

# Report on merck co- global compact submission

[Business](#), [Company](#)



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## **Introduction**

Merck & Co is a global-research driven pharmaceutical company located in New Jersey, U. S. A. The company is also referred to as MSD (Merck Sharp and Dohme) in nations outside U. S. A and is known to focus on its patents. This report contains Merck & Co's recommendations to the Local Network concerning principle 1 and 8 of the Global Compact. Principle 8 deals with programs aimed at enhancing greater responsibility of the environment. Principle 1, on the other hand, deals with human rights and it states that organizations should care and respect human rights that are under the protection of the international community<sup>1</sup>. These two principles are the most crucial and should be the focus of the Local Network for future development.

## **Business Practices**

Merck joined the United Nations Global Compact in March 2009. The company values human and animal life and maintains high levels of integrity

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and morals. All operations with the various stakeholders are transparent depicting the standards of the company. The company offers access to all stakeholders who need its services and drugs. It also facilitates teamwork through its set-up that contains workers from diverse backgrounds. These employees work with honesty and utilize their knowledge and skills to achieve the company's goals. These practices are in line with the principle of human rights, because with integrity and teamwork cases of abuse to human rights reduce<sup>2</sup>. The company is in a position to make recommendations to the Local Network regarding initiatives to promote greater environmental responsibility. This is because the company is a global upcoming provider of health care committed to being an environmental responsible business. Environmental responsibility is enhanced through usage of smarter energy practices. The company uses this energy because it is efficient and environmentally friendly. Merck is committed to reducing environmental gas pollution. This is evident from the installation of two prominent solar energy systems at their offices in New Jersey. These unique systems help to produce approximately 7.5% of the power the company requires at its head office in Whitehouse station. In addition, 12% of the power is produced for the company's satellite offices at Summit<sup>3</sup>. The total power produced through this method prevents about 2500 tons of carbon dioxide emissions annually. This business practice is a great approach in complying with environmental responsibility as a principle of the Global Compact since it is applicable to other facilities of the company in the world.

In achieving human rights protection, this company uses the current technology to research on the drugs it manufactures. The work Merck does

in its drug discovery and clinical development shows the great steps in saving human and animal life. The company takes their times in discovering the most effective drugs that are suitable for healthier lives. This process involves a large number of scientists and current technologies to avoid mistakes that may lead to violation of human rights<sup>4</sup>. The company also leads in corporate responsibility through its efforts in increasing access to health care people in the community. This business approach is significant in complying with the first principle of the Global Compact.

### **Positive and negative lessons learnt**

There are positive and negative lessons learnt from these business practices of the company. The advantage of using the solar energy as a source of power is that it drastically reduces costs to the company. The solar energy is also an environmentally friendly source of power that completely avoids emissions of dangerous pollutants to the environment. By reducing these environmental hazards, it is possible for the company to operate effectively and responsibly. The company saves the amount of electricity it purchases for its operations through this smart way of generating energy. However, this solar power may not be applicable in all facilities of the company. In countries that experience low levels of sunshine, the solar power will not work. These facilities will require purchasing electricity from outside sources, which is an extra expense for the company. The external source of power comes with impact to the environment

The company carries a drug discovery process that seeks to ensure complete safety of drugs before their use. The benefit of this process is that it ensures accuracy of the drugs and one can trust the company in offering approved

drugs. The appropriate technology and the many scientists employed in the process point to a flawless achievement<sup>5</sup>. The shortcoming of this business approach is the amount of time spent in the process and costs incurred. The state-of-the-art machines employed here are expensive to acquire and they require a great investment for the company.

Practicing social responsibility is an achievement for the company. This is because the patients are the major stakeholders in the company and they make the company exist. Integrity and ethics are vital principles in running the business.

### **Business practices recommendations**

Companies should adopt continued use of solar power. This recommendation is based on the benefits of using solar energy to supplement the expensive electricity. The use of solar energy helps to cut on environmental pollution and saves Merck the amount of electricity it purchases. Therefore, if implemented this will be a great step in meeting the global compact principle of environmental responsibility.

The process of testing drugs and vaccines should be extensive for all companies in the health care industry. The right blend of staff and technology should be employed in the testing process. This ensures safety of the drugs produced since human beings are the users of these drugs and their health comes first.

Companies should consider social responsibility as a key to their success. This is because the society gives businesses a charter to exist<sup>6</sup>. A socially responsible company makes higher profits and is acceptable in the society.

## **Benefits, Challenges, and Implications**

The benefits associated with adopting the above recommendations to key stakeholders are many. Most companies will incur fewer costs in purchasing external power. The solar energy is cheaper to produce and it does not involve complex processes. The society around these industries will enjoy a healthier life because of reduced pollution to the environment. The health of the patients is guaranteed with the enormous time invested in processing the drugs.

The challenge with adopting solar energy is that not all businesses are in countries that experience constant sunshine. Therefore, tapping the energy when the sun appears is a difficult task. Most companies also do not have general guidelines on social responsibility. It may pose a challenge for these companies to adopt general guidelines.

Businesses will have to adjust their policies to align themselves to cheaper sources of energy. More funds will be allocated to testing processes of the drugs and meeting social responsibility.

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