

Roche Holding AG

DRG Pharmaceuticals

Member of DJSI World, DJSI Europe

Company Information

Country	Switzerland
Market cap (USD million)*	179,921

*Source: S&P Global BMI, 31 July 2016

Company Description

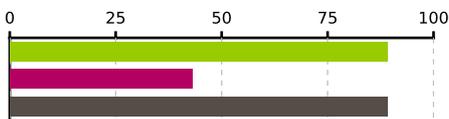
Headquartered in Switzerland, Roche Holding AG is the world's largest biopharmaceutical company and leads in biotech, with 17 biopharmaceuticals on the market. The company's business is divided into two parts: Diagnostics and Pharmaceuticals. The latter represents 77.5% of sales, and includes US biotech company Genentech, and Tokyo-based pharma firm Chugai. The Diagnostics segment, where Roche is world leader in in-vitro diagnostics, is comprised of Professional Diagnostics, Diabetes Care, Molecular Diagnostics and Tissue Diagnostics. The pharmaceutical division includes Immunology, Ophthalmology, Infectious diseases, Neuroscience and most importantly, Oncology, where Roche is a leading company. The company is also a frontrunner in personalized healthcare, bringing targeted treatments to patients with its combined strength in pharma and diagnostics. In 2015, Roche generated CHF 48.1 billion in sales. In the same year, sales have increased by 5% in the US and Japan, while the diagnostics division grew by 15% in Asia-Pacific and 11% in Latin America. Roche employs over 91,000 people in more than 100 countries.

Industry Drivers

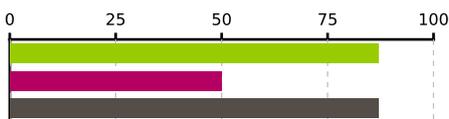
The pharmaceutical industry relies on human capital and innovation management for the continuous development of novel drugs. Following years of patent expirations and falling R&D productivity, industry leaders have improved R&D productivity by re-focusing their efforts, divesting non-core assets and acquiring complementary technologies. Through these transitions, those with superior efforts to attract, develop and retain talent are best positioned to outperform. In addition, payers are increasingly evaluating comparative-effectiveness and costs/benefits to determine pricing and reimbursement. Resource-constrained governments are seeking to slow the rise in health care costs, and public criticism of drug pricing has increased. Companies must therefore demonstrate the value of their products, develop programs to increase access globally, and ensure their pricing practices are sustainable. Finally, increased regulatory oversight together with heightened media scrutiny as a result of the explosion of social media has the potential of dramatically increasing liabilities related to legal and safety issues.

Sustainability Scores

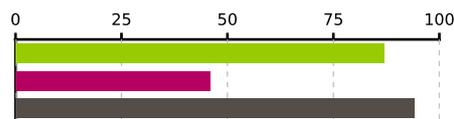
Total Scores



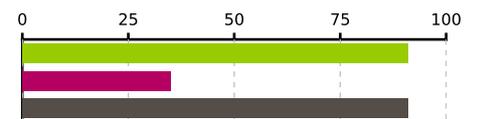
Economic Dimension



Environmental Dimension



Social Dimension

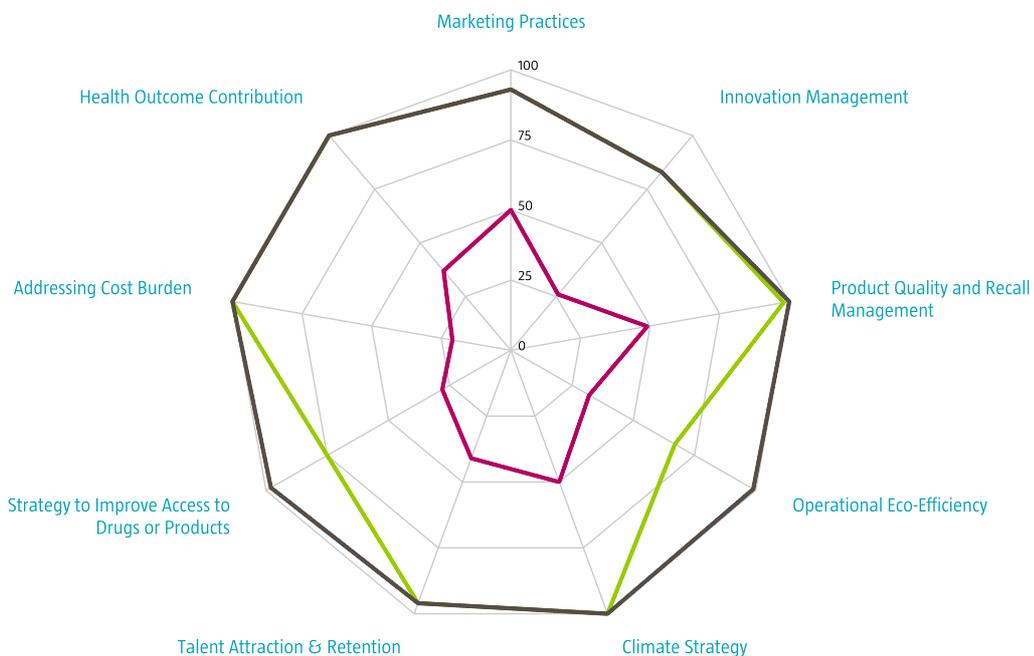


■ Industry best score ■ Industry average score ■ Roche Holding AG

Sustainability Performance

Roche has maintained its leadership in the pharmaceuticals sector through its excellent sustainability strategy, which is fully embedded in the company's business and culture. By placing focus on access to healthcare, compliance and transparency, diverse work culture and collaborating with diverse partners, Roche is committed to creating value for all of its stakeholders. Roche has forged over 200 partnerships with institutions, academia and partner companies, which help Roche make considerable strides towards furthering access to healthcare. Roche is committed to working with partners at the local level in order to overcome barriers and improve access to tests and medicines for all. Roche is also running multiple initiatives, such as a partnership with the Côte d'Ivoire Ministry of Health to improve access to tests and innovative medicines. Within its organization, Roche fosters a strong leadership culture offering global programs such as Leaders@Roche and People@Roche, and the company is innovative in combining leadership development with industry-leading social impact programs.

Company Performance for Selected Criteria



■ Industry best score
 ■ Industry average score
 ■ Roche Holding AG

For information on assessment criteria, visit www.robecosam.com/csa

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