

# **Code of conduct**

## *Corruption and influence peddling*





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We strongly believe that integrity is and will remain the foundation of Roche Group's culture, and a key factor for the sustainability and success of its activities. Accordingly, we place particular emphasis on compliance with our Code of Conduct, especially when it comes to business integrity.

Roche Code of Conduct and Directive on Integrity in Business are clearly setting our Roche's expectations that all employees will act in a responsible and ethical way, in line with the industry standards, laws and regulations.

In France, article 17 of Sapin II Law of 9 December 2016 requires certain French companies to adopt a **Code of Conduct** "defining and illustrating the various types of prohibited behaviours that may constitute acts of **corruption** or **influence peddling**".

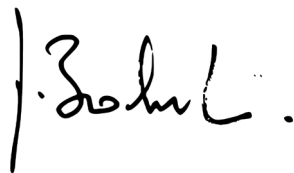
Roche Group French affiliates ( Roche Pharma & Institut Roche, Timkl, Roche Diagnostics France and Roche Diabetes Care France) have jointly issued this Code to:

- > **Define** the various types of prohibited behaviours associated with corruption and influence peddling; and
- > **Illustrate** the various types of prohibited behaviours associated with corruption and influence peddling.

Roche does not tolerate any form of corruption or influence peddling. Any employee involved in an act of corruption or influence peddling may face disciplinary actions, including dismissal as well as facing criminal prosecution.

This Code supplements the [Roche Group Code of Conduct](#) and the Directive about integrity in business, that can found [here](#).

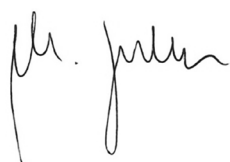
Please take the time to read this document and implement it in your day-to-day professional activities.



Jean-François Brochard  
Président  
Roche and Institut Roche



Frédéric Jacquey  
Président  
Roche Diabetes Care France



Mark Osewold  
Président  
Roche Diagnostics France



Philippe Montaner  
Président  
Timkl



# Objectives

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This Code has been created to help with dealing with the most frequent situations. If a specific situation isn't described in this Code, you should ask yourself the following questions:

- > Is the decision I have to make lawful?
- > Is it in line with Roche values?
- > What impact will it have on Roche Group?
- > Would I be comfortable with this decision becoming public (in the press, for example)?



If you answer NO to any of these questions, or if you are in any doubt :

Contact:

**Roche Pharma, Institut Roche and Roche Foundation**

**Sylvie CACCIA**

Compliance Officer

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38240 Meylan  
04 76 76 17 76

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Compliance Officer

2 avenue du Vercors  
38240 Meylan  
04 76 76 29 82

**Timkl**

**Liza ZIANE**

Compliance Officer

565 rue Aristide Bergès  
Zone de Pré Millet  
38330 Montbonnot  
04 76 52 67 37



# Definitions

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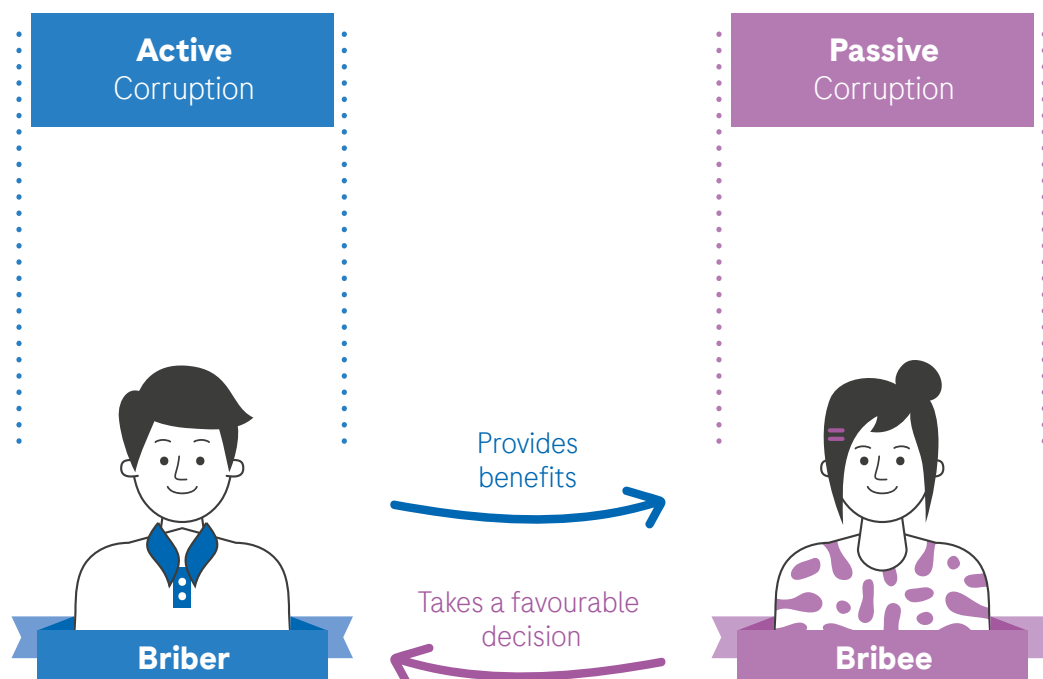
# Corruption

**Corruption** occurs when a person holding a public office, or a person in business, directly or indirectly proposes, offers, solicits or accepts, a gift, an offer, a promise or a benefit of any kind whatsoever in return for performing, delaying or omitting to perform an act within the scope of his or her function.

- > Corruption is **active** when the individual offers the undue benefit;
- > Corruption is **passive** when the individual receives the undue benefit.



**Both forms of corruption are subjected to the same penalties.**





A **benefit** may take different forms, such as:

- > money;
- > a gift or an invitation to a non-professional activity such as sport or cultural event;
- > facilitation payments;
- > un don à une association ou du mécénat ;
- > a gift or a donation to a charity or to a non-profit association;
- > excessive discounts or rebates;
- > confidential or sensitive information.

An **Undue consideration** may consist in, for example, being awarded or in obtaining:

- > a contract following a tendering process;
- > signature of a tender, a contract or an agreement;
- > a permit, licence, approval or authorisation;
- > an exemption from a regulatory obligation;
- > tax benefit;
- > a court decision in favour of the briber or its organization.



The act of offering or requesting an improper advantage in return of an undue benefit is punishable even if the other party declines this advantage or/and if no exchange takes place.

Are also prohibited, advantages bestowed upon family members or friends of the potential bribee or upon any other person designated by the potential bribee.





## Influence peddling

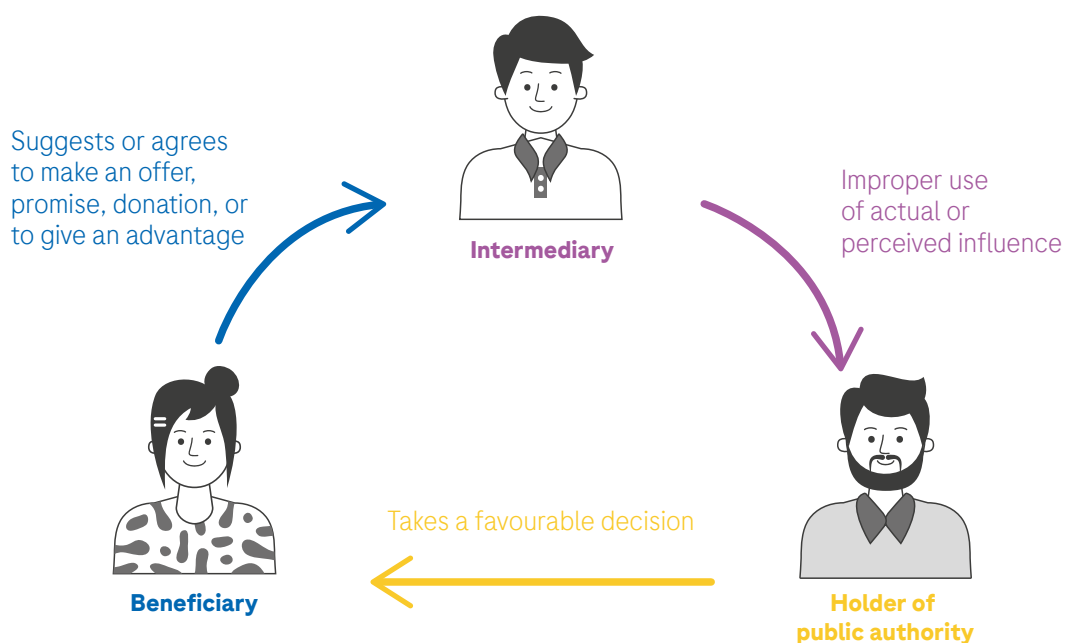
**Influence peddling** consists in offering to a person with (perceived or actual) influence, or for this person to improperly solicit or accept any undue gift, promise or benefit of any kind, in order for said person to abuse his or her influence over a third party to obtain a favourable decision.

**Three participants are involved in influence peddling:**

- > **the beneficiary** (the person providing the benefits or gifts),
- > **the intermediary** (the person accepting the benefit and exerting his or her influence)
- > and **the target** who has a decision-making power  
(public authority or agency, judge, court-appointed expert, etc.)



The beneficiary commits the criminal offence of active influence peddling, while the intermediary (who can be a public official) commits the criminal offence of passive influence peddling.





conflict of interest

# Conflict of interest

A **conflict of interest** consists of a situation in which an employee's personal interest interferes with his or her position within the company (i.e. the interests of the company). **This interference must be of such a nature as to influence or appear to influence** the independent, impartial and objective performance of the employee's duties. **A link of interest does not necessarily constitute a conflict of interest.**

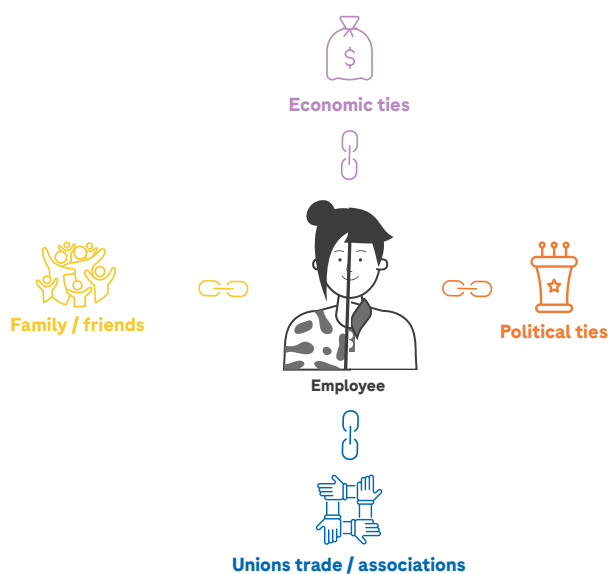
## The interest can be:

- > **direct or indirect**, affecting us directly or one of our close relatives,,
- > **present, past or future**, examples : current positions, previous professional experience, future participation in scientific committees, etc.

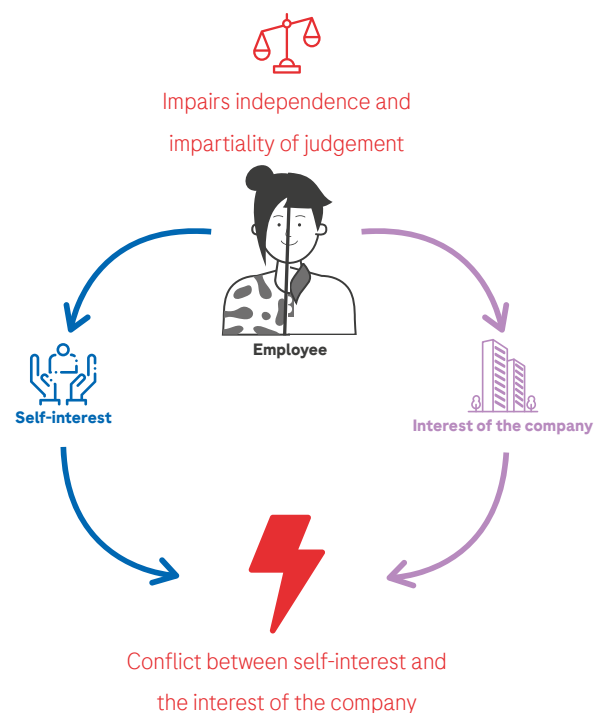


In some cases, a conflict of interest may be the starting point for an offence of corruption or influence peddling.

## Link of interest



## Conflict of interest





# Penalties

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## Individuals

	Corruption involving <b>a private individual</b>	Corruption involving <b>a public person</b>	<b>Influence peddling</b>
<b>Main penalties</b>	≤ 5 years imprisonment ≤ €500,000 fine or double the proceeds of the offence.	≤ 10 years imprisonment ≤ €1,000,000 fine or double the proceeds of the offence.	≤ 10 years' imprisonment ≤ 1,000,000 fine or double the proceeds of the offence.
<b>Additional penalties</b>	<ul style="list-style-type: none"> <li>• Loss of civic, civil and family rights;</li> <li>• Ban from holding public office, pursuing the professional or social activity in course of which the offence was committed, or managing a business;</li> <li>• Confiscation of the sums or items unruly received by the offender;</li> <li>• Posting or dissemination of the decision.</li> </ul>		



## Legal entities

	Corruption involving <b>a private individual</b>	Corruption involving <b>a public person</b>	<b>Influence peddling</b>
<b>Peines principales</b>	≤ €2,500,000 fine or double the proceeds of the offence.	≤ €5,000,000 fine or double the proceeds of the offence.	≤ €5,000,000 fine or double the proceeds of the offence.
<b>Peines complémentaires</b>	<ul style="list-style-type: none"> <li>• Permanent or temporary ban on pursuing a professional or social activity;</li> <li>• Entity placed under judicial supervision;</li> <li>• Permanent or temporary closure of the entity's establishments or one or more of its establishments that were used to to commit the offences;</li> <li>• Exclusion définitive ou temporaire des marchés publics ;</li> <li>• Permanent or temporary exclusion from public contracts;</li> <li>• Permanent or temporary ban on making a public offering of financial securities or</li> <li>• Applying for admission to trading of its financial securities on a regulated market;</li> <li>• Ban on issuing cheques or using payment cards;</li> <li>• Confiscation of the proceeds of the offence or assets used to commit the offence;</li> <li>• Obligation to roll out a remedial compliance programme under the supervision of the French Anti-Corruption Agency (AFA);</li> <li>• Posting or dissemination of the decision.</li> </ul>		



# Examples

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**NB: Theoretical situations for Roche employees. Should such situations arise, the relevant Compliance team must be contacted immediately.**

**In doubt, ask for advice from**  
**> your manager,**  
**> your Legal Department,**  
**> or your Compliance Officer**



## Sponsorship request

During a meeting in a hospital, the Head of the Pathology Laboratory asks you if Roche can sponsor the scientific event he is organising with his colleagues and suggests that if Roche contributes, he will put in a good word for the company with the hospital's financial department or pharmacy as part of the tendering procedure underway with Roche.

### What should you do?

You should refuse because sponsoring this event to obtain a favourable decision to Roche's interests is likely to constitute an act of influence peddling.



## Roche event

An oncologist you know tells you that if you invite her to the next Roche event and pay for her plane ticket, meals and hotel accommodation, she will tell her brother-in-law, Chairman of the French Health Products Economic Committee (Comité économique des produits de santé (CEPS)), how pleased she is with the new Roche product that will soon be submitted for reimbursement approval.

### What should you do?

You should refuse because inviting this person with the aim of using her influence to obtain a decision in Roche's favour is likely to constitute an act of influence peddling.



## Traineeship offer

A medical intern at a hospital applies for a internship with Roche, on the understanding that, upon completion of his internship, he will work in an oncology department at one of Roche's client university hospitals.

### Does this constitute influence peddling?

No, because in this case there was no intermediary exercising influence over a person in a position of public authority. Nevertheless, this situation could be misinterpreted and outsiders might think that, at the end of his training period, he could use his influence with the hospital to obtain contracts for Roche.

It is therefore important to clarify the situation when this intern is taken on as a trainee.

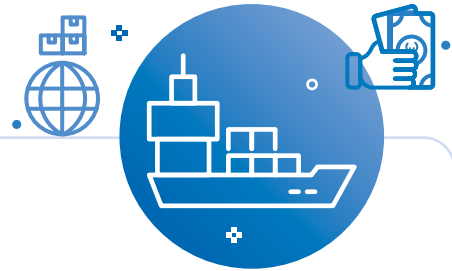


## Relations with suppliers

The sales manager of one of Roche's suppliers (in charge of maintenance at the head office) offers to carry out work on your home free of charge if you support the renewal of his company's contract with Roche.

### Can you accept?

You should refuse as this is an attempt at corruption. In effect, your decision would be prejudiced by any personal benefit you might derive from it.

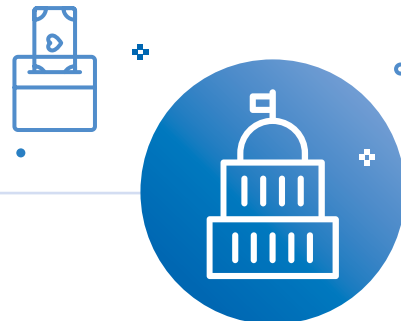


## Product customs clearance

A consignment of products destined for a distributor abroad is stuck in a foreign port. Your local distributor tells you that "a bit of cash" would help get the goods moving.

### What should you do?

You must not pay and inform your Compliance Department immediately as this is an attempt to have you commit an act of corruption.



## Support for associations

Roche wishes to market a product in a new country. The authority responsible for issuing the necessary administrative authorisations suggests that Roche provide financial support to a local association.

### What should you do?

There is a risk here that the donation or financial support to the association could be used as a channel for corruption. It is therefore essential to carry out prior checks on the identity of the people who control the association and on the exact nature of its activities.

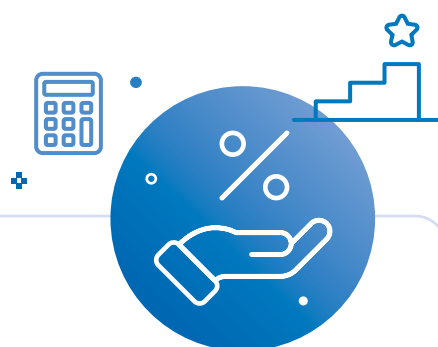


## Relations with suppliers

Your brother-in-law, a company director, approaches you as part of a sales initiative after learning of a call for tenders issued by Roche, in which you are involved in the selection process.

### What should you do?

There is a risk of conflict of interest, given your family ties. You should be transparent about these links and notify the Compliance Officer or your manager. If necessary, they can put in place appropriate measures to avert this risk of conflict of interest, for example by not having you partake in the call for tenders, obtaining double validation, etc.



## Distributor discount

When marketing Roche products abroad, a local distributor insists on obtaining an additional discount so that he can "encourage certain doctors" who "will be grateful to Roche".

### What should you do?

This discount could be used by the distributor to pay bribes to healthcare professionals and corrupt them, so you must not issue the discount.



## Public officials

You are in a meeting with a non-health professional public official and colleagues. At the end of the meeting, one of your colleagues suggests inviting everyone to lunch to continue the discussions.

### What should you do?

Public officials are a particularly sensitive group, as they are more likely to be exposed to the risks of corruption and/or influence peddling. This is why you cannot invite them to meals or entertainments or give them gifts.

You must tell your colleague that the invitation cannot be extended since the person is a public official.



## Relations with public decision-makers

Roche has been working with a public affairs consultant for several years. He is proposing to increase his fees this year in a way that is not proportional to the assignment entrusted to him, under the assumption that this additional amount will enable him to financially encourage several key public decision-makers to pass legislation favourable to the marketing of Roche products.

### What should you do?

Relations with public decision-makers are sensitive and particularly regulated. As a result, they must be handled with vigilance. The financial inducement of public decision-makers through a public affairs consultant may constitute influence peddling. You must therefore refuse.



## Research partnership and conflict of interest

A research institute wants to set up a research partnership with Roche. One of their employees is a friend of yours, she contacts you to tell you about this proposal because she knows that, as Roche's Research Director, you will be able to take the decisions to ensure that this partnership comes to fruition quickly.

### What should you do?

You should inform your manager of the Institute's proposal, making sure to acknowledge your link of interest. You are likely to be in a conflict-of-interest situation as your friendship could interfere with your duties.



## Roche Foundation and project support

You work at the Roche Foundation and your Marketing colleague tells you that a key partner is asking for one of his projects to be supported by the Foundation even though it is not part of the Foundation's validated strategy. The colleague explains that it would nevertheless be important for the Roche Foundation to fund this project maintain good relations from a business point of view.

### What should you do?

Any financing of a project by the Roche Foundation that is not in line with its missions and whose sole aim is to maintain good relations with the partner may expose you to a risk of corruption. You must inform your affiliate's Compliance Officer of the partner's request so that Roche can identify a possible risk of corruption and provide the partner with an appropriate response.



## Inappropriate customer benefits (payment terms)

A customer asks you to extend payment terms past the thresholds stipulated in the agreement. He implies that he will remember this the next time he orders our products (higher volume of products ordered).

### What should you do?

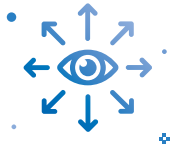
You should politely decline this request, as it may constitute an inappropriate practice aimed at increasing sales volumes.





# Think Compliance

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## Identify risk situations

### Some situations could alert you.

Although they do not constitute acts of bribery or influence peddling per se, they do require to be carefully monitored.

It includes but is not limited to:

- > The use of intermediaries or consultants to facilitate relations with customers or public officials;
- > Contractual relations with public entities or politically exposed persons;
- > Lack of information about a partner;
- > Any pressure to use a specific service provider;
- > Requests to speed up administrative processes or contract assignment;
- > Public contracts assignment periods;
- > Projects in countries with a high risk of bribery;
- > Possible conflicts of interest (any situation where an employee's private interest could clash with Roche's interest).





## The Compliance reflex

If you find yourself in a high-risk situation, you should:

- > Anticipate, to ensure you don't find yourself "backing into a corner", facing physical, financial threat or danger if you refuse. We advise you to inform your partners of Roche's values and rules as soon as possible;
- > Ensure that any discounts and rebates are stated on the corresponding invoices;
- > Always be able to justify the payment of any sum of money with appropriate supporting documentation;
- > To be on the safe side, do not accept or offer a gift or invitation that would be difficult to justify to your colleagues, family, friends or to the medias;
- > Be careful when managing any unusual request or any unusually complex circuit;
- > If you are not sure how to react in any given situation, ask your Compliance Officer for advice.

If you notice a breach of this Code, you can report it through the SpeakUp Line by clicking [here](#)

Or through the specific e-mail addresses for each affiliates:

**For Roche Pharma :**

france.compliance-officer-pharma@roche.com

**For Roche Diagnostics France :**

meylan.compliance@roche.com

**For Roche Diabetes Care France :**

meylan.compliance\_rdcf@roche.com



# To go further

Further information and advice can be found on the Roche intranet or Gsite Compliance, as well as in Roche website if it has been made available to the public

Roche's position statements ensure consistent internal and external communication with stakeholders. They can be found on the Roche website.

To support the key messages of the Roche Group Code of Conduct and to help understand the importance of integrity in business, Roche has implemented a Comprehensive Compliance Management System (cCMS), which includes:

- > The Roche Directive on Integrity in Business;
- > eLearning programmes such as the programme entitled "Roche Behaviour in Business" (RoBiB) and an anti-bribery eLearning module ("Prevention de la corruption);
- > As well as other user-friendly training tools such as the "Compliance Podcasts".

All the documents and other information can be accessed by clicking [here](#)

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