



## NEW STRATEGIES FOR GLOBAL HEALTH

Individual well-being is a measure of the broader health of any society and a testament to the condition of a nation's social and economic development. Yet, according to the World Health Organization, between 1.3 and 2.1 billion people lack essential health care including access to affordable medicines. As investors who recognize access to health as a fundamental human right, ICCR members have long encouraged the global pharmaceutical companies they hold to respect these rights by ensuring that appropriate medicines are accessible and affordable to all the world's citizens.

The prevailing global pharmaceutical business model was designed, both in terms of formulations and pricing, to meet the needs of wealthy North American and European markets. In the past, the industry had addressed the needs of low and middle income markets through product donations which, while well-intentioned, wasn't a sustainable strategy for either the companies or the communities they intended to serve. What has proved elusive thus far has been the ability to "scale up", that is, to provide drugs and vaccines in sufficient enough volumes to both grow demand and allow for more equitable pricing in these markets. Pharmaceutical companies will need to move beyond the philanthropic model to one of shared responsibility where the overarching

goal is expanding affordability and access to treatment regimes, vaccines, and diagnostic tools designed to meet the unique needs, infrastructure and dynamics of each market. In their dialogues with the pharmaceutical industry, ICCR members are exploring the following strategies.

### **TRANSPARENT AND ACCOUNTABLE PUBLIC-PRIVATE PARTNERSHIPS**

The complex and evolving nature of the global health crisis presents challenges that require the active participation of all relevant stakeholders. National and local governments, NGOs and investors working with the industry in public-private partnerships are developing important scientific and technical expertise and exploring new strategies for the formulation and delivery of new treatments.

While many companies claim that expanding health care access is at the heart of their business models, ICCR challenges companies to demonstrate whether these partnerships are having a real impact on global health. Said Lauren Compere, of Boston Common Asset Management, "While most companies are already successful at measuring output, i.e., amount of drugs donated, number of healthcare professionals trained, as yet, too few have begun to measure and report publicly on impact, i.e., the percent of people healed."

She continued, “Further, how pharma measure impact and who is developing the KPIs are critical questions.”

### **INCREASING ACCESS TO AFFORDABLE AND APPROPRIATE MEDICINES**

Pharmaceutical companies seek patents on new formulations as insurance for intellectual property and to offset their considerable investments in research and development. Yet patented drugs are expensive and, as such, present barriers to treatment for low and middle income countries (LICs, MICs). UNITAID’s Medicines Patent Pool (MPP) was designed to help break down those barriers. A patent pool is an agreement between two or more parties to share product licenses in a collective “pool” which can be used by a third party.

ICCR has been a vocal supporter of the MPP since its founding in 2010. In 2011, ICCR hosted an industry roundtable to drive home the business and moral case for joining the MPP, and to provide a forum where all stakeholders could voice their concerns and recommendations. In response to investor encouragement, Gilead Sciences became the first company to join the MPP in 2011, sharing licenses with generics manufacturers for its vital HIV and Hepatitis B drugs. After ongoing encouragement from ICCR shareholders, Bristol-Myers Squibb has also entered formal negotiations with the MPP.

Other companies currently in talks with the MPP include Boehringer-Ingelheim and ViiV (a Pfizer/GlaxoSmithKline HIV/AIDS joint venture). Said Judit Rius Sanjuan, of Médecins Sans Frontières, “The pharmaceutical industry still has a long way to go in improving global access to health in developing countries; it is therefore very important that investors continue to raise the issue from the inside as some have consistently done.”

### **HIV/AIDS... AND BEYOND**

The International AIDS Conference, held every two years, convenes more than 20,000 health care professionals, policy makers, NGOs and people living with HIV and provides a forum for sharing strategies to end the pandemic.

Representing ICCR at this year’s conference were Sr. Barbara Aires of the Sisters of Charity of St. Elizabeth, NJ, Pat Zerega of the Evangelical Lutheran Church and Mercy Investment Services, and Cathy Rowan of Trinity Health. During her presentation, Aires remarked “Ensuring affordable and sustainable access to HIV treatment is truly a matter of life and death for those in least-developed countries subsisting on a dollar a day”.

Cathy Rowan of Trinity Health added, “We are encouraging pharmaceutical companies to look at innovation not just in terms of patented drug development but also in terms of access, research partnerships, development and distribution; we are hopeful that new strategies will bring new momentum to this ongoing campaign.”

But the biggest health threats now facing LICs and MICs are a host of non-communicable diseases (NCDs) and neglected tropical diseases (NTDs). In fact, by 2020 NCDs are projected to account for 73 percent of all deaths in LICs and MICs. These diseases include diabetes, heart disease and asthma, and neglected tropical diseases such as dengue fever, Chagas disease, sleeping sickness and blinding trachoma.

Said Sr. Judy Byron, of the Northwest Coalition for Responsible Investment, “By advancing R&D into NCDs, fast-tracking much-needed vaccines and participating in multi-stakeholder partnerships, pharmaceutical companies can address some of the era’s most devastating diseases.”