

April 2019

Roche Diabetes Care preparations for Brexit impact on supply chain in the UK

1. Roche Diabetes Care, alongside Roche Products and Roche Diagnostics have been preparing for Brexit since the result of the 2016 referendum was announced. The Roche UK Brexit Taskforce has met monthly since then so as to ensure that we as a business have prepared appropriately.
2. In 2018 we undertook an extensive risk assessment of our UK operations, and implemented specific measures that minimised any impact that Brexit would have on the UK affiliate
3. Alongside that, we have been participating in the Medicines Supply Contingency Planning Programme, run by the Department of Health and Social Care, to ensure that UK patients have continued access to our products
4. As a result, we will have at least six weeks worth of stock in addition to our standard operational stocks across all of our products in time for when the UK is expected to leave the EU at the end of March. This is in line with the level of stock requested by DHSC.

Roche in the UK has been preparing detailed contingency plans for a No Deal Brexit. Our goal, regardless of the current uncertainty, is to mitigate any potential disruption to our UK operations, including maintaining our strong supply chain. Every measure we have taken has been to ensure as much as possible that patients continue to access our products.

For our supply chain, we have determined the level of inventory that is required on an individual product basis, taking into account Government's recommendations as appropriate and we are participating in the Medicines Supply Contingency Planning Programme which is being run by the Department of Health and Social Care (DHSC). Consequently, we are planning to have at least six weeks' worth of additional stock for all of our products by the end of March.

We will continue to take all necessary steps to mitigate the risk of disruptions to our UK operations and protect patients as far as possible from any delays or issues as the UK prepares to leave the EU.

Local stockpiling by people with diabetes or healthcare providers is unnecessary and could cause shortages in other areas, which could put patient care at risk. It is important that patients order their repeat prescriptions as normal.

FAQs

How has Roche been preparing for Brexit?

Roche has been preparing for Brexit since the 2016 referendum. The Roche UK Brexit Taskforce has met monthly since then so as to ensure that we as a business have taken appropriate measures. In 2018 we undertook an extensive risk assessment of our UK operations, and implemented specific measures that minimised any impact that Brexit would have on the UK affiliate.

Where are Roche products manufactured?

Roche products are manufactured in different countries across the world but the finished packs are generally packaged in and distributed from Germany. We do not manufacture any products in the UK.

What alternative arrangements will you have in place if there is a “no deal” Brexit?

Currently all of our products are “quality released” in Germany before being transported to the UK from Germany. We currently use Calais-Dover as our main route of importing stock, but in preparation for Brexit we have also assessed alternative ports. We will continue to work with DHSC in ensuring a continued flow of our medical devices into the UK.

Is Roche stockpiling products?

Stock coverage differs by product and is reflective of manufacturing lead-times, supply reliability and demand variability generally. Depending on the need for each product, we normally have between four weeks and six weeks’ worth of stock as a matter of course. We have ordered at least six week's worth of stock in line with DHSC request in readiness for Brexit.

Where is your stock holding currently located?

We use a third party logistics provider and they are based in Bedford.

Is there intention to increase stock holding to compensate for any unforeseen logistic issues and if so, by how much and by when?

Roche prides itself in its supply chain reliability and we already hold significant stocks of our products in the UK as a matter of course. In addition we are bringing in additional stock ahead of Brexit in line with DHSC request, ensuring we have at least six weeks’ worth of stock for every product.

If you do not already, do you have in place, or plan to put in place, UK warehousing?

We have already secured additional storage space to hold the additional Brexit stockpile.

Is Roche going to charge the NHS higher prices for its products to cover the cost of its Brexit planning?

Our goal, regardless of the current uncertainty, is to mitigate any risks that may arise to the supply chain to ensure that patients and customers in the UK and mainland Europe continue to have access to our diagnostics and diabetes management solutions. It is too early to comment on any potential impact of Brexit on our pricing strategy.

What is your position on parallel imports?

Although we are aware parallel importing occurs, Roche does not parallel import.

Could you give a breakdown for staffing numbers at Roche Diabetes Care Limited ?

We employ 150 staff in the UK;

Regarding the stockpiling, what are the standard levels of stock you hold? (how many weeks/months supplies?)

It varies from product to product, but as standard we hold between at least four weeks and up to two months' supply. The variation depends on a number of factors such as shelf-life. As per our statement, we plan to have an additional six weeks' of stock on top of this for all products.

Do you have an estimate of Brexit-related costs?

Whilst we can't share that information, we have publicly stated our commitment to the UK and have provided appropriate resources to minimise Brexit related disruption.

Have any roles in the UK been lost as a result of Roche's preparations for Brexit?

There have been no job losses as a result of our preparations for Brexit.

How will Roche manage issues that arise from a no-deal Brexit?

Much work has been undertaken to identify and mitigate risks that could lead to disruption of critical business operations. However, there are still some unknowns that we face due to the fluid nature of Brexit negotiations. This being the case, the Roche Brexit Taskforce continues to closely monitor the situation, and will ensure any relevant contingency measures required are in place.