

# **ANALYSIS OF MODERN TRENDS OF THE DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY OF PHARMACEUTICAL COMPANIES**

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The specificity of the pharmaceutical business requires companies a high level of social responsibility because, in fact, the activities of pharmaceutical companies directly linked to human health. The reports on corporate social responsibility of the largest pharmaceutical companies (Merck, Pfizer, GSK, Bayer, Roche, Astra-Zeneca and Johnson & Johnson) shows that the specific responsibility focus areas of pharmaceutical industry are the following: global health, local communities, education, employees, ethics and transparency and environment.

Until recently, the Ukrainian pharmaceutical companies have paid insufficient attention to the formation of their corporate social responsibility. Well-know approach to determine the state of corporate social responsibility in the pharmaceutical market includes evaluating websites of the largest pharmaceutical companies regarding disclosure of corporate social responsibility on the methodology of the Transparency Index developed by Beyond Business (Israel). The important criteria for the Transparency Index are non-financial reporting, content, navigation and accessibility of information at the company website.

According to the results of the Transparency Index, the average level of disclosure on corporate social responsibility of Ukrainian pharmaceutical companies in 2012 was only 10%. This low result shows that pharmaceutical companies did not pay enough attention to disclosure of their own social and environmental projects and initiatives on their web resources. Moreover, only 6 of the 20 leading companies (Arterium, Actavis Ukraine, Bayer Ukraine, GlaxoS-

mithKline, Darnytsia and Nycomed) had a separate section on corporate social responsibility at their website. A company Novartis Ukraine, KRKA Ukraine, InterChem Ukraine and OmegaPharmaUkraine did not have their own websites in 2012.

Thanks to numerous efforts of the expert, research and consulting companies, and implementation of innovative programs, the situation has improved significantly.

Currently a domestic pharmaceutical company Farmak has some of the best traditions of socially responsible business. Farmak is the leader of Ukrainian pharmaceutical market; its market share in Ukraine is 5.6% among all pharmaceutical companies and 16.4% among domestic producers.

The company is making a significant voluntary contribution to the development of society in social, economic and environmental spheres, connected directly with its basic activity.

Farmak has clear mission presented at its website: “We improve life quality, provide human rights to receive effective drugs of high quality”. According to the company's vision, Farmak strives to be the leader of the national pharmaceutical industry and a competitive player in the international markets. The main values of the company include People, Innovation and Quality.

The main directions of the corporate social responsibility of the company include: interaction with stakeholders; internal and external non-financial reporting; management of environmental impact; implementation of good business practices; implementation corporate social responsibility practices in Human Resource management; interaction with society, social development, and charity etc.

The company's website presents clear strategic objectives of corporate social responsibility. Farmak strives to create the most favorable conditions for development potential of employees, and enhance labor efficiency. The company provides employees and their families with various types of social guaran-

tees, creates comfortable work environment and favorable conditions for good rest and maintains appropriate living standards.

Farmak strives to reduce its environmental impact through the introduction of sustainable practices of resource consumption and waste management. The environmental policy aimed at ensuring efficient use of natural resources, environmental protection and ensuring environmental safety. The main principles of environmental policy Farmak include: prevention of environmental pollution during designing and development of new products and services; development and introduction of new high technologies with minimal impact on the work environment and the environment; an implementation of measures to reduce emissions, discharges and other harmful impacts on the environment; rational use of natural resources; reducing consumption of energy resources; improvement of waste management; search and use high quality raw materials and auxiliary materials; continued development and training of personal etc.

The company strives to follow the model of long-term social investment. Farmak influences on the development of Ukrainian pharmaceutical market and is an active participant of international processes.

According to best world practices, Farmak gives all stakeholders complete, timely and accurate information on their business activities and development plans. Farmak also purposefully develops the interaction with stakeholders in order to reflect their views and interests when making decisions and determining priority areas of development.

Thereby, the company considers the expenses for corporate social responsibility as is a "long-term social investments" that bring tangible economic benefits. Evidence of this is the development of a stable and positive image in the community and consumer confidence.