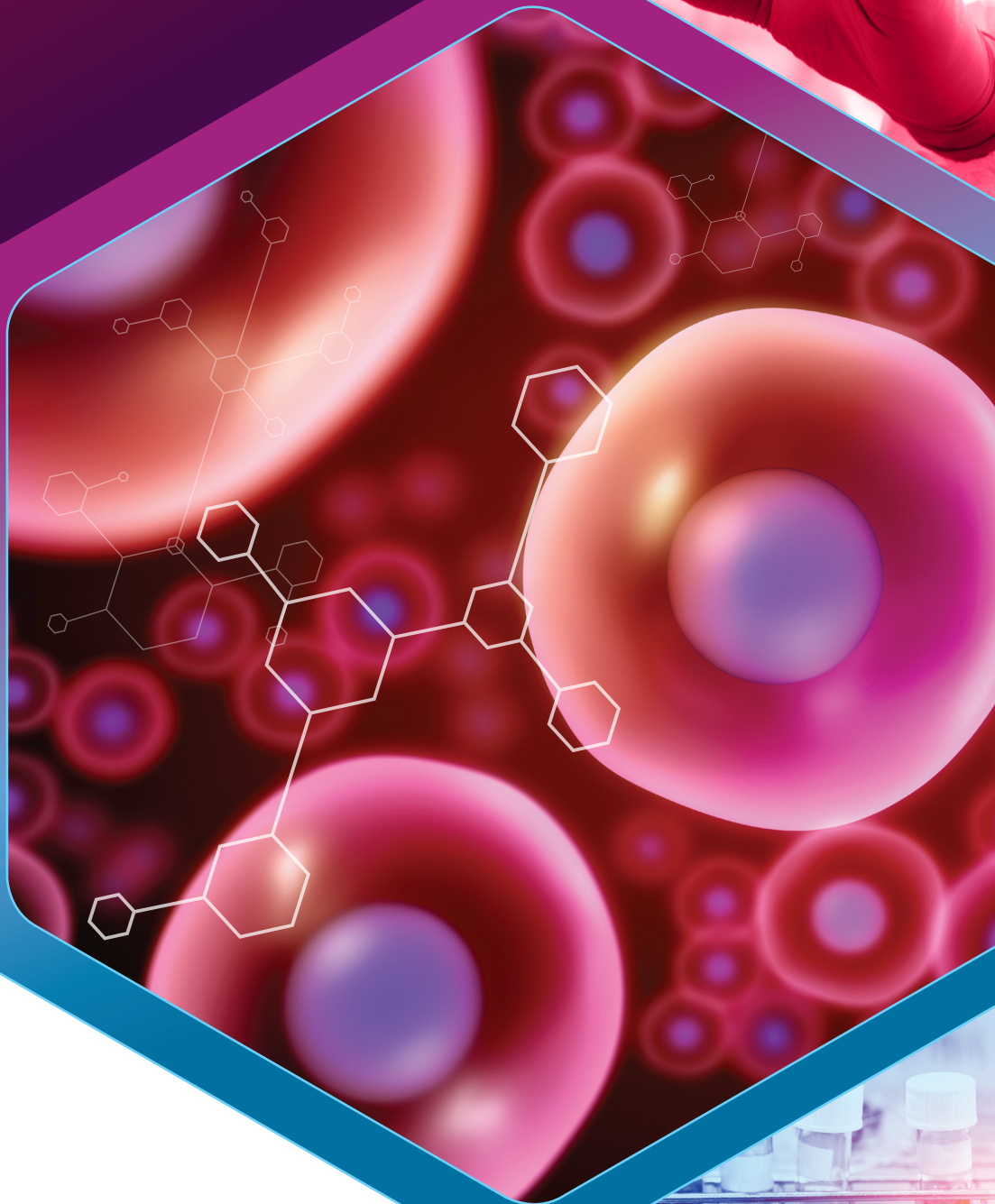


2017 Report on

# Code of Ethics Implementation

by APEC Biopharmaceutical  
Industry Associations

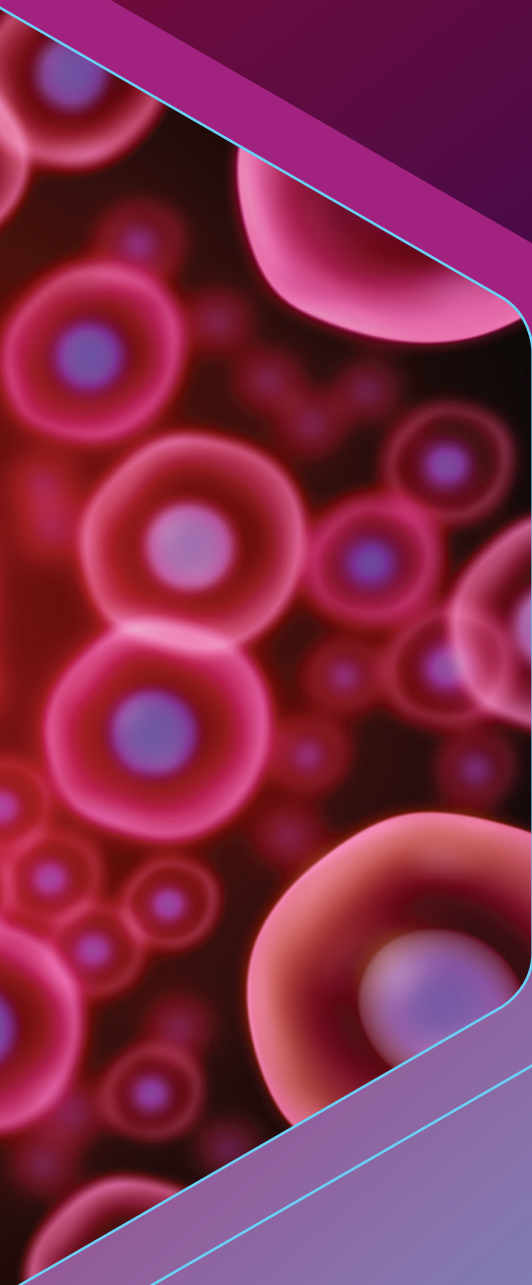
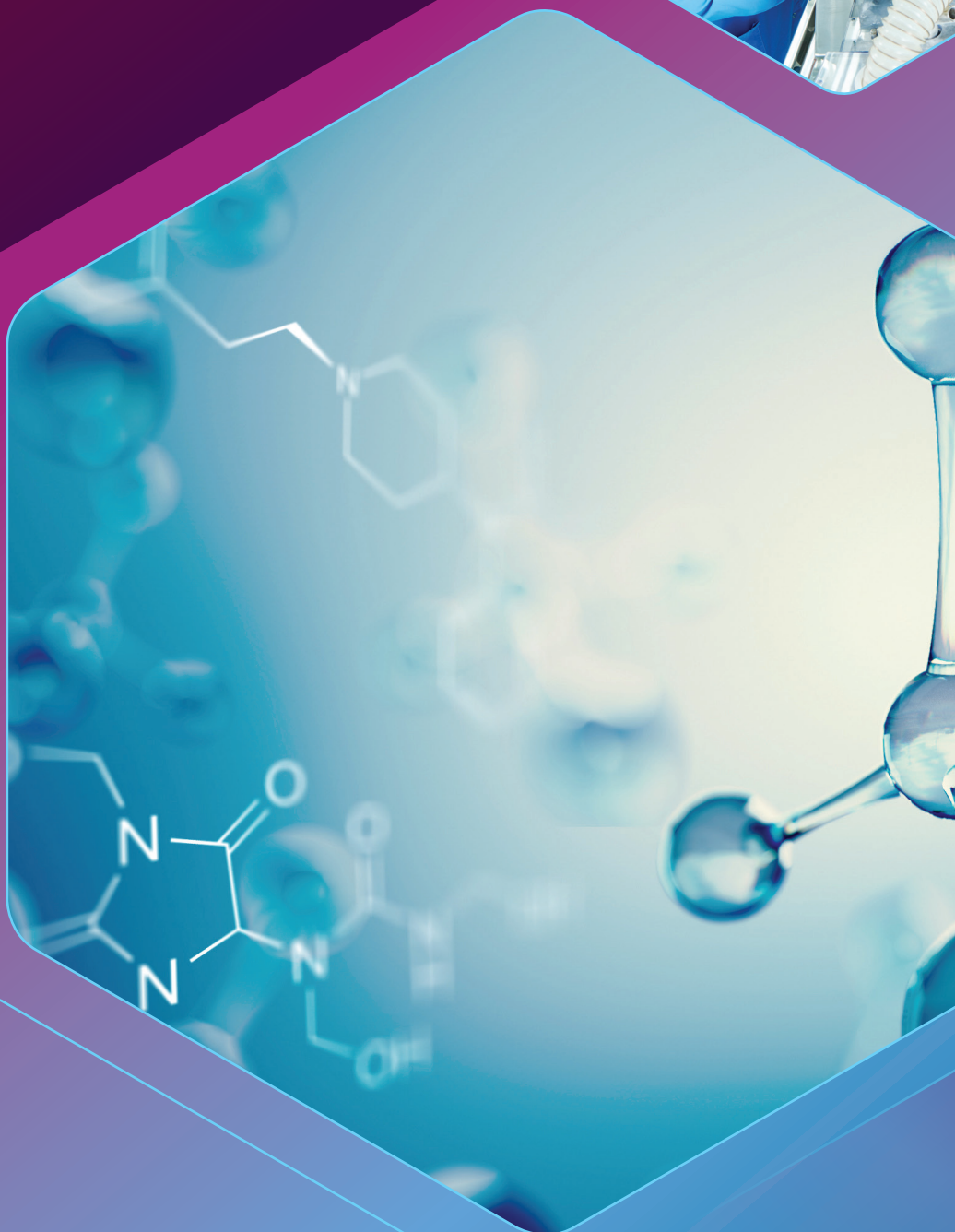


Asia-Pacific  
Economic Cooperation

Business Ethics for APEC SMEs  
Biopharmaceutical Sector









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# Introduction

The *Business Ethics for APEC SMEs Initiative* monitors code of ethics development and implementation by 66 biopharmaceutical sector industry associations across the APEC region. These associations collectively represent nearly 10,000 member enterprises, of which over 6,000 are identified as SMEs. These enterprises constitute a significant majority of the firms that develop, manufacture, market, or distribute pharmaceutical and/or biological product in the region.

When this initiative's capacity-building program was launched in 2012 to support implementation of the APEC Mexico City Principles, 25 of these monitored biopharmaceutical sector industry associations had a code of ethics. In 2017, 51 of these associations have a code of ethics or formalized commitment. The initiative remains dedicated to realizing all biopharmaceutical sector industry associations that have adopted a code also achieve implementation of the code's provisions by a majority of their member enterprises. To achieve this outcome, the

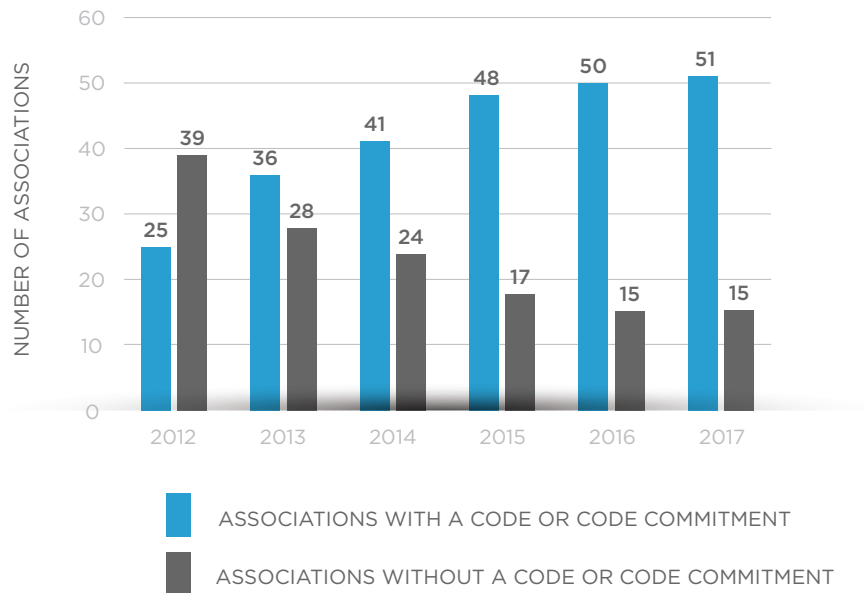
initiative has launched a pilot program in partnership with industry associations to survey member enterprises that will be expanded across the region in 2018.

The initiative also continues to pursue universal code of ethics adoption by APEC biopharmaceutical sector industry associations by 2020.

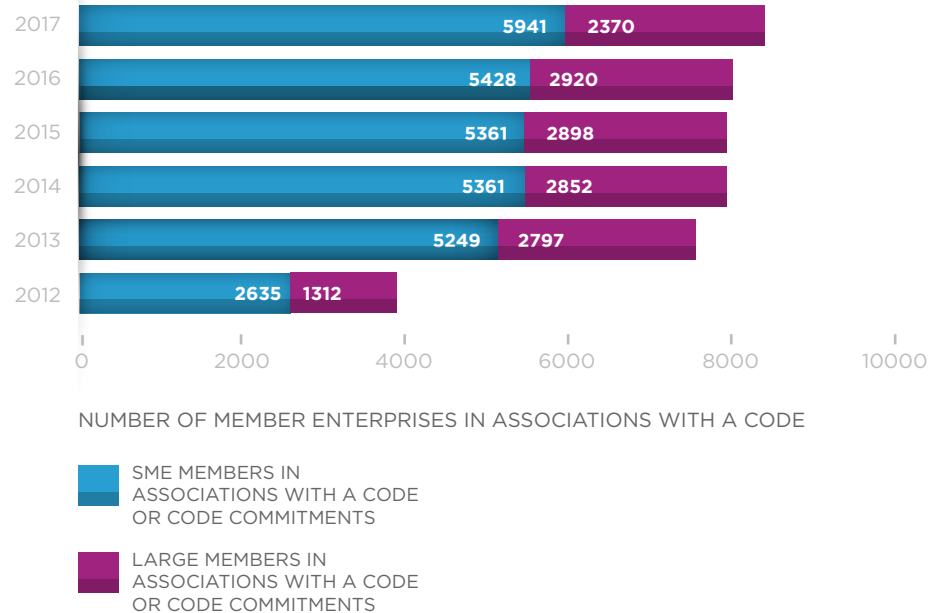
This report has been prepared for the 2017 APEC Business Ethics for SMEs Forum, the 45th APEC SMEWG Meeting, and 24th APEC SME Ministerial Meeting to indicate where progress has been made since 2012, and where challenges remain, for the region's biopharmaceutical sector industry associations in (A) code governance, (B) code alignment with the APEC Principles, and (C) member enterprise implementation of the code. The data provided in this report has been provided from the associations and other publicly available sources.



### INDUSTRY ASSOCIATIONS WITH A CODE OR CODE COMMITMENT



### ENTERPRISE MEMBERSHIP OF ASSOCIATIONS WHO HAVE ADOPTED A CODE OR CODE COMMITMENTS



# Regional Overview

2012



Many economies with limited code coverage in the sector

- Codes with broad coverage of the sector
- Codes but with limited coverage of the sector
- No codes of ethics for the sector

2017



25 new codes in 7 economies that did not exist in 2012

- Codes with broad coverage of the sector
- Codes but with limited coverage of the sector
- No codes of ethics for the sector

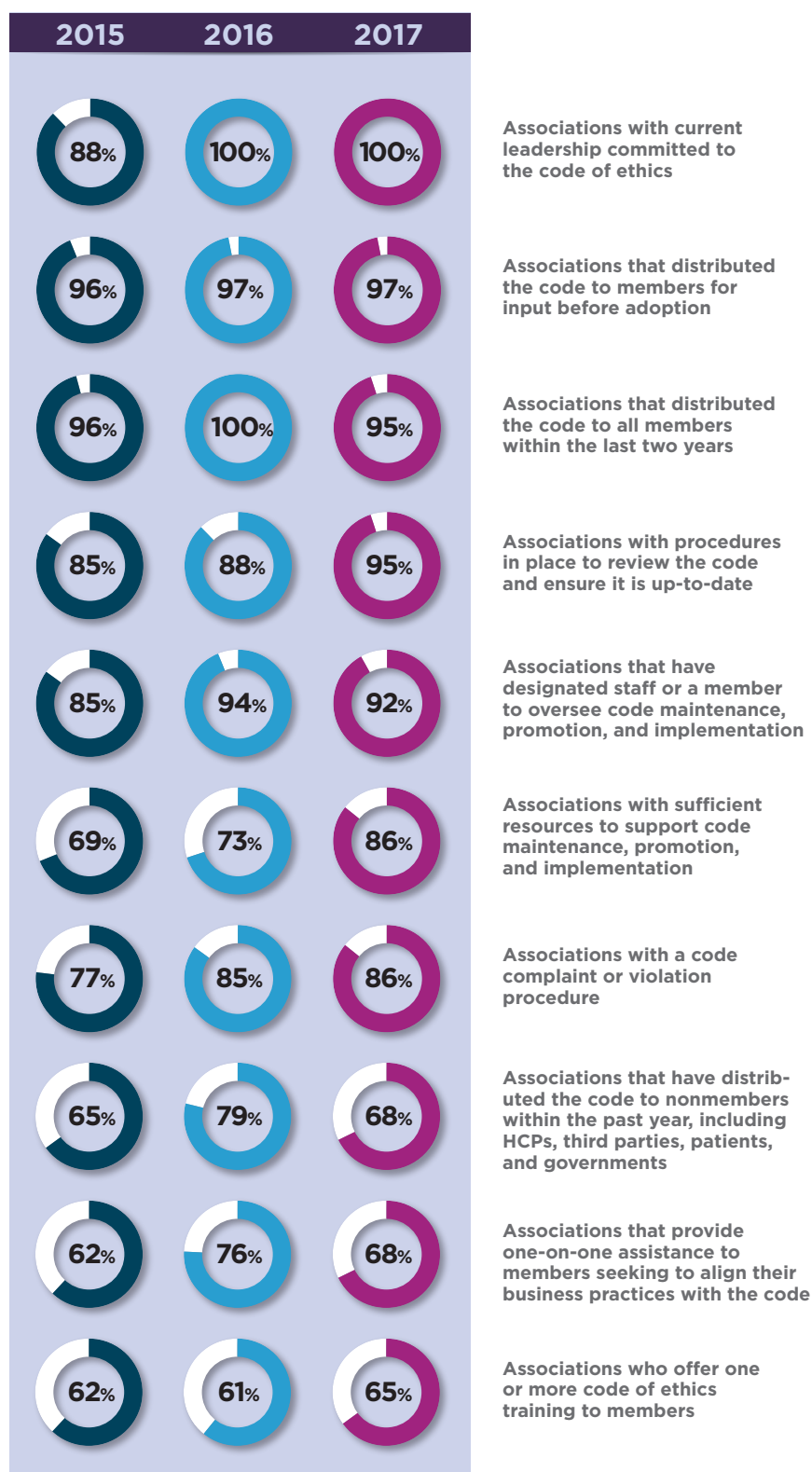
Industry Associations Monitored:	66
Total Member Enterprises:	9,600+
SME Members:	6,300+

STATUS REPORT	2012	2017
Associations with a Code/ Code Commitment:	25	51 (up 26)
Total Member Enterprises:	3,900+	8,300+ (up 4,400+)
SME Members:	2,600+	5,900+ (up 3,300+)



# Code Governance

Biopharmaceutical sector industry association codes of ethics are strong tools to disseminate and harmonize ethical business practices among many enterprises. However, they only serve as effective tools if robust code governance is in place. The initiative monitors several crucial areas to identify whether such governance exists. Responses from those industry associations completing the 2017 survey (37 of the 51 with codes or commitments) indicate that most continue to have a valid governance structure in place. Of note, 100% continue to indicate their current leadership is committed to the code and there is a 13% increase over last year in the number of associations reporting sufficient resources to support code maintenance, promotion, and implementation. Most key governance areas assessed in 2017 saw a similar response as 2016, with declines in the number of associations distributing the code to non-members as well as those providing one-on-one assistance for members. There remains an opportunity for associations to expand regular code trainings, which remain low. Of note, 86% of the biopharmaceutical sector industry associations surveyed said an online training course designed to help their member companies certify adherence to the APEC Mexico City Principles would be very helpful or moderately helpful.

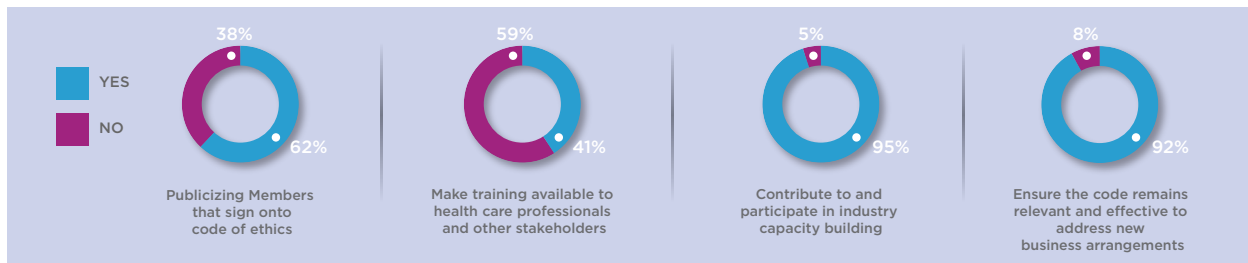


# Code Alignment with the APEC Mexico City Principles

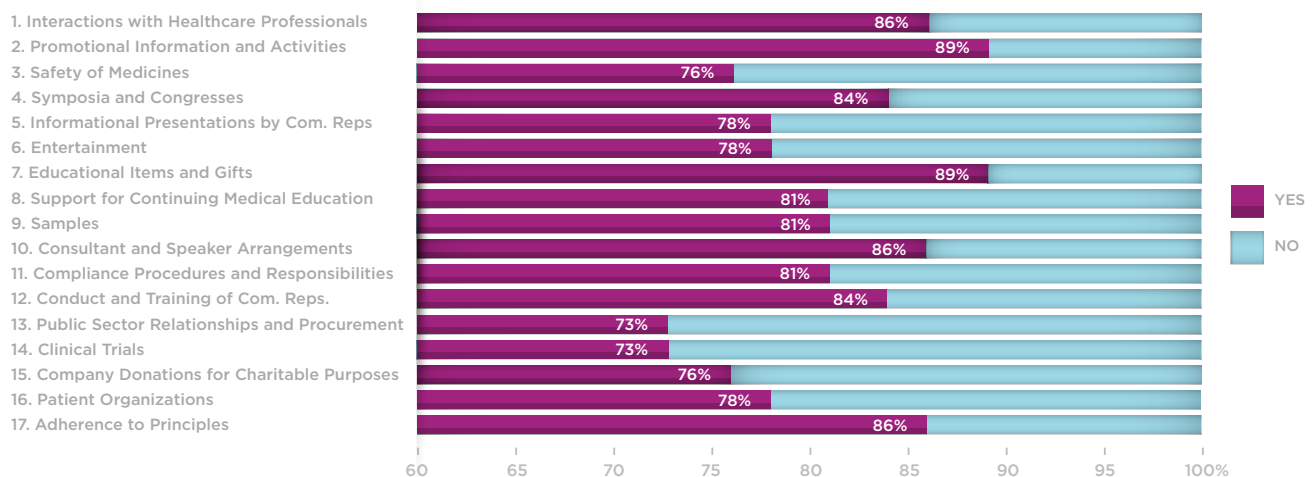
The *Business Ethics for APEC SMEs Initiative* has conducted six biopharmaceutical sector capacity-building programs since 2012 and has extended support for dozens of local trainings to ensure that new and existing biopharmaceutical industry association codes of ethics achieve alignment with the APEC Mexico City Principles. Among adopted codes or code commitments, many industry associations chose to incorporate the entire text of the APEC Principles while others adapted certain provisions to align with local requirements. Among the associations responding to the 2017 survey (37 of the 51 with code or commitments), 81% report their code embraces all six fundamental principles of the APEC Mexico City Principles, a 5% increase from the

2016 survey. A significant majority report they contain the Principles' 17 provisions. The two provisions of the APEC Mexico City Principles with the lowest adherence include public sector relationships and procurement as well as clinical trials. These two provisions similarly had the lowest adherence rate in the 2016 survey. While the 2017 survey saw a 10% increase over 2016 in the number of associations that report contributing to and participating in industry capacity-building, along with a 16% increase in those ensuring the code remains relevant and effective to address new business arrangements, the survey also saw an 11% decrease in the number of associations that make training available to health care professionals and other stakeholders.

## 2017 PERFORMANCE BY INDUSTRY ASSOCIATIONS TO IMPLEMENT APEC MEXICO CITY PRINCIPLES RECOMMENDATIONS:



## PERCENTAGE OF ASSOCIATION CODES OF ETHICS ALIGNED WITH EACH OF THE PROVISIONS OF THE APEC MEXICO CITY PRINCIPLES (2017):

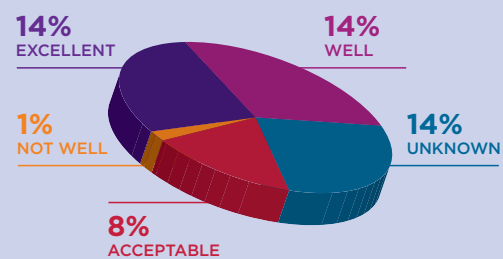




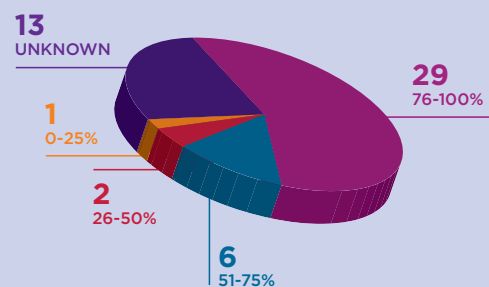
# Member Enterprise Implementation

Assessing member enterprise implementation of a biopharmaceutical sector industry association's code of ethics remains the most difficult component of the initiative's monitoring activities. To-date, data is largely dependent on estimates provided by each association. To begin to address challenges in obtaining complete and accurate data, the initiative has launched a pilot program in partnership with industry associations to survey member enterprises directly. Initiated in the Philippines, this pilot will be expanded across the region in 2018. Among the associations responding to the 2017 survey (37 of the 51 associations with codes or code commitments), **76%** report their code has performed "excellent" or "well" over the past year. Furthermore, **96%** of these associations report that a majority of their members have implemented the association's code into daily practices. In examining all 51 associations with codes or commitments, at least **69%** report that a majority of their members have implemented the code.

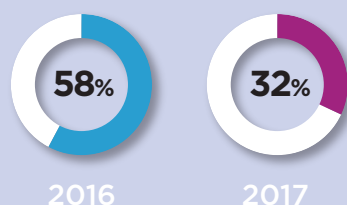
**SELF-ASSESSMENT ON CODE PERFORMANCE BY THE 51 ASSOCIATIONS WITH A CODE/COMMITMENT:**



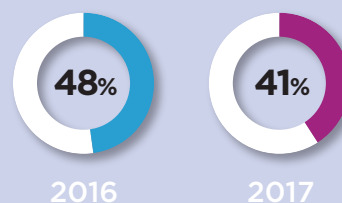
**REPORTED MEMBER ENTERPRISE IMPLEMENTATION RATE BY THE 51 ASSOCIATIONS WITH A CODE/COMMITMENT:**



Associations who require members to certify compliance with the code:



Associations who maintain an active list of members who have certified compliance with the code of ethics:



Association	Economy	Member Enterprises		Code Adoption Code Commitment*			Member Implementation	Participation in APEC Business Ethics Forum			
		TOTAL	SMEs	Yes/ No	Year Adopt	Last Update		2014	2015	2016	2017
<b>Medicines Australia</b>	Australia	35	18	Yes	1960	2015	76-100%	Yes	Yes	No	Yes
<b>GBMA</b>	Australia	7	3	Yes	2010	2016	76-100%	No	No	No	No
<b>IMC</b>	Canada	50	35	Yes	1988	2017	76-100%	Yes	Yes	Yes	Yes
<b>CGPA</b>	Canada	9	4	Yes	1998	2013	No Data	No	No	No	No
<b>ASILFA</b>	Chile	11	7	No	N/A	N/A	N/A	No	No	No	No
<b>CIF</b>	Chile	21	0	Yes	2006	2017	76-100%	No	No	Yes	Yes
<b>CPIA</b>	China	360	110	Yes*	2013*	2015*	26-50%	Yes	Yes	No	Yes
<b>CCCMHPIE</b>	China	1,840	1,688	Yes*	2013*	2015*	51-75%	Yes	Yes	Yes	Yes
<b>PhIRDA</b>	China	83	17	Yes*	2013*	2015*	76-100%	Yes	Yes	Yes	No
<b>RDPAC-CAEFI</b>	China	39	11	Yes	1999	2017	76-100%	Yes	Yes	No	Yes
<b>CATCM</b>	China	700	500	Yes*	2013*	2015*	76-100%	Yes	No	No	No
<b>CAPC</b>	China	384	249	Yes*	2013*	2015*	51-75%	Yes	No	No	No
<b>All-China Federation</b>	China	No Data	No Data	Yes*	2013*	2015*	No Data	No	No	No	No
<b>CMBA</b>	China	No Data	No Data	Yes*	2015*	N/A	No Data	No	No	No	No
<b>CMEA</b>	China	No Data	No Data	Yes*	2015*	N/A	No Data	No	No	No	No
<b>CNMA</b>	China	350	No Data	Yes*	2013*	2015*	No Data	No	No	No	No
<b>CPAPE</b>	China	350	No Data	Yes*	2015*	N/A	No Data	No	No	No	No
<b>CPEMA</b>	China	No Data	No Data	Yes*	2015*	N/A	No Data	No	No	No	No
<b>CPEP</b>	China	No Data	No Data	Yes*	2013*	2015*	No Data	No	No	No	No
<b>CPPA</b>	China	No Data	No Data	Yes*	2015*	N/A	No Data	No	No	No	No
<b>COAP</b>	China	No Data	No Data	Yes*	2015*	N/A	No Data	No	No	No	No
<b>CRAECC</b>	China	No Data	No Data	Yes*	2013*	2015*	No Data	No	No	No	No
<b>HKAPI</b>	Hong Kong, China	47	30	Yes	1971	2017	51-75%	Yes	Yes	Yes	Yes
<b>HKPMA</b>	Hong Kong, China	38	35	No	N/A	N/A	N/A	No	No	No	No

Association	Economy	Member Enterprises		Code Adoption Code Commitment*			Member Implementation	Participation in APEC Business Ethics Forum			
		TOTAL	SMEs	Yes/ No	Year Adopt	Last Update		2014	2015	2016	2017
<b>PDAHK</b>	Hong Kong, China	44	44	No	N/A	N/A	N/A	No	No	No	No
<b>GP Farmasi</b>	Indonesia	2,900	2,300	Yes	2003	2016	51-75%	Yes	Yes	No	Yes
<b>IPMG</b>	Indonesia	26	0	Yes	2001	2017	76-100%	Yes	Yes	No	Yes
<b>JPMA</b>	Japan	72	5	Yes	1976	2017	76-100%	Yes	Yes	Yes	Yes
<b>JGA</b>	Japan	42	29	Yes	2010	2014	76-100%	No	Yes	No	Yes
<b>KRPIA</b>	Korea	40	5	Yes	2010	N/A	76-100%	No	No	No	No
<b>KPBMA</b>	Korea	183	118	Yes	1994	2014	51-75%	Yes	No	No	No
<b>KoBIA</b>	Korea	107	50	No	N/A	N/A	N/A	No	No	No	No
<b>MOPI</b>	Malaysia	41	32	Yes	2013	2016	No Data	Yes	No	No	No
<b>PhAMA</b>	Malaysia	41	7	Yes	1978	2017	76-100%	No	No	No	No
<b>CANIFARMA</b>	Mexico	95	0	Yes	2005	2013	76-100%	No	No	No	No
<b>CETIFARMA</b>	Mexico	113	63	Yes	2005	2015	76-100%	Yes	Yes	Yes	Yes
<b>AMIIF</b>	Mexico	61	5	Yes	2005	2013	76-100%	No	No	No	No
<b>ANAFAM</b>	Mexico	28	0	Yes	2005	2013	51-75%	Yes	Yes	Yes	No
<b>Medicines New Zealand</b>	New Zealand	26	9	Yes	1962	2015	76-100%	No	No	No	No
<b>ADIFAN</b>	Peru	13	13	Yes	2014	N/A	76-100%	Yes	Yes	Yes	Yes
<b>ALAFARPE</b>	Peru	17	0	Yes	2016	N/A	76-100%	No	Yes	Yes	Yes
<b>ALAFAL</b>	Peru	11	5	Yes	2016	N/A	76-100%	No	No	Yes	No
<b>PCPI</b>	Philippines	115	100	Yes	2014	N/A	76-100%	Yes	Yes	No	No
<b>PHAP</b>	Philippines	40	10	Yes	1993	2016	76-100%	Yes	Yes	Yes	Yes
<b>MEPI</b>	Philippines	46	0	Yes	2015	N/A	No Data	No	No	No	No
<b>AIPM</b>	Russia	44	14	Yes	1998	2016	76-100%	No	No	No	No
<b>ARPM</b>	Russia	20	0	No	N/A	N/A	N/A	No	No	No	No
<b>SAPI</b>	Singapore	40	0	Yes	<2010	2016	76-100%	No	No	No	No

Association	Economy	Member Enterprises		Code Adoption Code Commitment*			Member Implementation	Participation in APEC Business Ethics Forum			
		TOTAL	SMEs	Yes/No	Year Adopt	Last Update		2014	2015	2016	2017
<b>SMF-LSIG</b>	Singapore	48	30	No	N/A	N/A	N/A	No	No	No	No
<b>IRPMA</b>	Chinese Taipei	47	37	Yes	1994	2016	76-100%	No	No	No	Yes
<b>TRPMA</b>	Chinese Taipei	28	28	No	N/A	N/A	N/A	No	No	No	No
<b>TPMA</b>	Chinese Taipei	210	160	No	N/A	N/A	N/A	No	No	No	No
<b>TGPA</b>	Chinese Taipei	65	10	No	N/A	N/A	N/A	No	No	No	No
<b>CAPA</b>	Chinese Taipei	125	115	No	N/A	N/A	N/A	No	No	No	No
<b>CPMDA</b>	Chinese Taipei	50	16	No	N/A	N/A	N/A	No	No	No	No
<b>NPCA</b>	Chinese Taipei	No Data	No Data	No	N/A	N/A	N/A	No	No	No	No
<b>TPADA</b>	Chinese Taipei	175	165	No	N/A	N/A	N/A	No	No	No	No
<b>TPMMA</b>	Chinese Taipei	55	55	No	N/A	N/A	N/A	No	No	No	No
<b>PreMA</b>	Thailand	38	14	Yes	1986	2016	76-100%	Yes	Yes	Yes	Yes
<b>TPMA</b>	Thailand	70	60	Yes	2016	N/A	26-50%	No	Yes	Yes	Yes
<b>GPO</b>	Thailand	1	0	Yes	2015	N/A	76-100%	No	Yes	No	No
<b>PhRMA</b>	United States	30	0	Yes	2002	2009	76-100%	Yes	Yes	Yes	Yes
<b>VNPCA</b>	Viet Nam	168	100	Yes	2014	2016	0-25%	Yes	Yes	Yes	Yes
<b>Pharma Group</b>	Viet Nam	26	0	Yes	2014	2016	76-100%	No	Yes	Yes	Yes
<b>FIFARMA</b>	Regional	13	0	Yes	2014	N/A	76-100%	No	No	No	No
<b>ALIFAR</b>	Regional	N/A	N/A	No	N/A	N/A	N/A	No	No	No	No



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