



HIV/AIDS



The Impact on Business

In response to the Church of England's affirmation to combat HIV/AIDS, being mindful of the statement issued by the Primates of the Anglican Communion in May 2003 that the "Body of Christ has AIDS"

January 2004

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AIDS/HIV: The Impact on Business

“The most devastating social and economic impacts of AIDS are still to come”.

- Dr Peter Piot, UNAIDS Executive Director, December 2003

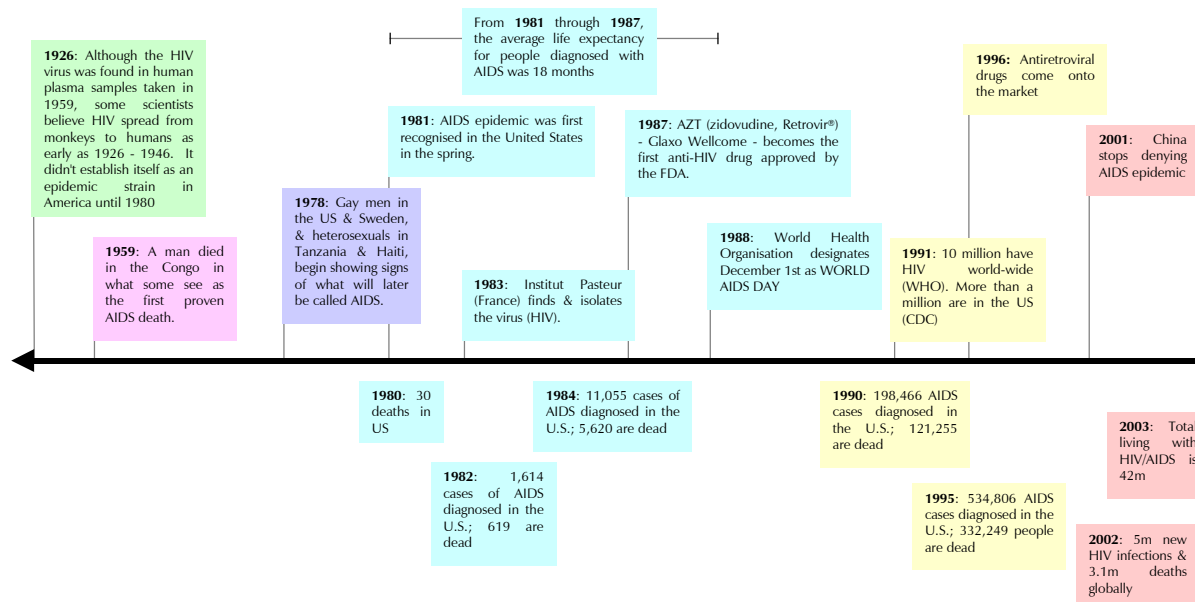
An Overview of HIV/AIDS

What are HIV and AIDS?

AIDS (Acquired Immune Deficiency Syndrome) is a condition caused by the virus HIV (Human Immunodeficiency Virus). HIV infects immune system cells, effectively destroying or weakening their function, causing immune system failure in the long term.ⁱ Once the system can no longer fulfil its role of fighting off infection and cancers, it is said to be deficient. At this point, those infected become prone to infections such as pneumonia, toxoplasmosis, herpes, meningitis and cancers, such as sarcoma; AIDS is the condition that allows these opportunistic infections to take hold. AIDS is now the fourth leading cause of death worldwide, the number one cause of death due to infectious disease, and has surpassed malaria as the biggest killer in Africa.ⁱⁱ There are several different strains of the HIV virusⁱⁱⁱ, unevenly distributed throughout the world. It is thought that some subtypes are more infectious than others.

History and theories of origin

It has long been known that certain viruses can be passed from animals to humans, a process that is referred to as zoonosis, and is the most established belief for how humans first contracted HIV. Research has concluded that HIV probably crossed over from chimpanzees via a human killing them for food. However, some more controversial theories have suggested HIV was transferred to humans iatrogenically i.e. via medical experiments. Conspiracy theories have even suggested HIV was manufactured by the CIA, or genetically engineered.



Source: CCLA, ^{iv}

HIV is believed by many to have first appeared in the mid to late 1970s although the date of origin has sparked some controversy. The first recorded cases of HIV in humans in the USA were in gay men in 1981. AIDS was first defined in 1982, and HIV isolated and identified as the

source in 1983/84. General awareness of AIDS grew during the 1980s. By the end of 1983 the number of AIDS cases in the USA had risen to 3,064, and of these 1,292 had died. At the end of 1986, 85 countries had reported 38,401 cases of AIDS to the World Health Organisation. By region these were 2,323 in Africa, 31,741 in the Americas, 84 in Asia, 3,858 in Europe, and Oceania 395^v. There are however some earlier examples of HIV in mankind. These include a plasma sample taken in 1959 from an adult male living in what is now the Democratic Republic of Congo; HIV found in tissue samples from an African-American teenager who died in St Louis in 1969 and HIV found in tissue samples from a Norwegian sailor who died around 1976. Some scientists have suggested the transfer of HIV to man happened in the early part of the 20th Century.

The spread over the last twenty years has been extremely rapid, with contributing factors being identified as international travel, liberalisation of sexual behaviour, the blood industry and widespread drug use.

Epidemiology

Transmission: HIV is transmitted via bodily fluids. This can occur in a number of ways such as sexual intercourse, blood transfusions, sharing of contaminated needles through drug injection and from mother to infant during pregnancy, childbirth and breastfeeding. The most predominant is through sexual transmission (more than 70% of HIV infections are via heterosexual sex), with a number of factors appearing to influence the probability of transmission:

- ⚡ The virus is more easily transmitted from male to female
- ⚡ Uncircumcised males appear to be at a greater risk of infection than those who have been circumcised
- ⚡ Transmission risk is higher for girls 16 years of age or younger than for older women before menopause
- ⚡ Those in the earliest stages of infection are more infectious
- ⚡ Untreated sexually transmitted infections increase the likelihood of spreading or acquiring the disease by six to 10 times

Transmitting the virus via blood and blood products can occur through transfusions or the use of contaminated syringes and surgical equipment. From mother to child, infection at delivery is the most common mode of transmission and the risk of infection is increased from 10% – 15% by breastfeeding.

Symptoms & Treatment: As already discussed, there is a difference between the virus HIV and the syndrome AIDS. If one tests positive for HIV, this does not mean one has AIDS. AIDS is diagnosed when the cells that help fight infection are below a certain level, or a HIV-related syndrome appears. A healthy immune system can control many of the infections that can be life threatening to those with AIDS. The majority of people infected with HIV develop signs of AIDS within eight to ten years if no treatment is received, although 5% - 10% of HIV positive individuals develop AIDS symptoms very rapidly during the first years of infection.^{vi} Interestingly, the same proportion also remains infected with HIV for 15 years or more without progressing to AIDS. Currently, the primary aim of treatment is to strengthen the immune system and reduce the viral load for as long as possible. Antiretroviral therapy is used to do this and has become the mainstay of AIDS treatment, helping to maintain the balance of power between HIV and the immune system and prevent disease.

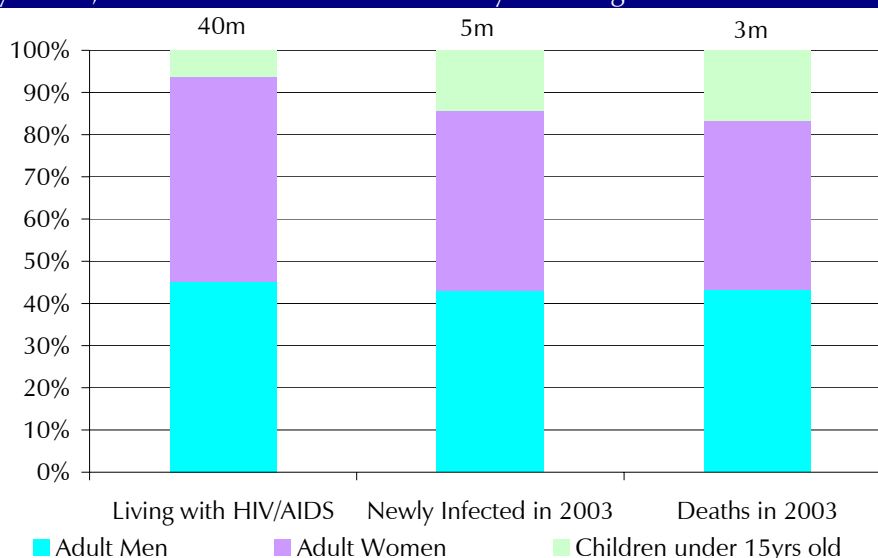
Currently there is no direct cure for AIDS, or a vaccine to prevent contracting HIV. Once AIDS appears, treatment focuses on controlling AIDS-related cancers and infections that may emerge.

AIDS can occur without HIV but these cases are extremely rare.

Current Statistics: In 2003, new HIV infections totalled 5m and HIV/AIDS related deaths 3m^{vii}. This equates to around nearly 14,000 new HIV infections a day. Infections last year accounted for an astounding 12% of the estimated 40 million adults and children living with HIV and AIDS by the end of 2003. The majority of those infected live in the developing world (95% are in low and middle income countries), where only 4% of patients receive treatment. HIV/AIDS is often considered a death sentence for those in the developing world. Those aged between 15 and 24 account for 1/3 of the total diagnosed with HIV/AIDS. Sadly, almost 1 million of those infected last year were children under the age of 15. Most of these infants (90%) are to be found in sub-Saharan Africa, however the numbers are increasing in other world regions. Infection is particularly devastating for women in sub-Saharan Africa, where women are more likely to be infected with HIV than men. Among young people this discrepancy is particularly high, with young women aged 15-24 up to 2.5 times more likely to be infected than young men in the same age group.^{viii}

UNAIDS reported in December 2003 that the disease is spreading rapidly in parts of Asia and Eastern Europe. Resources available for AIDS programmes increased from \$2bn in 2001 to \$4.7bn in 2003, however it is estimated that this is only half of what is really required to address the crisis effectively.

Breakdown by adults, women and children under 15 years of age at the end 2003



By end of decade 1990:

Area	Estimated HIV	Reported AIDS	Estimated AIDS
Africa	>5,500,000	77,043	>650,000
N America	1,000,000	156,658	200,000
S America	1,000,000	28,937	90,000
Asia	500,000	843	2,000
Europe	500,000	41,564	50,000
Oceania	30,000	2,334	2,700
Total	<9,000,000	307,379	<1,000,000

The rise from the end of the 1990s to 2003 has been rapid, as can be seen from the above and below tables.

Data at end 2003	Number living with HIV/AIDS	Number newly infected with HIV	Adult prevalence rate (%)	Deaths Owing to AIDS
Sub-Saharan Africa	25m - 28.2m	3m – 3.4m	7.5 – 8.5	2.2 – 2.4m
North Africa & Middle East	470,000 - 730,000	43,000 – 67,000	0.2 – 0.4	35,000 – 50,000
South and South East Asia	4.6m - 8.2m	610,000 – 1.1m	0.4 – 0.8	330,000 – 590,000
East Asia & Pacific	700,000 - 1.3m	150,000 - 270,000	0.1	32,000 – 58,000
Latin America	1.3m - 1.9m	120,000 – 180,000	0.5 – 0.7	49,000 – 70,000
Caribbean	350,000 – 590,000	45,000 – 80,000	1.9 – 3.1	30,000 – 50,000
Eastern Europe & Central Asia	1.2m – 1.8m	180,000 – 280,000	0.5 – 0.9	23,000 – 37,000
Western Europe	520,000 – 680,000	30,000 – 40,000	0.3	2,600 – 3,400
North America	790,000 – 1.2m	36,000 – 54,000	0.5 – 0.7	12,000 – 18,000
Australia & New Zealand	12,000 – 18,000	700 – 1,000	0.1	<100
Total	34m – 46m	4.2m – 5.8m	0.9 – 1.3	2.5m – 3.5m

- Source UNAIDS. Figures include adult and children; the proportion of adults [15 to 49 years of age] living with HIV/AIDS in 2003, using 2003 population numbers
- The ranges around the estimates in this table define the boundaries within which the actual numbers lie, based on the best available information. These ranges are more precise than those of previous years, and work is under way to increase even further the precision of the estimates that will be published mid-2004

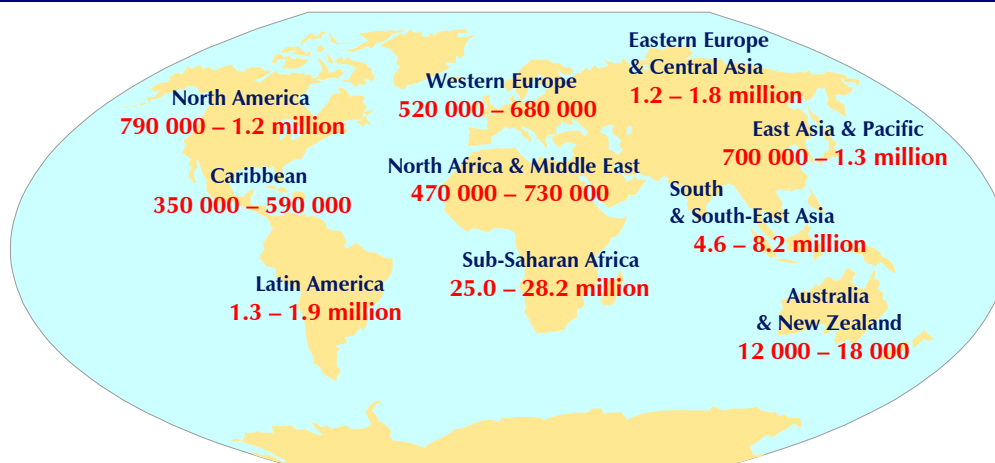
By the end of 2001, there were an estimated 14m orphaned children (13% of all orphans) under the age of 15 who had lost one or both parents to AIDS. It is predicted that in sub-Saharan Africa, 48% of orphans will have lost one or both parents to AIDS by 2010.

Lack of education and ignorance about the disease are probably the major reasons for high prevalence rates. This is often a result of poverty and poor government health infrastructure in the world's most underdeveloped nations. Better prevention and more treatment could avert 29m new HIV infections by 2005 in poor countries. The cost of this is estimated to be \$10.5bn by 2005, rising to \$15bn by 2007. A growing trend linked to high levels of infection is sex tourism, particularly in the Far East. This inevitably leads to the spread of infection to Western Europe and the United States.

A major concern is the stigma attached to this illness, particularly in India and China. It has been seen as a major obstacle in both prevention and treatment programmes by UNAIDS. Examples of this include 70% of families with an HIV-positive member in India claiming some form of discrimination.

AIDS by Geography

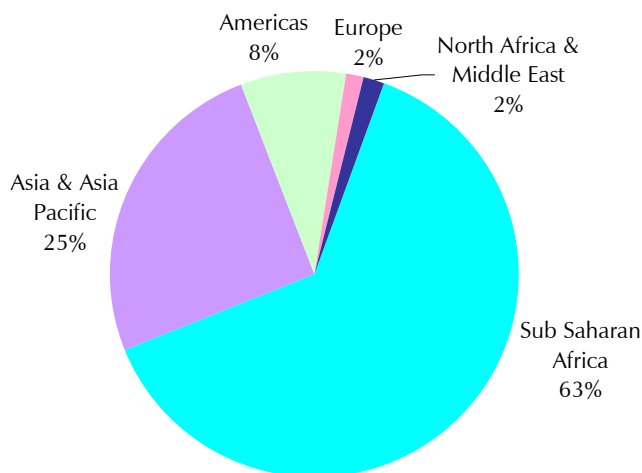
HIV/AIDS Global Infection Rates 2003



Source: UNAIDS

Although Southern Africa remains the epicentre of the AIDS disaster, other areas of the world are beginning to experience major epidemics, such as Eastern Europe, China and India; 95% of those with HIV/AIDS live in developing countries.^{ix} Projections have indicated that by 2020, 68m people across the globe could die early because of AIDS.

HIV/AIDS infection by Geography at the end 2003



Source: UNAIDS

Sub-Saharan Africa

As can be seen from the above map, this region is the worst affected across the globe, with potentially as many as 28m adults and children living with HIV or AIDS. Average life expectancy in the region has now dropped to 47 years of age, a significant drop from the 67 years of age prior to HIV/AIDS. The number of new infections in 2003 was approximately 3.2m; deaths totalling 2.3m. Each day this equates to at least 8,500 new infections and 6,000 AIDS related deaths. With almost three-quarters of all HIV/AIDS cases residing in sub-Saharan Africa, it is concerning that estimates indicate that 90% do not know they are infected^x. Adult HIV prevalence is higher than 20% in seven countries, Botswana, Lesotho, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

Heterosexual sex is the main mode of transmission in this region. In Africa, traditions are very different from the West, where fertility is seen as a sign of manliness and masculinity. 80% of children are born to unmarried mothers in sub-Saharan Africa. As procreation is highly valued, many men refuse to use condoms. Additionally, tribes, such as the Zulus, do not practice circumcision, increasing risk of contracting HIV. Africa, especially amongst countries rich in mining activities suffer from high levels of migrant workers who take the disease back to their families and communities. These workers are often housed in hostels near the mines, although there is evidence amongst the large mining companies that this method of housing is being phased out. Hostels provide opportunity for multiple partners, particularly as families and wives remain at home. Adolescent girls are most at risk in this region, as men seek younger women who are less likely to have been infected with the virus. Additionally, traditional culture dictates that women have little control over their bodies, and the man is "in control" of the sexual life; women being considered of lower political, social and economic status. Migrancy, as a factor in the spread of this disease, is not however unique to the mining industry; in Africa there are particularly high rates of infection amongst workers in the construction and transport sectors, and possibly within the armed forces. Men working in cities often have a wife in their village and at least one mistress in the city during the week.

Another myth is that sleeping with a virgin will rid them of the disease^{xi}, which is a factor in the number of rapes in South Africa. Human rights abuses, such as domestic violence, rape and other sexual abuse, are therefore linked closely with HIV/AIDS infection rates^{xii} in this region. Other problems include the belief in the traditional healer, with some parts of Africa holding 50 times more traditional healers than medical doctors (Botswana) as they are seen as "guardians of society" and those infected may be more likely to seek this assistance rather than conventional Western medicine. Sex education is essential to stop its spread, as well as assuring traditional tribes that Western medicine or science can be trusted. Lack of education fuels traditional superstitions such as those with Christian beliefs seeing HIV/AIDS as a punishment from God, and those who do not sin will be protected.

A fierce denial on the part of many Africans, including presidents of nations, that HIV causes AIDS, has also fuelled the spread. However, views are slowly changing as it becomes evident that the impact of this crisis on country economics will be pronounced. The World Bank calculates AIDS may now be costing 24 African countries 0.5% to 1.2% of per capita growth each year. The amount of people living in poverty is estimated to have increased in some countries by 5%.

UNAIDS has reported that sub-Saharan African faces a US\$3bn shortfall in funding the fight against HIV/AIDS through to 2005, even after US pledges of \$15bn in donations over 5 years.

South Africa: Historically, the current South African government was slow to tackle HIV and AIDS in its country. The estimated number of people infected with HIV and AIDS makes up nearly 70% of the worlds HIV and AIDS sufferers. Because compulsory testing is not permitted in South Africa, the data is not reliable as to the extent of the national population already infected. Although 25% of pregnant women are HIV positive, this level has remained static over a number of years. However, the Government now has an antiretroviral therapy strategy in place and it plans to spend R12bn over the next ten years, with an aim to have 53,000 stations dispensing drugs to those diagnosed HIV positive.

Botswana, Lesotho and Swaziland: Prevalence is higher than 30% in Botswana, Lesotho and Swaziland.^{xiii} Botswana and Swaziland have a prevalence rate of 39%. Ten years ago, this stood at 4%. The life expectancy of a Botswanan 20 years ago was well over 60 years; currently it is

below 40. The impact of AIDS on economic output looks set to be a problem, with output estimated to fall 32% by 2010.

Early signs from Botswana show 10,000 people already on AIDS therapy, however the Government is not finding the delivery of drugs a problem but rather stimulating the population into realising that they are facing a crisis. For 15 years they have been hearing about the disease, and now see it as normal. The country is still largely in denial, and HIV/AIDS is viewed with superstition and fear. The health service faces difficulty in making sure patients continue to take the drugs. But results have so far been encouraging, with compliance rates of around 80%, higher than the West, however fewer than 10% of the population has been tested. Most patients are extremely ill before they seek medical treatment. The government hopes that by the end of 2004, 20,000 will be on antiretroviral drugs.

Zambia: The life expectancy has fallen over the last 15 years, from 58 to 37 years of age. However there are signs that the epidemic has levelled off as the HIV prevalence rates have apparently remained static since the mid-1990s.

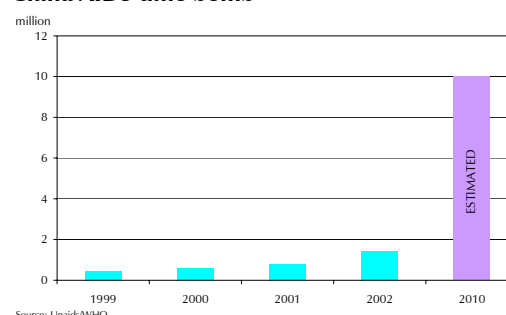
Asia and the Pacific

In 2003, over 1m acquired HIV in this region and half a million died of AIDS. Total infections now total nearly seven and a half million. Although the prevalence rate remains quite low, there is fear that some countries are at the early stages of a massive epidemic. Cambodia, Thailand and possibly Myanmar have exceeded 1% prevalence rates in 15-49 year olds. Asia is possibly in a similar situation to Africa ten years ago, and ought to use Africa as a test case of how not to ignore this epidemic.

India: India dominates the South Asia region, with between 3.82m and 4.58m infected by end 2002. 2003 saw at least a further 300,000 acquire HIV. In some cities, prevalence rates amongst sex workers have been found to be as high as 50%. In Maipur, HIV prevalence among injecting drug users ranges from between 60% to 75%. Once again, it appears to be the lack of awareness of HIV and AIDS that is fuelling the rapid spread.

China: China is at the beginning of an epidemic, with new infections rising at 30% per year in recent years.^{xiv} Estimates by the end of 2002, show more than one million infected with HIV.^{xv} The initial spread of this disease was through illegal, unsafe commercial blood collection practices and is now being spread by unprotected sex and in some provinces, injecting drug users.

China AIDS time bomb



In some regions, concentrated epidemics have been underway for some time and pose significant challenges to the Chinese government. The above graph indicates an explosion waiting to happen, unless effective measures are put in place to prevent the spread of the disease.

Europe

Eastern Europe is seeing the disease spread through risky behaviour, such as injecting drug use and unsafe sex. In Europe the mode of transmission varies from country to country. In Portugal, almost half of all infections are transmitted via the sharing of needles, however in Germany, Greece and the Netherlands the most common mode is sex between men.

Latin America and the Caribbean

At the end of 2003, the figures for infection rates were approximately 2m people, which includes 200,000 new infections in 2003. At least 100,000 died from AIDS last year. Southern and Central America have relatively low reported levels of HIV and AIDS, however the epidemic is already rife in some populations.

Middle East and North Africa

55,000 people became infected and 45,000 died from AIDS during 2003. This takes the total to 600,000. The worst affected is Sudan, with data suggesting a rate of around 3%. Political strife however makes effective analysis difficult.

North America

Though the rate of HIV infections continues to increase in the United States, the number of AIDS cases has fallen dramatically since 1996, when antiretroviral drugs came onto the market. HIV-related infections and cancers are much less common and much easier to treat with the potent combination antiretroviral therapy, resulting in AIDS related mortality rates plummeting.

In the USA, around of half of the 40,000 new annual infections occur amongst African-Americans, who make up around 12% of the population; it is now the leading cause of death for this demography. It is predicted that 850,000 – 950,000 people infected with HIV are unaware of their condition. Like many other geographical areas, the main mode of transmission is unsafe sex, and intravenous drug use with about 25% of new cases linked to drug use.

Success stories: It ought to be noted however, that there have been a few success stories across the globe in tackling the epidemic. For example, Uganda in 1993 had one of the highest rates of HIV prevalence in the world. Through a national prevention and education programme, Uganda has become one of the very few countries to reduce its AIDS epidemic, with HIV infection rates dropping from over 14% to below 8% over the last decade. Thailand, with very high rates, is another example with a nationwide prevention campaign, launched in the early 1990s, cutting the spread of the disease to 23,676 last year, down 83 percent from a peak in 1991 of 142,819^{xvi}.










AIDS BY BUSINESS SECTOR

As HIV/AIDS may threaten economic business development and growth, it makes good business sense for companies to respond proactively to this epidemic. The current and future workforce is placed at increasingly higher risk, particularly as people tend to become infected during their most productive years. As part of any corporate social responsibility strategy, companies with operations in Africa, the Far East and Eastern Europe should be making the issue of HIV/AIDS a top priority. Proactive management of the disease by business should ensure its impacts are containable.

What relevance has HIV/AIDS to investment?

HIV/AIDS has an all-encompassing impact on income, poverty and economic growth of the nations heavily affected by the epidemic, and therefore for any companies with substantial operations within these geographic areas.

IMPACTS FACED BY BUSINESS

-  Increased costs and adverse impact on business overall
-  Higher labour turnover
-  Higher health insurance & funeral benefits
-  Reduced labour productivity
-  Increased absenteeism
-  Lost experience & skills
-  Recruitment and training costs
-  Lower morale as a result of illness, suffering and loss of colleagues, family and friends
-  Declining markets and threats to consumer base

HIV/AIDS may ultimately affect the profitability of companies whose operations are exposed to the virus, through direct costs and declining economies. As an increasing number of employees fall sick, companies will have to bear the rising costs of health insurance, sick leave and funeral benefits, as well as recruitment and training of new staff. An increased threat to national economic prosperity of countries in declining markets deters business investment and decreases opportunity for foreign exchange, business growth and development. Overall demand for goods and services decreases as households become increasingly committed to healthcare costs, and incomes fall as the main breadwinners become ill or stay at home to nurse family members. Companies that operate in countries heavily affected by the epidemic have indeed reported declines in productivity owing to increased absenteeism (illness, death and funeral attendance), staff turnover and therefore increased costs in training new members of staff. This also has an impact on the morale of staff.

In October 2003, Leighton McDonald, South African Business Coalition on HIV and AIDS, stated that AIDS rates have “slashed” profits in at least a third of companies surveyed in the largest domestic study, whilst at least half of the companies predicted an adverse impact on profitability in five years’ time. Human capital, stock of experience, skills and education are major contributing factors to economic growth; the prevention of this transfer of human capital from one generation to the next will be detrimental.

A study from Heidelberg University and the World Bank showed that a failure to fight the disease would cause incomes to at least halve over the next three generations in South Africa.^{xvii} Dramatic predictions see full-time child labour by 2080, with an inescapable descent into economic “backwardness” a generation later, with societies looking very different as a result of the epidemic. The World Bank is a little less pessimistic, predicting only a 0.3 – 1.5% decline in growth in the years to come.

Sector specific impacts

The social and economic impact can be devastating to all sectors of the economy, as health and development of human capital suffers, the number of orphans rise, supply teacher numbers decrease, and industrial production suffers owing to AIDS related illnesses. The epidemic discourages investment, tourism and consumption in heavily affected countries as shareholders, tourists and consumers fear and suffer the impact of HIV/AIDS; there is a drain on skills, a reduction of revenues, lower returns on social investments and reduced security. It is predicted that AIDS could cost companies as much as 50% in productivity.

Each sector faces specific issues related to its business activities. The table on the next page outlines in brief the issues faced by some of the sectors.

There are some sectors where the impact of the disease is higher than for others. Take for example the pharmaceutical sector. Of nearly 30 million people in Africa who are HIV-positive, fewer than 100,000 (1 in 300) are on antiretroviral therapy.^{xviii} Blame for this has fallen on drugs companies, which are accused of excessive charging, alongside poor quality of healthcare infrastructure and poor education, making it hard for the general African to follow complicated healthcare regime. The sector has faced increased pressure to take a proactive role in fighting HIV and AIDS. It is faced with an increased burden of caring for those infected with this disease. Responsibilities include providing access to medicines to the economically disadvantaged; developing, distributing and administering new treatments and implementing prevention programmes through education.

Risk by Industry

Sector	FTSE 100 Companies	Largest Risks
Pharmaceutical	AstraZeneca	ⓧ Access to medicines
	GSK	ⓧ Counterfeit drugs and business risk
	Shire Pharmaceuticals	ⓧ Future financial benefits in developing drugs
		ⓧ Increased burden on caring for infected
Mining	Anglo American	ⓧ Higher labour turnover
	BHP Billiton	ⓧ Higher spread owing to hostel setups
	Rio Tinto	ⓧ Increased absenteeism
		ⓧ Lost experience & skills
		ⓧ Low productivity as workers protect infected
Oil & Gas	BP	ⓧ Higher labour turnover
	Shell	ⓧ Increased absenteeism
	BG	ⓧ Lost experience & skills
		ⓧ Transport workers prevalence rates
Beverages	Diageo	ⓧ Declining markets & consumer base
	SAB Miller	ⓧ Increased absenteeism
		ⓧ Lost experience & skills
Financial Sector	Old Mutual	ⓧ Increased premiums & payouts
	Barclays	ⓧ Life insurance risks e.g. underwriting mortality
	RBS	ⓧ Declining markets & consumer base
	HSBC	ⓧ Highly infected markets debt exposure
Retailers	Marks & Spencer	ⓧ High exposure via supply from Far East
	Next	ⓧ Labour productivity as workers fall ill
	Dixons	ⓧ Labour standards fall as targets harder to meet
	Tesco	ⓧ Training and staff turnover increase

Source: CCLA Investment Management Limited

However, it must be noted that there is a price to pay for a sector that has committed to discount drugs and a tiered drug pricing structure. The head of the UN-sponsored Global Fund to fight AIDS, Tuberculosis and Malaria has warned that the increase in treatment programmes in poor countries will lead to a surge in counterfeit drugs, and indeed evidence of cut price drugs being re-sold back to Western countries has been found.

Business Response

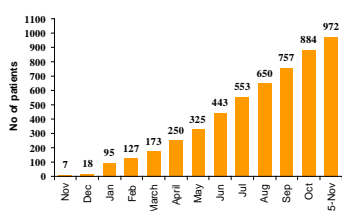
In order to combat the problems facing business, any response must be decisive, yet so far the business community, apart from some exceptional cases, appears to have been slow to take up the response. Groups, such as *The Business Coalition on HIV/AIDS*, are working to encourage corporations to change attitudes and recognise that the business sector has an important role to play in the war on AIDS. This is beginning to happen. The bottom line is that it makes good business sense to respond to this epidemic, particularly those with high exposure to developing world markets. If managed well, the impacts can be contained within the business and risks minimised. There are a number of areas where corporations can make a difference, such as implementing workplace education, prevention and care policies. As the developing world has poor health infrastructures, this may be the only source of accurate information and sophisticated treatment employees will have access to. Businesses should aim to improve the reach and effectiveness of AIDS programmes, particularly as they usually have the ability to work faster and more effectively than other agencies. Areas to focus on include tackling stigma and discrimination that has assisted in the spread of the virus over the past 20 years. Business has a voice, and it should be used.

Anglo American

Sector:	Mining
Number of employees:	132,000 (excluding De Beers)
Number of South African employees:	77,000 (excludes De Beers and Anglo Gold)
Prevalence rate:	25% (although this differs between operations)
Offer antiretroviral to workers?	✓ Available in South Africa and will extend to
Offer antiretroviral to dependants?	✗ neighbouring countries as circumstances permit

- ✘ Anglo American has been involved in addressing HIV/AIDS related issues for past 15 years
- ✘ Southern Africa identified as biggest risk, but prevalence rates vary across different operations
 - Gold (highest) having estimated prevalence of 28% down to paper & packaging at 10%, and base metals at less than 10%
- ✘ Focus is on preventing the spread of HIV, and minimising impact of AIDS
 - Behaviour based education and awareness
 - Conducting annual voluntary, anonymous HIV prevalence surveys at all operations
 - Encouraging voluntary counselling and testing
 - Peer education and support; aim to eliminate stigma and discrimination
 - Condom distribution (usually free of charge)
 - Prevention and treatment of Sexually Transmitted Infections
 - Paying special attention to the needs of youth (LoveLife partnership) and focus on high risk groups
 - Preventing mother to child transmission of HIV
 - Partnerships, e.g. local government, unions, other companies, key role in community programmes
- ✘ Support AIDS vaccine research and participating in clinical vaccine trials
- ✘ On 6 August 2002, Anglo American announced further steps in its HIV/AIDS strategy providing antiretroviral therapy (ART) to employees with HIV/AIDS
- ✘ Does not currently offer antiretroviral drugs to dependants
- ✘ Currently, no study available of the financial impact on business but through anonymous testing, it has an idea of the level of infection at each site. Data is then used in personnel, training and recruitment policies. A health economist is monitoring the impact of ART intervention.

✘ Provision of Antiretroviral Therapy:



Source: Anglo American

- Programme started Nov 02, 1st mining company to offer treatment
- Managed by Aurum Health Research
- 62 delivery sites registered with 59 Doctors, 137 trained nurses and 40 counsellors
- Around 3,000 employees enrolled in HIV wellness programmes
- 1,500 on treatment as at May 04
- 8% of those HIV positive declined offer of treatment
- 10% dropout rate after starting treatment
- 95% of employees who are on treatment capable of normal work
- 89% patients show good viral suppression, weight gain and immune system recovery, with 2% having serious adverse effects to treatment
- Drug costs estimated \$1,460 per patient p.a., which are decreasing

Working with partners

loveLife

Aim to work with government, other employers, trade unions, NGOs and international donors in fighting treatment of disease

To provide \$4.5m funding, as well as substantial commitment of capacity and help in kind, over a 3 year period, to loveLife South Africa's national HIV prevention programme for youth in local communities.

GlaxoSmithKline

Anglo American buys ART products at one tenth of average price in the industrialised world from GSK; similar "not-for profit" pricing arrangements are available from other research based pharmaceutical manufacturers

Old Mutual

Sector:	Life Assurance
Number of employees:	46,462
Southern African presence:	60% of business
Prevalence rate:	5% (based on assessment of 67% of workforce)
Offer antiretroviral to workers?	✓
Offer antiretroviral to dependents?	✓ Via The Disease Management Programme

- ⓧ Old Mutual involved in addressing HIV/AIDS challenges for 16 years.
- ⓧ Four dimensional HIV/AIDS strategy
 - Workforce (employees), community, financial services & advice (customers), business impact
- ⓧ Initiatives focus on assessing prevalence and encouraging take up of programmes
 - Know Your Status Campaign, offering free, confidential testing and counselling
 - Counselling offered free of charge to employees and dependants
 - Assisting employees in managing disease
 - Education and treatment
 - Youth workshops
 - Condom distribution
- ⓧ Does not refuse life cover to HIV positive individuals; no discrimination based on HIV status
- ⓧ Problem with denial in workforce and refusal to take medication
- ⓧ Estimated impact by 2014 would be a reduction of ¾ basis point in economic growth
- ⓧ Employees and their dependants who are members of the Old Mutual Staff Medical Aid Fund, as well as all Old Mutual's service staff and their dependants, have access to a programme called the Disease Management Programme
- ⓧ Current mortality tables are used to take on pensions liabilities etc, therefore should a cure be found, the impact on business will be negative

Provision of Antiretroviral Therapy:	<ul style="list-style-type: none"> • Made available to staff and dependants in 2002 • Disease Management Programme • Supports and educates members • Assists in managing medical aid benefits optimally • Helps contain increased medical costs resulting from the treatment • Provides access to complete disease management, including antiretroviral treatment where advised
	<ul style="list-style-type: none"> • <i>No statistics of take-up available but reports show that take up of free anti-retroviral treatment is very low</i>

Working with partners	Links include trade unions to provide train-the-trainer programmes to help educate members. Member of SA Business Coalition on HIV/AIDS.
Soul City	High profile, multi-media programme which aims to increase awareness
Rural Economic Development Initiative	Old Mutual has committed R27.6m to this organisation over three years which helps address the needs of people living in impoverished rural areas.
Various	Investing R1.7m in four HIV/AIDS orphan organisations

Conclusion

HIV and AIDS are taking their toll, spreading rapidly through some countries and sitting like a time bomb ready to go off in others. One of the major problems the world faces with this disease is the discrimination and “shame” attached to being HIV positive. This acts as a barrier, as those infected fail to seek medical treatment that could help prolong life. A lack of education surrounding the epidemic has led to its rapid spread, particularly in Southern Africa.

Businesses with a high exposure to developing world countries via their work forces will need to develop a strategic plan of action for facing the challenges this disease will bring. Some are just beginning this journey, others have well developed and researched strategies in place, and some have yet to assess the risks.

The countries worst affected by the epidemic are those with poor health infrastructures and failing economies; they may find that on their own the battle in combating HIV/AIDS is daunting. Business is essential in this fight. Without businesses such as GSK, and business related foundations such as Bill Gates’s, drugs and treatments may not be readily available for the workforce of some of the countries with high HIV/AIDS prevalence. It also makes sound business judgement to assess the risks and act accordingly. Good management of these risks will ensure the impacts do not have an adverse effect upon the business. Businesses do, and will need to continue to, play a vital role providing aid and support in fighting this epidemic.

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APPENDIX I:

EIAG Submission to the Mission & Public Affairs Council's paper Telling the Story: Being Positive about HIV/AIDS

HIV/AIDS and Ethical Investment

HIV/AIDS represents arguably the major human tragedy of our time. It has an all-encompassing impact on people's lives, including the income, poverty and economic growth prospects for nations heavily affected by the epidemic. It therefore means that any company with substantial operations in these areas will have to consider what their responsibilities are, as well as the impact on their business.

The Ethical Investment Advisory Group (EIAG), which offers ethical investment advice to the three main Church of England investment bodies, encourages the three bodies' investment managers to take a proactive and positive approach and engage with the companies in which they invest over non-financial issues, such as HIV and AIDS. The Group is of the view that companies that take environmental and social factors into consideration, will tend to be the better managed and therefore better investments over the long term. The engagement process helps companies in understanding the risks and challenges they face. It makes good business sense to respond in a proactive manner to the epidemic; helping to reduce risk, soaring costs and staff turnover. In turn, those suffering are provided with better education, counselling and treatment and a greater chance of improving and prolonging their lives.

HIV and AIDS will undoubtedly weigh heavily on the profitability of any company that derives a large part of its business from heavily infected countries. Some of these impacts may include:

- Increased costs and adverse impact on business overall
- Higher labour turnover
- Higher health insurance & funeral benefits
- Reduced labour productivity
- Increased absenteeism
- Lost experience & skills
- Recruitment and training costs
- Lower morale as a result of illness, suffering and loss of colleagues, family and friends
- Declining markets and threats to consumer base

The EIAG will continue to encourage the Church's investment bodies to consider the risks HIV/AIDS poses to the companies in which they invest, and encourage companies to be active and responsive in the debate.

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