

# Success Indicators for Effective Code Governance

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The background features several sets of curved lines in the top-left and bottom-right corners. Each set consists of multiple parallel lines, with the innermost being solid and the outer ones being dashed. The lines are light gray and curve towards the center of the page.

## 4 key pillar to implement a Code

- **Governance**
- **Alignment**
- **Member adherence**
- **External Engagement**

# GOVERNANCE

- **Governance is fundamental**
- **Alive vs. lost in office shelves**
- **Should be governed by the members and staff**

# Success Indicators

- Should be create by the collective
- Not by one person or a small team
- Should have involvement of the members
- Building early buy-in among members as the code is revised in critical
- Has the code been approved by a Board and/or the full membership, as well as publicly endorsed by the association's leadership?

## Key take away

- Once a code of ethics is in place, ideally **created and endorsed by the members**, the next step is to see the **code communicated to the association's members on a frequent basis**.
- This is a key step to keeping the **code of ethics alive**, after it has been adopted. This can include routine code **training and awareness sessions, circulating the code on a periodic basis** to your members by mail and email, as well as incorporating the code into other association activities that do not seem to related to ethics.
- The code should **always be visible** to members when they are engaging with the association.
- **Frequent reminders** and attention will keep buy-in strong.
- The code should also be **posted online** along with other materials that can help the members and other stakeholders **to understand and follow it**.

## Sufficient Resources

- To continue with the same approach on success indicators for effective code governance: once you have a code of ethics that was created and endorsed by the membership, as well as that is routinely communicated to the membership, the next success indicator is ensuring there are sufficient resources or procedures in place to sustain the code's governance over time.

## Top priority

- Some associations can be well intended in developing and launching the code, communicating it to members, but then the process starts to slow down and become less of a priority. This is perhaps the most unfortunate circumstance.
- A code of ethics should always be an association's top priority. And nothing can be considered a top priority if the code is not sufficiently resourced and has procedures around it to ensure it is sustained as a priority.

## Support to the members

- So if you have a well-supported, communicated, and resourced code of ethics, the association is much better positioned to offer a diverse training program, ideally that supports member adherence as well as external stakeholder awareness.
- Some associations with a well-governed code can also setup a process to provide one-on-one assistance for any member company that is looking to learn more and to align their business practices. This means providing a reliable option for members to outreach to the association for help.

## Code compliant and violation procedure

- Some associations will also consider code complaint or violation procedures, but this greatly depends on the environment on a country-by-country basis.
- If a code of ethics does have a complaint procedure, it is very important that the code be very well governed with all of the items we have mentioned, or else there are risks that the compliant or violation procedure loses credibility.

## Continuous improvement & update

- Lastly, as you know, codes can become stagnant as the world around us continues to change.
- A well governed code of ethics will be routinely reviewed and deliberated upon by the association, ideally the leadership and in many cases an ethics committee, to determine if any updates are needed.
- This will help to ensure the association's focus on the code is always progressive and working to improve the ethical business environment for the sector.
- You never want to give rise to the view that the code is out-of-date. This is also a great leadership role for any association in the market.

# 2019 Coalition survey report



Coalición Interamericana  
de Ética Empresarial



Coatização Interamericana  
de Ética Empresarial



Inter-American  
Coalition for  
Business Ethics

## 2019 SUMMARY REPORT ON CODE OF ETHICS IMPLEMENTATION BY MEDICAL TECHNOLOGY INDUSTRY ASSOCIATIONS

The Inter-American Coalition for Business Ethics in the Medical Technology Sector ("the Coalition") monitors code of ethics development and implementation by member medical technology industry associations across the Americas. These **14 national industry associations** (plus three regional/national alliances, one professional society, and one national ethics institute) collectively represent nearly **2,000 member enterprises**, of which nearly **1,400** are identified as SMEs. These enterprises constitute a majority of the firms that develop, manufacture, market, and/or distribute medical technologies (devices and diagnostic products) across the Americas, particularly within the ten countries where these organizations are based.<sup>1</sup>

This summary report overviews the second annual assessment of code of ethics implementation by Coalition medical technology industry associations. As such, it provides further data for the Coalition's capacity-building program to implement the Bogota Principles launched in 2017. The Coalition is pleased to report that all national industry associations have adopted a code of ethics, the first time in the history of the region. While this represents an important milestone, further progress is needed across all **four key areas** of effective code implementation: (1) code governance, (2) code alignment, (3) enterprise adherence, and (4) external stakeholder engagement. Coalition member industry associations continue to seek creative solutions to resolve the "non-member dilemma" – how to entice enterprises within the market (who are not association members) to adhere to the high-standards of the Bogota Principles.

### CODE GOVERNANCE

Medical technology 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. Through this assessment, the Coalition monitors several crucial areas to identify where such governance exists. The results across these areas are indicated in the following chart:

Assessment Area	"Yes" in 2019	"Yes" in 2018
Distributed the code to member companies within the last two years	100% ↑	93%
Internet version of the code is available in local language	100%	N/A
Resources to support code maintenance, promotion, and implementation	93% ↑ (Yes + Some)	73% (Yes + Some)
Procedures to review the code and ensure it is up-to-date	71% ↑	67%
Provide one-on-one assistance to member companies seeking to align their business practices with the code	71% ↑	60%
Maintains a code complaint or violation procedure (with routine use)	64% ↑ (20%)	53% (20%)
Offer code of ethics training to member companies	64% ↓	67%
Planning to amend the code within the next 12 months	57% ↑	47%
Offer code of ethics training to third party enterprises	43%	N/A
Offer code of ethics training to individual sales representatives	36%	N/A

<sup>1</sup> Coalition industry associations are based in the following countries: Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Peru, United States, and Venezuela. Many enterprises within these associations have operations in other countries.

Thank you!!

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