2009 Corporate Sustainability Update

Genentech
A Member of the Roche Group

UPDATE ON OUR SUSTAINABILITY PROGRESS

In 2009, Genentech implemented a variety of projects that delivered improved energy efficiency, water conservation and waste-to-landfill diversion rates. We strengthened our governance and data management activities and set new goals in order to position ourselves for further improvements in our environmental sustainability and health, safety and wellness performance.

In 2009, Genentech also became a member of the Roche Group. Roche and Genentech are both committed to environmental sustainability and health and safety as core business priorities. Roche is recognized as a leader within the pharmaceutical sector on sustainability issues, having been named the 2009 supersector leader in the Dow Jones Sustainability Index. In 2005 Genentech was the first bio-pharmaceutical company to join the California Climate Action Registry and to publish environmental sustainability goals.

"At Genentech, we take immense pride in being a great place to work, as evidenced by our inclusion on the FORTUNE 'Best Companies to Work For' list for 12 consecutive years. I believe that our corporate commitment to environmental sustainability and to health, safety and wellness contributes significantly to making Genentech a unique and special place to work."

– **IAN CLARK**, CEO, GENENTECH

As with any merger, there are inevitable integration activities underway. In light of the associated transition, we have decided to provide an update on our 2009 environmental sustainability and health and safety activities, in lieu of a full Sustainability Report. The update includes annual performance trends on a range of metrics; information about organizational changes as they relate to environmental sustainability and health and safety governance; goals and reporting; and examples of initiatives implemented during 2009 and planned for 2010. In addition to this update, the Roche 2009 Annual Report (http://www.roche.com/annual_reports.htm) includes information about a range of Genentech sustainability efforts.

OUR PRIORITIES

Genentech has shared priorities with Roche on many environmental sustainability and health and safety issues, including energy use and climate change. We are expanding our climate change programs to more comprehensively address emissions associated with employee travel, including those arising from our sales fleet and other business travel.

There are some issues that are quite specific to Genentech because of our geographic location and biotechnology focus. Water use, for example, is a particular concern for us because biotechnology operations rely on a clean, plentiful supply of water. In addition, our headquarters and most of our bulk production operations are located in California, a state at risk of future water constraints. Another issue that is particularly relevant to our South San Francisco headquarters is employee commuting. A key environmental issue of concern in the San Francisco

Bay Area centers around air emissions from traffic congestion. As a major employer in the region, Genentech is committed to reducing single occupancy vehicle commuting to its headquarters through the expansion of the company's gRide program. gRide is recognized in the Roche Annual Report as an internal best practice in providing employees with alternative, more sustainable commute options to driving alone.

ENSURING EFFECTIVE SUSTAINABILITY GOVERNANCE

We are focused on ensuring that our governance arrangements enable us to effectively collaborate across Genentech to tackle the issues that are particularly relevant to us and to facilitate our full participation in Roche corporate programs.

Governance changes we have made since our last Sustainability Report include accountability for key Safety, Health and Environment (SHE) goals being integrated into the business line management and nomination of Energy Managers as well as SHE Officers at each site. In addition, in early 2010, a new Genentech Sustainability Council was formed to ensure effective collaboration among our sites, to formulate company-wide goals and programs where appropriate, and to support monitoring and reporting of Genentech-wide progress towards key corporate goals.

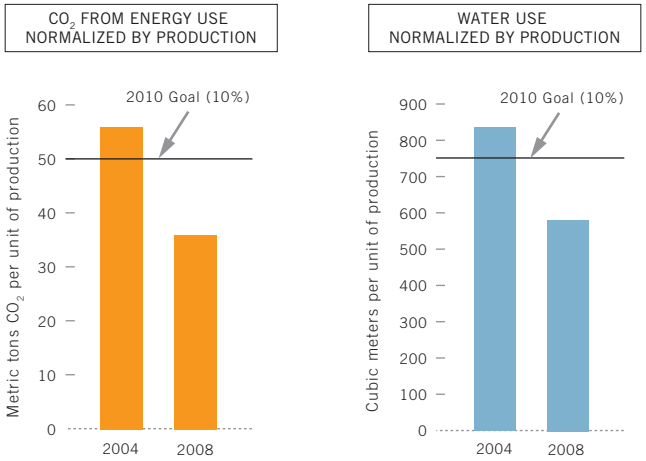
Governance changes have resulted in a shift in the way potential projects at Genentech are evaluated for implementation. When selecting one of several possible alternatives for processes, installations and projects, full environmental impacts must be assessed in the same manner, and with the same priority, as financial, technical and capacity considerations.

As we have described in previous Sustainability Reports, Genentech has a very active employee volunteer organization known as Green Genes, which continues to grow in strength and membership. The management accountabilities, our new Sustainability Council and Green Genes provide top-down as well as grassroots components to the governance structure.

While Genentech continues to be legally incorporated within the United States, we are no longer individually listed on any financial stock exchanges. Consequently, from 2009, Genentech no longer reports separately to the Carbon Disclosure Project or the Dow Jones Sustainability Index and instead contributes to Roche's submissions to these important investor indices. Our new data management solution will support these activities as well as our efforts to improve our sustainability performance. See the inset on this page for more information.

OUR SUSTAINABILITY GOALS

In 2005, Genentech published goals to reduce energy-related CO_2 emissions and water use per unit of production output by 10% by 2010, using a 2004 baseline. Both of these goals were met early, in 2008, with the achievement by that year of a 53% reduction in energy-related CO_2 emissions per unit of production, and a 44% reduction in water use per unit of production, compared with 2004.



Among our Sustainability Council's current priorities is the consideration of new Genentech sustainability goals. The Council is also developing plans for contributing to the Roche Corporate goals shown in the table below.

Energy Efficiency	Improve energy efficiency (as measured by gigajoules per employee) by 10% by 2014 and 20% by 2019, with 2009 as a baseline.
Renewable Energy	Increase the proportion of renewable energy used to 20% by 2020.
Eco-balance[1]	Improve our eco-balance by 15% by 2020, from a 2010 baseline.
Wastewater	Reduce the toxicity of discharged wastewater by 20% by 2020, from a 2015 baseline.
Health and Safety	Reduce the Roche Accident Rate (RAR) to 0.07 and work-related accidents per million working hours to below three by 2015.
Training	Achieve an annual average of four hours of SHE training per employee beginning in 2010.

The 2014 energy efficiency goal is a top-level business goal, which means that accountabilities for meeting the goal are being integrated into Genentech's line management structure.

The Sustainability Council will provide a forum for the Genentech sites to share best practices so that we can collectively work toward and monitor our progress toward relevant goals.

[1] Ecobalance is a method for calculating a company's environmental footprint developed by the Swiss Agency for the Environment (BAFU). It reflects resource use as well as emissions and waste.

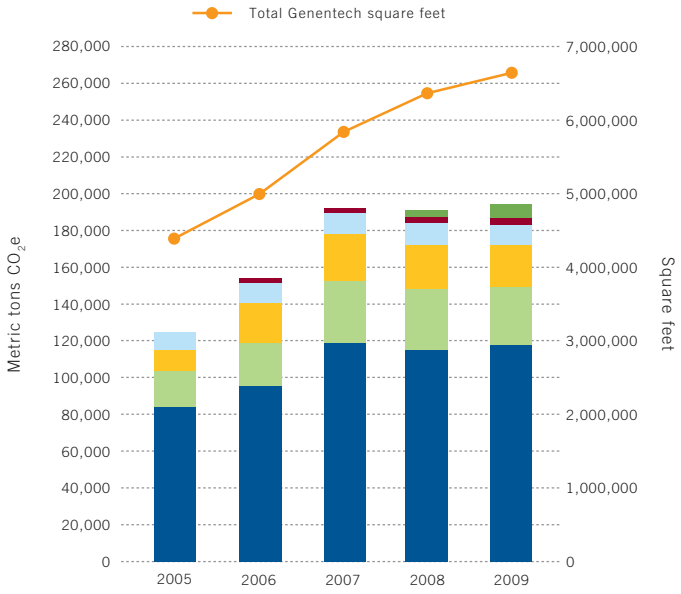
Enhanced Data Management and Reporting

During 2009, we identified the need for a better solution for managing our sustainability data in support of continued accurate reporting and informed decisionmaking toward improved performance. Late in the year we purchased an automated sustainability data management system that, once fully implemented, will provide significant support to our sustainability program and free up valuable time that was previously focused on data management so that we may focus on improving our performance. We are rolling out the solution across Genentech during 2010 and anticipate that this will assist each site and Genentech overall to better track, forecast and manage energy efficiency, greenhouse gas emissions and other sustainability metrics.

OUR 2009 PERFORMANCE AND 2010 PLANS

Managing Our Greenhouse Gas Emissions

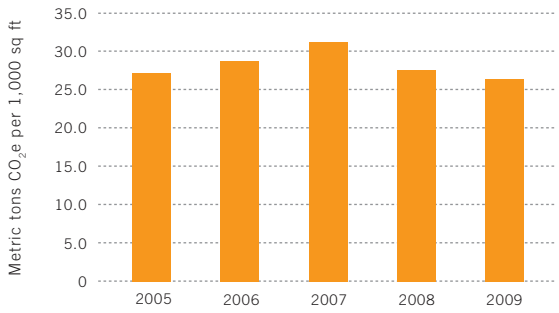
SCOPE 1 AND 2 GREENHOUSE GAS (GHG) EMISSIONS



	2005	2006	2007	2008	2009
Hillsboro	–	–	–	3,426	8,914
Louisville	–	2,199	2,348	3,604	3,541
Sales Fleet	9,362	10,925	11,751	11,931	11,018
Oceanside	10,762	21,422	25,256	23,493	22,919
Vacaville	19,925	23,780	33,683	33,450	31,337
S. San Francisco	83,849	94,995	118,737	114,389	117,432
Total	**123,898**	**153,321**	**191,775**	**190,293**	**195,161**

The graphs on this page include all greenhouse gas (GHG) emission sources included in the scope of our U.S. EPA Climate Leaders goal. In addition to previously reported GHG emissions from energy used in our owned buildings, we now report, back to 2005, energy use from leased buildings; road travel emissions from our sales fleet and onsite vehicles; fugitive emissions of hydrofluorocarbon (HFC) gases used as refrigerants and fire suppressants; and gases used in our processes. Together, these sources comprise our total scope 1 (direct) emissions and scope 2 (indirect from purchased energy) emissions.

SCOPE 1 AND 2 GHG PER 1,000 SQUARE FEET



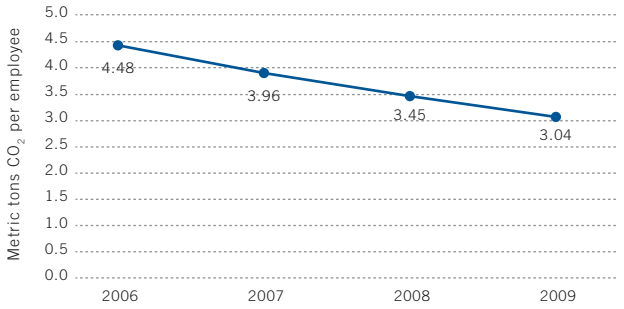
During 2009, our Louisville, Oceanside and Vacaville sites all achieved reductions in GHG emissions from energy use compared to 2008 thanks to ongoing energy efficiency efforts. The Genentech sales fleet also achieved a small reduction in road travel GHG emissions between 2008 and 2009. The slight increase in total company scope 1 and 2 emissions during 2009 was due to our newly operational Hillsboro facility using energy throughout 2009 (whereas it only used energy for part of 2008) and new buildings coming on line at our South San Francisco site. As the graph above shows, when our company-wide energy derived GHG emissions are normalized on a per square foot basis, we achieved a 5% improvement in energy efficiency between 2008 and 2009.

U.S. EPA Climate Leaders

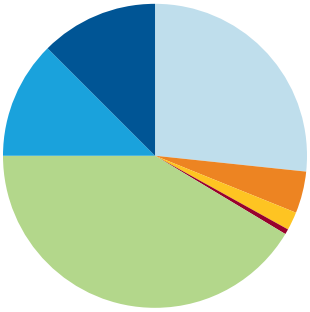
The U.S. affiliates of Roche participate in the U.S. Environmental Protection Agency's Climate Leaders program and, during 2009, Roche became the first company to have achieved two Climate Leaders greenhouse gas (GHG) reduction goals and to set a third. GHG emissions from Genentech's U.S. activities, including energy, road travel, hydrofluorocarbon (HFC) refrigerant and process gas use, have now been included in the Roche data reported to the EPA, back to 2008, which will form the baseline for the new absolute Climate Leaders reduction goal of 13% by 2013, and Genentech will fully participate in this goal. In light of our participation in the Climate Leaders program, we have decided not to continue to separately report to The Climate Registry (which has replaced the California Climate Action Registry for voluntary reporting of GHG emissions).

We also separately track emissions from the commute activities of our South San Francisco employees and company-wide business air travel as two important scope 3 (indirect) emission sources. Genentech's gRide program continues to deliver good results in reducing the GHG emissions from employee commuting to the South San Francisco facility, through increased ridership on our fleet of biodiesel "Genenbuses." In 2009, we saw a 12% improvement in CO_2 per employee compared to 2008 as the graph below shows.

EMPLOYEE COMMUTE IN SOUTH SAN FRANCISCO
CO_2 PER EMPLOYEE



Onsite energy use is the largest source of Genentech's GHG emissions, as shown in the pie chart below, and we continue to prioritize our reduction efforts in this area. We anticipate that the implementation of plans being developed by each of our sites will enable us to see a significant reduction in company-wide energy-derived GHG emissions between 2009 and 2014. In addition, the newly formed Genentech Sustainability Council is currently developing plans for reducing future travel related fuel use and associated GHG emissions.



2009 TOTAL GHG EMISSIONS

Scope 1	
natural gas	26.6%
vehicle fleet	4.4%
fugitive and process emissions	2.1%
diesel in generators	0.6%
Scope 2	
electricity	41.3%
Scope 3	
business air travel	12.5%
employee commute (SSF only)	12.6%

Greenhouse gas reduction projects implemented or initiated during 2009 include:

Energy Efficiency
Each Genentech site identified an energy champion in 2009 and began working on a comprehensive energy conservation plan to include low-hanging fruit as well as longer-term capital projects. Some of the projects identified through the planning process, such as relamping at Vacaville, have already been implemented.

Expanded Video Conferencing
We installed upgraded video conferencing systems at all Genentech sites. These include telepresence systems aimed specifically at reducing air travel between Genentech and Roche sites.

Employee Commute
The bus routes in Genentech's gRide commute program continued to grow in number. Employees now have an easier time finding schedules and logging their trips with a new gRide iPhone application.

Reducing HFC Emissions
A new building in South San Francisco that is currently under construction has been designed to use chillers that do not rely on the use of refrigerants that contribute to either ozone depletion or global warming.

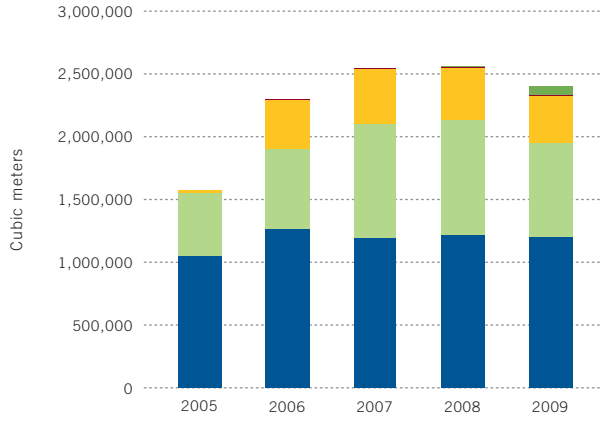
During 2010, we will be adding further details to our plans to reduce greenhouse gas emissions to meet our Climate Leaders goal and to improve energy efficiency at all of our sites.

Projects planned for 2010 include:

- Energy audits at all Genentech sites to generate a list of detailed recommendations for improving local energy efficiency
- Several energy saving initiatives at our data center, including the use of free cooling (outside air), switching to more efficient UPS systems, and isolating hot and cold aisles
- Replacement or upgrades of inefficient hot water boilers at the South San Francisco facility
- Implementation of setbacks on air conditioning and lighting during evening and weekend hours
- Employee awareness campaigns to support our energy efficiency efforts
- A new bike share program in South San Francisco to provide an intra-campus travel option that will augment our shuttles by allowing employees to travel between buildings on their own schedule and pace
- A new car share program that will provide eight to ten vehicles to allow employees who commute to work without their cars to attend offsite business meetings and lunches

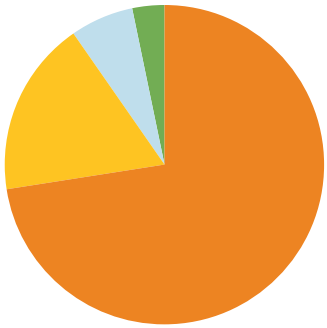
Conserving Water Resources

WATER USE



	2005	2006	2007	2008	2009
Hillsboro	–	–	–	5,550	62,815
Louisville	–	3,679	5,345	4,558	3,334
Oceanside	22,398	391,094	439,255	419,519	371,877
Vacaville	491,630	629,880	906,973	908,279	751,661
S. San Francisco	1,053,883	1,268,821	1,192,624	1,219,579	1,302,895
Total	**1,567,911**	**2,293,474**	**2,544,197**	**2,557,485**	**2,492,582**

As the graph above shows, we reduced total water use during 2009. Water is an important resource for many of our activities, particularly manufacturing and laboratory operations. Ensuring a clean research and manufacturing environment is critical to being able to safely develop and produce our therapies. The cleaning of tanks and other equipment is one of the most significant uses of water at our facilities. Water is also a key input to the production of cell growth media and purification buffers for the manufacture of our products. Overall, manufacturing, including production fill and packaging activities, is responsible for over 70% of our total water use.



WATER USE BY TYPE

production	73%
research and development	18%
administration	6%
irrigation	3%

Reducing water used in our production activities is the focus of a number of projects underway in 2010, as well as our efforts to set a new goal for water conservation. This is an important priority for Genentech, not least because of the location of our major facilities in the water-constrained state of California, but also because of the relatively high water use of our biotherapeutic production activities, when compared with other types of pharmaceutical production activities.

Water conservation projects implemented or initiated during 2009 include:

Reducing Irrigation Water Use
Our Vacaville site has reduced irrigation water use by 82% by strategically replacing some grass with drought-resistant landscaping. Our Oceanside facility has also reduced irrigation water needs through the replacement of lawns with artificial turf.

Process Water Efficiencies
Our Oceanside facility reduced process water use by 34% through projects to optimize Clean in Place methods and to use reclaimed water in boilers.

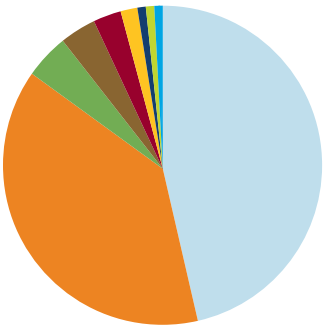
Water-Efficient Sanitation Uses
Our South San Francisco and Oceanside sites both installed water-efficient faucets and aerators throughout their campuses to reduce water used in bathroom facilities.

Closed Loop Cooling
511,000 gallons of water per year were saved in the South San Francisco pilot plant by replacing water-cooled bioreactors with a closed-loop glycol system.

We anticipate that planned organizational changes will lead to further water use reductions in the coming years. Water conservation projects planned for 2010 include:

- Water assessments to better understand our water balance
- Installation of additional water meters as needed to identify opportunities for saving water
- Reclamation of reverse osmosis reject water for use in cooling tower make-up

Waste Management



DIVERTED NON-HAZARDOUS WASTE (tons)	
food-related waste composted	3,135
cardboard and paper	2,604
plastic	292
bottles and cans	240
green yard waste composted	190
wood	113
grease recovery	62
lab glass	51
other	38

Our efforts to increase the diversion of non-regulated waste from landfill have been paying off with substantial improvements in diversion rate since 2005. Between 2005 and 2009, our diversion rate increased from 32% to 47%. Just under half of the 2009 diverted waste was composted while the remainder was recycled. All of our facilities are focused on further improving their diversion rates during 2010.

We recognize that diverting waste from landfill disposal is only part of the story. Reducing the amount of waste we produce in the first place is an important priority. As Genentech has grown, our data indicate that so too has the total amount of waste produced by our facilities. This is in part due to a trend towards more comprehensive reporting over time, so that more waste streams are captured in our 2009 data than in data for earlier years. However, it is also reflective of an absolute increase in the total waste we produce, albeit mainly in the form of diverted waste.

During 2010, we are establishing a program to reduce the amount of waste we produce. This program will build on some of the initiatives implemented during 2009 and will include a waste assessment by a third party of our South San Francisco site, which is responsible for producing 75% of the company's total waste.

Wastes that are regulated due to their hazardous properties comprise only 20% of our total waste, and only a small fraction of our total regulated waste is considered hazardous under U.S. federal legislation, reflecting the relatively low use of harmful chemical compounds in biotherapeutics manufacturing when compared with other forms of pharmaceutical manufacturing. However, any reductions made should be considered in the context of the more hazardous properties of regulated waste when compared with non-regulated wastes.

By far, the majority of our regulated waste (over 80%) is comprised of a waste stream produced from our use of tetramethylammonium chloride (TMAC) as a buffer in our purification process. The waste stream is considered hazardous in the state of California and is shipped offsite for specialized wastewater treatment. During 2009, we reduced the amount of TMAC waste generated when compared with previous years. We continue to work towards further reducing and, in the longer term, potentially eliminating the bulk production of this waste stream altogether.

Waste management projects implemented or initiated during 2009:

DISPOSABLE WATER BOTTLE REDUCTION

Distribution of reusable bottles to all employees was continued in 2009 by providing them to new hires during orientation. Water bottle bowling at eco fairs provided an opportunity to remind employees to use their reusable bottles. Disposable bottle purchases decreased by nearly 30% in 2009, compared with 2008.

EXPANSION OF COMPOSTING

Food waste composting was expanded to the Vacaville site in 2009. Signage was upgraded in South San Francisco with photographs of compostables, recyclables and landfill items to remind employees how to correctly dispose of their items. New compostable hot cup lids were added to the cafeterias to further reduce the waste going to landfill.

PAPER USE

Over the past three years there has been a steady trend of reduced paper use at Genentech thanks to increased awareness about double-sided printing and paperless solutions. In 2009, paper use decreased by 20% per employee, compared with 2008.

MEDICAL WASTE REPURPOSING

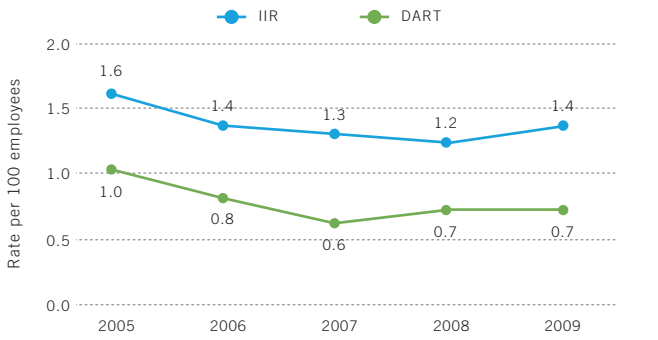
Genentech's nurse hotline is now providing patients who use the Nutropin® (somatropin [rDNA origin] for injection) product with a mailback system to enable their medical waste, including injection devices to be safely "repurposed" into building materials.

Waste projects planned for 2010 include:

- Collection of Styrofoam from around the South San Francisco site for recycling
- Reduction in the amount of disposable items used in our employee catering services
- Improvement in signage used to educate employees about how they can help to increase our recycling and composting rates
- Improvement in our inventory processes to reduce the incidence of expired and/or excess raw materials requiring disposal

Health, Safety and Wellness

GENENTECH IIR AND DART



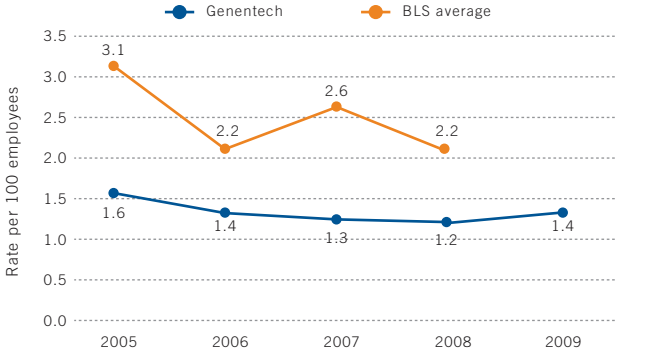
In 2009, Genentech saw a slight increase in the number of reported injuries and illnesses. This increase can be attributed to several factors, including an increase in reported incidents from our contract workers; an increase in reported allergen exposure due to our proactive awareness initiatives in the research functions; and an increase in chemical exposures, due primarily to a hazardous chemical release from a neighboring business that impacted Genentech employees.

While ergonomic injuries represented 54% of reported incidents in 2009, there were 8% fewer ergonomic injuries than in the previous year. This decrease is partly attributable to a successful, ongoing employee training and self-assessment program which evaluates office equipment set-up and work practices to identify potential ergonomic risks. Our health, safety and wellness programs mitigate these risks and are available to our employees via resources like our corporate intranet, ergonomic showrooms, informational seminars and health-awareness events.

In 2009, Genentech's DART remained flat from 2008. DART is the rate of injury or illness cases that result in employees missing one or more days of work (lost time), or working at less than full potential (restricted time). DART is useful in assessing the severity of those injuries and illnesses so that risk mitigation measures can be effectively prioritized.

Genentech's Injury/Illness Incident Rate (IIR) falls well below that of similar businesses according to the Bureau of Labor Statistics (BLS). The IIR is a nationally recognized metric indicating the number of injury or illness cases per 100 employees requiring medical attention beyond first aid. We believe that our many health, safety and wellness programs help contribute to our position as an industry leader in safety performance.

BENCHMARKING GENENTECH INJURY/ILLNESS INCIDENT RATE



Health, safety and wellness projects implemented or initiated during 2009:

Pandemic Preparedness
In the wake of the 2009 H1N1 outbreak, employees were provided with pandemic education and an opportunity to obtain the antiviral medication, Tamiflu® (oseltamivir phosphate) for their personal pandemic preparedness supplies. Approximately 85% of employees completed the education and 75% participated in the Tamiflu program.

gLife Health Awareness Series
In addition to the monthly feature article, several health activities were offered onsite to enhance employee awareness of the selected health topic. Such activities included a seminar on ways to manage a busy life, medical screenings and an expanded seasonal flu vaccination campaign to include each neighborhood on campus.

Nutritional Labeling
In our cafeterias, we prepare healthy meals using high-quality ingredients, organic fruits and vegetables, and hormone- and antibiotic-free meats. In 2009, we introduced nutritional labeling which allows our employees to make dietary choices suitable for personal health interests and goals. Since rolling out this program, we've noted a 15-20% increase in salad bar usage.

Research Allergen Awareness Program
This program provides training and medical screening to help employees working in certain areas minimize their exposure to allergens and to identify those employees requiring additional protection and early intervention to prevent illness.

In 2010, we will continue our focus on preventing injuries and illnesses through several new and expanded initiatives. Projects planned for 2010 include:

- A partnership with our primary workforce supplier, in which we will play an advisory role to ensure that our contract staff receive quality medical care for work-related injuries and illnesses
- Expansion of the role of our ergonomic advocates at the South San Francisco site, to improve efforts to identify and reduce ergonomic risks before an injury occurs
- A new outreach campaign that focuses on the workplace safety and health issues of the mobile employee.
- Expansion of the Employee Donation program to provide researchers with not only 'just-in-time' blood products, but also with a library of DNA samples from which they will be able to select blood donors tailored to their specific studies.

2005-2009 Performance Data

The table below provides five-year data for our environmental sustainability and health and safety metrics. For explanatory notes on our data, please see the separate Data Notes document at http://www.gene.com/gene/about/environmental.

	Units	2005	2006	2007	2008	2009
Energy Use	1000 GJ					
Stationary Combustion		796	1,030	1,285	1,355	1,396
Purchased Electricity		719	869	1,017	1,119	1,148
Total Energy Use		**1,515**	**1,899**	**2,302**	**2,474**	**2,544**
Scope 1 and 2 GHG Emissions	Metric tons CO_2e					
Stationary Combustion		40,083	51,910	65,137	68,557	70,800
Purchased Electricity		73,213	89,246	113,896	104,076	107,480
Mobile Combustion		9,531	11,095	11,865	12,098	11,185
Emissions from HFC Gases		–	–	–	4,383	4,516
Process Gases		1,071	1,071	877	1,179	1,179
Total Scope 1 and 2 GHG Emissions		**123,899**	**153,321**	**191,775**	**190,630**	**195,238**
Scope 3 GHG Emissions	Metric tons CO_2e					
Business Travel (Air)		**16,271**	**18,751**	**20,584**	**28,160**	**32,470**
Employee Commuting (SSF only)		**–**	**42,123**	**39,488**	**33,415**	**32,802**
Non-GHG Emissions to Air	Metric tons					
Volatile Organic Compounds (VOCs)		**19**	**21**	**22**	**23**	**30**
Ozone Depleting Substances (R11 equivalents)		**–**	**–**	**–**	**0.10**	**0.07**
Total Water Use	Cubic meters	**1,567,911**	**2,293,474**	**2,544,197**	**2,557,485**	**2,492,582**
Hazardous Waste (including U.S.-regulated waste)	Metric tons					
Incineration		336	440	460	472	486
Landfill		110	3,085	75	90	140
Recovery (Recycling)		31	44	41	50	25
Other Recovery		–	–	22	–	13
Other Treatment		1,851	3,165	3,700	3,653	3,150
E-Waste Reuse/Recycling		–	–	172	262	78
Total Hazardous Waste		**2,328**	**6,734**	**4,470**	**4,527**	**3,892**
Non-Hazardous Waste	Metric tons					
Incineration		–	–	6	17	79
Landfill		3,089	3,583	5,949	6,791	7,436
Recovery (Recycling)		1,454	3,024	2,645	2,374	3,339
Other Recovery (e.g., Composting)		–	–	2,473	3,053	3,386
Total Non-Hazardous Waste		**4,543**	**6,607**	**11,073**	**12,235**	**14,240**
Recovery Rate (non-hazardous waste)	%	**32**	**46**	**46**	**45**	**47**
Safety Metrics						
Injury/Illness Incident Rate		**1.6**	**1.4**	**1.3**	**1.3**	**1.4**
Days Away/Restricted Time Rate		**1.0**	**0.8**	**0.6**	**0.7**	**0.7**