

Global Vaccine Differential Pricing Approach

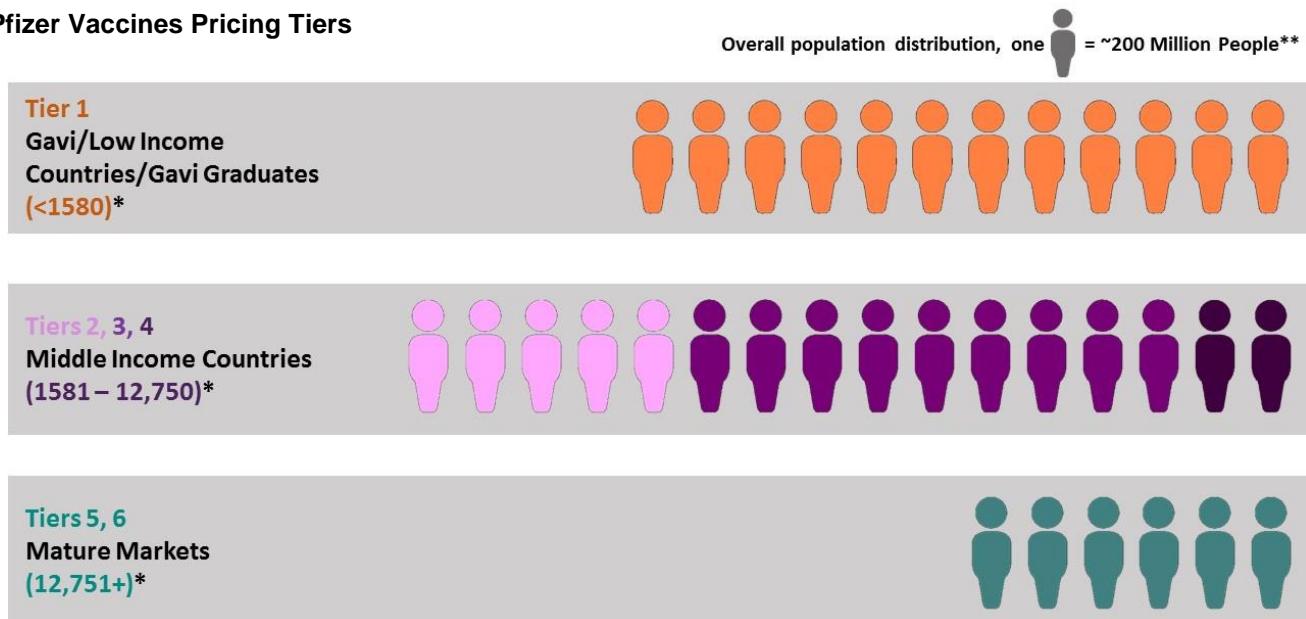
Vaccination has greatly reduced the global burden of infectious diseases, preventing an estimated six million deaths a year.ⁱ Vaccination is not only one of the most effective public health interventions of the 20th Century, it is also one of the most cost effective.ⁱⁱ Beyond health benefits, vaccines have demonstrated a profound effect on a country's overall economic progress. Around the world, for every USD\$1 spent on vaccination, USD\$16 is expected to be saved from 2011 - 2020.ⁱⁱⁱ Even in the United States, a country with an advanced economy and health infrastructure, USD\$10 is saved for every USD\$1 spent.^{iv}

Every person should have access to vaccines no matter where they live. Pfizer therefore works in close collaboration with global partners to help protect as many people as possible through sustainable access to high-quality, safe, and effective vaccines. Effective immunization programs address issues of funding, affordability, quality, infrastructure, and security of supply and ensure the sustained engagement of all key partners.

Global Vaccine Pricing to Ensure Equitable Access

Our Vaccines tiered pricing approach is carefully calibrated to help ensure countries can have access to our vaccines now, and in the future. Countries with the least ability to afford a vaccine pay a lower price in accordance with their government's resources while countries that can afford to pay more are asked do so. The price in higher income countries allows us to support the delivery of vaccines in lower income countries as well as to continue efforts to develop new vaccines.

Pfizer Vaccines Pricing Tiers



*GNI per capita, World Atlas Method (USD\$), April 2016

**Country Populations, World Bank (2014)

For public markets (National Immunization Programs), Pfizer's pricing tiers consider a country's gross national income (GNI) per capita as an estimation of their economic standing, which is the approach used by the World Bank, as well as:

- The impact the vaccine can have in each country in improving health;
- The potential societal benefits of vaccination including contributions vaccination programs may have to a country's economic growth; and
- The extent to which a country has committed to covering the entire birth cohort through its national immunization program.

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Our Commitment to Access at All Economic Levels

The burden of vaccine-preventable diseases is often heaviest in developing countries. We have therefore partnered with Gavi, The Vaccine Alliance, through an Advance Market Commitment (AMC) to provide 740 million doses of Prevenar 13 to infants and young children in the world's poorest countries through 2025.

As the result of economic growth a significant number of countries have now graduated from Gavi programs. Unfortunately, the governments in many of these countries still need more time to establish domestic resources to fully address ongoing high disease burdens. Pfizer has therefore pledged to provide Prevenar 13 to Gavi countries that have recently graduated and that will be graduating at the same price as Gavi countries through 2025.

We also recognize that other, lower middle income countries which are not eligible for the Gavi program face challenges to vaccination. Pfizer is therefore working to identify ways in which we can work with those governments to further refine our pricing and access approach to meet their needs.

Expanding Our Humanitarian Assistance Approach

Pfizer recognizes the critical need in humanitarian emergency situations, and therefore has developed vaccine access solutions.

In 2016, Pfizer established a Prevenar 13 pricing tier of \$3.05 per dose for our multi-dose vial presentation for civil society organizations (CSOs) working in emergency settings that meet internationally recognized definitions. In January 2018, Pfizer has reduced this per dose price to \$2.95. This commitment builds upon Pfizer's longstanding support for humanitarian emergency relief around the world which includes a three part approach of product donations, cash grants and creative access solutions. This new pricing tier was developed based on input from CSO stakeholders that required a commercial procurement pathway in addition to grants and donations. To date, we have signed agreements with several CSO partners under this humanitarian emergency pricing tier, resulting in the delivery of hundreds of thousands of doses of Prevenar 13 in Africa and the Middle East to vaccinate those in unfortunate humanitarian emergency settings.

Pfizer also partners with the International Coordinating Group (comprised of WHO and partners such as UNICEF and MSF) to supply meningococcal vaccines, to respond to disease outbreaks in a rapid and efficient manner.

Partnership is the Key to Success

While the need for vaccines at a discounted price is greatest among lower income countries, tiered pricing can only be successful with the participation of all partners. It relies on each country and partner contributing what they can. This reserves the lowest prices for those with the least ability to pay. If governments from higher income countries do not pay more, this limits Pfizer's ability to deeply discount current vaccines for low income countries, and to develop the next generation of life-saving vaccines.

The United Nations recognizes a critical balance in its Sustainable Development Goals by calling for both access to affordable vaccines, as well as for the continued research and development of vaccines. Vaccination now prevents five premature deaths every minute^v and we have the potential to save even more lives with the development of new vaccines. Pfizer is aligned with the UN's vision for vaccines, and is proud to stand by our partners in our collective journey to achieve this and the Decade of Vaccines' vision to extend the benefits of immunization to all people, regardless of where they live.

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Together, we can reduce the burden of vaccine-preventable infectious diseases around the world through practical, sustainable solutions to vaccine access.

ⁱ FE Andre, et al. "Vaccination greatly reduces disease, disability, death and inequality worldwide." *Bulletin of the World Health Organization*. Volume 86, Number 2, February 2008, 81 – 160.

ⁱⁱ Global Public Health Achievements Team, CDC. "Ten Great Public Health Achievements --- Worldwide, 2001—2010." *Morbidity and Mortality Weekly Report (MMWR)*. June 24, 2011 / 60(24); 814 – 818.

ⁱⁱⁱ Ozawa, Sachiko, et al. "Return On Investment From Childhood Immunization In Low- And Middle-Income Countries, 2011–20." *Health Aff* February 2016 35:199-207; doi:10.1377/hlthaff.2015.1086

^{iv} Zhou, Fangjun, et al. "Economic Evaluation of the Routine Childhood Immunization Program in the United States, 2009." *Pediatrics*. February 2014.

^v United Nations Inter-agency Group for Child Mortality Estimation. Levels & trends in child mortality. New York: United Nations Children's Fund; 2014. Available at: http://www.unicef.org/media/files/Levels_and_Trends_in_Child_Mortality_2014.pdf, accessed Sept 8th, 2015.