Company Overview

For more than a century, Merck & Co. has been inventing medicines and vaccines for many of the world’s greatest health challenges. Merck & Co., Inc., Kenilworth, New Jersey, U.S.A. (known as MSD outside the United States and Canada), a multinational pharmaceutical company, prides itself on its focus towards constant invention. Its approach to corporate responsibility focuses on four areas that are of greatest relevance to its business and society: access to health, employees, environmental sustainability, and ethics and transparency.

Merck & Co. is committed to improving health and wellbeing around the world. The United Nations, Sustainable Development Goals (“SDGs”) to help end poverty, protect the environment and ensure prosperity are important to this pursuit. While they recognize that all 17 SDGs are essential to fostering sustainable development, Merck &
Co. has prioritized 8 global goals they to which they have the biggest impact. The following SDGs are most closely aligned with Merck & Co.’s company environmental sustainability efforts:

- SDG 3 (Good Health and Wellbeing)
- SDG 6 (Clean Water and Sanitation)
- SDG 7 (Affordable and Clean Energy)
- SDG 12 (Responsible Consumption and Production)
- SDG 13 (Climate Action)

According to Carmen Villar, vice president, social business innovation, “Companies have a responsibility to use resources wisely and to drive innovations that will enable global development while protecting and preserving both the planet and the communities in which we live and work. Merck & Co. believes a healthy planet is essential to human health and the sustainability of their business.”

Merck & Co. is sensitive to the health impacts caused by climate change and other environmental issues. They have set targets for reducing Scope 1 and Scope 2 greenhouse gas emissions by 40% by 2025, based on 2015 levels and assuring that 90% of their human health active pharmaceuticals ingredients meet internal sustainability targets by 2020.

These commitments in good health and environmental efforts have extended to creating healthier working environments through Merck & Co.’s culture of wellbeing. One example is the new Merck Research Laboratories (MRL) building in South San Francisco.

CASE: NO. 1
WELL BUILDING STANDARDS: CREATING HEALTHY WORKING ENVIRONMENTS

LIVE IT - Internal culture of wellbeing

The Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO) recognize the workplace as an environment to create better health. Over 159 million workers in the U.S. alone spend 1/3 of their days and 5 days each week in an environment that has the capacity to promote health and safety. Organizations that support a culture of wellbeing through integrated policies, programs and visible cues reap the benefits of reduced health care spending, better employee engagement, higher productivity, fewer injuries and improved overall corporate performance.

In support of employee wellbeing, Merck & Co. launched LIVE IT in 2011. This approach takes a holistic view of employee health by considering physical health, nutrition, prevention and safety and emotional wellbeing. The figure below shows the four pillars of LIVE IT: PREVENT IT, BALANCE IT, FUEL IT and MOVE IT. These areas of focus provide the framework for how Merck & Co. is committed to all aspects of employee health. “Only when our employees feel their best, in all aspects of their lives, can they perform at their best,” says Cathryn Gunther, associate vice president, global population health. “We are committed to employee wellbeing and strive to be an example for others who share a similar pursuit, commitments” in good health and environmental efforts have extended to creating healthier working environments through our culture of wellbeing.
After a comprehensive analysis of the current state of employees around the globe, the company identified two goals for advancing its culture of wellbeing:

1. Improve health in targeted areas, including:
   a. Cardiovascular risk
   b. Vaccinations
   c. Cancer screening and prevention, and
   d. Stress

2. Establish a workplace that promotes health and wellbeing and is focused on daily habits, including:
   a. Movement/activity
   b. Nutrition
   c. Mindfulness
   d. Tobacco-free campuses
   e. Safety
   f. Champion’s Network

**Merck Research Laboratories South San Francisco - designed to WELL Building Standards**

One way to enrich the health of employees is to consider the built environment. In 2017, Merck & Co. began construction on a new Merck Research Laboratories (MRL) building in South San Francisco, placing special attention to creating a work environment that embraces the principles of LIVE IT.

To incorporate the LIVE IT approach into this new site, Merck & Co. made the decision to construct the building in accordance with the WELL Building Standard™ (WELL™) as well as Gold Certification for Leadership in Energy and Environmental Design (LEED). Delivered by the International WELL Building Institute™ (IWBI™), WELL is the premier global standard for buildings, interior spaces and communities seeking to implement, validate and measure features that support and advance human health and wellness. WELL is a holistic approach to wellness in buildings that integrates design strategies with improvements to ongoing operational and policy protocols. To ensure that WELL Certified™ spaces perform as intended, all WELL projects undergo onsite performance testing and are required to recertify every three years. The latest version of WELL, the WELL v2™ pilot, addresses health and wellbeing across 10 concepts:
WELL v2 operates on a points-based system, with a total of 110 points available to each project. WELL projects must achieve all preconditions and a certain number of points to achieve Silver, Gold or Platinum certification. The rating system is designed to be applied by new and existing buildings and accommodates a variety of space types. WELL aligns with leading sustainability rating systems, which enables buildings to not only be energy efficient, but also promote healthy interactive spaces.

**WELL Nourishment concept**

“The WELL Nourishment concept requires the availability of fruits and vegetables and nutritional transparency and encourages the creation of food environments where the healthiest choice is the easiest choice.”

Within the Nourishment concept, WELL supports healthy and sustainable eating patterns by increasing access to healthier food and beverage options, limiting access to highly processed foods and ingredients and designing environments that nudge individuals toward healthier choices. Complying with the WELL Nourishment criteria requires projects to prioritize equitable access to fruits and vegetables and provide nutritional information to help consumers make informed food choices. Projects can also impact dietary behaviours through design of eating spaces that promote mindful eating and onsite food production opportunities. Given the connection between our food, planet and health, WELL requirements naturally address sustainable diets. WELL also promotes healthy and sustainable portion sizes to reduce unintended overconsumption and minimize food waste, encourages the selection of fruits and vegetables through strategic placement and advertising and promotes responsible and humane sourcing practices.

“We are fully committed to the wellbeing of our patients and employees. I am very excited that we continue to demonstrate this commitment through our achievement of WELL Silver certification at our recently operational Merck South San Francisco Research Facility. This achievement fully aligns with our strategy to address climate change and other environmental impacts on health,” says Don Watson, vice president, facilities for Merck & Co.

Merck & Co. has made significant progress with regards to nourishment, both as it pursues WELL Certification in the South San Francisco building as well as across its locations in the United States. This progress has been achieved through a strong relationship with Merck & Co.’s onsite food provider, FLIK. After determining it had significant opportunities to improve healthy eating within our buildings, Merck & Co. developed a three-year plan to integrate the FUEL IT pillar into its cafeterias. This included signing the American Heart Association’s Healthy Workplace Food and Beverage Pledge, which commits to:

- Make healthy changes to vending machines, cafeterias, meetings, events and other sources of food and beverages in the workplace.
- Provide leadership support and modelling for the company’s healthy food and beverage efforts.
- Educate employees about healthy eating and promote healthier choices.

This pledge commits Merck & Co. to making healthy changes in the workplace, where employees spend most of their day. It also helps cultivate social norms that foster healthier choices and behaviours.

In Merck & Co.’s new South San Francisco building, FLIK has set the following guidelines to align with the WELL Nourishment requirements and the FUEL IT pillar:
I. Fruits, vegetables, and whole grains
   a. 50% of available options in the café will be fruits or vegetables
   b. 50% of all grain-based products will be primarily whole grains
   c. Vegetables will be placed at the beginning of serving lines and fruits will be visible at the
      checkout counters

II. Processed foods
   a. Foods and beverages with 25g of sugar or more will be labeled on nearby signage with a high
      sugar icon.
   b. Foods and beverages will not contain partially hydrogenated oils

III. Food allergies
   a. All FLIK employees will be FARE Check Certified (allergen training)
   b. Allergen expert will be clearly identified for customers

III. Artificial ingredients
   a. Artificial ingredients as defined by the WELL certification requirements will be clearly labeled
      on nearby signage

V. Nutrition information
   a. Any item served 60 days or more out of the year will have calories posted per the FDA menu
      labeling requirements
   b. All items meeting the FUEL IT criteria as defined by FLIK (wellness program aligned with the
      Dietary Guidelines for Americans) will have accompanying nutrition information and a logo to
      guide choice

VI. Food advertising
   a. Advertising will promote drinking water and the consumption of whole foods
   b. Advertising will not promote sugar-sweetened beverages or deep-fried foods

Merck & Co. is working on implementing these guidelines in other offices across the United States. In addition,
FLIK provides a monthly scorecard (see figure below) at each of its locations to demonstrate the cafeteria's
progress on reaching its sustainable sourcing goals.
In line with the ambitions of the Menus of Change Initiative led by The Culinary Institute of America and the Harvard T.H. Chan School of Public Health, FLIK reduced their purchase of red meat and increased their purchase of fruits and vegetables. The Initiative’s mission states: “The Menus of Change Initiative works to realize a long-term, practical vision integrating optimal nutrition and public health, environmental stewardship and restoration, and social responsibility concerns within the foodservice industry and the culinary profession.”

The Initiative promotes a “plant-forward” diet defined as “a style of cooking and eating that emphasizes and celebrates, but is not limited to, plant-based foods—including fruits and vegetables (produce); whole grains; beans, legumes (pulses), and soy foods; nuts and seeds; plant oils; and herbs and spices—and that reflects evidence-based principles of health and sustainability.” The menu changes made by FLIK also align with the science-based targets for healthy diets from a sustainable food system outlined by the EAT-Lancet Commission, showing that diets high in fruits and vegetables and low in red meat are better for human health and the planet. To align with this vision, Merck & Co. and FLIK strive to provide more plant-forward options in the future, providing benefits to the health of our employees and the planet.

Merck & Co. and FLIK’s efforts to improve the offerings at their cafeterias goes beyond just nutrition. They are also using price incentives to drive more nutritious dietary behaviours by employees. At our Boston location, Merck & Co. implemented a pricing variant that reduced the price of FUEL IT options (healthy food options that fit under specific criteria) by 5% and increased the price of non-FUEL IT options by 5%. This price change affected between 15-30% of sales at the Boston location.

In addition, Merck & Co. is working to reduce packaging waste by eliminating plastic straws and Styrofoam containers in the cafeterias. Year to date, this effort has eliminated 586,000 foam clam shells from the business (translates into over a million annually), around 200,000 plastic utensils and approximately 120,000 plastic straws from the waste stream. More than 57,000 additional customers are served through the cafes this year so far, so the focus on durables is gaining traction. All these environmental changes are helping to enhance the company’s culture of wellbeing.