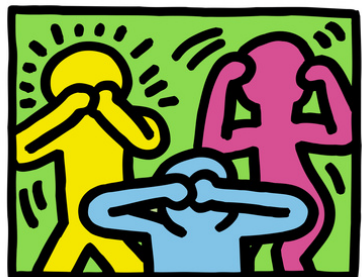




Business Ethics for Pharma and Device Companies

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Structure of content



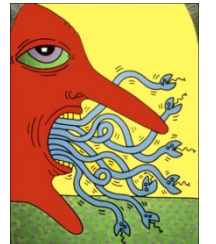
Thinking about ethics



Acting with/without ethics



Talking about ethics





Fundamental Questions



Is business ethical?

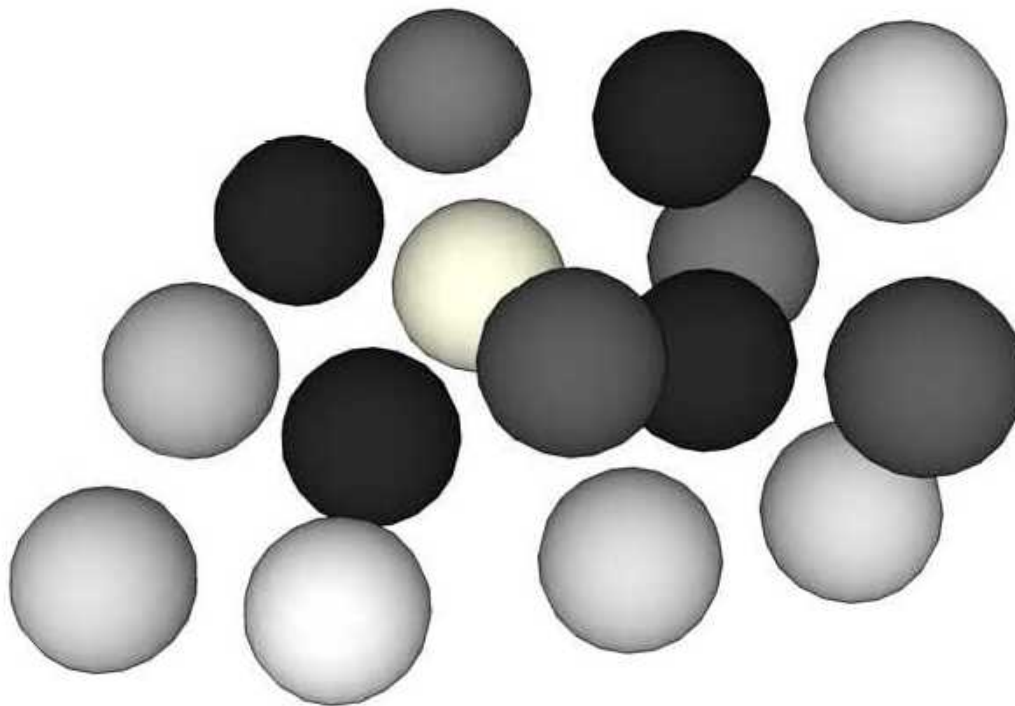
Is the pharmaceutical industry ethical?

Is your company ethical?

Are you ethical?

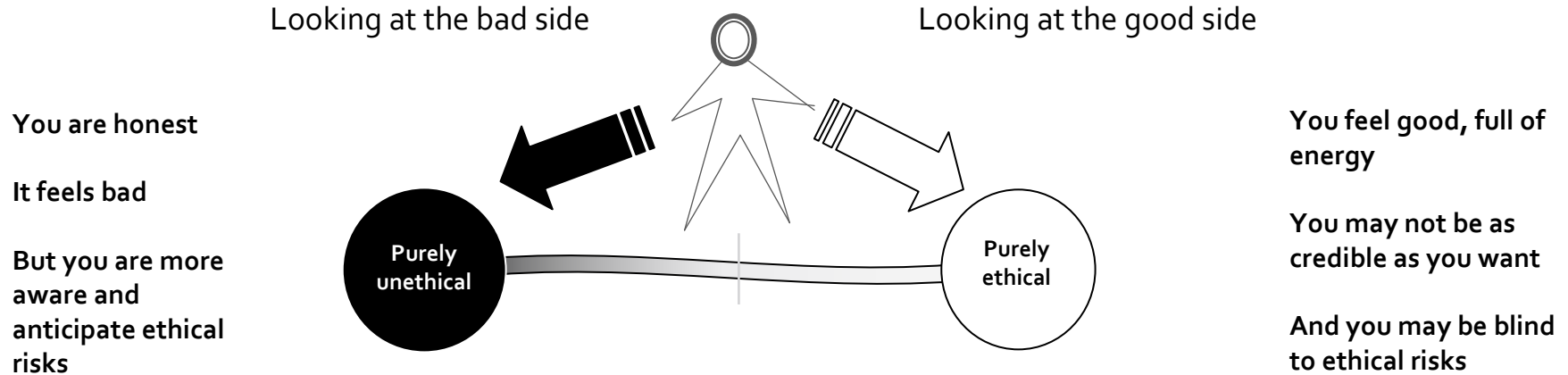


Which white spheres?





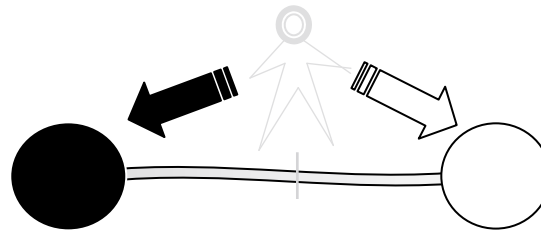
Thinking Ethics as a Grey Zone



- Our ethical judgments are **bounded** and **biased** by our emotions, our self-interest, our mental habits and self-image, our cultural context, our work environment and our power to act.
- This phenomenon **is not necessarily intentional**, but it can have **significant consequences**.
- We can develop, refine and structure our **ethical consciousness**. It requires to **open our mind** and be able to **think beyond the justification of our ethical opinion**.
- It necessitates training and effort, **outside our zone of comfort**



Enlighten your Ethical Blindspot



To which extent is this bad?

Which stakeholders can be harmed? How much? When?

Can this be wrong? Against compliance? Against the law? Against some ethical principle? What if everyone does the same? All the time?

Am I having bad feelings? A sense of discomfort? An early warning signal inside?

Would this be better kept secret? Is this taboo? Could it be publicly known?

To which extent is this good?

Which stakeholders can benefit? How much? When?

Is this right? Does it comply? Is this legal? Does it respect the spirit of the law? Is this respecting ethical principles, code of values? Can this be universalized?

What good feelings do I have? What virtue do I incarnate? Why is this respecting my personal integrity?

What would I like to be known? To be transparent? is transparent?

Unethical Issues in the pharmaceutical industry

| Exploratory Research | Pre-clinical development | Clinical development | Registration | Procurement and manufacturing | Marketing | Distribution and Phase IV | Recycling |
|---|---|---|--------------|-------------------------------|-----------|---------------------------|--|
| R&D | Laboratory development | Commercialization | | | | | |
| Research | Animal testing Clinical trial | Drug registration Mass production Marketing & post-marketing | | | | | Drug recycling |
| Control of publication and research outcomes R&D for orphan drug and neglected diseases R&D for developing countries diseases | Clinical trial disclosure Respect for persons, beneficence and justice Children and women in clinical trial Clinical trial in developing countries Animal welfare | Patent protection and extension with lobbying Political contributions to promote legislation friendly drug to manufacturers Drug safety in manufacturingm distribution and post-marketing processes Pricing for medicine Influence over professionals Labeling and promotional information and material Drug pricing transparency | | | | | Air emission Solid and hazardous waste Spill and release in water Hazardous material Water waste Biodiversity |

Source: Evaluation of CSE performance , Palazzo, G. et al, UNIL 2010



Compliance does not mean Ethics



| | | ETHICS | |
|------------|-----|-----------|---------|
| | | Unethical | Ethical |
| COMPLIANCE | Yes | 1 | 2 |
| | No | 3 | 4 |

There are many ways for being compliant and unethical.
There are many ways to be ethical and not compliant.
Did you study them?



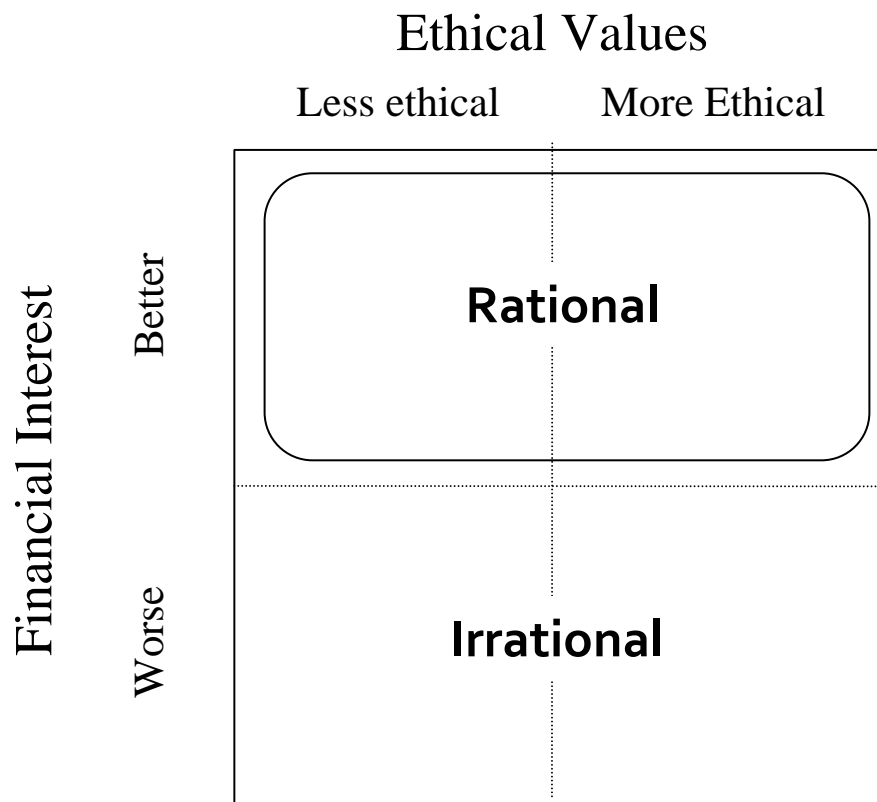
Fundamental Question



There is no point in talking about ethics in business if we don't talk about how much it costs



Economic Rationality

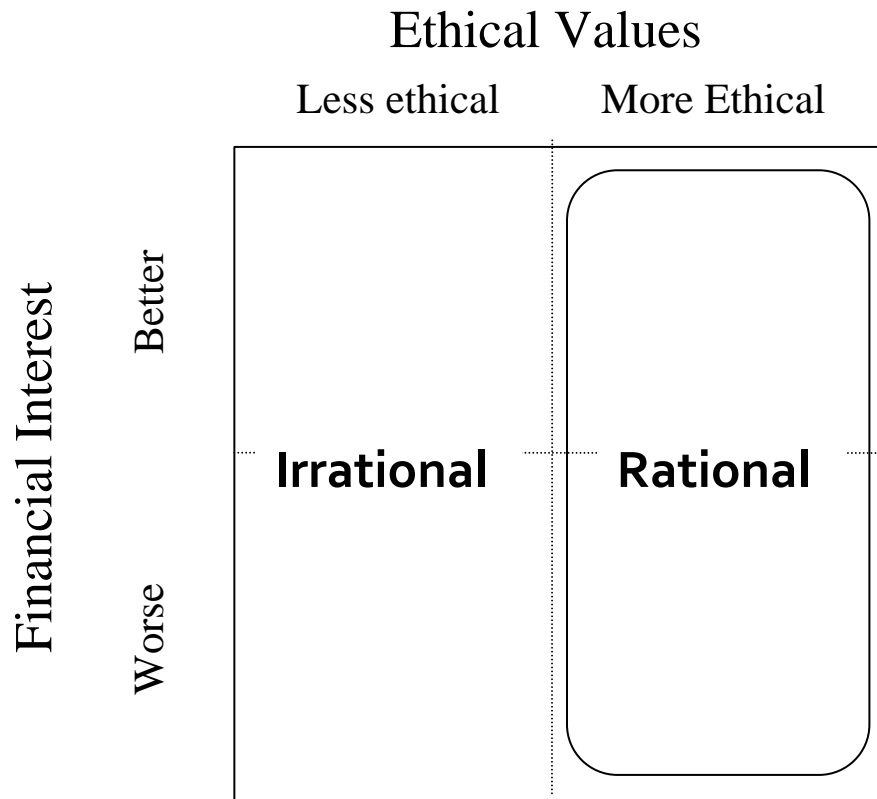


With this discourse, business should be ethical if and only if this serves its financial interest.

Taught all over the globe, it logically implies tragic consequences



Idealist Compliance

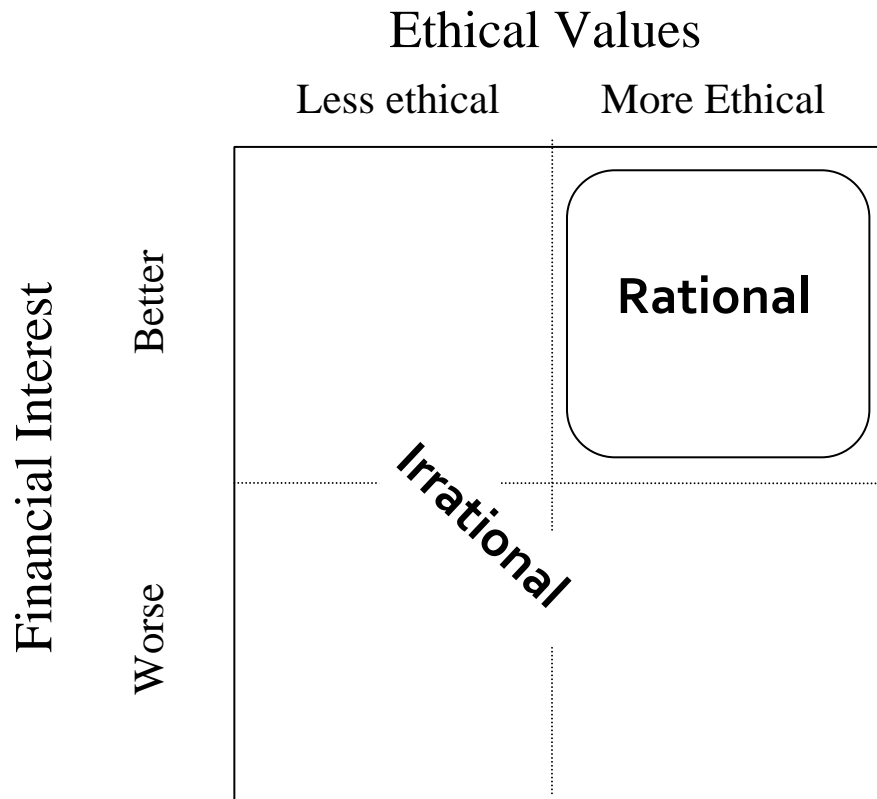


Compliance is supposed to be an absolute criterion of choice.

In practice, we **deny**, **hide** and **externalize** the non-compliant decisions.



Corporate Social Responsibility



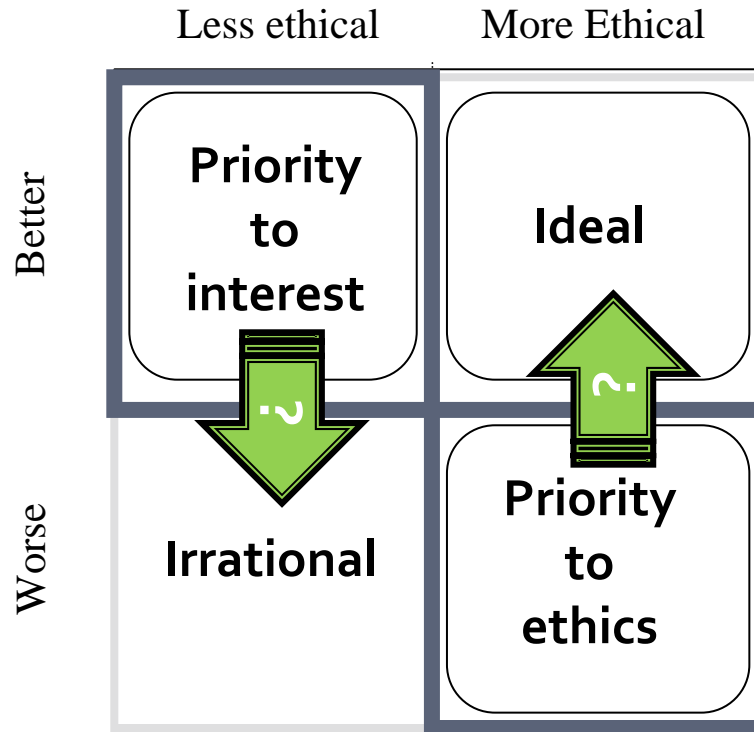
Business interest and **ethics** are supposed to always combine. In practice, there are many situations in which ethics does not pay, and CSR may cover them up, for the best or the worse...



Ethical Rationality



From here, a **reactive** strategy mitigates ethical risks to **avoid losing everything**



From here, a **proactive** strategy should help you to **reach the ideal**

More than a discourse, ethical rationality teaches you to draw a line in the grey zone...

An art of surprise, ethics is a way to manage the unexpected.



Fundamental Questions



Who do you trust enough to talk honestly?

By whom do you want to be trusted?



Credibility & Trust



- Ethical questions are value-loaded, emotional and can be dishonestly biased towards the unethical side.
- Ethical denials and justifications may nurture negative emotions in others.
- Ethical answers which strongly ascertain the ethical side are not necessarily perceived credible.
- Ethical answers which demonstrate **awareness and consciousness of the unethical side**, as well as **pro-activeness towards the ethical side** may enhance **sincerity** and **trust**.



Conclusions



- Ethical thinking occurs in a uncomfortable grey zone.

Are you ready to enumerate all the things that you do wrong?

You will be fully empowered to analyze the problems

- Ethical action is about drawing a line in the grey zone.

Do you know the values for which you are ready to sacrifice some perceived business interest?

You will generate resources to invest in a proactive ethical culture

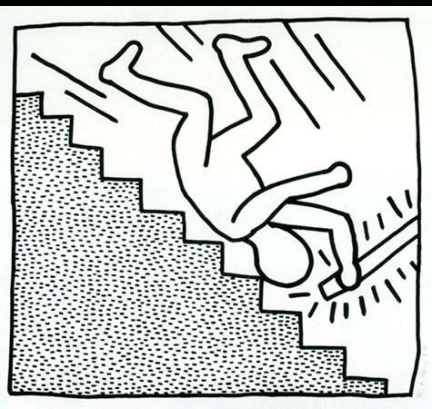
- Ethical credibility & trust requires to be honest about bad aspects.

Are you ready to discuss your unethical side?

You will create an alliance of people prepared to help you



Thank you



Artwork Keith Haring