



Roche's Journey to Decarbonise its Supply Chain - Challenges & Mitigation

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Procurements contribution to Sustainability

Unique position to accelerate Roche's decarbonisation journey

Roche's holistic approach to Sustainability



Global Procurement plays various roles to contribute to Roche's sustainability journey - especially in the environmental pillar

Lead: Scope 3 decarbonisation programme including reduction target setting proposal and roadmap and design of governance proposal - more than 90% of Roche's carbon footprint comes from what we buy and what we sell.

Drive: Tailored sustainability supplier engagement programme using existing processes (where possible) to enable our suppliers to commit to science based targets and subsequently reduce their carbon emissions.

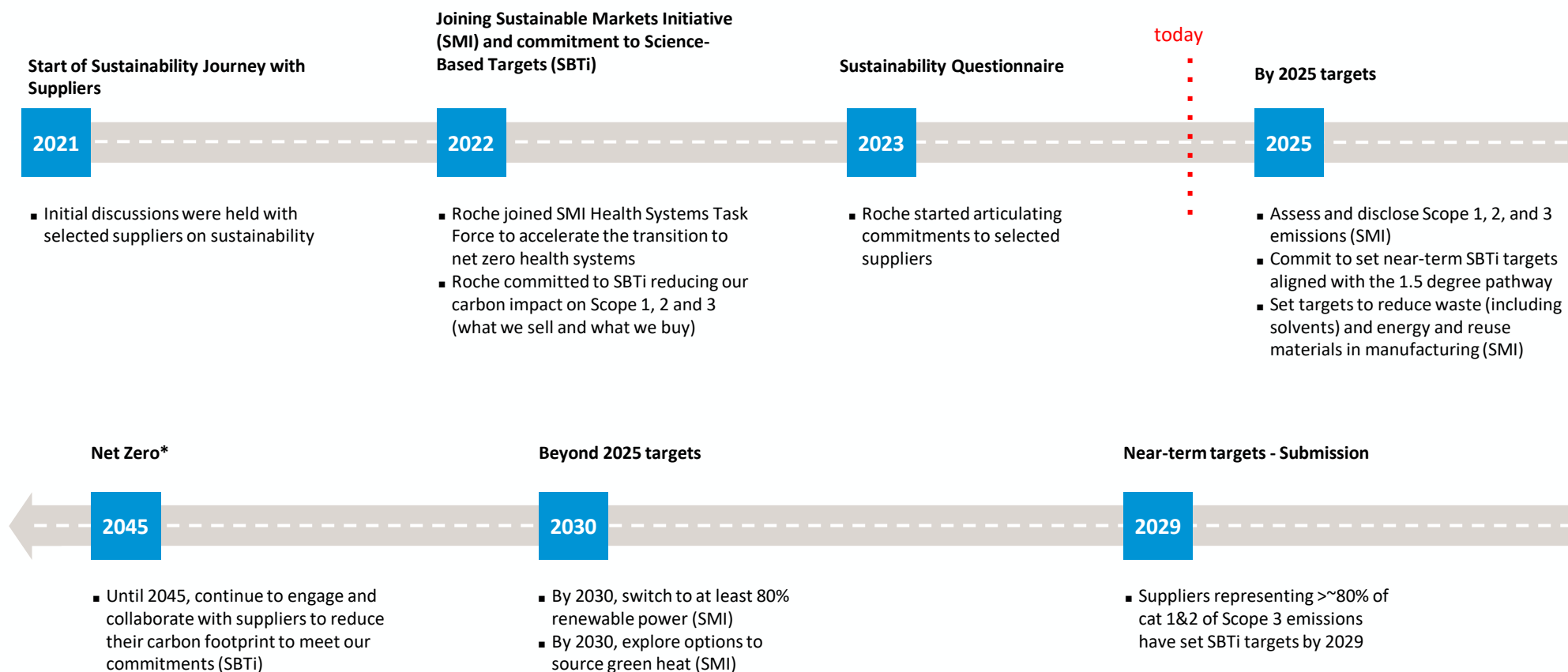
Change: Enable the business to make educated environmentally sustainable buying decisions and meet its carbon reduction goals.

Sustainability will become additional measure for the value contribution of Global Procurement



Decarbonisation of Roche's Supply Chain

Timeline



*Subject to Board approval, but no later than 2050



Our expectations of our suppliers

Based on Roche's commitments to SMI and SBTi, we expect our suppliers to implement the following minimum climate and sustainability targets

focus

By 2025*

Assess & disclose
Scope 1,2 and 3 emissions

Commit to SBTi to set near-term
targets aligned to the 1.5° C pathway

Set targets to **reduce waste, energy**
and **reuse material**

Beyond 2025

Switch to at least **80% renewable power** by 2030

Explore options to source **green heat** by 2030

Commit to **set standards for own suppliers**

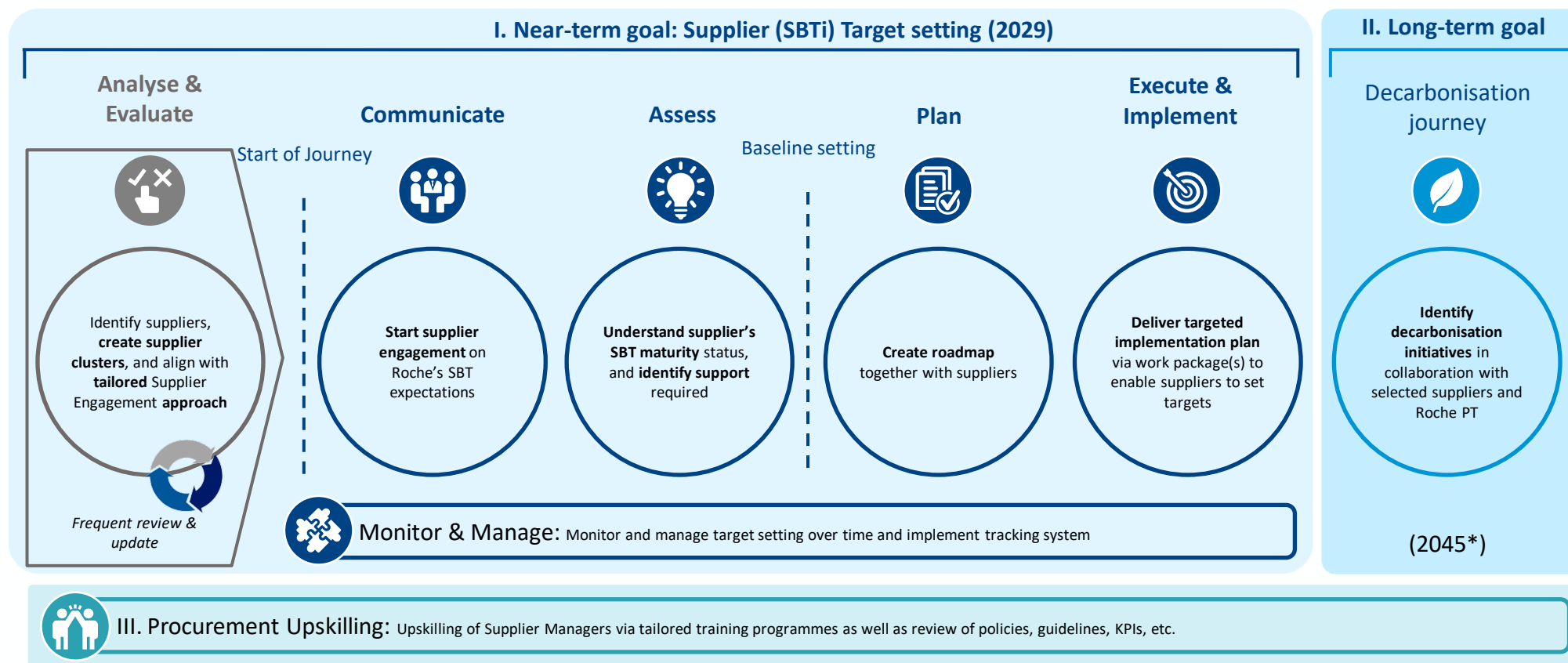
Increase water efficiency and commit
to adopt water stewardship standards

Transport suppliers to include **green transportation solutions**
in their core offering by 2030

Our approach to Supplier Engagement

MVP ongoing, not yet fully operational










Achieving overall Scope 3 reductions in Roche's value chain is challenging, but we can start by engaging suppliers to set science-based targets



Our approach for Supplier Segmentation

MVP ongoing, not yet fully operational

Segmenting the suppliers into clusters enables to create a bespoke engagement and approach

		 Proc. Upskilling	 Communicate	 Assess	 Plan	 Execute & Implement	 Monitor & Manage	Level of engagement needed per supplier
<div> <div>Importance</div> <div>+</div> <div>Importance</div> </div> <div> <div>High SBT Maturity</div> <div>Low SBT Maturity</div> </div>	Monitor (non-critical) 	Standard sustainability and specific supplier engagement training	Mass communication	-	-	-	Via automatic tools and/or reporting templates	
	Lighthouse (on the way, spot support) 		Tailored individual communication	Direct supplier exchange / workshop	Light-touch engagement	-		
	Basic engagement (activate) 		Mass communication, Webinar, and Q&A	Through a checklist	Self-guided; or individual planning if required by supplier	Self-guided through resources & tools		
	Active partnership (critical, partner to pioneer) 		Tailored individual communication	Direct supplier exchange / workshop	Via direct supplier exchange / workshops	Advisory support to hands-on delivery		
Targets set		Decarbonisation focused training	Part of Roche's decarbonization journey					
Total								

   Low -- high priority clusters to address based on matrix assessment



Our support offering to our suppliers

MVP ongoing, not yet fully operational

Roche's Sustainability Supplier Engagement programme aims to provide support to suppliers in setting and achieving decarbonisation objectives



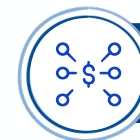
Scope 3 emissions calculator

We have created an excel sheet that applies the same methodology as we have applied in Roche to help a supplier estimate their scope 1, 2 and the most significant scope 3 emissions. **Free**



Access to renewables

Roche is funding access to Energize, which is a platform for companies to find out more about the renewables market and how to access them. **Free**



SBT as a Service

We are partnering with a consultancy to develop a solution for our suppliers that will guide them from baselining to target submission and validation via SBTi. **Cost**



Capability building

Various capability materials compiled by Roche for suppliers, including sharing how we have been driving carbon reduction in our own operations for the last 20 years. **Free**



Target preparation

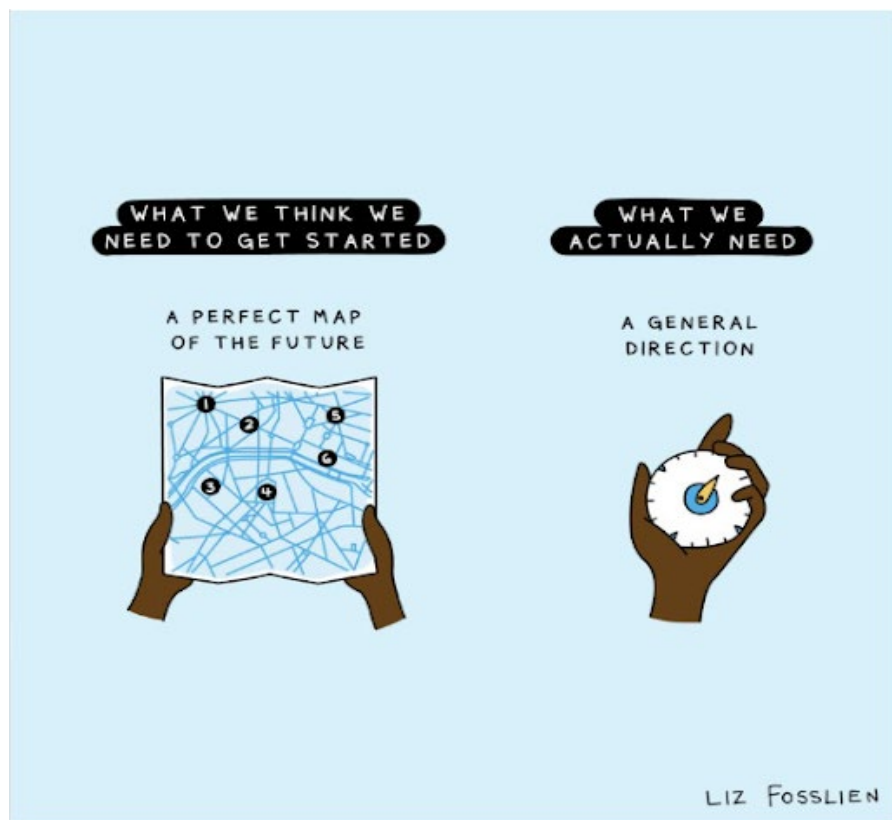
SBTi guidance broken down into simple steps to support suppliers in preparing to set SBTs and submit these to SBTi. **Free**



Help to identify projects

Using our carbon dashboard to identify carbon hotspots in a supplier's service offering to Roche. This can help focus the discussion on reduction projects. **Free**

Challenges... and how to address them



Challenge	Mitigation
Massive Supplier base (>60'000)	Focus - Emissions dictate who to focus on
Diverse Sustainability Maturity of Supplier Base	Cluster - Can't reach out to all with the same approach and at the same time
Ambition target year is far away (2029, 2045)	Annual targets - set short term targets that are more tangible.
Conflicting Priorities	Business Case - Sustainability as a impactful side effect and add-on
Who is actually doing it	Collaboration - GP Sust Team together with Supplier Managers
Perceived as too ambitious	Collective actions - Same expectations as our peers (SMI, PSCI) for shared suppliers



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Thank You



Partnerships for sustainability

We are participating in industry-wide sustainability initiatives together with peer companies to drive collective action



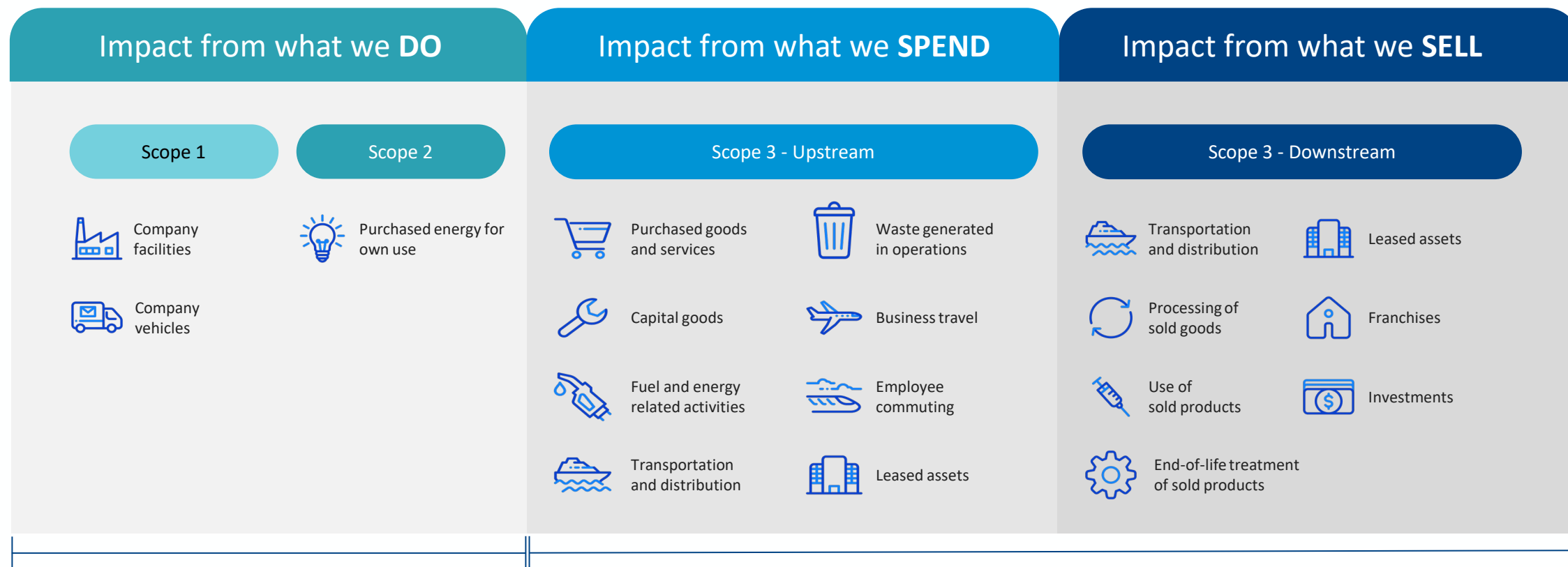
Key take away points

- Our commitment to these places expectations on both how we manage our direct impacts but also, how we cascade requirements down the supply chain.
- We are embedding these into *what* we buy, *how* we buy and *who* we buy from, adapting our procurement and supplier management processes and expectations; increased expectations around carbon accounting, management and reduction are being rolled out across high carbon impact areas of spend and suppliers.
- Industry-wide collaboration drives consistency and standardisation of expectations on sustainability to suppliers and supply chain partners.



Accounting for our corporate carbon emissions

Explaining Scope 1, 2 and 3: the majority of Roche's emissions are due to indirect activities



Emissions from Roche operations

Over 90% of Roche impact is in our value chain