



# Fighting Against Forced Labour and Child Labour in Supply Chains

Hoffmann-La Roche Limited

A Canadian Corporation, No. 119448785RC0004

Report for the period January 1 to December 31, 2023

## **Preparation of this report**

This report was created pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and provides an overview of the steps taken by Hoffmann-La Roche Limited (“Roche”) during the year ending 31 December 2023 to prevent and reduce the risk that forced labour or child labour is used at any step of our supply chain.

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## Steps taken in the preceding year to prevent and reduce forced or child labour in the supply chain

Roche fosters human rights globally, both in our own operations and across our value chain. We are evolving our holistic approach in the value chain towards a proactive approach in improving human rights by committing to doing no harm and making an impactful positive contribution to society. As part of our commitment to sustainability, we are continuously making impactful and positive contributions in areas that are within our sphere of influence.

As described in more detail later in this report, over the last year, Roche took numerous steps to prevent and reduce forced or child labour in its supply chain. In 2023, Roche:

- Continued to implement our robust and comprehensive compliance program, which includes supply chain-specific measures;
- Conducted a global human rights risk assessment, with a focus on own operations and on supply chain;
- Conducted audits of Roche's business partners in the areas assessed as having the most human rights risk in its operations, and imposed corrective action plans as necessary to remediate adverse findings;
- Operated the Roche Group SpeakUp line for employees, external business partners, and members of the general public who believe that a human rights violation has occurred;
- Required mandatory training for all Roche employees on policies and processes that speak to human rights, compliance management, and business partner due diligence.

## Structure, Activities and Supply Chain

From its inception, Roche has developed diagnostics and medicines for a wide range of chronic and life-threatening health conditions that continue to revolutionize healthcare. Being a family-owned company allows us to focus on long-lasting investments, take greater risks and explore innovative new ways to improve people's health around the world.

**As a global leader in healthcare, we are one of the world's largest biotech companies and the leading supplier of in-vitro diagnostics. We're an innovator across major disease areas, including oncology, neurology, infectious diseases, and ophthalmology. We've partnered with many forward-thinking, entrepreneurial and groundbreaking organizations that have one thing in common – the belief that cutting-edge science and technology can and will improve human health. Roche's operations span the globe, with 23 manufacturing sites worldwide including in Switzerland, the United States, Germany, China, and Japan.**

## FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

Roche has roughly 2,000 employees in Canada, and distributes and sells Roche assays, diagnostic equipment, and other health care products to customers in the Canadian healthcare market. In 2023, more than 225,000 Canadians were treated with Roche medicines, 1 in 4 Canadians were tested with a Roche diagnostic product, and there were 187 active Roche clinical trials in Canada, with 659 new patients and 1,998 total active patients.

## Policies and Due Diligence Processes

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

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

**Embedding our strong ethics culture into everything we do remains the main focus of our compliance program. We know that our success in this area depends on how comprehensive and accessible the compliance program is to all our employees.**

Roche is fully committed to supporting and respecting human rights. Roche acknowledges both the United Nations Guiding Principles on Business and Human Rights (UNGPs) ("Ruggie Framework") and the OECD Due Diligence Guidance for Responsible Business, and recognises and follows the international standard ISO 26000 guidance on social responsibility. Roche also adheres to the fundamental conventions of the International Labour Organization (ILO): elimination of forced and compulsory labour (Conventions 29 and 105), abolition of child labour (Conventions 138 and 182), elimination of discrimination in respect of employment and occupation (Conventions 100 and 111), freedom of association and collective bargaining (Conventions 87 and 98).

Roche's commitment to human rights is also embodied in the [Roche Group Employment Policy](#), the [Roche Position on Respecting Human Rights](#) and the [Roche Directive on Human Rights Due Diligence for Business Partners](#).

We require our suppliers to explicitly acknowledge and adhere to the principles embodied in the [Supplier Code of Conduct](#). Suppliers must ensure that their own suppliers appropriately ensure compliance with these principles along their own supply chains. Suppliers must also ensure that Roche can verify compliance with the Supplier Code of Conduct through our Supplier Sustainability Assurance Visit (SSAV) program. Suppliers that fail to meet Roche's expectations on the topics outlined in the Roche Supplier Code of Conduct might be disqualified from inclusion in Roche's supplier portfolio and consequently excluded from it.

Roche is also a member of the Pharmaceutical Supply Chain Initiative, a collaboration of more than 80 pharmaceutical companies and suppliers with a shared vision to establish and promote responsible business practices that continuously improve human rights, ethics, labour, health, safety, and environmentally sustainable outcomes for pharmaceutical supply chains.

## Areas of risk and steps to assess and manage that risk

In a globalised world, business value chains often span across international borders, giving millions of people an opportunity to participate in the global economy, however this also brings challenges to ensuring workers' human rights. As part of Roche's global operations with 100,000+ employees and thousands of business partners, we are at risk of being involved with negative human rights impacts.

Roche has a formal process and methodology for assessing our suppliers in order to identify those at higher risk for human rights violations due to:

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

This Human Rights risk assessment is embedded in our standardized due diligence process conducted before engaging new suppliers. It is used to identify suppliers for inclusion in our Supplier Sustainability Assurance Visit (SSAV) program, through which we directly evaluate supplier human rights compliance. For more information regarding Roche's SSAV process, see Roche's [Procurement Risk Management](#) website.

In 2023, we conducted a Group human rights risk assessment for our own operations and third-party operations. For our supply chain, working conditions, fair treatment and non-discrimination and a healthy work environment were identified as focus areas.

**For 2024, Roche has assessed logistics, transportation, and supply as the areas carrying the most human rights risk in our operations.**

## Measures to remediate forced or child labour

In 2023, Roche conducted 69 sustainability audits (SSAVs) during which we identified 111 human rights related findings. The findings included excessive overtime, incorrect overtime compensation, delayed payment of wages, and inadequate maintenance of employee time records. Each of the 69 audited suppliers was required to establish and make progress on a formal corrective action plan.

## FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

Past audits performed within the SSAV program highlighted several situations within the logistics industry where companies did not introduce and manage appropriate policies and procedures to protect the rights of employees. A recurring problem was the lack of appropriate control mechanisms regarding the working conditions (especially overtime and days off) of truck drivers and warehouse workers. All non-compliances were noted in the final audit report and reflected within the Corrective Action Plan (CAP) addressing proper actions to remove them.

The CAP contained the implementation of appropriate policies, systems and procedures to secure employee rights. These include the implementation of electronic working time registration systems or appropriate control mechanisms within the existing operational processes, as well as the implementation of dedicated training for managers and operational team leaders to raise their awareness within the area of human rights and labour.

The effectiveness and efficiency of the actions implemented within the CAP have been confirmed during the follow-up audits by an independent external auditor.

In addition, the [Roche Group SpeakUp line](#) is available for everyone internally and externally to report compliance concerns. Our local and regional Compliance Officers also serve as contacts for allegations, which are then reported to the Chief Compliance Officer via the Business Ethics Incident Management System (BEIMS). Human rights violations, especially by our suppliers, can also be identified by the Procurement department.

**All allegations are taken seriously and are objectively investigated. If the allegation is substantiated, we take appropriate remedial measures.**

## Measures to remediate loss of income resulting from measures to eliminate forced or child labour

In 2023, Roche did not identify any loss of income to vulnerable families resulting from our measures to eliminate the use of forced or child labour in our supply chains.

## Training provided to employees on forced labour and child labour

All Roche employees complete mandatory training on the [Roche Group Code of Conduct](#) and [Roche Directive on Behaviour in Business](#), which address Roche policies and processes regarding Roche's commitment to human rights, compliance management, and business partner due diligence.

Roche is presently preparing a dedicated training on human rights, which is expected to be developed during 2024 and required for employees in relevant functions during 2025.

In order to facilitate compliance with Roche's Supplier Code of Conduct, Roche additionally makes training on the code available to its suppliers.

## How effectiveness of ensuring that forced and child labour are not being used is assessed

Roche employs various measures to ensure that forced and child labour are not being used. These include:

- Regular reviews of the organization's policies and procedures relating to human rights, including forced labour and child labour;
- Tracking relevant performance indicators; and
- Working with suppliers to measure the effectiveness of their actions to address forced and child labour.

## Further resources

For more information regarding Roche's continuing efforts to uphold human rights in its operations, please see:

[Human rights @ Roche](#)

[Human rights in the value chain](#)

[Roche position paper on human rights](#)

[Roche Directive on human rights due diligence for business partners](#)

[Roche Group Annual Report 2023](#)

[Roche Group Code of Conduct](#)

[Roche Group Employment Policy](#)

[Supplier Code of Conduct](#)

[Behaviour in Business](#)



## Approval

This report was approved pursuant to paragraph 11(4)(a) of the Act. In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purpose of the Act, for the reporting year listed above.

### Brigitte Nolet

General Manager

Roche Pharma Canada

DocuSigned by:

*Brigitte Nolet*

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2024-May-29

I have the authority to bind Hoffmann-La Roche Limited

### Matheus Vieira

General Manager

Roche Diagnostics Canada

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*Matheus Vieira*

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