

2017 APEC Business Ethics for SMEs Forum

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Advancing Code of Ethics Implementation Course A – Internal considerations module Case Study 2

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Reference material: The Mexico City Principles, available: http://mcprinciples.apec.org/home

It is September 2019. Bob works for a Pharmaceutical company that is a member of the national Pharmaceutical Association of Malicuria Inc. (PAMI). The association was established in 2013 and currently has thirty-three member companies from the pharmaceutical industry sector, which are primarily local affiliates of multi-national firms, but includes several locally established firms.

In 2018, PAMI developed a new Code of Ethical Conduct, which was adopted by all PAMI members. The new Code has been supported by many member companies – both local affiliates of multi-national firms and domestic firms – and reflects the APEC Mexico City Principles. However, Bob knows that each member company also has its own internal mechanisms for compliance enforcement. With the new PAMI Code taking effect last year (in 2018), member companies need time and resources to set up new internal policies, SOPs, training and enforcement measures. Bob is aware that member companies are at different stages of implementing the PAMI Code within their businesses. To facilitate and expedite this transition to "internalize" adoption of the new Code, Bob has set up a small Committee of member company representatives to develop proposals to assist and encourage member companies.

- 1. What activities could Bob's Committee develop and recommend to PAMI Member companies to enhance their Code compliance?
- 2. How could you measure whether member companies have adopted the PAMI Code within their business?
- 3. Thinking of the "carrot and stick" approach, what measures could be introduced to encourage companies to adopt and internalize the Code and/or to sanction companies who do not appropriately adopt the Code?
- 4. What would be the process for getting all PAMI member companies to accept the Committee's recommendations?

Please summarize your recommendations on one or more flipcharts and appoint a group member to present the results.