

CORPORATE SOCIAL RESPONSIBILITY

INTERNATIONAL ACCESS TO HEALTH CARE

Issue Paper

BACKGROUND

"God creates human beings as whole persons — each one a dynamic unity of body, mind, and spirit. Health concerns the proper functioning and well-being of the whole person." "We of the Evangelical Lutheran Church in America have an enduring commitment to work for and support health care for all people as a shared endeavor." The ELCA recognizes that an individual's and community's health is made up of a complex set of social determinants, with *affordable* health care being part of that.

The global impact of the recent COVID-19 pandemic has reinforced and enlarged already-existing weaknesses and inequities in health care delivery, prompting a call by world religious leaders for both equitable vaccine distribution and access to health care for all people "regardless of where they live or who they are." For example, the Global South has long experienced oxygen shortages and pneumonia deaths because of these shortages, but with oxygen necessary for COVID-19 treatment, those shortages become much more visible. Data for COVID-19 vaccinations illustrate the sharp divide between, on the one hand, the United States and its territories and, on the other, nations with less access to capital when it comes to access to health care. As COVID-19 vaccines have been developed and become widely available, only the wealthiest nations on the globe were able to purchase them, even though everyone stands to benefit from a global vaccination campaign. Personal protective equipment was also in universally very short supply at the beginning of the pandemic. Addressing these global inequities will require coordination, investment and cooperation between the public and private sectors. Pharmaceutical companies have joined together with the governmental actors to secure and allocate 2 billion doses of COVID-19 vaccine before the end of 2021, targeted to health care workers and at-risk populations. The issue is that projects such as COVID-19 Vaccines Global Access (COVAX) do not address the underlying deficiencies of the vaccine distribution system.

While the world struggles to address COVID-19 globally and equitably, access to basic health care remains a considerable challenge. Primary care, maternal

Corporate Social
Responsibility in the
ELCA uses the tools of
screening of investments,
shareholder advocacy
and community investing
to work with corporations,
calling them to ensure
that people are treated
fairly and with dignity
and to create sustainable
communities.

More at ELCA.org/CSR.

¹ Caring for Health: Our Shared Endeavor (ELCA social statement, 2003), p. 3, http://download.elca.org/ELCA%20Resource%20Repository/HealthSS.pdf.

² Caring for Health, p. 2, http://download.elca.org/ELCA%20Resource%20Repository/HealthSS.pdf.

care and childcare are in need of support around the globe. HIV and AIDS (and their comorbidities), malaria, tuberculosis, and neglected tropical diseases and noncommunicable diseases continue to affect people, especially in middle-income and low-income countries. Infectious diseases threaten to reverse development gains, reduce life expectancy and cut productivity and income.

According to the World Health Organization, by the end of 2019, 38 million people around the globe were living with HIV.³ Malaria estimates in 2019 indicate 229 million cases that year, with children the most vulnerable group.⁴ More than 1.4 million people worldwide died in 2019 from tuberculosis, and it is the leading cause of death from a single infectious agent.⁵ Difficulty in accessing pharmaceuticals can lead patients to miss or skip doses, worsening their diseases and fueling the rise of antimicrobial resistance.

Access to diagnostics, treatments, pharmaceuticals and preventive care are challenges to global health when the for-profit world has a role to play. Access is affected by production cost and sale price, availability, logistics of transportation and storage, and availability of supplies used in manufacturing (often shipped from less wealthy to wealthier countries). All these factors are influenced by global inequities.

The ELCA supports health projects at national or local community levels that are implemented by companion churches and organizations. The World Council of Churches coordinates advocacy and participates in efforts that seek to increase collaboration and commitment between the for-profit and nonprofit sectors. Among the projects in which the World Council of Churches participates is the Rome Action Plan, which, for example, convenes high-level dialogues between governmental, faith-based and for-profit global partners.

ELCA SOCIAL POLICY

The ELCA social statement <u>Caring for Health: Our Shared Endeavor</u> (2003) develops the church's vision of health, illness and healing. It calls for equitable access as a matter of both love and justice and for international cooperation in public health efforts, including preventing and combating infectious diseases. The social statement calls upon society to give priority to groups that, for reasons of race, class or gender, have not had access to adequate health care. The message on human rights states: "Humans are physical beings and have the right to sufficient and sustainable levels of physical goods such as water, food, shelter and health care" (p. 6). The ELCA committed in its social statement on <u>faith</u>, <u>sexism and justice</u> to advocate for "equitable and affordable health care services, including reproductive health care, that honor how bodies differ and eliminate discrimination due to sex

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APPROVED by Church Council, November 2007

UPDATED by Advisory Committee on Corporate Social Responsibility, September 10, 2010

APPROVED by Church Council, November 2010

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APPROVED by Church Council, November 2021 [CC21.11.25l]

³ World Health Organization, "HIV/AIDS," https://www.who.int/news-room/fact-sheets/detail/hiv-aids.

⁴ World Health Organization, "Malaria," https://www.who.int/news-room/fact-sheets/detail/malaria.

⁵ World Health Organization, "Tuberculosis," https://www.who.int/news-room/fact-sheets/detail/tuberculosis.

(biological), gender, or sexual orientation" (p. 10).6

In 2009 the Church Council (CC09.03.23) adopted "The ELCA Strategy on HIV and AIDS." The strategy sought to halt the spread of HIV, reduce stigma and discrimination, and reduce the conditions of poverty and the marginalization that contribute to the spread of HIV. This strategy calls for the Corporate Social Responsibility program to advocate with corporations on these goals as well as for achieving universal accesses. The ten-year time frame of the strategy has ended, but the commitment to reducing stigma and discrimination and supporting access to treatment, among other principles, remains.

In 2002, the ELCA Church Council (CC02.11.59) approved a shareholder resolution requesting that pharmaceutical companies in which the ELCA holds corporate shares support national and international efforts to make generic antiretroviral drugs accessible to people living with HIV and AIDS in countries in need.

Through ELCA World Hunger, the ELCA supports access to health care around the world. Support goes to providing clinical care and to community-based health programs. Other projects focus on education and advocacy, pressuring governments to provide the health services and/or medications they have promised (especially for tuberculosis, malaria, and HIV and AIDS).

While the 10-year strategy on HIV and AIDS of the ELCA has finished, World Hunger continues to provide funding to programs that work on eliminating stigma and discrimination, advocate for continued health care access and treatment for all, and provide education around prevention and treatment, psychosocial care training for pastors and the importance of good nutrition.⁸

RESPONSES

It makes good business sense for companies to respond to pandemic disease because of its direct impacts on business. These impacts include increased costs, loss of productivity and overall threats to the foundations of the economies in which they operate. The current and future workforce is placed at increasingly high risk because the HIV and AIDS pandemic disproportionately affects people during their most productive years.⁹

The global corporate community, including the pharmaceutical sector, must become part of the solution to global health challenges, especially in developing **APPROVED** by Church Council, November 2021 [CC21.11.25l]

⁶ Faith, Sexism, and Justice: A Call to Action (ELCA social statement, 2019), p. 10, https://download.elca.org/ELCA%20Resource%20Repository/Faith Sexism Justice Social Statement Adopted.pdf.

⁷ ELCA, "HIV and AIDS Ministry," http://www.elca.org/Our-Work/Relief-and-Development/HIV-AIDS-Ministry.

⁸ Efforts addressing access to health care have been mandated by the ELCA churchwide assembly as a core principle of work supported by ELCA World Hunger.

^{9 &}lt;u>https://www.un.org/en/development/desa/population/publications/pdf/hiv/impact/chap4.pdf</u>

countries. Though pharmaceutical companies do make donations of their products, some argue that these donations are ultimately not beneficial: corporations collect tax breaks from donations and still leave many without access, because product prices are not lowered for everyone.

The scientific community was able to produce COVID-19 vaccines in record time. In the United States, the federal government poured billions into some pharmaceutical companies to speed development of COVID-19 vaccines and therapeutics and gave the vaccines emergency authorization. The development of Messenger RNA (mRNA) vaccines was also greatly facilitated by a decade of government-funded research. Given the urgent global need for COVID-19 vaccines, therapeutics and treatment, several governments proposed a temporary pause of the intellectual property rights protections in the 2001 World Trade Organization agreement to allow low- and-middle income countries to produce these vaccines and therapeutics locally, so that more people can have access to them. The U.S. government supports this proposal. Nine United Nations human rights experts have welcomed the proposal for pharmaceutical companies to waive intellectual property rights for the COVID-19 response based on the right to health care. Pharmaceutical companies are likely to encounter increasing pressure to waive intellectual property rights during public health emergencies in order to increase global access to their products.

SOCIAL-CRITERIA INVESTMENT SCREENS

A screen is a framework of principles, specific to an issue, by which a company's activities are evaluated. None currently apply to this paper.

RESOLUTION GUIDELINES FOR THE ELCA - ISSUE SPECIFIC¹⁰

- 1. We support reports about the health pandemic and its economic impact on a company's operations and business strategy.
- 2. We support resolutions asking for the establishment and implementation of standards for responding to health pandemics.
- 3. We support the development, in consultation with appropriate United Nations and related intergovernmental agencies, of ways to offer accessible drug treatments, diagnostics and vaccines to people in developing countries.
- 4. We support reports on the affordability and accessibility of vaccines, medical devices and testing equipment. We support strengthening board oversight of drug-pricing risk.
- 5. We support reports on community and occupational health-hazard impacts of products internationally.
- 6. We support reports on policies for safe disposition of prescription drugs, both domestically and internationally.

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These guidelines may be used in proxy voting as well as to help determine resolutions to file and dialogues to support. Each resolution guideline should be looked at within the context of the entire resolution language and specific company situation.

- 7. We support reports on strengthening board diversity.
- 8. We support reports assessing the reputational and financial risks from rising pressure to reduce high prescription drug prices by removing barriers to generic competition.
- 9. We support reports on whether executive compensation reflects pricing strategies and access.
- 10. We support reports on whether and how receipt of public financial support for development and manufacture of a vaccine or COVID-19 therapeutic will be taken into account when making decisions that affect access, such as pricing.

RESOLUTION GUIDELINES FOR THE ELCA - GENERAL

We support practices of good governance, specifically:

- A company having an independent chair or independent lead director.
- Reports on policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
- Reports on any portion of any dues or similar payments made to any taxexempt organization that is used for an expenditure or contribution that might be deemed political.
- Guidelines or policies governing the company's political contributions and expenditures.
- Reports on diversity for corporate boards and upper-level management.¹¹

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