



International  
Federation of  
Pharmaceutical  
Manufacturers &  
Associations

Fédération  
Internationale de  
l'Industrie du  
Médicament

Federación  
Internacional de la  
Industria del  
Medicamento



## 1 DECEMBER 2011, IFPMA GENEVA PHARMA FORUM

**Speech by David Brennan**

**IFPMA President and Chief Executive Officer, AstraZeneca**

Good morning.

I am delighted to be here at this event and to be part of your discussion.

You have already heard different perspectives and viewpoints on promotion of medicines. What I would like to do in my comments today is to add my perspective to that discussion, talk a little about what my own company has been doing in this area, and look at some of the next steps for the industry as a whole.

We meet at a time of renewed turbulence and uncertainty across the world. That is presenting challenges to virtually all business sectors. Clearly, the economic outlook is a very difficult one and is the immediate focus of policy makers and, indeed, business leaders. Yet that should not obscure the fact that we are also seeing major social and political changes in many countries. And we are dealing with rapid and far reaching technological developments that are transforming both our personal and our business lives.

And all of these have an impact on healthcare needs - and how we meet those needs.

The pharmaceutical industry can and does play a positive role in meeting these needs. But if we are honest, that's not how we are perceived. We're often seen as the bad guys. People don't always trust us to do the right thing.

In a Harris poll conducted in the US last year only 11 per cent of people said they thought the pharmaceutical industry was generally honest and trustworthy. Perhaps more worrying still was the fact that 20 per cent said they thought banks were honest and trustworthy.

So, even three years on from one of the world's most far reaching financial crises, the banks are still seen as more honest than our own sector.

There's even more bad news, in that this low level of trust has not changed much since the survey first started eight years ago.<sup>1</sup>

Of course, these are just one set of results and I am sure that they will vary in different markets. But whatever the precise figures, it is clear is that our reputation is not as good as it should be.

It is easy to dismiss this as something we cannot control. That these are perceptions and not reality.

But I firmly believe the industry can and should do something. That we can change the way we do things so that we set the highest standards – so that we never do anything that can be misinterpreted. And that we recognise that how we do things is just as important as what we do.

Across the world we are seeing how that lack of trust and allegations of improper behaviour are leading to new legislation. In Korea, for example, after a lengthy competition investigation, a new law was passed making it an offence for doctors to receive gifts or funding from pharmaceutical companies – with both companies and doctors liable.

Of course, we all accept that regulation is necessary, that compliance has to be at the heart of everything we do, but excessive regulation and lack of trust can reduce effectiveness. It can slow

---

<sup>1</sup><http://www.harrisinteractive.com/NewsRoom/HarrisPolls/tabid/447/ctl/ReadCustom%20Default/mid/1508/ArticleId/648/Default.aspx>

the approval of new drugs, it can divert resources, it can stifle innovation. It can make collaboration harder. That's not good for the industry but, more important, it's not good for patients.

We can end up with a box ticking culture which believes simple compliance with the external rules is enough. But good governance and good corporate behaviour are much more than compliance. It is about having values and principles and always doing the right thing. It is about setting the highest standards of behaviour and never doing anything that could be misinterpreted.

And it is about thinking about how we do things and how we can do them better to maximise the benefits of what we do.

At IFPMA we believe that our behaviour must be ethical, appropriate and professional at all times we should always abide by the letter and the spirit of our Code.

Earlier this year, I set out AstraZeneca's approach to these challenges in a speech in Istanbul. Six months on, as we have seen the changes embedded across our operation, I am more convinced than ever that this decision to renew and tighten our own code of conduct was the right one. It is helping us to respond effectively to a changed external and regulatory environment. It is helping us to change perceptions, and to be seen as a trusted partner in tackling the global health challenges ahead.

The first and most fundamental point is that we at AZ start from the position that our products stand on their own merits. We believe in them. So healthcare providers should know about their benefits but we should not do anything that could be seen as an inducement to use that product.

These are easy words to say but we mean them. So in our Global Policy on External Interactions, we have an explicit ban on providing any gifts, other than low monetary value cultural items and educational items to healthcare professionals.

We are still committed to providing accurate information about our products to healthcare professionals in a variety of forums. And we will continue to provide opportunities for healthcare professionals to learn about our products both from our own employees and by other healthcare professionals whom we train as speakers.

However, we have decided that we will no longer pay for doctors to attend international scientific and medical congresses but will instead focus on local educational opportunities for healthcare professionals.

Our aim is to avoid anything that could be perceived as an inappropriate inducement to a healthcare professional. We have to accept that this is not easy. It's especially difficult for our sales force. I know from my own experience as a sales representative, you will encounter people who will ask for gifts, or other inducements.

And they will threaten to take their business elsewhere, if you don't acquiesce.

But we have made it clear that our sales force have to say no. They must do the right thing, not the easy thing. They must understand and abide by our principles, and our Code of Conduct. And we provide guidance and support to help them do so.

Clearly this work stands alongside the IFPMA Code. And, whilst we are always looking for ways to improve and increase the standards worldwide, I think it is worth setting out what has been achieved since the Code was launched in 2006.

I welcome the fact it has helped to establish a dialogue with key stakeholders such as the W.H.O.

The Stakeholders Roundtable held earlier this year and again yesterday is another example of how the Code has helped to provide a platform to engage other groups.

It was a real step forward that the industry was able to have such a productive dialogue with groups ranging from Health Action International to the International Alliance of Patient Organizations. And the commitment to meet again on a regular basis, underlines how the Code has provided the building blocks for gaining trust and restoring the industry's reputation.

Another great success of the IFPMA code is the way it has led national associations to examine their own codes and raise standards. These reviews have often gone beyond confirming IFPMA code compatibility and prompted a much wider discussion of the issues.

As my colleague from Mexico knows, 21 countries in the APEC region have now worked with industry to create a set of voluntary guiding principles for ethical business practice. This led to the so-called Mexico City Principles announced earlier this month.

In Mexico itself, collaboration with a large number of stakeholders, including medical associations, and government bodies led to a joint Transparency Agreement in 2008.

This sets out ethical standards for all stakeholders involved.

We have seen similar success in South Africa, where the local association brought together a wide range of interested parties including government to produce a joint Code.

So we have a good foundation to build on, but as I have outlined, the world has changed significantly since the IFPMA Code was issued. We face a very different context and very different regulatory requirements.

Gaining agreement on a common set of practices across member companies is tough. But that should not stop us from trying to set the highest standards.

We must not settle for an option just because it is easy to get agreement.

It is important to extend our scope beyond just marketing to cover all interactions with healthcare professionals and patient organisations. We know that we are judged on all our contacts and need to set consistently high standards in every one of those interactions. We as industry also need to ensure that company employees receive appropriate compliance training. This is a vitally important issue if we are to ensure that the Code is robust and effectively implemented.

The real strength of the IFPMA is that it has a global reach – it can set those universal standards. As the examples I gave earlier underline, the current Code has played a vital role in raising standards in very different countries.

*All* companies, not just the multinationals, are coming under closer scrutiny than ever before and you, as stakeholders and the public, will highlight any areas where a company is not living up to its values. We are only as strong as the weakest link in the chain. It only takes one company to taint our reputation, no matter what good work others are doing. The IFPMA can help us strengthen that chain.

And we must ensure that we take the time to explain our approach to our customers and stakeholders. I welcome this opportunity to do so now.

As I said at the beginning of my speech, we are living in difficult times. Our industry faces real challenges related to the costs of healthcare, the drug pipeline, patent expiration and our reputation. Many of the changes in the external environment are outside our control. But there are some things we can do to make a difference.

And central to that is working to improve our reputation. So it is vital that our industry shows how it can, and does, play a positive role in meeting the healthcare challenges we face. And that we remember we can, and should, be a force for good, and that we give the highest priority to showing our external stakeholders that they can trust us to do the right thing.