grants.

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.

The remuneration to the members of the Board of Directors and the Corporate Executive Committee is composed of the following elements (for concrete composition see chart below: 'Composition of remuneration to the Board of Directors and the Corporate Executive Committee'):

The 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)**.

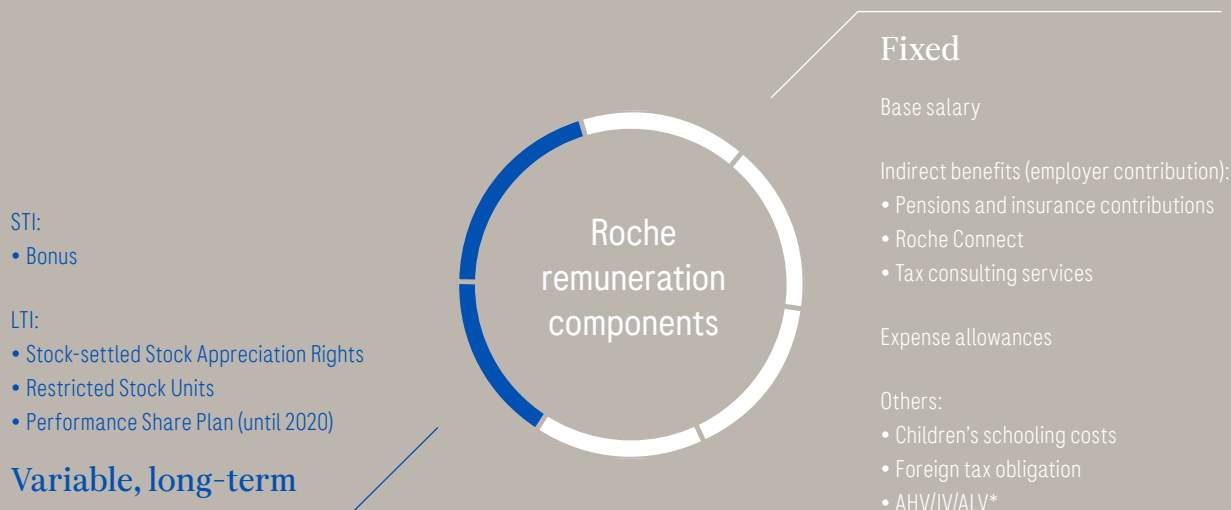
Since the end of 2018, no new Performance Share Plan (PSP) awards have been granted. Acting upon recommendations from the Remuneration Committee, at the end of 2020 the Board of Directors determined the payment of the last, expired PSP 2018–2020.

The remuneration components are linked to the employees' performance, the company's financial performance and non-financial success and thus align the interests of Roche and its employees with those of shareholders. Societal and environmental objectives are also taken into account.

The LTI remuneration components are intended to sustainably, homogeneously 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

Annual remuneration elements	Description	C	BoD	CEO Roche Group	CEC
Base pay/ remuneration	Monthly payment (see 3.1.1 below)	✓	✓ Quarterly payments	✓	✓
Bonus	Annual payment (see 3.1.2 below)	✓ For 10 years blocked non-voting equity securities and/or shares	–	✓ For 10 years blocked non-voting equity securities and/or shares	✓ Cash
Pensions etc.	(see 3.1.6 below)	✓	–	✓	✓
Perennial remuneration elements					
Stock-settled Stock Appreciation Rights (S-SARs)	(see 3.1.3 below)	–	–	✓ For 4 years additionally blocked non-voting equity securities after exercise	✓
Restricted Stock Units (RSUs)	(see 3.1.4 below)	–	–	✓ For 10 years blocked non-voting equity securities	✓
Performance Share Plan (PSP) (last expired plan: PSP 2018–2020)	(see 3.1.5 below)	–	–	✓ For 10 years blocked non-voting equity securities and/or shares	✓



* Employer contribution of social securities' beneficial parts

3.1.1 Base pay (fixed)

Base pay (cash payment) 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 individual base pay paid to the Chairman of the Board of Directors and 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 and environmental goals. 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.

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 Chairman of the Board and the members of the Corporate Executive Committee 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, ie, 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 criteria and in the bonus allocation.

In 2020 in total, around 74,900 employees were eligible for a bonus under the Roche Bonus Program.

3.1.3 Stock-settled Stock Appreciation Rights (S-SARs) (long-term)

Since 2019, 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. Since 2019, 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. Since 2012, the fair value of S-SARs has been calculated at the grant date using the trinomial model for American call options (for details see page 158).

S-SARs to the Corporate Executive Committee are allocated individually at the Remuneration Committee's discretion.

In 2020 in total, 22,022 employees received S-SARs.

3.1.4 Restricted Stock Units (RSUs) (long-term)

As of 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 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 all 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 2020, RSUs served as a remuneration component for 22,156 eligible Roche employees.

3.1.5 Performance Share Plan (PSP) (long-term)

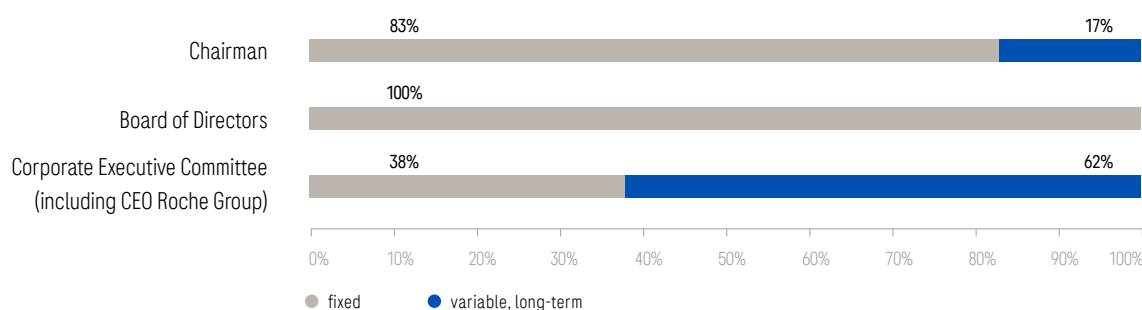
The PSP was established in 2002 for periods of three years each and based on a three-year comparison of the Total Shareholder Return (TSR) with 15 peer companies (see footnote 1). The plan's key performance metric for an award, the TSR, was calculated as a three-month moving average rate before the start of and before the end of the performance cycle.

No new PSP awards have been granted since the end of 2018. Therefore, in 2020, there was only one performance cycle PSP 2018–2020 left, which closed on 31 December 2020 and about which the Board of Directors at its discretion, acting upon recommendations from the Remuneration Committee, determined the payment at the end of 2020 (see 5.8).

3.1.6 Indirect benefits

As shown in 5.9 (5.3 [for the CEO Roche Group] and 4.3 [for the Chairman], respectively), members of the Corporate Executive Committee additionally received indirect benefits (payments in pension funds, insurances, Roche Connect, payments for foreign tax obligation and tax consulting services and annual expense allowances). As shown under 5.10, individual members of the Corporate Executive Committee received payments for family, children and education allowances and for schooling costs for their children.

3.2 Weighting (fixed/variable, long-term) of 2020 remuneration components (at target and as percentage of total remuneration in 2020)



The variable, long-term remuneration paid out to the members of the Corporate Executive Committee ranged from 46% to 66% of the fixed compensation.

3.3 Ratio of variable remuneration components relative to fixed base pay of the Corporate Executive Committee 2020

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%**)	
	Bonus	S-SARs (80% of total LTI)	RSUs (20% of total LTI)
Individual target value*	100%	106.66% **	26.66%**
Minimum	0%	0%	0%
Maximum	200%	106.66%	26.66%
Performance criteria	Group objectives (Group and divisional business performance) and individual objectives considering 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, environmental goals	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 %			
a) Group objectives	70%	n.a.	n.a.
b) Individual objectives	30%	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 macro-economic 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.⁵

⁵ See also in the Finance Report Note 32 to the Roche Group Consolidated Financial Statements ('Related parties', page 138) and Note 6 to the Financial Statements of Roche Holding Ltd ('Board and Executive shareholdings', page 185).

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 was decided at the Remuneration Committee's discretion, taking into account market comparisons.

The remuneration is in 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, in 2021, the Board of Directors will separately submit the total aggregate bonus of the Chairman of the Board of Directors to the General Meeting for the 2020 financial year, for retrospective binding approval.

The maximum amounts of the total other aggregate remuneration of the Board of Directors for the period between the ordinary General Meeting 2021 and the ordinary General Meeting 2022 will be separately tabled in 2021 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 2020, the members of the Board of Directors⁶ received remuneration and additional compensation in the form of quarterly fixed cash payments as shown in the 'Remuneration of members of the Board

of Directors 2020' table on page 150 for their Board activities. Roche paid legally required employer's contributions totalling CHF 117,846 to Swiss social security programmes providing retirement, disability and unemployment benefits (AHV/IV/ALV) for the members of the Board of Directors beside the legally required contributions separately stated for the 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 Chairman of the Board of Directors (bonus in form of blocked shares) and Dr Severin Schwan as an executive member of the Board, members of the Board of Directors were not awarded any shares, non-voting equity securities or S-SARs.

There are no loans or credits granted to the members of the Board of Directors.

In his capacity as a member of the Chugai International Council (CIC) of Chugai Pharmaceutical Co., Ltd. André Hoffmann received in 2020 honoraria amounting to a total of USD 40,000 (CHF 37,568).

In 2020, for their advisory service on the Genentech Scientific Resource Board, Prof. Dr Richard P. Lifton received honoraria amounting to a total of USD 10,000 (CHF 9,392) and Prof. Hans Clevers USD 26,358 (CHF 24,756), respectively.

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⁶ For a list of members, their positions and their committee memberships and chairmanships see page 123.

Remuneration of members of the Board of Directors 2020 (in CHF)

	Basic remuneration	Additional remuneration for committee members/chairs ⁷	Additional special remuneration	Total remuneration
C. Franz, Chairman		(see '4.3 Total remuneration paid to the Chairman of the Board of Directors')		
A. Hoffmann, Vice-Chairman	400,000 ⁸	–	37,568 (see page 149)	437,568
J. Brown	300,000	60,000	–	360,000
P. Bulcke	300,000	30,000	–	330,000
H. Clevers	300,000	30,000	24,756 (see page 149)	354,756
J. Duschmalé (since March 2020 ⁹)	250,000	22,500	–	272,500
P. Frost (since March 2020 ⁹)	250,000	22,500	–	272,500
A. Hauser	300,000	30,000	–	330,000
R.P. Lifton	300,000	30,000	9,392 (see page 149)	339,392
B. Poussot	300,000	30,000	–	330,000
S. Schwan	(see '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	30,000	–	330,000
J. Bell (until March 2020 ¹⁰)	75,000	–	–	75,000
A. Oeri (until March 2020 ¹⁰)	75,000	15,000	–	90,000
Total¹¹	3,150,000	300,000	71,716	3,521,716

7 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.

8 Remuneration for serving as Vice-Chairman of the Board.

9 Prorated remuneration for the period from March to December 2020.

10 Prorated remuneration for the period from January to March 2020.

11 Additionally, employer contribution to AHV/IV/ALV totalling CHF 354,578 (including the Chairman) was paid that does not form part of remuneration.

Remuneration of members of the Board of Directors 2019 (in CHF)

	Basic remuneration	Additional remuneration for committee members/chairs ¹²	Additional special remuneration	Total remuneration
C. Franz, Chairman		(see '4.3 Total remuneration paid to the Chairman of the Board of Directors')		
A. Hoffmann, Vice-Chairman	400,000 ¹³	-	39,753	439,753
J. Bell	300,000	7,500	-	307,500
J. Brown	300,000	60,000	-	360,000
P. Bulcke	300,000	30,000	-	330,000
H. Clevers (since March 2019 ¹⁴)	250,000	22,500	-	272,500
A. Hauser	300,000	30,000	-	330,000
R.P. Lifton	300,000	30,000	9,938	339,938
A. Oeri	300,000	60,000	-	360,000
B. Poussot	300,000	30,000	-	330,000
S. Schwan	(see '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	-	360,000
P.R. Voser (until end of June 2019 ¹⁵)	150,000	15,000	-	165,000
Total¹⁶	3,200,000	345,000	49,691	3,594,691

12 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.

13 Remuneration for serving as Vice-Chairman of the Board.

14 Prorated remuneration for the period from March to December 2019.

15 Prorated remuneration for the period from January to end of June 2019.

16 Additionally, employer contribution to AHV/IV/ALV totalling CHF 340,551 (including the Chairman) was paid that does not form part of remuneration.

4.3 Total remuneration paid to the Chairman of the Board of Directors

As Chairman, Dr Christoph Franz received total remuneration for 2020 as shown below. The Remuneration Committee's bonus proposal (adopted in late 2020) in respect of the 2020 financial year

(in form of shares blocked for ten years, payable in March 2021) will be put for shareholder binding vote at the 2021 ordinary Annual General Meeting (AGM).

The Chairman's total remuneration is contained in the total remuneration of the Board of Directors in 4.4.

Total remuneration paid to the Chairman of the Board of Directors (in CHF)

	2020	2019
Base salary (in cash)	3,500,000	3,500,000
Bonus (subject to approval of the Annual General Meeting)	837,585*	558,390*
Pension funds/insurances/annual expense allowances (including employer contribution of social securities' beneficial parts)	676,710**	1,674,159
Total¹⁷	5,014,295	5,732,549

* In form of shares blocked for 10 years (calculation of number of shares based on the price at the date of transfer in March 2021 and 2020, respectively, after approval at the AGM 2021/AGM 2020, respectively), calculation of value in consideration of reduction of value due to blocking period of 10 years (reduced market value: 55.839%) to be submitted for shareholder approval at the AGM 2021/as approved at the AGM 2020, respectively

** Agreed reduction of pension fund contributions upon reaching the age of 60 in 2020

17 Additionally, employer contribution to AHV/IV/ALV of CHF 236,732 (2019: CHF 230,767) was paid that does not form part of remuneration.

4.4 Total remuneration paid to the Board of Directors

For the 2020 calendar year the members of the Board of Directors received remuneration including bonuses and employer contribution of social securities' beneficial parts totalling CHF 8,580,399 (2019: CHF 9,405,725), excluding additional employer's contribution paid to AHV/IV/ALV totalling CHF 354,578 (2019: CHF 340,551) that does not form part of remuneration.

4.5 Remuneration paid to the former members of the Board of Directors

Former member of the Board of Directors Dr Franz B. Humer in 2020 received fees amounting to a total of USD 40,000 (CHF 37,568) for serving as a member of the Chugai International Council (CIC) of Chugai Pharmaceutical Co., Ltd.

Former member of the Board of Directors William M. Burns in 2020 received honoraria amounting to a total of USD 40,000 (CHF 37,568) in his capacity as a member of the Chugai International Council (CIC) of Chugai Pharmaceutical Co., Ltd.

No additional remuneration was paid.

4.6 Board remuneration subject to approval at the Annual General Meeting

4.6.1 Submission of the Chairman's total aggregate bonus for a binding vote at the Annual General Meeting

Remuneration to the Chairman of the Board of Directors includes a bonus award of CHF 837,585 in form of shares blocked for ten years as shown in the table in section '4.3 Total remuneration paid to the Chairman of the Board of Directors'. The Board of Directors will submit the Remuneration Committee's bonus proposal (adopted in late 2020) for the Chairman of the Board, Dr Christoph Franz, in respect of the 2020 financial year (payable in March 2021, excluding legally required employer's contributions to AHV/IV/ALV) for the shareholder binding vote to the 2021 ordinary Annual General Meeting.

Retrospective approvals of the Chairman's total aggregate bonus (in CHF)*

	Proposal AGM 2021	AGM 2020	AGM 2019
	Aggregate amount for financial year 2020	Aggregate amount for financial year 2019	Aggregate amount for financial year 2018
Total aggregate amount proposal for approval/ approved by the AGM	837,585**	558,390**	558,390**

* Excluding legally required employer's contributions to AHV/IV/ALV

** Bonus award (in form of shares blocked for 10 years [calculation of number of shares based on the price at the date of transfer in March 2021/March 2020/March 2019, respectively, after approval at the AGM 2021/AGM 2020/AGM 2019, respectively], calculation of value in consideration of reduction of value due to blocking period of 10 years [reduced market value: 55.839%] to be submitted for shareholder approval at the AGM 2021/as approved at the AGM 2020 and AGM 2019, respectively)

4.6.2 Submission of the Board's total aggregate future remuneration for a binding shareholder vote

The Board of Directors proposes that the 2021 ordinary AGM approve Board remuneration totalling not more than CHF 10,000,000 (excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses) for the period ending at the 2022 ordinary AGM.

Dr Severin Schwan's remuneration as shown in 5.3 which he receives in his function as CEO Roche Group and member of the Corporate Executive Committee is not included here but is part of the Corporate Executive Committee's total remuneration.

Prospective approvals of the Board's total aggregate future remuneration (in CHF)*

	Proposal AGM 2021	AGM 2020	AGM 2019
	Aggregate amount for the period AGM 2021-AGM 2022	Aggregate amount for the period AGM 2020-AGM 2021	Aggregate amount for the period AGM 2019-AGM 2020
Total aggregate amount proposal for approval/ approved by the AGM	10,000,000	10,000,000	10,000,000

* Excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses

4.6.3 Reconciliation of the reported remuneration with the shareholders' approved remuneration for the members of the Board of Directors

The 2019 ordinary AGM approved Board remuneration totalling not more than CHF 10,000,000 (excluding legally required employer's contributions to AHV/IV/ALV and

excluding bonuses) for the period ending at the 2020 ordinary AGM.

For comparison, from the 2019 ordinary AGM to the 2020 ordinary AGM actual remuneration amounted to CHF 8,597,609 (excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses).

Prospectively approved total remuneration for the members of the Board of Directors in comparison to the actual total payments made (in CHF)*

	Total remuneration for the period AGM 2020-AGM 2021	Total remuneration for the period AGM 2019-AGM 2020	Total remuneration for the period AGM 2018-AGM 2019
Maximum of total remuneration approved by the AGM	10,000,000	10,000,000	10,000,000
Actual total remuneration paid	Calculation at end of period	8,597,609	8,694,022
Within the approved limit	Calculation at end of period	Yes	Yes

* Excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses

4.7 Security holdings

Directors André Hoffmann and Dr Jörg Duschmalé and members of the founders' families who are closely associated with them belong to a contractually bound shareholder group with pooled voting rights. At the end of 2020 this group held 72,018,000 shares (45.01% 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 138) and in Note 4 to the Financial Statements of Roche Holding Ltd ('Significant shareholders', page 184). In addition, as at 31 December 2020 (as at 31 December 2019, 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 'Security holdings' below.

Security holdings (shares and NES)

	(as at 31 December 2020)				(as at 31 December 2019)			
	Shares (number)	Non-voting equity securities (NES) (number)	Close relatives' security holdings (number/type)	Others (number/ type)	Shares (number)	Non-voting equity securities (NES) (number)	Close relatives' security holdings (number/type)	Others (number/ type)
Board of Directors								
C. Franz	23,210	4,810	–	–	19,771	4,810	–	–
A. Hoffmann	–*	200	–	–	–*	200	–	–
J. Brown	729	–	–	–	729	–	–	–
P. Bulcke	–	4,000	–	–	–	4,000	–	–
H. Clevers	–	750	–	–	–	–	–	–
J. Duschmalé	–*	–	–	–	n.a.	n.a.	n.a.	n.a.
P. Frost	1,000	–	–	–	n.a.	n.a.	n.a.	n.a.
A. Hauser	3,000	150	20 NES	–	3,000	150	20 NES	–
R.P. Lifton	–	–	–	300 ADRs ^{***}	–	–	–	300 ADRs ^{***}
B. Poussot	500	500	–	–	500	500	–	–
S. Schwan	(see '5.16 Security holdings' Corporate Executive Committee on page 164)				(see '5.16 Security holdings' Corporate Executive Committee on page 164)			
C. Suessmuth Dyckerhoff	–	2,100**	–	–	–	2,100**	–	–
Total	28,439	12,510	20 NES	300 ADRs^{***}	24,000	11,760	20 NES	300 ADRs^{***}

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.otcmarkets.com/stock/RHHBY/quote>) International Premier under the symbol RHHBY, ISIN US771195104. Traded in USD, eight (8) ADRs represent one (1) underlying NES

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 2021, the Board of Directors will separately submit the total aggregate bonuses of the Corporate Executive Committee to the General Meeting for the 2020 financial year 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 2021 and the ordinary General Meeting 2022 will be tabled in 2021 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 141, '2. Remuneration decision process and approval framework'.

In 2020, members of the Corporate Executive Committee received remuneration for their work as shown in 5.3–5.12. The amount of remuneration for the CEO Roche Group, Dr Severin Schwan, is explained in 5.3 in detail.

Payments to Dr Gottlieb Keller, who retired from the Corporate Executive Committee and from Roche at the end of March 2020, in 2020 are included and aggregated in the total remuneration of the Corporate Executive Committee (see 5.12).

5.3 Highest total remuneration paid to Dr Severin Schwan as a member of the Corporate Executive Committee

Dr Severin Schwan, executive member of the Board of Directors, received his remuneration in his primary function as CEO Roche Group. It is reflected as the

highest total remuneration paid to a member of the Corporate Executive Committee (see below) and included in the total amount paid to the Corporate Executive Committee (see '5.12 Total remuneration paid to the members of the Corporate Executive Committee', page 161).

Highest total remuneration paid to Dr Severin Schwan as a member of the Corporate Executive Committee (in CHF)

	2020	2019 ¹⁹
Base salary	3,500,000 ¹⁸	4,000,000
Bonus (subject to approval of the total aggregate bonuses for the Corporate Executive Committee by Annual General Meeting)	2,791,950 ^{20*}	2,791,950*
S-SARs ²¹	3,379,613	3,379,524
RSUs ²²	595,678*	595,673*
Roche Connect	100,008	100,008
Pension funds/insurances	581,106**	580,843**
Other payments incl. expense allowance/for tax consulting services	85,324	68,856
Total²³	11,033,679	11,516,854

¹⁸ In light of the overall economic impact of the Corona pandemic, Dr Severin Schwan waived the amount of CHF 500,000 from his contractual base salary in 2020.

¹⁹ For detailed calculation of the remuneration for 2019 and 2018 see Annual Report 2019, page 138.

²⁰ Shares blocked for 10 years (calculation of number of shares based on the share price at the date of transfer in March 2021 after approval at the AGM 2021).

²¹ **S-SARs 2020:** Number: 103,260, grant value according to the trinomial model for American call options: CHF 41.32. 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 158. S-SARs 2020 are blocked for 4 years and may thereafter be exercised only, whilst exercising resulting NES are automatically blocked for additional 4 years (calculation of value of non-voting equity securities in consideration of reduction of value due to additional blocking period of 4 years, reduced market value: 79.209%).

S-SARs 2019: Number: 122,322, grant value according to the trinomial model for American call options: CHF 34.88. 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 158. S-SARs 2019 are blocked for 4 years and may thereafter be exercised only, whilst exercising resulting NES are automatically blocked for additional 4 years (calculation of value of non-voting equity securities in consideration of reduction of value due to additional blocking period of 4 years, reduced market value: 79.209%).

²² Calculation of RSUs value 2020: number of RSUs (3,463) multiplied by grant value of CHF 308.05 (NES closing price at grant date on 19 March 2020) per RSU; calculation of RSUs value 2019: number of RSUs (3,927) multiplied by grant value of CHF 271.65 (NES closing price at grant date on 15 March 2019) per RSU.

²³ Includes an annual expense allowance (CHF 30,000), payments for tax consulting services (CHF 42,626; 2019: CHF 28,056), family, children and education allowance (CHF 12,698; 2019: CHF 10,800). Additionally, employer contribution to AHV/IV/ALV of CHF 625,415 (2019: CHF 495,882) was paid that does not form part of remuneration.

* Calculation of value of non-voting equity securities/shares in consideration of reduction of value due to blocking period of 10 years (reduced market value: 55.839%)

** Including employer contribution of social securities' beneficial parts

5.4 Base pay of the other members of the Corporate Executive Committee

Base pay (in CHF)

	2020	2019
B. Anderson	2,141,652	1,804,301
A. Hippe	1,600,000	1,600,000
T. Schinecker	879,425	608,704
C.A. Wilbur	1,007,256	989,156
Total	5,628,333	5,002,161

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Base pay to Dr Gottlieb Keller until his retirement from Roche at the end of March 2020 is included and aggregated in the total remuneration of the Corporate Executive Committee (see 5.12).

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 2020 performance against the agreed objectives. The Remuneration Committee uses its discretion appropriately in the weighting of each criteria and in the bonus allocation. For Dr Gottlieb Keller

a bonus of CHF 350,000 is being proposed. It is included and aggregated in the total remuneration of the Corporate Executive Committee (see 5.12). The total aggregate amount of bonuses will be brought forward for a binding vote by the Annual General Meeting 2021.

Except for Dr Severin Schwan, all members of the Corporate Executive Committee will receive the bonus 2020 as a 100% cash payment. Dr Severin Schwan will receive the bonus in form of Roche shares which are blocked for ten years (see page 156). Bonus payment is due in March 2021.

Bonus (in CHF)

	2020 (Subject to approval of the total aggregate bonuses of the Corporate Executive Committee by the Annual General Meeting 2021)	2019
B. Anderson	2,400,000	2,500,000
A. Hippe	2,000,000	2,000,000
T. Schinecker	1,300,000	500,000
C.A. Wilbur	1,200,000	1,200,000
Total	6,900,000	6,200,000

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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

For 2020, no S-SARs were granted to Dr Gottlieb Keller.

	2020			2019		
	Number	Grant value per S-SAR in CHF	Value in CHF	Number	Grant value per S-SAR in CHF	Value in CHF
B. Anderson	46,467	41.32	1,920,016	55,045	34.88	1,919,970
A. Hippe	41,304	41.32	1,706,681	48,930	34.88	1,706,678
T. Schinecker	20,652	41.32	853,341	7,744	34.88	270,111
C.A. Wilbur	25,815	41.32	1,066,676	29,052	34.88	1,013,334
Total	134,238	41.32	5,546,714	140,771	34.88	4,910,093
	Price: CHF 308.05, expiry date: 19.3.2030			Price: CHF 271.65, expiry date: 15.3.2029		

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

24 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://www.roche.com/dam/jcr:1a6a5a5c-7b9f-4019-810a-7b57c4b89eac/en/trinomial-model.pdf>

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.

For 2020, Dr Gottlieb Keller received no RSU awards.

Restricted Stock Units (RSUs)

2020				2019		
	Number	Value at grant in CHF	Value in CHF	Number	Value at grant in CHF	Value in CHF
B. Anderson	1,558	308.05	479,942	1,767	271.65	480,006
A. Hippe	1,385	308.05	238,237*	1,571	271.65	238,300*
T. Schinecker	693	308.05	169,094**	994	271.65	213,880**
C.A. Wilbur	866	308.05	266,771	933	271.65	253,449
Total	4,502	308.05	1,154,044	5,265	271.65	1,185,635

* Calculation of value in consideration of reduction of value due to an additional blocking period of 10 years, reduced market value: 55.839%

** Calculation of value in consideration of reduction of value due to an additional blocking period of 4 years, reduced market value: 79.209%

AUDITED

5.8 Performance Share Plan (PSP) of the other members of the Corporate Executive Committee

The PSP was established in 2002 for periods of three years each and based on a three-year comparison of the Total Shareholder Return (TSR) with 15 peer companies (see footnote 1). The plan's key performance metric for an award, the TSR, was calculated as a three-month moving average rate before the start of and before the end of the performance cycle.

No new PSP awards have been granted since the end of 2018. Therefore, in 2020, there was only one performance cycle PSP 2018–2020 left, which closed on 31 December 2020 and about which the Board of Directors at its discretion, acting upon recommendations from the Remuneration

Committee, determined the payment at the end of 2020.

Under the provisions of this plan, a number of non-voting equity securities (NES) or shares have been reserved for the participants in each cycle. The number of securities actually awarded will depend on whether and to what extent an investment in Roche securities (shares and NES) outperforms the average return on an investment in securities issued by a set of peer companies (see footnote 1). Comparisons are based on the securities' market prices and dividend yields, ie, on Total Shareholder Return (TSR). To reduce the effect of short-term market fluctuations, security prices are averaged over the three months (October to December) prior to the start of a performance cycle and over the three months (October to December) at the end of the cycle.

If Roche securities perform better than the average of the peer set, the Board of Directors can elect to increase the NES or shares award. The maximum award is double the original-level reserved target number of NES or shares according to the PSP (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 or shares for which an individual award has been granted) and requires that Roche securities perform as well as or better than those of 75% of the peer set. In the event that an investment in Roche securities underperforms the average return delivered by the peer companies, fewer or no NES or shares will be awarded.

At the end of the PSP 2018–2020 cycle (based on a three-month average) with distributed dividends totalling CHF 22.426 billion (2020: CHF 7.763 billion; 2019: CHF 7.504 billion; 2018: CHF 7.159 billion), according to the terms of the plan, the participants received 200% of the originally targeted NES awarded. At the end of the PSP 2018–2020 cycle, 35,718 NES of the 32,535 originally targeted NES (incl. NES of the Group CEO) as outlined on pages 141 and 138 in the Annual Report 2018 taking into account retired members of the Corporate Executive Committee were awarded.

Bill Anderson and Dr Thomas Schinecker were not participating in the PSP programme.

5.9 Indirect benefits of the other members of the Corporate Executive Committee

Employer contributions made in 2020 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 156.

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 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 to Dr Gottlieb Keller until his retirement from Roche at the end of March 2020 are included and aggregated in the total remuneration of the Corporate Executive Committee (see 5.12).

Indirect benefits (employer contributions) (in CHF)

	2020				2019			
	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
B. Anderson	331,106	30,000	–	758,279	330,843	30,000	–	127,525
A. Hippe	331,106	30,000	39,996	16,535	330,843	30,000	39,996	11,142
T. Schinecker	327,928	30,000	3,000	25,102	141,796	12,500	3,000	32,967
C.A. Wilbur	331,106	30,000	18,744	60,073	330,843	30,000	18,744	100,153
Total	1,321,246	120,000	61,740	859,989	1,134,325	102,500	61,740	271,787

* Including employer contribution of social securities' beneficial parts

5.10 Other remuneration and loans of members of the Corporate Executive Committee

To meet legal and contractual obligations, in 2020 Roche paid a total of CHF 100,674 to individual members of the Corporate Executive Committee for family, child and education allowances and their children's schooling costs.

All aforementioned additional payments are included in the total remuneration to members of the Corporate Executive Committee.

In 2020, there were no loans or credits granted to the members of the Corporate Executive Committee.

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.

5.11 Remuneration to former members of the Corporate Executive Committee

No additional remuneration other than the above-mentioned payments was paid to former members of the Corporate Executive Committee.

5.12 Total remuneration paid to the members of the Corporate Executive Committee

For the 2020 calendar year, the members of the Corporate Executive Committee received remuneration (including bonuses, employer

contribution of social securities' beneficial parts and all payments to Dr Gottlieb Keller until his retirement at the end of March 2020) totalling CHF 33,488,192 (2019: 37,952,012), excluding additional employer's contribution paid to AHV/IV/ALV totalling CHF 2,090,167 (2019: CHF 1,628,429) 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.

5.13 Executive remuneration subject to approval at the Annual General Meeting

5.13.1 Submission of Executive total aggregate bonuses for a binding vote at the Annual General Meeting

The Board of Directors proposes awarding the members of the Corporate Executive Committee bonuses (for Dr Severin Schwan in form of Roche shares which are blocked for ten years, for all other members of the Corporate Executive Committee as a 100% cash payment, see 5.5) totalling CHF 10,041,950 in respect of the 2020 financial year (2019: CHF 11,141,950), excluding legally required employer's contributions to AHV/IV/ALV, and will submit this proposed total amount to the ordinary Annual General Meeting (AGM) 2021 for a binding vote.

Retrospective approvals of the members of the Executive Committee's total aggregate bonuses (in CHF)*

	Proposal AGM 2021	AGM 2020	AGM 2019
	Aggregate amount for financial year 2020	Aggregate amount for financial year 2019	Aggregate amount for financial year 2018
Total aggregate amount proposal for approval/ approved by the AGM	10,041,950	11,141,950	9,291,950

* Excluding legally required employer's contributions to AHV/IV/ALV

5.13.2 Submission of Executive total future aggregate remuneration for a binding shareholder vote

The Board of Directors proposes that the 2021 ordinary AGM approve remuneration for the Corporate Executive Committee totalling not more than CHF 36,000,000 (excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses) for the period ending at the 2022 ordinary AGM.

The amount of Executive total future aggregate remuneration is composed of base pay, long-term

incentives S-SARs (calculated at grant value without considering reductions of value due to blocking periods if applicable) and RSUs (see 3.1.4, calculated at the time of reservation of non-voting equity securities or shares, without considering reductions of value due to blocking periods), contributions to pension benefits (excluding legally required employer's contributions to AHV/IV/ALV) as well as contributions for expenses, payments for foreign tax obligations, tax consulting services and Roche Connect.

Prospective approvals of the members of the Executive Committee's total future aggregate remuneration (in CHF)*

	Proposal AGM 2021	AGM 2020	AGM 2019
	Aggregate amount for the period AGM 2021-AGM 2022	Aggregate amount for the period AGM 2020-AGM 2021	Aggregate amount for the period AGM 2019-AGM 2020
Total aggregate amount proposal for approval/ approved by the AGM	36,000,000	37,000,000	38,000,000

* Excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses

5.13.3 Reconciliation of the reported remuneration with the shareholders' prospectively approved remuneration for the members of the Corporate Executive Committee

The 2019 ordinary AGM approved remuneration for the Corporate Executive Committee totalling not more than CHF 38,000,000 (excluding legally required employer's contributions to AHV/IV/ALV

and excluding bonuses) for the period ending at the 2020 ordinary AGM.

For comparison, from the 2019 ordinary AGM to the 2020 ordinary AGM remuneration amounted to CHF 26,904,810 (excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses. PSP: assumption of maximum value).

Prospectively approved total remuneration of the members of the Executive Committee in comparison to actual total remuneration effected (in CHF)*

	Amount for the period AGM 2020–AGM 2021	Amount for the period AGM 2019–AGM 2020	Amount for the period AGM 2018–AGM 2019
Maximum of total remuneration prospectively approved by the AGM	37,000,000	38,000,000	41,000,000**
Total remuneration calculated at end of corresponding AGM–AGM period	Calculation at the end of period AGM 2020–AGM 2021	26,904,810	33,139,195**
Actual total remuneration realised (for corresponding AGM–AGM period based on the actual amount calculated retrospectively after the end of the corresponding PSP cycle/as of 2019 grant value of RSUs)	Calculation at the end of period AGM 2020–AGM 2021	(Calculated at the end of period AGM 2019–AGM 2020) 26,904,810	(Calculated after the end of the PSP cycle 2018–2020) 33,139,195***
Within the approved limit	Calculation at end of period	Yes	Yes
Additional amount paid for new members of the Corporate Executive Committee after approval by the AGM and not within the approved total amount	No	No	No

* Excluding legally required employer's contributions to AHV/IV/ALV and excluding bonuses

** Including assumption amount of 200% (maximum possible award) of shares/non-voting equity securities of the corresponding PSP cycle

*** Resulting amount due to the 200% award of the originally targeted NES under the PSP 2018–2020 cycle

5.14 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 5.16.2) and RSUs (see 3.1.4) 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

According to the regulations of the PSP programme, the originally targeted but not awarded NES or shares shall lapse without any compensation upon notice of termination of employment being given for any reason other than redundancy, disability or retirement.

5.15 Guidelines for security holdings

In 2012, the Board of Directors decided that the CEO Roche Group and other members of the Corporate Executive Committee must acquire shares and/or NES equivalent to two annual base salaries (CEO Roche Group since 2018 equivalent to five annual base salaries) and one annual base salary, respectively, by the end of 2016 and retain

these holdings for as long as they serve on the Corporate Executive Committee. With the exception of Bill Anderson and Dr Thomas Schinecker, who joined the Corporate Executive Committee in 2019 and who must fulfil the requirement by the end of 2024, all other members of the Corporate Executive Committee fulfil this requirement.

	Type of security	Value to be acquired
CEO Roche Group	Shares and/or NES	5 × annual base salary
Members of the Corporate Executive Committee	Shares and/or NES	1 × annual base salary

5.16 Security holdings

As at 31 December 2020 (as at 31 December 2019, 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)', 'S-SARs' and 'Restricted Stock Units (RSUs)'.

5.16.1 Shares and non-voting equity securities (NES)

(as at 31 December 2020)					(as at 31 December 2019)			
	Shares (number)	NES (number)	Close relatives' security holdings (number/type)		Shares (number)	NES (number)	Close relatives' security holdings (number/type)	
			Shares	NES			Shares	NES
Corporate Executive Committee								
S. Schwan	196,789	50,176	–	–	191,595	35,273	–	–
B. Anderson	–	4,547	–	–	–	1,986	–	–
A. Hippe	6,970	27,579	–	–	6,970	20,830	–	–
T. Schinecker	–	737	–	–	–	155	–	–
C.A. Wilbur	–	8,491	–	–	–	4,315	–	–
Total	203,759	91,530	–	–	198,565	62,559	–	–

5.16.2 S-SARs

Number of S-SARs held on 31 December 2020

	2020	2019	2018	2017	2016	2015	2014
Corporate Executive Committee							
S. Schwan	103,260	122,322	100,677	85,476	89,517	59,997	29,864
B. Anderson	46,467	55,045	43,929	35,925	-	-	-
A. Hippe	41,304	48,930	40,275	34,191	-	-	-
T. Schinecker	20,652	7,744	6,288	1,608	-	-	-
C.A. Wilbur	25,815	29,052	21,402	16,032	15,339	4,164	5,754
Total	237,498	263,093	212,571	173,232	104,856	64,161	35,618
Price (CHF)	308.05	271.65	220.80	251.90	251.50	256.10	263.20
Market price per NES on 31 December 2020 (CHF)	309.00						
Expiry date	19.3.2030	15.3.2029	15.3.2025	16.3.2024	3.3.2023	5.3.2022	6.3.2021
Grant value per S-SAR (CHF)	41.32	34.88*	26.49*	31.20*	29.79*	43.34*	47.75*
Since 1.1.2012:							
- Trinomial model for American call options							
* Values according to corresponding annual reports							

5.16.3 Restricted Stock Units (RSUs)

Number of RSUs held on 31 December 2020

	2020	2019	2018
Corporate Executive Committee			
S. Schwan	3,463	3,927	n.a.
B. Anderson	1,558	1,767	5,270
A. Hippe	1,385	1,571	n.a.
T. Schinecker	693	745	1,131
C.A. Wilbur	866	933	n.a.
Total	7,965	8,943	6,401
Grant value per RSU	CHF 308.05 (NES closing price at grant date on 19 March 2020)	CHF 271.65 (NES closing price at grant date on 15 March 2019)	CHF 220.80 (NES closing price at grant date on 15 March 2018)

n.a. - not applicable

Statutory Auditor's Report

To the General Meeting of Roche Holding Ltd, Basel

We have audited the accompanying Remuneration Report of Roche Holding Ltd for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against excessive compensation at listed joint-stock companies (the Ordinance) contained in the sections marked as 'audited' with a grey line, including the respective footnotes, on pages 138 to 165 of the Remuneration Report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the Remuneration Report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying Remuneration Report. We conducted our audit in accordance with Swiss Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the Remuneration Report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the Remuneration Report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the Remuneration Report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the Remuneration Report.

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

Opinion

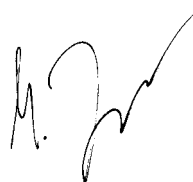
In our opinion, the Remuneration Report for the year ended 31 December 2020 of Roche Holding Ltd complies with Swiss law and articles 14–16 of the Ordinance.

KPMG AG



Mark Baillache
Licensed Audit Expert
Auditor in Charge

Basel, 1 February 2021



Marc Ziegler
Licensed Audit Expert

Independent Limited Assurance Report

on the 2020 non-financial reporting to the Corporate Governance and Sustainability Committee of Roche Holding AG, Basel

We have been engaged to perform assurance procedures to provide assurance on the aspects of the 2020 non-financial reporting of Roche Holding AG, Basel and its consolidated subsidiaries ('Roche') included in the Annual Report 2020 ('Report').

Scope and Subject matter

Our assurance engagement relates to limited level of assurance focused on the data and information for the year ended 31 December 2020 disclosed in the Report of Roche.

We have not carried out any work on data reported for prior reporting periods and in respect of projections and targets.

The following specified data and information published in the Report is within the scope of our limited assurance engagement:

- the materiality determination process of Roche at Group level according to the requirements of the 'GRI Standards' and as disclosed on page 60 of the Report;
- the design of the sustainability risks and opportunities determination process based on Roche Group level activities, disclosed on page 58 in the paragraph 'Risk management' of the Report;
- the Safety, Security, Health and Environmental protection ('SHE') key figures (including greenhouse gas emissions for scope 1 & 2 and scope 3 resulting from business flights) in the tables and graphs on page 91 and page 94 to 101 of the Report;

- the figures on the Roche Group level in relation to the payments and donations, disclosed on page 106 of the Report; and
- the management of reporting processes with respect to SHE, payments and donations and contributions key figures as well as the related control environment in relation to the data aggregation of these key figures.

Criteria

The management reporting processes with respect to the non-financial reporting and key figures were prepared by Roche based on the policies and procedures as set forth in the following:

- the Roche Group guideline 'Grants donations and sponsorship (GSD) data collection process' disclosed on the website;
- the Roche Group internal non-financial reporting guidelines based on the 'Responsible Care Health, Safety and Environmental Protection reporting guidelines' published by the European Chemical Industry Council CEFIC and the 'GRI Standards' published in October 2016 by the Global Reporting Initiative (GRI);
- the Roche Group internal Corporate Reporting Manual 'Sustainability Reporting Guidance – Economic Performance' issued 30 March 2020;
- the Roche materiality determination process at Group level based on the 'GRI Standards' published in October 2016 by the Global Reporting Initiative (GRI); and
- the defined guidelines, by which SHE, payments, donations and contributions key figures, and sustainability risks and opportunities are internally gathered, collated and aggregated.

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Inherent limitations

The accuracy and completeness of non-financial indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. GHG quantification is subject to inherent uncertainty, because of the incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Our assurance report should therefore be read in connection with Roche's guidelines, definitions and procedures as well as on the above third-party guidelines used to present the selected non-financial reporting performance.

Roche's responsibility

The Roche Corporate Governance and Sustainability Committee is responsible for both the subject matter and the criteria including the selection, preparation and presentation of the selected information in accordance with the criteria. This responsibility includes the design, implementation and maintenance of related internal control relevant to this reporting process that is free from material misstatement, whether due to fraud or error.

Our independence and quality controls

We are independent of Roche Holding AG 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 other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers AG applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical

requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to perform a limited assurance engagement and to express conclusion on the aspects of the 2020 non-financial reporting of Roche. We planned and performed our procedures in accordance with the International Standard on Assurance Engagements (ISAE 3000) (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and, in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements (ISAE 3410) 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our procedures to obtain limited assurance on whether the specified non-financial information prepared, in all material aspects, in accordance with Roche's policies and procedures, as well as the management and reporting processes together with the related control environment in relation to the data aggregation work as designed and form an appropriate basis for reporting and follow GRI Standards for the non-financial performance of Roche in focus.

A limited assurance engagement 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.

The procedures selected depend on the assurance practitioner's judgement.

Summary of the work performed

Our assurance procedures included, amongst others, the following work:

- *Review of the application of Roche Group guidelines*
Reviewing the application of the Roche Group non-financial reporting and contributions guidelines;
- *Site visits and management inquiry*
Remotely visiting selected sites of Roche's Pharmaceuticals and Diagnostics divisions in the USA, Switzerland, China and Indonesia. 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 Roche Group level to determine the understanding and application of Roche's non-financial and contributions guidelines;
- *Assessment of the key figures*
Performing tests on a sample basis of evidence supporting selected SHE, payments and donations and contributions (e.g. Roche accident rate, energy consumption, CO₂-equivalent emissions, water usage and discharge, donations to political parties in Switzerland) 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;
Reviewing the principles of the Roche materiality process providing the definition for the development of its adherence to GRI's environmental, social and economic reporting

requirements addressing the soundness of the identification process, determination of impacted stakeholders, peer and competition review, integration of relevant regulatory requirements, integration of key organisational values and objectives and report prioritisation of material aspects;

Inspecting the integration of the sustainability risks and opportunities in the Group Risk Management Process and its adherence to the internal guidelines;

- *Assessment of the processes and data consolidation*
Reviewing the management and non-financial reporting processes for SHE, payments and donations, and contributions key figures; and
Assessing the aggregation process of data at Roche Group level.

We have not conducted any work on data other than outlined in the subject matter as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Limited assurance conclusion

Based on our work performed nothing has come to our attention causing us to believe that, in all material aspects:

- the Roche materiality determination process at Group level as disclosed does not adhere to the principles and guiding factors (e.g. soundness, stakeholder determination, peer review, relevance of regulatory environment, integration of key organisational values and objectives) defined within the 'GRI Standards';
- the design of the sustainability risks and opportunities determination process at Group level as disclosed does not function as designed;
- the selected key figures mentioned in the scope disclosed within the non-financial reporting in

the Roche Annual Report 2020 are not stated in accordance with the reporting criteria; and

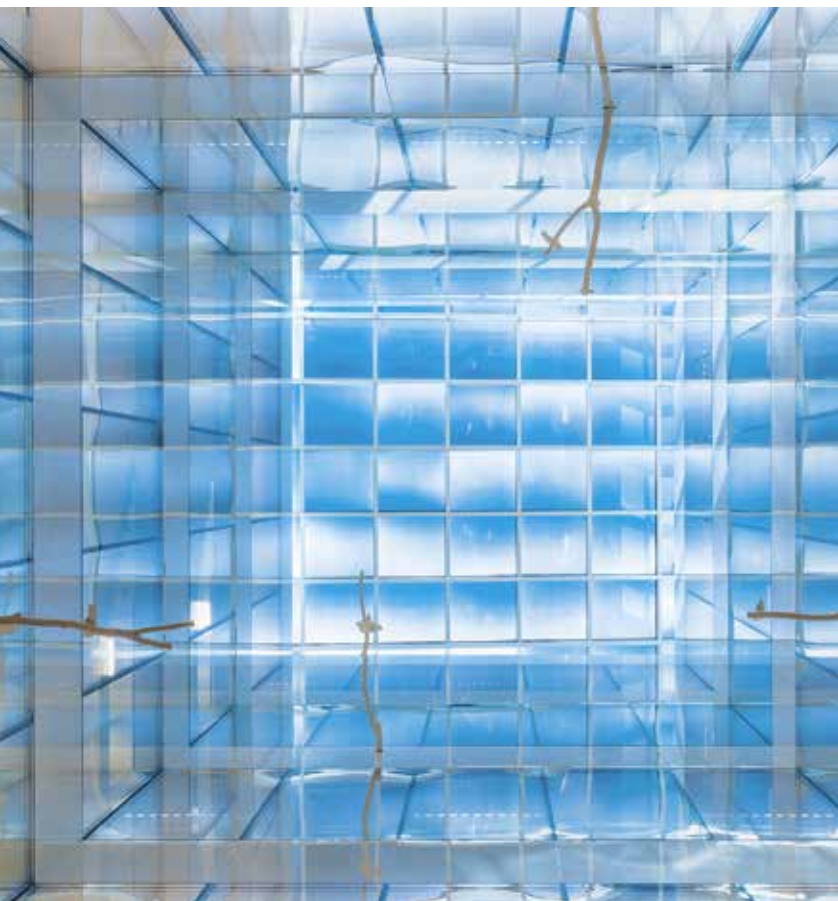
- The management and reporting processes to collect and aggregate the SHE, payments and donations and contributions key figures as well as the control environment in relation to the data aggregation are not working as designed.

PricewaterhouseCoopers AG

Christophe Bourgoin

Helene Baron

Zurich, 01 February 2021



Key dates for 2021

Annual General Meeting

16 March 2021

First-quarter sales

21 April 2021

Half-year results

22 July 2021

Nine-month sales

20 October 2021

Published by

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Cautionary statement regarding forward-looking statements

This Annual Report contains certain forward-looking statements. These forward-looking statements may be identified by words such as ‘believes’, ‘expects’, ‘anticipates’, ‘projects’, ‘intends’, ‘should’, ‘seeks’, ‘estimates’, ‘future’ or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this Annual Report, such as: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage.

The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Roche’s earnings or earnings per share for 2021 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Roche.

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The Roche Annual Report is published in German and English.

Our reporting consists of the actual Annual Report and of the Finance Report and contains the annual financial statements and the consolidated financial statements. With regards to content, the Management Report as per the Articles of Incorporation consists of both aforementioned reports with the exception of the Remuneration Report.

Printed on non-chlorine bleached, FSC-certified paper.



A scenic view of a city at dusk, with lights reflecting on the water and a large hashtag overlay.

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