

## Roche Position<sup>1</sup> on Pricing

### Background

At Roche, our primary contribution to society is to invent and develop medicines and diagnostics that significantly improve people's lives, and we recognise that pricing of medicines and diagnostics is a very important subject. **Our aim is for every person who needs our products to be able to access and benefit from them.**

### Expectations of Stakeholders

We understand that we have a responsibility to all our stakeholders and we also understand that healthcare systems are facing a number of challenges with increased demands and rising costs on already strained budgets. We work with many different partners to help to find solutions that will make sense for all of us.

We also need to fulfil our obligations to our shareholders and ensure a revenue stream that enables us **to continue to invest in the vital innovation** required to meet unmet patient and health system needs in the future.

### Roche Position

Roche follows a **value-based pricing approach**. The prices of our products reflect the benefits they deliver to patients, their families, payers and societies, as well as the costs required to sustain innovation and to continue to meet patient needs into the future. When setting prices of individual medicines, for example, we consider a number of factors including the clinical benefit relative to available alternatives, the level of medical need addressed, the competitive situation in the market and the ability of healthcare systems and individuals to afford our products.

We believe **value has many components** – in addition to direct healthcare costs and patient outcomes, this includes benefits to caregivers and society, as well as improvements in efficiency of healthcare delivery, avoiding unnecessary treatments and procedures, and improving drug administration and compliance in treatment.

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<sup>1</sup> Pertains to SDG 3

We recognise that there are differing healthcare needs and affordability challenges in developing countries, as well as people in developed markets who do not have access to health coverage or private insurance. This is why Roche is actively working with payers and governments to develop flexible pricing solutions, such as **Personalised Reimbursement Models** and **International Differential Pricing** that can facilitate public reimbursement, as well as patient assistance programmes to help patients afford treatment.

Our approach to the pricing of our products **allows us to continue to invest in research and development of innovative diagnostics and medicines** which will transform patients' lives, whilst maintaining financially sustainable healthcare systems.

*This updated position paper was proposed by the Corporate Sustainability Committee and adopted by the Corporate Executive Committee on June 19, 2013 and entered into force the same day.*

*It was reviewed in April 2017.*