



Asia-Pacific  
Economic Cooperation

# Business Ethics for APEC SMEs Initiative: **Strategic Compass**



APEC Small and Medium Enterprises  
Working Group (SMEWG)

## Business Ethics for APEC SMEs Initiative: **Strategic Compass**

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### Introduction

Launched and endorsed by Asia-Pacific Economic Cooperation (APEC) Small and Medium Enterprises (SME) Ministers in 2011, and welcomed by APEC Economic Leaders in 2012, the Business Ethics for APEC SMEs Initiative (Initiative) is one of the world's largest public-private partnerships to strengthen ethical business conduct in health-related industries. With active engagement from more than 2,000 stakeholders across APEC, including SMEs, multinational corporations, industry associations, government authorities, patient organizations, healthcare professionals, and other health-related stakeholders, the Initiative serves as the region's largest collective action initiative to promote ethical leadership and business integrity across health systems.

Upholding high-standard ethical practices and sustaining trust is of utmost importance to health systems, particularly for SMEs, which constitute a significant majority of the businesses operating within health-related sectors within each APEC economy, including the biopharmaceutical and medical technology industries. SMEs in these sectors develop and deliver essential products and services, drive innovation, and serve as vital partners to larger health organizations. Their sustained economic success, along with the well-being of patients who rely on them across APEC health systems, depends on their ability to operate on a level playing field.

Building on the achievements realized through the Nanjing Declaration and Vision 2025, the Strategic Compass of the Business Ethics for APEC SMEs Initiative (Compass) captures the shared mission, key desired outcomes, and ways of working that will enable future progress.

## Business Ethics for APEC SMEs Initiative: **Strategic Compass**

### Objectives and Achievements

The Initiative pursues strengthened ethical business conduct to realize four interdependent objectives that collectively reinforce long-term regional progress:

- 1 Drive integrity in health system decision-making and leadership.**
- 2 Build stakeholder trust to advance innovation and expedite discovery and improvement of products.**
- 3 Enhance competitiveness and economic success of APEC SMEs in the health sector.**
- 4 Strengthen health outcomes and patient access to lifesaving and life-improving products.**



These objectives guide the Initiative's key desired outcomes and ways of working. They are also bolstered through the Initiative's core achievements to date, which include:

**APEC Principles:** Development and refinement of APEC Principles for codes of ethics in health-related sectors and implementation by dozens of industry associations across the APEC region that represent over 16,000 SMEs.

**Consensus Frameworks:** Development of a model for economy-wide, voluntary partnerships among health stakeholders to enable ethical collaboration, which has been implemented in 14 APEC and non-APEC economies, comprising more than 200 entities.

**Research:** Completion and dissemination of research on the value of business ethics for SMEs across the APEC region in health-related sectors, including findings on the numerous economic benefits for SMEs that achieve higher ethical maturity.

**APEC Business Ethics for SMEs Forum:** Hosted annually since 2013, each Forum advances regional progress through capacity building and best practices sharing; convening the Patient Network; fostering public-private partnerships; and engaging industry associations.



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### Key Desired Outcomes

To realize measurable impact across the Initiative's objectives, several Key Desired Outcomes (Outcomes) inform Initiative activities. These Outcomes are divided into two categories: cross-border engagement and economy-level implementation. The Initiative places equal weight and importance on each Outcome indicated and not in the order in which they are listed. The Initiative may develop and monitor quantitative and/or qualitative indicators associated with each of these Outcomes.

#### **Cross-Border Engagement**

*The Initiative will pursue the following Outcomes through collaboration across economies.*

##### **1. Advance Ethical Principles; Develop and Align Standards**

Set high ethical standards for the health ecosystem in the APEC region, including through the advancement of ethical principles for the biopharmaceutical and medical technology industries.

##### **2. Promote the Integration of Enterprise Integrity into Government Strategies**

Foster public-private partnerships that promote enterprise integrity in government strategies.

##### **3. Drive Initiative Collaboration with External Bodies**

Pursue dynamic collaboration with multilateral and other institutions to strengthen the Initiative's connectivity, impact, and longevity.

##### **4. Generate and Disseminate Evidence of the Benefits of Strengthened Ethical Conduct**

Develop original research and leverage findings to communicate the distinct business benefits of ethical conduct.

#### **Economy-Level Implementation**

*The Initiative will pursue the following Outcomes through collaboration within economies.*

##### **5. Equip Industry Associations to Support SMEs; Adopt and Sustain Ethical Business Conduct**

Empower industry associations in APEC economies to adopt and maintain high-standard codes of ethics and other tools for the benefit of health-related SMEs and their partners.

##### **6. Develop and Support Leaders to Champion Ethical Business Conduct**

Equip current and emerging leaders to champion ethical practices.

##### **7. Develop, Implement, and Evolve Collective Action Solutions**

Enable interconnected health-related stakeholders to forge and scale ethical collaboration.



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### Ways of Working

To realize measurable impact across the Initiative's objectives, several Key Desired Outcomes (Outcomes) inform Initiative activities. These Outcomes are divided into two categories: cross-border engagement and economy-level implementation. The Initiative places equal weight and importance on each Outcome indicated and not in the order in which they are listed. The Initiative may develop and monitor quantitative and/or qualitative indicators associated with each of these Outcomes.

		Way of Working	Description
Core Features		<b>Best Practice Setting</b>	Identifies, aligns, and endorses high standard ethical business practices
		<b>Capacity Building</b>	Facilitates adoption and implementation of high standard ethical business practices and collective action Initiatives by health sector stakeholders
		<b>Collective Action</b>	Facilitates multistakeholder engagement
Supporting Tools		<b>Research</b>	Conducts research on high standard ethical business practices
		<b>Communication</b>	Aligns consistent communications on the value of business ethics and integrity
		<b>Accountability Mechanisms</b>	Assesses and develops indicators to help measure progress in the adoption and implementation of high standard ethical business practices

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### Resources

#### **2011 APEC Small and Medium Enterprises Ministerial Declaration**

The 2011 Ministerial Declaration marks the inception of the Initiative. It outlines APEC's commitment to fostering health-sector SME growth, emphasizing ethics and innovation-driven development strategies.

[http://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Small-and-Medium-Enterprise/2011\\_sme.aspx](http://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Small-and-Medium-Enterprise/2011_sme.aspx)

#### **2012 APEC Economic Leaders Meeting Declaration**

This statement details endorsement of the APEC Principles for voluntary codes of business ethics, developed by the Initiative the previous year.

[https://www.apec.org/meeting-papers/annual-ministerial-meetings/2012/2012\\_amm](https://www.apec.org/meeting-papers/annual-ministerial-meetings/2012/2012_amm)

#### **APEC Call to Action: Business Ethics for APEC SMEs Initiative**

A formal call to action for stakeholders to collaborate on promoting ethical business environments, especially in health-related sectors. This report provides a summary of the Initiative's past objectives and achievements and contains a detailed references page.

<https://www.apec.org/publications/2016/05/business-ethics-for-apec-smes-call-to-action>

#### **APEC Principles for Codes of Ethics in the Biopharmaceutical Sector**

These principles provide a standardized ethical framework for biopharmaceutical companies to ensure integrity and transparency and promote positive patient outcomes.

[https://mcprinciples.apec.org/wp-content/uploads/2022/05/22\\_smewg53\\_028b\\_MC-Principles.pdf](https://mcprinciples.apec.org/wp-content/uploads/2022/05/22_smewg53_028b_MC-Principles.pdf)

#### **APEC Principles for Codes of Ethics in the Medical Technology Sector**

Designed for the medical technology industry, these principles provide guidance across APEC economics on ethical conduct to ensure that medical decision-making is made in the best interests of the patient.

[https://klprinciples.apec.org/wp-content/uploads/2022/05/22\\_smewg53\\_028a\\_KLPrinciples.pdf](https://klprinciples.apec.org/wp-content/uploads/2022/05/22_smewg53_028a_KLPrinciples.pdf)

#### **APEC Recommendations for Enterprise Integrity in Public Procurement**

APEC outlines strategic recommendations for stakeholders to level the playing field in public procurement.

[https://mddb.apec.org/Documents/2023/SMEWG/FOR1/23\\_smewg\\_for1\\_004.pdf](https://mddb.apec.org/Documents/2023/SMEWG/FOR1/23_smewg_for1_004.pdf)

#### **Business Ethics for APEC SMEs Initiative Homepage**

The Initiative homepage serves as the central hub for APEC's efforts to advance ethical business conduct across SMEs in the health sector.

<https://businessethics.apec.org/>

#### **Capacity Building - Business Ethics for APEC SMEs**

APEC tools to help facilitate adoption and implementation of high standard ethical business practices, including Global Compliance Distributor toolkit and guidance on Ethical Third Party Intermediary Relationships in the Medical Device Sector

<https://klprinciples.apec.org/capacity-building/>



## Business Ethics for APEC SMEs Initiative: **Strategic Compass**

### **The Value of Business Ethics for APEC SMEs (2021)**

This publication presents the economic and reputational benefits of ethical business practices for APEC SMEs in the health sector and offers data-driven insights into their long-term value.

[https://www.apec.org/docs/default-source/publications/2021/11/the-value-of-business-ethics-for-apec-smes/221\\_sme\\_the-value-of-business-ethics-for-apec-smes.pdf?sfvrsn=631e9867\\_2](https://www.apec.org/docs/default-source/publications/2021/11/the-value-of-business-ethics-for-apec-smes/221_sme_the-value-of-business-ethics-for-apec-smes.pdf?sfvrsn=631e9867_2)

### **Deepening the Value of Business Ethics for APEC SMEs (2025)**

This report explores the specific components of ethical maturity that have the greatest positive business impact for APEC health-sector SMEs.

<https://www.apec.org/publications/2025/06/deepening-the-value-of-business-ethics-for-apec-smes--how-ethics-builds-trust--drives-trade--and-fuels-sme-growth-across-apec-economies>

### **Nanjing Declaration on Promoting Ethical Environments (2014)**

A milestone statement committing APEC economies to promote ethical business environments in the medical device and biopharmaceutical sectors through 2020.

<https://mcprinciples.apec.org/wp-content/uploads/2020/02/NanjingDeclarationEnglish1.pdf>

### **OECD's Resource Guide on State Measures for Strengthening Business Integrity**

This guide provides cross-border examples of policies and tools governments can use to promote integrity and curb corruption in business.

[https://www.oecd.org/en/publications/resource-guide-on-state-measures-for-strengthening-business-integrity\\_c76d7513-en.html](https://www.oecd.org/en/publications/resource-guide-on-state-measures-for-strengthening-business-integrity_c76d7513-en.html)

### **2022 Report on Code of Ethics Implementation – Biopharmaceutical Sector**

This report tracks the adoption and implementation of ethical codes by biopharmaceutical industry associations in APEC economies.

[https://mcprinciples.apec.org/wp-content/uploads/2023/01/2022\\_sme\\_2022-report-on-code-of-ethics-implementation\\_biopharmaceutical.pdf](https://mcprinciples.apec.org/wp-content/uploads/2023/01/2022_sme_2022-report-on-code-of-ethics-implementation_biopharmaceutical.pdf)

### **2022 Report on Code of Ethics Implementation – Medical Technology Sector**

This report tracks the adoption and implementation of ethical codes by medical technology industry associations in APEC economies.

[https://klprinciples.apec.org/wp-content/uploads/2023/01/2022\\_sme\\_2022-report-on-code-of-ethics-implementation\\_medical-technology.pdf](https://klprinciples.apec.org/wp-content/uploads/2023/01/2022_sme_2022-report-on-code-of-ethics-implementation_medical-technology.pdf)

### **Vision 2025: Business Ethics for APEC SMEs Initiative**

Vision 2025 outlines a long-term roadmap to elevate ethical business practices among SMEs, with benchmarks for progress through the year 2025.

<https://www.apec.org/Publications/2020/12/Business-Ethics-for-APEC-SMEs-Initiative>



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