



# PORTFOLIO ADVISORY BOARD

RESPONSIBLE INVESTMENTS

*Making a difference in the global community*

ⓐ ADRIAN DOMINICAN SISTERS

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## Shareholders Advocate for Universal Health

The Access to Health Working Group of the Inter-faith Center on Corporate Responsibility (ICCR) has been advocating for price restraint on prescription drugs for over a decade. The efforts have been steady but to little avail. Recognizing that inadequate health benefits in the workplace are a growing problem in our society, the Working Group determined in June 2006 to focus on companies with large numbers of employees. The Working Group crafted principles for healthcare reform in the United States, a reflection of the understanding that universal access to health care is good for society, the individual and business.

The principles read:

- **Accessible and affordable:** Each individual has access to quality, affordable healthcare coverage and services sufficient for a healthy life, regardless of health/financial circumstances.
- **Quality:** Quality is determined by improved health outcomes.
- **Accountability:** All stakeholders (individuals, providers, businesses, non-profits, governments) are accountable for the integrity, viability, and cost containment of the health care system.
- **Equitable Financing:** All stakeholders share responsibility for equitable financing of the system.

To date, thirty-two institutional investors have endorsed these principles, including the General Council of the Adrian Dominican Sisters.

As shareholders, the Adrian Dominicans and the Camilla Madden Charitable Trust have submitted proposals to Ford Motor and Target, urging the corporations to report on rising healthcare expenses and how the companies are addressing the issue without compromising the health and productivity of the workforce. The companies challenged these proposals at the Securities and Exchange Commission (SEC) which

ruled in favor of Target and other retail companies (Kohl's and Federated); thus shareholders will not vote on the proposals at those annual meetings. However, the SEC ruled in support of the shareholders with Ford Motor, indicating that the staff of the Commission perhaps agreed with the shareholders argument that health care is a significant social policy issue, not merely an ordinary business matter.



A significant development in shareholder efforts occurred with Wal-Mart. Wal-Mart received the same proposal and has been in dialogue with shareholders for nearly a year about health benefits and access to health care. Wal-Mart took the unusual position to not challenge at the SEC, a reflection of the company's commitment to work with shareholders toward universal access, and recognition that the health system in the U.S. is an issue affecting long-term financial business stability. In February, Better Health Care Together, a collaboration of corporations (including Wal-Mart), unions and public interest groups announced the goal of a reformed health care system by 2012. The Better Health Care Together principles state:

- We believe every person in America must have quality, affordable health insurance coverage.
- We believe individuals have a responsibility to maintain and protect their health.
- We believe that America must dramatically improve the value it receives for every healthcare dollar.
- We believe that businesses, governments, and individuals all should contribute to managing and financing a new American healthcare system.

The current health care system is costly for individuals, for business, and ultimately, for investors. As the public policy debate for healthcare reform continues at state and federal levels, members of ICCR are using their voice to urge corporations to constructively join and contribute to that debate.

– Margaret Weber,  
Coordinator of Corporate Responsibility

*“We walk in solidarity with people who are poor and challenge structures that impoverish them.”*

– General Chapter '04

**We want to hear your thoughts about our newsletters.**

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ⓐ Adrian Dominican Sisters • 1257 East Siena Heights Dr. • Adrian, MI 49221-1793  
517-266-3523 • Fax: 517-266-3524 • [PMcLaughlin@adriandominicans.org](mailto:PMcLaughlin@adriandominicans.org) • [www.adriandominicans.org](http://www.adriandominicans.org)