

Roche Holding AG

DRG Pharmaceuticals

Member of DJSI World, DJSI Europe

Company Information

Country	Switzerland
Market cap (USD million)*	178,326

*Source: S&P Global BMI, 31 July 2017

Company Description

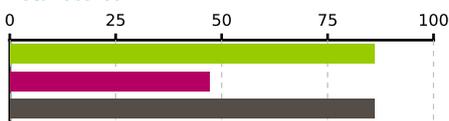
Headquartered in Switzerland, Roche Holding AG is the world's largest biopharmaceutical company and leads in biotech, with 17 biopharmaceuticals on the market. The company's business is divided into two parts: Diagnostics and Pharmaceuticals. The latter represents 77.2% of sales, and includes US biotech company Genentech, and Tokyo-based pharma firm Chugai. The Diagnostics segment, where Roche is world leader of in vitro diagnostics, is also 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 kept its leading position. The company is a frontrunner in personalized healthcare, bringing targeted treatments to patients with its combined strength in pharma and diagnostics. Roche employs over 94,000 people in more than 100 countries. In 2016, Roche generated over CHF 50.6 billion in sales, and forged more than 100 new R&D partnerships.

Industry Drivers

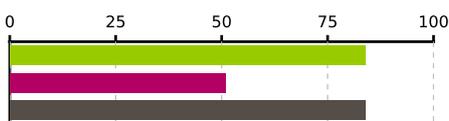
Pharmaceutical companies continue to face scrutiny related to pricing and reimbursement of their products as resource-constrained governments seek to slow the rise in health care costs. Moreover, public criticism of drug pricing practices is widespread and continues to remain an important issue on the political agenda. Companies are increasingly under pressure to demonstrate the value of their products and ensure their pricing practices are sustainable. Access to treatment for disadvantaged populations is also an important issue for the industry, with the focus on developed and emerging markets alike. The pharmaceutical industry relies heavily on human capital for innovation and the continuous development of novel medicines. The industry is characterized by the extensive capital invested in R&D efforts as well as the high risk of failure in product development. For this reason, attracting and retaining the most talented researchers/scientists as well as the management of their intellectual property are key success factors in product development. Finally, business ethics, competitive practices, and product quality & safety remain important aspects contributing to the pharma sector's license to operate. Violations have the potential of causing significant reputational and financial damage, the impact of which has grown with the speed of information flow from social media and increased regulatory oversight.

Sustainability Scores

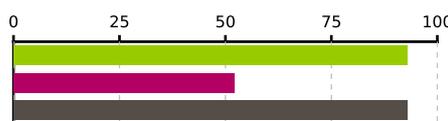
Total Scores



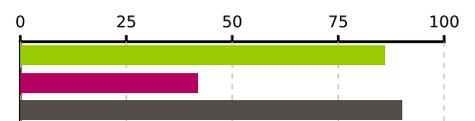
Economic Dimension



Environmental Dimension



Social Dimension



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

Sustainability Performance

Roche maintained its leadership in the pharmaceuticals sector through its excellent sustainability strategy, deeply embedded in the company's business and culture. By placing focus on access to healthcare, compliance and transparency, diverse work culture and collaborating with multiple partners, Roche is committed to creating value for all of its stakeholders. Solid human capital development through global programs such as Leaders@Roche and People@Roche, conscientious supply chain management, and the company's ability to measure and value their social and environmental impacts have contributed to their strong performance. 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. In 2016, Roche signed several formal agreements with sub-Saharan countries, including Ghana and Kenya, to improve access to timely and precise diagnostic services and treatments. The company also combines leadership development with social impact through its NJIA program, which targets Roche leaders and Tanzanian healthcare sector leaders.

Company Performance for Selected Criteria



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

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

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