Dear Company CEO/Representative,

The undersigned asset managers and owners, representing more than x assets under management, led by members of the Interfaith Center on Corporate Responsibility, many of whom have been engaging [company] on access to medicines for over two decades, remain steadfast in our commitment to ensure that companies deliver value to all stakeholders - customers, employees, suppliers, communities and shareholders. To that end, we believe that the current pandemic has presented the pharmaceutical industry with a unique opportunity to demonstrate the credibility of the company’s values by investing in ground-breaking science that leads to long-term value creation.

We appreciate your response to our first correspondence back in March 2020 and recognize the strides [company] has taken to identify and extract relevant compounds and assets from your libraries to rapidly advance the development of therapeutics and vaccines for COVID-19. While we commend your efforts, as universal owners, we are increasingly concerned that global access will be greatly restricted; this threatens to exacerbate the already dire economic crisis we are facing. In order to ensure universal, equitable and rapid global access, we believe there must be a willingness to share intellectual property (IP) to ensure the scale-up, manufacturing and mass distribution of health technologies at prices low enough so that they are accessible to all.

As you are well aware, the U.S. Congress alone has appropriated almost $10 billion towards Operation Warp Speed for COVID-19, which includes investment in pharmaceutical companies to develop therapeutics and vaccines for COVID-19. In addition to the U.S. taxpayers’ investment, there is substantial global public investment making the public the largest investor in these health technologies through programs like the Biomedical Advanced Research and Development Authority (BARD) and the Coalition for Epidemic Preparedness Innovations (CEPI); accordingly, we urge [company] to ensure that any medical breakthroughs derived from the public’s contribution are priced in an accessible way so that communities of all income levels will benefit equally. We also ask for transparency regarding the extent to which any profits derived from the public investment will be reinvested to further the critical scientific agenda, versus increasing funds distributed to shareholders, which do not help to achieve the public health goals these public investments are intended to facilitate.

2 [https://wwwpolicycuresresearch.org/covid-19-r-d-tracker](https://wwwpolicycuresresearch.org/covid-19-r-d-tracker)
Finally, we urge [company] to consider the reputational and regulatory risks of utilizing tax havens and other inappropriate methods to evade tax payments at home and abroad while simultaneously accepting public funds for R&D efforts sourced from these taxes. In the U.S., Black, Latinx and Indigenous communities are the racial and ethnic groups most impacted by COVID-19. Increased exposure to the virus due to front-line jobs that keep them from working at home, reliance on public transportation and living in apartment buildings or multigenerational homes partly explain the increase in exposure and case rates. With public resources already seriously constrained to respond to this global health crisis and its economic fallout, it is essential that pharmaceutical companies in receipt of public funds exercise the utmost financial prudence to protect these already economically underserved communities. Reputational risks may be exacerbated by legal risks when companies draw public and regulatory scrutiny over patent and pricing issues. Additionally, companies that rely on inappropriate tax strategies to meet financial targets face significant risk from potential changes in tax law that ban these strategies.

Transparency is critical to ensuring that investors and stakeholders understand how [company] is managing public resources. To that end, the U.S. Congress has recently proposed the TRACK Bill, which would require companies to disclose the financial and non-financial federal support they have received in a public database; voluntary disclosures thus enables responsible pharmaceutical companies to get ahead of regulatory risk. Absent transparency, it is difficult for investors to engage with corporate boards on how they are mitigating risks and ensuring accountability on these important matters.

To further this goal, we request that [company] publicly disclose on the following topics:

Commitment to pandemic-preparedness:
- [Company’s] commitment to develop a corporate policy covering pricing strategies, equitable allocation, technology transfer and manufacturing scale-up, for pandemic-related products.

Public investment transparency:
- The amount of investment received from the U.S. government and other public entities, description of terms of agreement for any public funder that bears on [company’s] ability to exploit any resulting IP; and how the public investment is factored into a pricing strategy and pricing decisions.
- The extent to which any profits derived from the public investment will be reinvested to further the company’s research agenda versus increasing distributions to shareholders.

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3 https://covidtracking.com/race
and the extent to which [company] commits to ensuring affordable prices and equitable allocation;

- Actual spending by category on R&D, production/manufacturing, and marketing of those therapies and vaccines for which [company] received public monies.

Commitment to public good:

- Report on its commitment to adopting fair tax practices including disclosure on tax governance, global strategy and payments aligned with the Global Reporting Initiative’s (GRI) tax standard to safeguard against the legal and reputational risks of minimizing tax payments while accepting public money.

- [Company’s] commitment to a responsible lobbying process as enumerated in the Responsible Lobbying Framework that includes to what extent the company advocates for equitable and affordable access.

As investors, we encourage [company] to take this opportunity to re-envision a responsible business model that supports the development of resilient and inclusive economies. With the eyes of the world trained on the industry in the hopes of treatments and a vaccine to prevent COVID-19, pharmaceutical companies have an important opportunity to re-establish trust with the public and all stakeholders. A commitment to transparency is a critical step forward.

We appreciate your ongoing discussion with us on these important issues and look forward to your written response by [date]. Please direct any questions and correspondence to X at X.

Sincerely,