Mental Health America

CLASP
The Center for Law and Social Policy

June 15th, 2021

Chair Gary Gensler
100 F Street NE
Washington, DC 20549

Dear Chair Gensler:

Mental Health America (MHA) and the Center for Law and Social Policy (CLASP) applaud the Securities and Exchange Commission (SEC) for its work in support of consistent, comparable, and reliable environmental, social, and governance (ESG) reporting. In response to Question 15, we urge the SEC to consider climate-related reporting requirements be one component of a broader ESG disclosure framework. We are especially interested in ESG disclosures on risks, uncertainties, impacts, and opportunities related to health equity and behavioral health, as well as children's health.

MHA is the nation's leading community-based nonprofit dedicated to addressing the needs of those living with mental illness and promoting the overall mental health of all. MHA's work is driven by its commitment to promote mental health as a critical part of overall wellness, including prevention services for all; early identification and intervention for those at risk; integrated care, services, and supports for those who need them; with recovery as the goal.

CLASP is a national, nonpartisan anti-poverty nonprofit based in Washington, D.C., advancing policy solutions for people living in low-income households. CLASP strives to reduce poverty, promote economic security, and advance racial equity. CLASP works at federal, state, and local levels, supporting policy and practice that impacts people living in conditions of poverty.

ESG Disclosures Related to Health Equity and Behavioral Health

We believe that publicly owned corporations will face growing pressure in the coming years to play a role in advancing health equity and avoid exacerbating health disparities, with a particular focus on behavioral health (i.e. mental health and substance use). Despite incredible medical advancements, the health of the working age population has declined over the past three decades, and risks further decline. A recent National Academy of Medicine consensus report, *High and Rising Mortality Rates Among Working-Age Adults*, examined this phenomenon of increasing mortality in midlife between 1990 and 2017, and found that the primary drivers were substance use-related deaths, suicide, and cardio-metabolic conditions (e.g. diabetes or cardiovascular disease, which are often interrelated with mental health).[1] Although some of the greatest increases were among Whites in rural areas, Black, Indigenous, and People of Color (BIPOC) individuals experienced much higher baseline mortality rates. The consensus committee identified several potential contributors to this trend: increasing stress, despair, and hopelessness; economic downturns in certain regions and rising socioeconomic inequality; structural racism; and concentrated social, economic, and environmental vulnerabilities in certain communities.

A growing body of literature has outlined “the commercial (or corporate) determinants of health.” These studies identify and measure the ways in which major corporations (often publicly-held) have contributed to the drivers of mortality identified above.[2,3,4] At the most obvious level, public influence activities from opioid manufacturers have been linked to opioid deaths and food and beverage companies have been linked to increased cardio-metabolic disorder risk.[5,6] More subtly, public corporations influence key social determinants of health that further health disparities and promote “deaths of despair” related to behavioral health conditions.[7] For example, public corporations lobby in favor of policies that reduce health insurance coverage or increase socioeconomic inequality, or use their power locally to drive greater housing segregation. On the other hand, corporations also frequently advance health equity in ways that are not well recognized. For example, companies have taken important positions against different forms of oppression and discrimination, offered comprehensive employee benefits, or increased focus on positive corporate culture, all of which are important for behavioral health.

Much of the commercial determinants of health would be captured within other ESG frameworks. For example, ESG frameworks often include aspects of comprehensive employee benefits, fair treatment of employees, and a focus on anti-racism within a company, all of which advance health equity and behavioral health. However, many ESG frameworks do not capture corporate public or political influence activities that may impact health equity. This is important because social norms and public policies are two of the largest modifiable drivers of health – and especially behavioral health.[8,9] As the focus on commercial determinants of individual and population health grows in the coming years, this body of research and public health action will present ESG risks and opportunities for public companies that should be addressed through disclosure.

For ESG disclosures specific to public and political influence, we recommend that the SEC encourage or require companies to report on influence activities that may impact health equity and population behavioral health (positively or negatively) in a standardized way, whether it be lobbying or political campaign contributions, corporate philanthropy and thought leadership, or marketing and advertising (including how these activities are targeted toward certain populations), and whether directly or through an intermediary like an association. To delimit what is considered to impact health equity, the SEC could rely on existing frameworks, such as the one currently used by the Centers for Disease Control and Prevention for social determinants of health.[10] A SEC focus on ESG disclosures around commercial determinants of health equity would both provide investors important information about how the companies they invest in impact health equity and behavioral health. To build on this in the future, the SEC should convene an expert advisory panel to examine more specific frameworks for ESG disclosures related to health equity and behavioral health to ensure that disclosures capture meaningful information for investors.

The Particular Role of Children's Long-term Health Equity

The centrality of children's health and wellbeing to achieving long-term health and economic equity is also likely to be of increasing interest to investors in the coming years, as discourse around children's health advances.[11] Unfortunately, the same trends in poor health in working-age adults in the US are even further magnified in children, who report dramatically increasing rates of mental health problems, self-harm, and suicidality over the past decade.[12,13,14] Children's cognitive, affective, and behavioral health over the life-course is particularly shaped by the institutions that touch their lives – including the companies that their family members work for, the products that companies sell, and the public services that are shaped by corporate political and public influence.[15] They are also a protected group in that they are not able to control or exert counterinfluence against many of the forces shaping their lives.

Children, however, receive relatively little consideration as stakeholders in many ESG frameworks, despite sharing many common properties with climate change as a domain of sustainability. In the same way that climate change poses an existential threat to planetary health, children's declining wellbeing endangers our future and demands urgent action. Climate change and children's health also both represent common pool resource that require collective action to avoid long-term threats to the financial markets. Children are also both the future of the workforce and the future of the consumer base for public companies. We urge the SEC to engage an expert advisory group, perhaps in collaboration with the National Academies of Science, to explore the particular role of children as stakeholders in future ESG initiatives.

Sincerely,

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