



Interfaith Center on
Corporate Responsibility

Inspired by faith, committed to action

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RELIGIOUS INVESTORS EXPAND FIGHT TO GET AIDS DRUGS TO POOR

Focus on Women, Children: Half of All Children With HIV Die Before Age 2

New York – November 29, 2004 – As World AIDS Day approaches on December 1st, faith-based institutional investors are expanding their campaign for access to essential medicines. After a string of solid votes at drug companies last year, shareholder HIV/AIDS activists connected to the Interfaith Center on Corporate Responsibility (ICCR) have grown in number and ambition as they approach the 2005 shareholder season.

Sister Vicki Bergkamp of the Sisters Adorers of the Blood of Christ, and Chair of the HIV/AIDS Caucus at ICCR, said **“ICCR Members see the ravages of HIV and AIDS in their daily work in Africa, India, and China. Our experience on the ground in these regions has convinced us that leading pharmaceutical companies can – and must – do more to make their life-saving products accessible to the people who desperately need them.”**

James Gunning, of the Unitarian Universalist Service Committee and the primary filer of an HIV resolution at Merck, said; **“Too often, it is women and children who bear the burden of HIV and AIDS. Half of all children born with HIV die before they are two years old. One big reason is the high cost of pediatric AIDS medicines, which top \$1300 per child per year. Compare that to generic adult first-line treatment, which is about \$200 per patient per year. How can we treat parents and not their children?”**

Over 2.5 million children worldwide are living with HIV. In addition to the high cost of medicines, pediatric AIDS also suffers from a lack of research, inadequate diagnostics, and other barriers to treatment, according to information released at a pediatric AIDS summit held by UNICEF and UNAIDS earlier this month in Geneva.

AIDS activists have suggested pharmaceutical companies implement new policies – ranging from cuts in pediatric AIDS drug costs to licensing their adult formulations to generic companies – which would lower drug costs and increase availability.

However, according to Sister Doris Gormley, a corporate responsibility consultant to the Society of Jesus, **“While many companies have taken some positive action in the past, it is clear to us that no pharmaceutical company is taking advantage of the range of policy options available to them to increase access to medicines. Shareholders want to see strategic leadership from the Board of Directors to this crisis, not just ad hoc responses.”**

Forty-five institutions, ranging from the Sisters of Charity of St. Elizabeth to the Presbyterian Church USA, have filed shareholder resolutions at Abbott Laboratories (NYSE: ABT), Bristol-Myers Squibb (NYSE: BMY), Merck (NYSE: MRK), Johnson & Johnson (NYSE: JNJ), and Pfizer (NYSE: PFE). For the first time, the biotechnology company Gilead Sciences (Nasdaq: GILD) is also facing a resolution.

The ICCR HIV/AIDS Caucus represents a broad cross section of institutional investors. Roman Catholic religious orders, Protestant denominations, faith-based pension funds, and major health care providers are joining mutual funds, professional money managers, and organized labor in the effort. ICCR members boast a combined \$110 billion in assets under investment. Many of the organizations have staff on the ground in developing countries fighting the HIV/AIDS Pandemic.

Melissa Moye, chief economist for Amalgamated Bank's Trust and Investment Services Group, offered this perspective: **“We are proud to join with faith-based investors in urging corporate boards to exercise leadership and oversee implementation of sustainable solutions globally.”**

In 2004, investors voted on HIV resolutions at Abbott, Bristol-Myers Squibb, Merck, and Pfizer. Each resolution passed the 3% threshold required by the Securities and Exchange Commission for resubmission. Shareholders at Merck gave the resolution 13.6%, the highest of any drug company.

Public health experts agree that prevention and education programs on HIV/AIDS require robust treatment options for HIV-positive individuals, because without treatment programs individuals have no incentive to get tested. Yet of the 43 million HIV positive people in the developing world, only 3% have access to anti-retroviral drugs, mostly in Latin America. According to UNAIDS, brand-name first line treatments cost approximately \$600 per person per year, about two to three times the cost of generic drugs. Second line treatment costs – which all AIDS patients will eventually need – run much higher.

ABOUT ICCR

ICCR is a thirty-year-old international coalition of 275 faith-based institutional investors including denominations, religious communities, pension funds, healthcare corporations, foundations and dioceses with combined portfolios worth an estimated \$110 billion. ICCR members utilize religious investments and other resources to change unjust or harmful corporate policies, working for peace, economic justice and stewardship of the Earth.

ICCR members have also filed resolutions seeking increased transparency and accountability on political contributions, and seeking the separation of the roles of Chair and CEO, at major American pharmaceutical companies.

Leading non-pharmaceutical companies, including ChevronTexaco, Coca-Cola, Ford Motor Company, Exxon Mobil, PepsiCo, and Texas Instruments, are in discussions with ICCR members on the issues surrounding HIV and AIDS.

More information is available at www.iccr.org.

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