



Responsible Business Supplement 2016

*Progress against
our commitments*



Our approach

Health for all

Our behaviour

Our people

Our planet

Data summary

About this supplement

By being commercially successful and operating responsibly, we will improve people's health and benefit society, as well as create value for shareholders.

This report provides a performance update on our 23 responsible business commitments across four key focus areas: Health for all, Our behaviour, Our people and Our planet. It is supplemental to the information in GSK's Annual Report on our approach to responsible business.

We indicate progress against our commitments using the following key:

Work needed

Work is needed to get the commitment on schedule

On track

Work is ongoing

Progressing well

Able to demonstrate clear deliverables and good progress towards completing the commitment

Completed

The commitment has been completed

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Cover image



Arthur is a biologist working on Cancer Cell Biology at our new smart lab in Pennsylvania, USA.

In 2016, GSK outlined its intent to commit its future portfolio of cancer treatments to patent pooling and will explore the concept with the Medicines Patent Pool (MPP) to help address the increasing burden of cancer in developing countries. We would be the first company to take this step.

Since it was established in 2010, the MPP has been successful in accelerating access to HIV, TB and hepatitis C medicines in low-income and middle-income countries through voluntary licensing arrangements. Expanding this approach to oncology would enable generic versions of our next generation immuno-oncology and epigenetic therapies, currently in clinical development, to be made available in least developed countries, lower-income countries and certain middle-income countries, if and when they receive regulatory approval.



CR Committee Chairman's statement

CEO's statement



"In 2016, the Corporate Responsibility Committee reviewed performance against the company's responsible business commitments and the evolving challenges and opportunities across each of the four focus areas covered in this report."

As Chair of GSK's Corporate Responsibility Committee, my role is to help GSK identify how it works to meet the needs of both shareholders and wider society.

In 2016, the Committee reviewed performance against the company's responsible business commitments and the evolving challenges and opportunities across each of the four focus areas covered in this report. A key topic continued to be how to balance the need for a return on investment for innovation with the need to price products affordably to support access for patients.

Providing a clear update on our commitments

This report is designed to supplement the information on responsible business in the Annual Report, and is focused tightly on performance against GSK's 23 responsible business commitments.

It is important that the Company remains open to objective feedback related to its responsible business reporting and this year, I welcome the valuable insight provided by Aron Cramer, President and CEO of BSR. For his complete letter see page 4.

Looking to the future

Over the past decade, the company has made great progress on its responsible business priorities. I would like to take this opportunity to thank Andrew Witty for his outstanding personal leadership in this area.

Looking forward, the Committee will work with the new CEO, Emma Walmsley, and the business to continue to embed its responsible business priorities. Where necessary, we will seek to evolve the responsible business commitments to ensure they support the company's future strategy and meet the changing expectations of society.

Lynn Elsenhans

Chair of GSK's Corporate Responsibility Committee



"Responding to the humanitarian crisis in areas such as Syria and Southern Sudan, we pledged to offer essential vaccines at our lowest price for organisations supporting refugees."

GSK has a strong commitment to operating responsibly and playing our part in meeting some of society's biggest healthcare challenges.

Over the past decade, this has been seen in our commitment to place access to medicines at the centre of our business approach, in our innovation focused on diseases that impact the poorest countries – such as malaria – and in the changes we have made to our commercial model and sales and marketing practices.

Addressing global health challenges in 2016

In 2016, we took further steps to address some of the most serious global health challenges. Responding to the humanitarian crisis in areas such as Syria and Southern Sudan, we pledged to offer essential vaccines at our lowest price for organisations supporting refugees.

In the wake of recent global health threats from Ebola and Zika, we announced proposals for a Biopreparedness Organisation dedicated to developing new vaccines to prevent future outbreaks. In early 2017, we also pledged our support for the Coalition for Epidemic Preparedness Innovation (CEPI), a global collaboration to research and develop new vaccines against future epidemics.

We also understand patient concerns on the pricing of medicines in developed countries, and we take a thoughtful and responsible approach to this. For example, in the US, our six latest new medicines were launched at similar to or below the prices of the medicines they aim to supersede. In developing countries, we introduced a new approach to filing and enforcing patents and IP based on a country's economic maturity.

We continued to play an important role in the fight against antimicrobial resistance, and the most advanced new antibiotic in our pipeline has moved towards phase III trials after positive phase II results.

Building on our achievements

I'm pleased our actions have been recognised once again in 2016, with GSK topping Fortune's Change the World list and the Access to Medicine Index – the latter for the fifth consecutive time.

This is my last report before I retire. After nearly 10 years as CEO and 30 years as an employee, I leave GSK confident that the company is well-positioned to build on the progress we have made.

Sir Andrew Witty

Chief Executive Officer



Benchmarks and an external perspective

Reporting commentary from Aron Cramer, President and CEO, BSR

GSK's Responsible Business Supplement 2016 is a strong statement of its intentions, actions and achievements.

One of its signal accomplishments is the clear link between GSK's business strategy and the central public health issues the strategy is designed to address. GSK has distinguished itself over the past several years by staying resolutely focused on the most important issues it faces as a global healthcare company, and that approach is well represented in this document.

GSK's approach captures both the most important ways it can contribute to a thriving global population, health challenges in more mature economies, and also the questions the public is most likely to have about a company of GSK's profile and purpose. In this regard, its approach passes the first and most important test of any company's efforts on responsible business.

Several elements covered in the Supplement are particularly laudable, including:

- GSK's performance on access to medicines, as recognised by the Access to Medicines Index, is an important strong point. Access and pricing are perhaps the most important questions the sector faces, and GSK's continued leadership is to be commended.
- GSK is focusing on a wide array of the most crucial public health challenges, including pandemics, non-communicable diseases, and problems associated with changing demographics, e.g. Alzheimer's.
- There is a clear storyline in GSK's leading approaches to transparency in several domains, including payments to health professionals, tax and clinical trials. GSK has long been a leader in this area, and it is excellent to see its ongoing commitment.
- GSK distinguishes itself by focusing attention on the overall healthcare system. It is increasingly important for business to dedicate itself to strengthening infrastructure to enable systemic improvements.
- The detail provided on compliance with business principles and ethical behaviour is very welcome.

There are also areas in which GSK could stretch its efforts:

- Transparency on GSK's approach to tax is welcome. Given the complexity of this issue, however, additional detail would help readers understand better both GSK's approach and this important issue overall.
- The past year saw numerous political developments with great significance to GSK, public health, and the position of global companies generally. It would be good to hear GSK's vision for public health with reference to these developments.
- As the company itself notes, further progress on carbon emissions is needed to meet targets. More clarity about the plan to get there would be welcome.
- With respect to GSK's people, it would be valuable to include an assessment from the employee base, along the lines of engagement survey results or a comparable measure to understand how the workforce views their own situations.

In closing, it is also worth noting the importance of the leadership of Andrew Witty. He has demonstrated how the vision of a CEO, coupled with follow through across the organisation, makes a real difference. As Emma Walmsley takes up the CEO post, it is clear that she is well-positioned to maintain – and extend – GSK's leadership.

Aron Cramer
President and CEO, BSR

External benchmarking



GSK topped the Access to Medicine Index in 2016, for the fifth consecutive time since the biennial assessment began in 2008. At the beginning of 2017 we also performed well in the first ever Access to Vaccines Index, leading in all three categories under consideration.



We scored within the top 5% of our sector in the Dow Jones Sustainability Index, which assesses companies for economic, environmental and social performance. We were included in the World and Europe Indexes in 2016.



FTSE4Good

We have been a member of the FTSE4Good index since 2004. The index is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices.



We were awarded an A-grade in CDP's climate change programme; one of 193 global companies to be recognised out of the 1,089 companies responding to the survey.



We achieved an 'A' score on CDP's water programme for the first time, one of only 24 global companies to do so.



Our corporate responsibility priorities

Our responsible business priorities are aligned to our business strategy and informed by stakeholder insights.

Our mission is to help people do more, feel better and live longer. We do this by researching and developing medicines, vaccines and consumer healthcare products that improve people's lives.

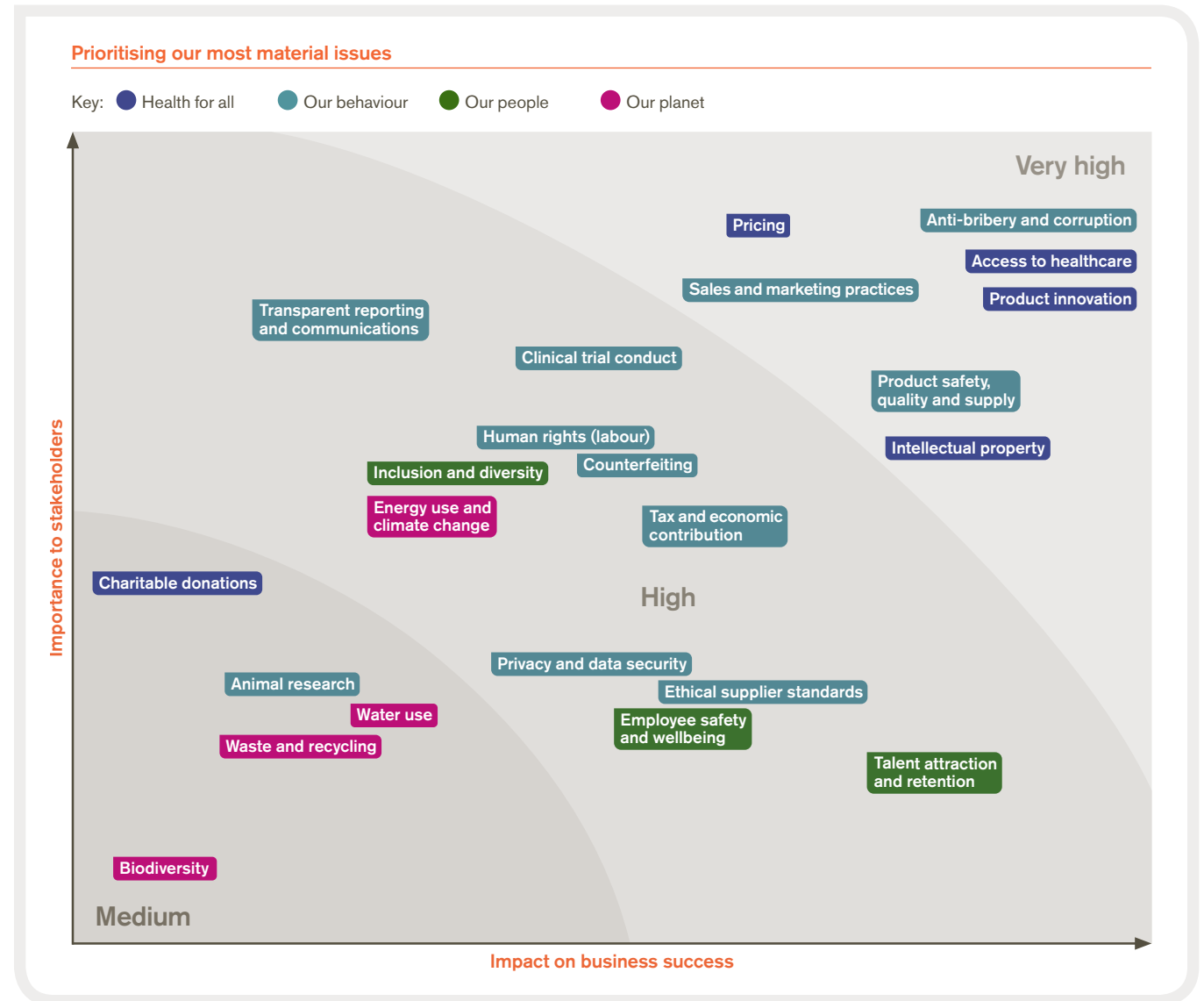
By growing our business and extending access to our medicines, we are ensuring long-term commercial success as well as improving people's health, creating value for our shareholders and delivering economic benefits to society.

Operating responsibly also supports our ability to attract and retain talent, build trust with patients and consumers, our customers, payers and stakeholders who influence our licence to operate.

GSK contributes directly and indirectly to economic growth in more than 150 countries, through tax, charitable support and employing 99,300 people.

We have well-established, long-term responsible commitments which sit across four areas: Health for all, Our behaviour, Our people and Our planet. We established our priorities in these areas through a comprehensive materiality assessment to identify the issues that are most important to our stakeholders and have the most impact on our business success.

In 2016, we reviewed and validated this analysis, using a range of sources including employee feedback, investor insights, the UN's Sustainable Development Goals and our global reputation research. We also conducted in-depth interviews with representatives of our key stakeholder groups including: patient advocacy groups, NGOs, peer groups, investors and think tanks and academia. All material issues were considered in relation to our commercial strategy and their impact on the business.



→ Read more
 Materiality process
 Public policy on SDGs



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2016 overview

Health for all

Read more

Expanding our graduated approach to IP



We expanded our graduated approach to filing and enforcing patents and IP to widen access to medicines in the poorest countries.

Reducing child mortality



The European Medicines Agency endorsed chlorhexidine, our antiseptic gel for newborn umbilical cord infections in developing countries.

Responding to new diseases



We are proposing to create a biopreparedness organisation to develop vaccines for major global health threats of the future.

Fighting malaria



The World Health Organization confirmed that funding has been committed to enable pilot implementation of our RTS,S malaria vaccine in three settings in sub-Saharan Africa.

Tackling antimicrobial resistance



We opened the Institute for Infectious Diseases and Public Health in China to address local health threats posed by antibiotic resistance and infectious diseases.

Neglected tropical diseases

1bn

In 2016, we donated over one billion albendazole tablets to prevent lymphatic filariasis and intestinal worms.

Emerging issues

Companies like ours continued to face a range of challenges in 2016, including:

Stakeholder concerns on pricing and value of medicines

The pressure on, and public debate about, the pharmaceutical industry's approach to pricing continued during 2016 across all key markets. This was particularly the case in the US where there is uncertainty as to how the new administration will shape healthcare. We understand payer and patient concerns about affordability of healthcare and are leading efforts to develop sustainable solutions. See page 9 for more detail.

Humanitarian crisis

The humanitarian crisis affecting areas such as Syria and South Sudan continued in 2016, potentially leaving displaced people unable to access healthcare, and vulnerable to vaccine-preventable disease. In response, we pledged to offer essential vaccines at our lowest price for organisations supporting refugees where governments are unable to assist. See page 9 for more detail.

Global pandemics

In 2016, the World Health Organization declared the Zika virus an international public health emergency. It is becoming increasingly important to improve the preparedness of global health systems as we continue to see a rise in such public health outbreaks. We are seeking to work with governments, multinational organisations and NGOs to enhance preparedness against potential future outbreaks of diseases. See page 8 for more detail.

Tax

There continues to be scrutiny from key stakeholders on the approach to tax taken by multinational companies. We understand our responsibility to pay an appropriate amount of tax and are transparent about how we manage our tax affairs. See page 14 for more on our approach.

Our behaviour

Read more

Code of conduct

99%*

Our mandatory annual training on our code of conduct was completed by 99% of our employees and complementary workers.

Working with HCPs



We no longer pay prescribing healthcare professionals to speak to other prescribers about our medicines and vaccines.

Our people

Read more

Graduate employees



GSK topped The Times Top 100 Graduate Employers list for R&D in 2016 and ranked 13th overall.

Partnership for Prevention

75

Our Partnership for Prevention programme is offering unprecedented access to preventive healthcare for almost 100,000 employees and family members in 75 countries.

Our planet

Read more

Carbon emissions

18%

We have cut operational carbon emissions (Scope 1 and 2) by 18% since 2010. Total value chain emissions have risen by 1% as we extend access to our medicines, and we are working to address this.

Water use

23%

In 2016, we used 3% less water in our operations than 2015 – and 23% less than 2010.

* The remaining 1% represents employees who did not complete the training in the required timeframe and are subject to disciplinary action (see page 14) and employees still within the completion timeframe (e.g. new starters).



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Health for all

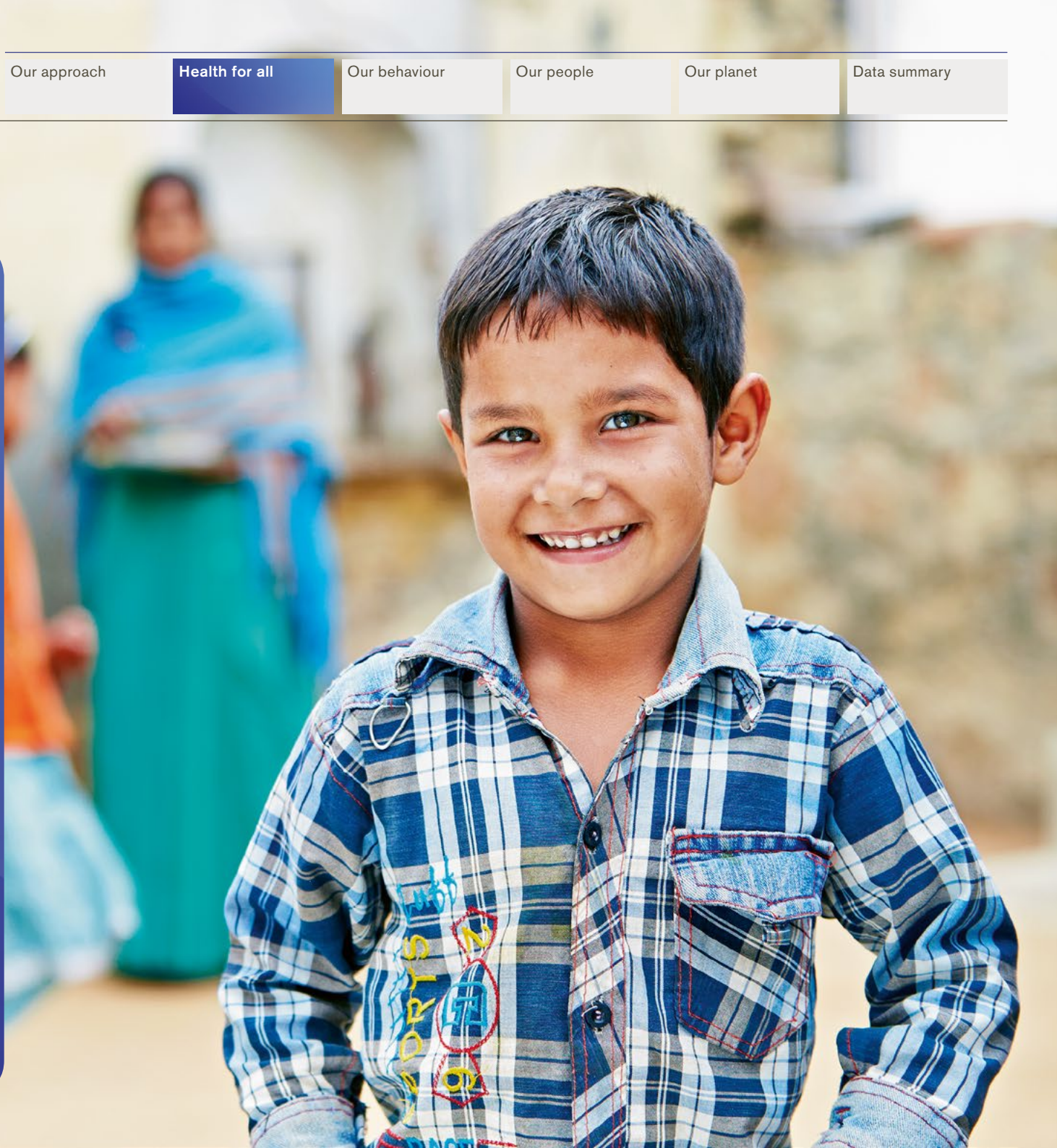
We are tackling some of the biggest global health challenges by promoting open innovation to meet unmet medical needs, making our medicines and vaccines more accessible, and strengthening healthcare systems.

In this section

Innovation for unmet medical needs	Completed
Better access to medicines and vaccines	Progressing well
Building products to better meet needs	Progressing well
Strengthening healthcare infrastructure	Progressing well
Fighting malaria	Progressing well
Eliminating and controlling neglected tropical diseases	Progressing well
Eradicating polio	Progressing well
Access to antiretroviral treatment for HIV	Progressing well
Reducing child mortality	Progressing well

Improving affordability in developing countries

We offer our lowest vaccine prices for organisations such as Gavi, the Vaccine Alliance, which supports countries with a low gross national income. Since 2010, we have pledged to deliver 720 million doses of our pneumococcal vaccine, at a deeply discounted price until 2024.





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Commitment performance update

Innovation for unmet medical needs

Commitment: Adapt the open innovation R&D model, currently used for Diseases of the Developing World (DDW), to apply to other areas of great unmet medical need and scientific challenge, including infectious disease and Alzheimer's disease, by 2015.

Completed and ongoing



Progress in 2016

In 2016, we committed to working with governments, multinational organisations and NGOs to enhance preparedness against potential future outbreaks of disease. In the wake of recent global health threats such as Ebola and Zika, there is growing consensus that the world needs to be better prepared for global health threats.

We are proposing to create a permanent 'biopreparedness organisation' (BPO) at our Rockville, Maryland Vaccines Global R&D centre to develop vaccines for major global health threats of the future. The BPO would operate on a no-profit, no-loss basis with funding from both governments and non-governmental organisations.

We have also pledged our support for the Coalition for Epidemic Preparedness Innovation (CEPI), a global partnership between governments, industry and other funders to research and develop new vaccines against future epidemics.

In response to the outbreak of Zika, we are working with the Vaccines Research Center at the National Institutes of Health in the US to evaluate a potential vaccine.

Open innovation

At our open innovation lab in Tres Cantos, Spain, external scientists can access our expertise and resources to develop new and innovative medicines for diseases of the developing world.

Since 2010, Tres Cantos has supported 63 research projects, and in 2016 had 20 visiting scientists. Results from the lab have led to papers in more than 50 scientific publications and four patent applications are included in the WIPO Re-Search patent pool.

Examples of projects include completing the latter stages of pre-clinical development for a new tuberculosis (TB) candidate drug that will begin phase I clinical trials in 2017 and an anti-TB molecule which will be progressed towards pre-clinical candidate selection in 2017.

Further TB development tools discovered through PreDiCT-TB, a cross-industry collaboration with 21 partners and co-led by GSK, will be transferred to GSK for further research on completion of the project in 2017.

Non-communicable diseases (NCDs)

In 2016, we outlined our intent to commit our future portfolio of cancer treatments to patent pooling to help address the increasing burden of cancer in developing countries (see page 9). In addition, in early 2017 we were one of 22 pharmaceutical companies to sign up to the 'Access Accelerated' initiative – a commitment to jointly invest \$50 million over three years to fight cancer and other NCDs in low- and lower middle income countries.

Through our Africa NCD Open Lab, following a review process involving external experts, five projects covering cardiovascular disease, oncology, chronic respiratory disease, chronic kidney disease and diabetes have been recommended for funding so far. The first of these projects, looking at severe asthma across East Africa and led by Makerere University in Uganda, began in April 2016. In November 2016, we launched a further call for proposals, with £1 million available to provide seed funding for ten early career African scientists.

Through PharmaCog, the Innovative Medicines Initiative's six-year pan-European partnership on dementia, we are developing new methods to track the progression of Alzheimer's disease and identify patients at risk of rapid onset. We have identified criteria that will reduce the cost of drug development through better identification of symptoms. GSK is a founding partner of the \$100 million Dementia Discovery Fund and we continue to work with the Wellcome Trust's Neuroimmunology Consortium, launched in 2015, on a £5 million project to investigate whether mood disorders and Alzheimer's can be treated by targeting the immune system.

→ **Read more online**
 Open innovation
 Our open innovation approach to TB

Combating antibiotic resistance

We are using our 70 years' experience in antibiotics to tackle resistance.



Resistance to antibiotics is a major public health crisis, with 700,000 people dying every year from drug resistant infections. We have 70 years of expertise in antibiotics and we're committed to continuing our research in this area.

The most advanced antibiotic in our pipeline, gepotidacin, is moving into the final phase of clinical testing and in 2016 was granted Qualified Infectious Disease Product status by the Food and Drug Administration (FDA), which would expedite review of a future US filing. This novel drug was developed in collaboration with the US government's Biomedical Advanced Research Development Authority.

Our vaccines can also make a key contribution in this area by preventing bacterial and viral infections and averting the need for antibiotics. In addition, we have 15 potential new vaccines in our pipeline, including those targeting diseases like B Streptococcus bacterium.

In 2016, we opened the Institute for Infectious Diseases and Public Health in China to address local health threats posed by antibiotic resistance.

We are working with other companies and government organisations to set targets to reduce antibacterial resistance, building on our commitment to the Davos Declaration on Combating Antimicrobial Resistance.

As members of the Innovative Medicines Initiative's NewDrugs4BadBugs programme, we work in partnership with industry, academia and biotech organisations to combat antibiotic resistance in Europe.

→ **Read more online**
 Antibiotic resistance



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Better access to medicines and vaccines

Commitment: Further embed our flexible pricing strategy and innovative business models for our prescription medicines and vaccines, to increase usage among those less able to access and afford our products.

Progressing well



Progress in 2016

Improving affordability in developing and middle-income countries

Our equitable pricing strategy for medicines and vaccines is based on the country, disease area, product type and patient's ability to pay. In least developed countries, since 2010 we have capped the prices of our patented medicines and vaccines at 25% of those in the EU5 (France, Germany, Italy, Spain and the UK) as long as our manufacturing costs are covered. We offer our lowest vaccine prices for organisations such as Gavi, the Vaccine Alliance, which supports countries with a GNI per head of less than \$1,570. Since 2010, we have pledged to deliver 720 million doses of *Synflorix*, our pneumococcal vaccine, at a deeply discounted price until 2024. Manufacturing at this scale has allowed us to make incremental cost efficiencies that have enabled us to offer an additional price reduction. In 2016, we delivered more than 74 million doses of our *Synflorix* vaccine and more than 35 million doses of our vaccine against rotavirus gastroenteritis, *Rotarix*.

In middle-income countries, patients benefit from our equitable pricing strategy where the prices are established based upon socio-economic factors within the country. For example, in Egypt, differentiated products within the respiratory portfolio have been offered to mirror income levels and meet all socio-economic segments within society. This approach has enabled the number of respiratory patients treated to double in the last five years.

During the year, we committed to reduce the price of *Viread*, our first-line chronic hepatitis B (CHB) treatment in China by up to 67%.

→ Read more online

Access to healthcare | Our Gavi commitment | Our work with refugees

Once fully implemented, the price of *Viread* in China for the treatment of CHB will be lower than all other countries and will be covered by the country's reimbursement policies. This commitment will significantly expand access for CHB patients living in China to this internationally recommended first-line treatment.

Supporting affordability in developed countries

We understand payer and patient concerns about affordability of healthcare and we are leading efforts to develop sustainable solutions. In the US, our six latest new medicines were launched at similar to or below the prices of the medicines we aim to supersede. We have also integrated three of our Patient Assistance Programs (PAPs) into one GSK Patient Assistance Program (GSKforyou.com) which is designed to simplify and improve the programme experience for eligible uninsured patients and patients with a Medicare Part D Prescription Drug Plan. In 2016, our PAPs provided GSK prescribed medicines and vaccines valued at cost of goods sold at \$110 million to 137,659 patients.

We also continued to engage with payers in all EU markets to balance affordability to ensure access for patients today while we work with governments to build health system sustainability to support ongoing innovation for medicines. We have achieved reimbursement in most EU markets for our Ellipta portfolio.

Supporting refugees

In response to the humanitarian crisis, in 2016 we committed to supply our essential vaccines at the lowest price to internationally recognised civil society organisations (CSOs) for use in acute humanitarian situations. The first vaccine to be covered by this commitment is our pneumococcal vaccine, *Synflorix*. This helps to maintain stable vaccination programmes during times of great humanitarian need where governments are unable to assist.

Investing in communities

In 2016, our global community investment totalled £210 million, compared with £208 million in 2015. We donated medicines worth £127 million (valued by cost of goods sold). This support includes product donations to support humanitarian aid, distributed by our partners AmeriCares, Direct Relief, IMA World Health, MAP International and Project HOPE. In 2016, we donated £67 million in cash to communities worldwide. This figure includes our response to world-wide humanitarian relief; for example, contributing £127,000 in cash for Zika-affected countries in Latin America.

A graduated approach to intellectual property

We have expanded our approach to filing and enforcing patents to reflect a country's economic maturity.



In 2016, we expanded our existing approach to filing and enforcing patents to ensure we balance the need to protect our intellectual property with a country's economic maturity.

We will no longer file patents for medicines in least-developed countries (LDCs) and low-income countries. In lower middle income countries (LMICs), we will apply for patents when we believe it is appropriate, but we will also offer licences that allow supplies of generic versions of medicines to these countries (other than G20 countries) for 10 years. We will continue to seek full patent protection in high-income countries, upper-middle-income countries and G20 countries when we think it is appropriate to do so.

In line with this approach, in 2016 ViiV Healthcare¹ extended their existing licence agreement with the Medicines Patent Pool (MPP) for the adult formulation of dolutegravir for the treatment of HIV to include the vast majority of LMICs (see page 12).

We have also outlined our intent to commit to patent pooling for our future portfolio of cancer treatments and are exploring with the MPP how this concept could help address the increasing burden of cancer in developing countries. We are working towards making information about our current and future patent portfolio freely available.

1. ViiV Healthcare is a global specialist HIV company majority owned by GSK.

→ Read more online

IP and access to medicines in developing countries



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Building products to better meet needs

Commitment: Continue to build a core range of products and formats to better meet the needs of people across the globe, including those less able to access and afford our products.

Progressing well

Progress in 2016

In 2016, a committee of the European Medicines Agency granted a positive scientific opinion for our antiseptic gel that can help to prevent umbilical cord infections in newborns. We created the gel by reformulating the antiseptic ingredient chlorhexidine used in our *Corsodyl* mouthwash. Working with Save the Children, we will make sure the gel will reach the most vulnerable and marginalised children. If approved through local regulatory applications, we will make the gel available at a not-for-profit price and share manufacturing knowledge so it can be made by others.

In partnership with the Bill & Melinda Gates Foundation, we are developing thermostable vaccines to prevent diseases that are endemic in hot areas. Preliminary results show that our pneumococcal vaccine, *Synflorix*, can remain stable for eight weeks at 45°C.

We are also developing products that help patients manage the cost of their treatment by enabling them to buy a little at a time. In 2016, our single-unit inhaler products, *Ventolin* Rotacaps and *Rotahaler*, were registered in three further countries to support access to this critical medication.

[→ Read more online](#)
Giving mothers and babies a healthier start
Protecting mothers and their newborn babies

Strengthening healthcare infrastructure

Commitment: Continue to work with partners to support the strengthening of healthcare infrastructure. We anticipate this could improve access to healthcare for 20 million under-served people by 2020 (vs. 2012).

Progressing well

Progress in 2016

GSK reinvests 20% of profits from our pharmaceuticals and consumer healthcare products in least developed countries (LDC) to strengthen healthcare infrastructure. We do this through strategic partnerships with Amref Health Africa, CARE International and Save the Children. Since 2009, we have invested £21 million in 39 countries, reached 17.5 million people and trained 43,000 frontline health workers. We are continuing to expand the frontline health workers programme beyond the LDCs to include all countries in sub-Saharan Africa such as Nigeria, South Africa and Ghana.

In Zambia, we have trained over 400 entrepreneurs to sell 57,000 products in underserved communities through Live Well, the social enterprise set up with Barclays and CARE International. Over 52,870 children in Mozambique are now registered for mobile reminders and 72,234 vaccination visits have been recorded through our mVacciNation pilot with Vodafone. We are also supporting preventative measures for cervical cancer through our work with Marie Stopes International – providing over 7,750 vaccinations, 5,600 screenings and treatment for 215 women in Bangladesh, Madagascar and Sierra Leone – and the Pink Ribbon, Red Ribbon partnership.

We now have over 20 collaborations with African universities, including the training of 67 scientists with the Pan African Chemistry Network and partnering in the establishment of the East African Supply Chain Centre of Excellence in Rwanda.

[→ Read more online](#)
Reinvesting in healthcare | Corporate partnerships

Fighting malaria

Commitment: Build on our 30-year commitment to contribute to the fight against malaria through continued R&D investment and partnerships on the ground.

Progressing well

Progress in 2016

Our RTS,S vaccine aims to protect children from *P. falciparum*, the most common strain of malaria, responsible for 85% of cases globally. Phase III trials of RTS,S, which received a positive opinion from the European Medicines Agency in 2015, have shown the vaccine could have a considerable public health impact when used in combination with other malaria control measures. In 2016, the World Health Organization confirmed that funding has been committed to enable the pilot implementation of RTS,S in three settings in sub-Saharan Africa, due to begin in early 2018.

We have also begun a paediatric study to assess the safety and pharmacokinetics of tafenoquine – a treatment for *P. vivax*, a strain of malaria found primarily in Asia and Latin America – in patients from six months to 16 years old. Our phase III trial of tafenoquine in adults has completed patient recruitment and results will be presented in 2017. Our research has also resulted in the discovery of a pre-clinical antimalarial candidate which will be evaluated for progression into the clinic this year.

In 2016, we completed our work with the Africa Malaria Partnership which reached over 1.5 million people through increased knowledge of malaria prevention, control and early treatment among communities in sub-Saharan Africa. Our work with malaria has expanded through our five-year, £17 million commitment to Comic Relief. The partnership launched in December 2015 and in 2016 announced its first grants to organisations fighting malaria and improving health in Tanzania and Mozambique.

[→ Read more online](#)
How we're fighting malaria on all fronts



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Eliminating and controlling neglected tropical diseases

Commitment: Help eliminate and control ten neglected tropical diseases (NTDs) that will affect 1.4 billion people by 2020, including the elimination of lymphatic filariasis (LF), through our continued investment in R&D, ongoing product donations and our contribution to the London Declaration on NTDs.

Progressing well



Progress in 2016

In 2016, we donated over one billion tablets of albendazole (648.7 million for LF and 366.5 million for de-worming) bringing the total donated since 1999 to seven billion. Researchers estimate the number of people at risk of LF has almost halved since 2000, with 175 million fewer life years lost due to ill-health, disability or early death and a potential US\$100 billion savings in long-term healthcare costs and income loss as a result of the programme.

Our Kinetoplastid Discovery Performance Unit (DPU) at Tres Cantos is collaborating with researchers from the University of Dundee, Scotland, to develop new treatments for another NTD, visceral leishmaniasis. Two candidates are currently in pre-clinical development, the step prior to clinical trials.

As part of our Novartis transaction we acquired Rabipur, a rabies vaccine. In 2016, we were the main supplier to UNICEF of WHO prequalified rabies vaccines.

The GSK Vaccines Institute for Global Health continued to make progress with additional grant monies received and our Shigella candidate vaccine advancing into clinical trials.

→ Read more online

Tackling NTDs
Reaching the Unreached (report from London Declaration)

Eradicating polio

Commitment: Continue to support the WHO objective of eradicating polio by 2018 by providing vaccines to UNICEF until this is achieved.

Progressing well



Progress in 2016

In 2016, we supplied more than 470 million doses of our oral polio vaccine to the global eradication effort. We also supported the switch from the trivalent to the bivalent vaccine which was undertaken globally in April-May of 2016. Scientists from the World Health Organization (WHO) recommended the transition to a vaccine targeting types 1 and 3 only because polio type 2 had not been detected since 1999. This reduces the risk of the re-emergence of type 2 from the vaccine itself.

GSK maintains a stockpile of monovalent type 2 vaccine (mOPV2) in case of an unexpected outbreak. In May 2016, we were able to respond rapidly to the WHO's request when there was a type 2 outbreak in Nigeria, by getting mOPV2 vaccines ready for shipment in just three days.

Despite polio cases decreasing by 99% since 1988, the final steps in the eradication of polio have been extraordinarily challenging and the WHO's goal of ending polio by 2018 is unlikely to be met. GSK will continue to support the eradication effort by providing a significant additional volume of oral polio vaccine doses from our reserve stock, and working with partners to find longer-term solutions for bulk oral polio vaccine production.

→ Read more online

UNICEF information on polio

Access to Medicines Index

We are harnessing our partnerships, expertise and global reach to extend access to healthcare.



In 2016, we topped the Access to Medicine Index for the fifth consecutive time since it began in 2008. The index is an independent measure of the top 20 pharmaceutical companies' efforts to improve access to healthcare in developing countries.

Described as "the most access-oriented company", GSK is recognised for a clear strategy on increasing access to medicines that aligns with its corporate strategy. We are leading our peers in three of the index's seven categories: research and development; pricing, manufacturing and distribution; and product donations. We also made significant strides in capacity development.

The index cites company-wide ownership for access as a key strength, together with our commitment to research and development for low and middle-income countries and high-priority medical needs.

GSK CEO Sir Andrew Witty commented that: "The fundamental changes we have made to our business model enable us to make our products as available and affordable as possible while generating the returns we need to sustain our business and invest in research."

Since the previous assessment in 2014, achievements include the progression of our malaria candidate vaccine, the creation of our Africa Open Lab for non-communicable diseases, and the extension of equitable pricing strategies for more products.

We are delighted by this recognition of our achievements to date, but we know there is more to do and we remain focused on extending access to healthcare through the programmes outlined in this report.

→ Read more online

GSK on Access to Medicine Index



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Access to antiretroviral treatment for HIV

Commitment: Through ViiV Healthcare¹, we will continue to research new treatments, increase access to our medicines and care for people living with HIV around the world. We will support UNAIDS to deliver their 90-90-90 ambition by 2020². We will also work with communities to combat stigma and discrimination associated with HIV.

Progressing well



Progress in 2016

In 2016, ViiV Healthcare extended its existing licence agreement with the Medicines Patent Pool to cover all lower middle income countries for the adult formulation of HIV drug dolutegravir. This means 94% of adults living with HIV in the developing world are now covered by licence agreements. The policy for lower middle income countries enables the adult formulation of dolutegravir to be made available through generic manufacturers, with royalty fees tiered depending on national GDP, following approval by the relevant regulatory authorities.

In 2016, both the US Food and Drug Administration (FDA) and European Medicines Agency approved a reduction in the weight limit for the treatment of HIV with dolutegravir, meaning more children and adolescents aged 6-12 years old will now be eligible to receive treatment.

The FDA also approved the first generic version of dolutegravir, manufactured by Aurobindo Pharma, which can now be made available to countries covered by our licence. In addition, dolutegravir will be made available as first line HIV treatment as part of national health programmes in Brazil and Botswana in 2017.

→ Read more online
ViiV Healthcare
Positive Action programmes

Supporting children living with HIV

In 2016, we began a new collaboration with the Paediatric European Network for Treatment of AIDS Foundation which will increase funding to develop optimal treatment strategies to achieve remission specifically for children living with HIV.

During the AIDS 2016 conference in Durban, ViiV Healthcare received the first ever Public Recognition Award from the Global Paediatric Antiretroviral Commitment to Action to recognise exceptional efforts to expand access to HIV/AIDS treatment for children.

Working with communities

In 2016, we further developed our ambition to go beyond pharmaceutical solutions by supporting efforts to improve care and control of the epidemic through our initiative on Mapping an HIV Free Future. We also continue to support over 300 community-based HIV education and prevention programmes around the world through ViiV Healthcare's Positive Action programmes.

Advancing HIV treatment

In December 2016, ViiV Healthcare announced positive results from first phase III studies of two-drug HIV treatment regimen, the first of various phase III studies to evaluate this innovative treatment option. We also launched, in partnership with the National Institute for Health, the first large phase III trial to study cabotegravir as a single agent in prevention. Finally, we have continued the development of an investigative attachment inhibitor for patients who have failed treatment and can no longer keep their HIV under control using current medicines.

1. ViiV Healthcare is a global specialist HIV company majority owned by GSK.

2. 90% of people living with HIV to know their HIV status, 90% of those diagnosed to receive sustained antiretroviral therapy and 90% of those receiving therapy to have an undetectable viral load.

 **94%** of adults living with HIV in the developing world are now covered by our licence agreement for dolutegravir

Reducing child mortality

Commitment: Continue to invest in innovative cross-sector partnerships to reduce child mortality.

Progressing well



Progress in 2016

We are committed to help save one million children's lives through our pioneering £25 million partnership with Save the Children. In 2016, we reached an additional 1.3 million children with life-saving interventions, bringing the total to 2.6 million children since the partnership began in 2013. Since then, over one million children have been screened for malnutrition, more than 86,500 under-fives have been immunised, over 290,000 children have been vaccinated against measles or polio, and over 183,000 have been treated for diarrhoea, malaria or pneumonia.

Together, we are establishing models to tackle child mortality in the Democratic Republic of Congo and Kenya that can be replicated elsewhere. Since 2013, we have trained over 13,000 community and professional health workers and equipped, improved or upgraded 119 health clinics as we continue to improve healthcare for mothers and children. We are now working together in over 37 countries, including in humanitarian crisis and disaster zones. In 2016, we received the Ethical Corporation Award for the best Private Sector NGO Partnership for our collaboration with Save the Children.

In Burkina Faso, years of campaigning from Save the Children with support from GSK culminated in 2016 with ground-breaking new legislation that will offer free healthcare for children under five and pregnant women.

In addition to our work with Save the Children, we have provided over 110 million reduced-price vaccines to protect children from diseases in 2016 through our long-running work with Gavi (see page 9).

→ Read more online
Save the Children partnership



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Our values underpin everything we do – from ensuring rigorous safety standards in the development and manufacture of new medicines to interacting ethically with healthcare professionals, patient groups and political stakeholders.

In this section

Ethical conduct	Progressing well
Promoting values in sales and marketing practices	Progressing well
Transparency in clinical trial data	Completed
Rigorous patient and consumer safety	Progressing well
Minimising animal testing	On track
Ensuring ethical interactions	Progressing well
Promoting human rights	On track
Working with third parties	On track

An industry-leading approach to working with healthcare professionals

We have fundamentally changed our commercial practices to ensure our sales and marketing is underpinned by the values in which we operate. Since January 2016, we have stopped paying healthcare professionals to speak to other prescribers about our medicines and vaccines.





Commitment performance update

Ethical conduct

Commitment: We will continue to strengthen our values-based culture by training our people on the standards expected, encouraging the reporting of any concerns and embedding our values into the way we measure employee performance.

Progressing well

Progress in 2016

We expect all our employees to live our values of patient focus, integrity, respect and transparency.

In 2016, we updated our code of conduct and accompanying annual training to give people a deeper understanding of how to apply our values in their everyday activities.

Training our people

In 2016, 99% of our employees and complementary workers completed mandatory training on the code of conduct. The code of conduct training helps employees understand and manage the range of risks associated with their daily business activities, including our zero tolerance approach to bribery and corruption. More than 70,000 people working in high risk roles also completed additional in-depth training on anti-bribery and corruption to help them understand how to manage particular challenges they may face in their daily work.

In 2016, a further 113 ethics and compliance professionals across the business enhanced their skills and knowledge through our Ethics and Compliance Academy; bringing the total number of certified ethics and compliance professionals to 300.

During 2016, we conducted 200 senior management assessments to evaluate how well our values are embedded within specific business areas. We also continued our independent values assurance programme that provides an assessment of our progress in embedding the values throughout the organisation.

[Read more online](#)
GSK policies, codes and standards

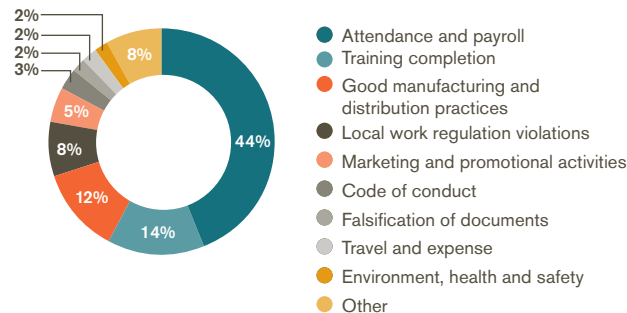
Reporting and investigating concerns

We centrally track misconduct allegations and concerns. Our multiple speak up channels offer people within and outside GSK the opportunity to ask questions and voice concerns anonymously or confidentially through an independent third party by phone or online. During 2016, we continued to raise awareness of the channels for reporting concerns about misconduct. In 2016, we received 2,568 reports through our multiple speak up channels, which is a 21% reduction from 2015. All concerns raised are reviewed and over 2,130 formal investigations were initiated in response. The most frequent categories of allegation were employee performance and relations and product promotion.

Disciplinary action

We take disciplinary action when employees fail to act in line with our policies. In 2016, 3,600 employees were disciplined for policy violations (3,547 in 2015), including 499 employees disciplined for failing to complete mandatory training (on code of conduct and anti-bribery and corruption) within the required timeframe. Of the total disciplined, 2,499 employees received a documented warning (2,890 in 2015), 547 received verbal warnings (297 in 2015) and 221 were dismissed or agreed to leave the company voluntarily (387 in 2015). Attendance and payroll remains the biggest type of violation at 44% (48% in 2015) which includes disciplinary actions related to employee absence, punctuality or misstating hours worked.

Employees disciplined in 2016: breakdown of types of policy violation



Our approach to tax

We have a substantial business and employment presence in many countries around the world and pay a significant amount of tax, including corporation and other business taxes, as well as the taxes associated with our employees. We understand our responsibility to pay an appropriate amount of tax and fully support efforts to ensure companies are appropriately transparent about how their tax affairs are managed. We provide more detail on our approach to tax in our tax policy and Annual Report.

As part of our approach we align our investment strategies to those countries where we already have substantial economic activity and where government policies promote tax regimes which are attractive to business investment, transparent in their intent and available to all relevant tax payers, such as the UK patent box.

Relationship with tax authorities: We seek to maintain open, positive relationships with governments and tax authorities worldwide and we welcome constructive debate on taxation policy.

International tax framework: We support the OECD and G20 principle that tax should be paid throughout the supply chain where the profit making activities take place.

Transfer pricing: In line with OECD guidelines we base our transfer pricing policy on the arm's-length principle and support our transfer prices with economic analysis and reports.

Tax havens: We do not engage in artificial tax arrangements – those without business or commercial substance.

Corporation tax: In 2016, the Group paid corporate income tax of £1,609 million (£2,062 million in 2015) on profits of £1,939 million (£10,526 million in 2015). The corresponding tax charge on profits was £877 million (£2,154 million in 2015).

[Read more online](#)
Our approach to tax
Annual Report (page 55)



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Promoting values in sales and marketing practices

Commitment: Continue to drive a values-based approach to sales and marketing practices across the world, with the interests of consumers and patients at its core.

Progressing well

Progress in 2016

We have fundamentally changed our commercial practices to ensure our sales and marketing is underpinned by our values wherever we operate. As we continued to make strong progress in this area in 2016, we anticipate marking this commitment as complete in our 2017 report.

Engaging with healthcare professionals

Since January 2016, we have stopped paying prescribing healthcare professionals (HCPs) to speak to other prescribers about our medicines and vaccines. This is a key milestone we have been working towards since announcing in December 2013 our industry-leading approach to how we work with HCPs.

We have strengthened our online resources to supplement information provided by our salesforce and we have significantly expanded our global team of in-house medical experts to provide information about our medicines and vaccines to HCPs in ways that are convenient to them. We now have around 400 medical experts dedicated to engaging with HCPs and a further 900 who also engage with HCPs as part of their roles.

Following medical product information sessions with GSK experts in over 60 countries, 92% of more than 42,000 HCPs agreed the interaction helped them make a more informed decision benefiting patient care. Around 79% rated their experience as superior to similar interactions with other pharmaceutical companies.

Read more online
[Sales and marketing practices](#)
[European Federation of Pharmaceutical Industries and Associations](#)

Publishing payments made to HCPs

We transparently report payments to HCPs for activities such as advisory boards and market research, that help us develop medicines and vaccines to meet patients' needs. We are now disclosing all payments made to HCPs in 32 markets across Europe (including Russia and Ukraine), Australia, Japan and the USA.

We are fulfilling all requirements of the European Federation of Pharmaceutical Industries and Associations' Disclosure Code by disclosing payments to named individuals and disclosing on an aggregate basis only for payments relating to research and development. In 2016, we achieved more than 90% named disclosure – significantly higher than most other companies across our industry.

We have also adopted a 'no consent, no contract' policy in Europe. This means we will not work with HCPs who withhold their consent for GSK to publish transfers of value they have received from us for reportable activities.

Embedding a values-based approach to sales

Our sales teams worldwide are incentivised based on their technical knowledge and support for HCPs to improve patient care, rather than by individual sales targets. This values-based approach has received positive feedback from HCPs and in a survey of US HCPs in 2016, GSK ranked first for customer trust for the fourth year in a row, and for customer value for the third time.

Reaching a resolution with the Securities and Exchange Commission (SEC)

We have reached a resolution with the US SEC regarding their investigation into our commercial practices in countries outside of the US. The SEC investigation was conducted with full cooperation from us, and we have accepted the outcome of the resolution. The US Department of Justice (DOJ) has also concluded its investigation into these matters and will be taking no further action. The SEC and DOJ investigations were initiated as part of an industry-wide inquiry in 2010. In reaching the resolution, the SEC took account of the changes we have made to our commercial practices over the last few years.

Investigations by the UK Serious Fraud Office (SFO) regarding our China and other business operations are ongoing and the Group is responding to the SFO's requests.

Transparency in clinical trial data

Commitment: Be as transparent as possible with our clinical trial data, including publishing clinical study reports (without patient-level data) for all outcome trials of medicines conducted by GSK and, within an appropriate process, making available to researchers access to anonymised patient level data to further scientific enquiry.

Completed and ongoing

Progress in 2016

We continue to lead the industry in clinical study transparency, making information available on all our trials, whether positive or negative. GSK was the first company to publish the clinical study reports (CSRs) that form the basis of submissions to regulatory agencies.

More than 1,900 of these reports and more than 6,000 summaries of trial results are now publicly available. In 2016, we also began providing plain language summaries of our clinical studies that present the results in a way that is readily understandable to a general audience, including study participants.

Researchers can submit proposals to request access to the anonymised patient-level data behind the results of around 2,000 of our clinical trials through clinicalstudydatarequest.com, a website which provides this data from 12 industry sponsors, including GSK. They can also request combined data from trials by one or more of the 12 industry sponsors. An independent panel appointed by the Wellcome Trust reviews research proposals for scientific merit. By the end of 2016, 88 proposals had been approved and 66 research teams had been granted access to anonymised patient-level data.

Read more online
[Clinical study register](#)
[Data transparency](#)



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Rigorous patient and consumer safety

Commitment: Continue to ensure the interests and safety of patients and consumers are of paramount importance in the way we design and undertake our clinical trials, our product quality assurance and our monitoring and reporting of adverse events in ongoing product usage.

Progressing well



Progress in 2016

In 2016, we produced nearly two billion packs of medicines, 833 million doses of vaccines, and five billion packs of consumer healthcare products. We manufacture all of our medicines and vaccines according to our internal Quality Management System and Good Manufacturing Practice regulations.

In 2016, we had 167 regulatory inspections of our manufacturing sites and 86% of these received no observations or minor observations.¹ 11 of the inspections were conducted by the US Food and Drug Administration (FDA), of which five resulted in a Form 483 being issued to sites, citing deficiencies to current Good Manufacturing Practices (cGMP). None of these observations had any direct impact on product supply from our sites, and corrective action plans to mitigate the observations have been submitted to the FDA in all cases.

In July 2016, our Worthing facility in the UK received a warning letter from the FDA arising from an inspection that had been conducted 12 months previously. We responded promptly to the FDA to address the points raised and advised them of the programme of work which is now well advanced.

→ Read more online
Pharmacovigilance

1. At this time we are still awaiting 11 reports from 2016 inspections.

Understanding the risks

As our medicines and vaccines reach an increasing number of people in low- and middle-income countries in Africa, we are supporting efforts to strengthen national infrastructures for reporting safety information about our products. We aim to do this by building capacity for medicine and vaccine safety, enhancing safety assessments and establishing a global safety support structure. For example, we are collaborating with the government in Malawi to facilitate the development of a pharmacovigilance reporting system for our vaccines to enhance the detection, monitoring, understanding and prevention of adverse effects.

In 2016, we established a pharmacovigilance centre of excellence in the US that brings together data from electronic health databases, patient reported data and social media (see case study) to give us a more holistic view of the risks and benefits of our products.

We keep track of risks to quality and safety standards on our global risk register to ensure patient safety in clinical research. In 2016, we performed 263 audits of our own trials and those conducted on our behalf by third parties (see Data summary on page 27).

Reducing the risks of counterfeit products

In 2016, we increased our work with border controls to improve our anti-counterfeiting strategy. We are focusing on targeted intelligence gathering and strategic enforcement in order to prevent counterfeits from getting onto the market and reaching consumers.

An important aspect of the strategy is collaboration with global customs authorities, especially in countries where counterfeit products are known to be manufactured or those known to be major transit hubs for counterfeit products. We have recorded trade mark registrations with customs authorities in over 64 countries and during 2016 we conducted 38 training sessions for customs officials at key ports in 15 countries. This enables the authorities to identify and seize large shipments of counterfeit products destined for markets around the world.

In 2016 we performed

263

audits of our own trials and those conducted on our behalf by third parties

Harnessing online networks to improve patient care

Many people share personal information on social media – including their experiences of using medicines. This is valuable data that can help us improve patient care.



Our pharmacovigilance centre of excellence collects publicly available data from social media and filters out unrelated information and anything that would infringe patient privacy. The Centre's analysis is helping us to understand the benefits of our products, alert us to unexpected adverse effects, and evaluate the misuse of drugs.

In a two-year period, we found approximately 22 million Twitter and Facebook posts discussing potential adverse events for 1,000 medicines. As well as highlighting adverse effects, this information has given us significant insight into the inappropriate use of drugs; for example, discovering that some patients are crushing and injecting medicines that are meant to be swallowed. Being aware of common misuse of treatments helps us to make decisions on appropriate labelling and further guidance.

Analysis of the ever-growing amount of social media data is likely to provide essential insights into ways we can develop better medicines and enhance patient care.

→ Read more online
Can social media help us hear patients?



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Minimising animal testing

Commitment: Rigorously challenge the need for animal studies and work to minimise the impact on animal welfare, by investing in the development of alternative studies and sharing animal-based data.

On track



Progress in 2016

Animal studies are a critical part of the discovery of new medicines and are legally required to test the safety of our medicines and vaccines. We remain committed to applying the '3Rs' approach to replace, reduce and refine our animal research.

In response to stakeholder feedback, we are disclosing the total number of animals used in our research for the first time and will do so annually. In 2016, we used 368,000 animals, of which 98% were rodents. Between 2005-2015, the number of animals used was more than halved; however, in 2016 we saw an increase following the integration of the Novartis vaccines business. Excluding this, the downward trend has continued and we have now integrated our new vaccines sites into our existing animal programmes.

Developing alternatives to animal studies

We continue to support research into new testing systems that mimic the form and function of living human tissue and organs to avoid the need for animal studies. For example, in 2016 we co-sponsored a challenge set by the National Centre for the Replacement, Refinement and Reduction of animals in Research to develop a non-animal model for osteoarthritis.

We also began a five-year collaboration with the Innovative Medicine Initiative's Vaccine to Vaccine project which aims to reduce animal testing for batch releases of vaccines. As one of the partner companies we will provide researchers' time and access to research facilities and resources amounting to over £2.6 million over the duration of the project.

→ **Read more online**

[Our use of animals](#) | [The '3Rs' in medicine research](#)

Ensuring ethical interactions

Commitment: Demonstrate that all GSK interactions with patient advocacy groups and political stakeholders are conducted appropriately, ethically and transparently.

Progressing well



Progress in 2016

In 2016, we remained committed to transparent and ethical interactions with political stakeholders and patient advocacy groups.

Engaging with political stakeholders

We have clear guidelines in our code of conduct to ensure all employee interactions with political stakeholders are in line with our values and anti-bribery and corruption policy. We also expect any third-party policy groups that engage on our behalf to share our values and we have comprehensive [criteria](#) to guide the selection of these groups.

As part of our commitment to transparency, we publish our position on more than 40 public policy issues on our website, including intellectual property, pricing, human rights and environmental standards.

All our lobbying costs relating to GSK activities in Brussels and the US are registered on the [EU Transparency Register](#) and the [US Federal Lobbying Register](#). In 2016, the cost of representing our interests to EU institutions was in the range of €1,500,000 and €1,749,999, and we spent \$3,641,000 on lobbying activities in the US. This includes operating our advocacy offices in Brussels and Washington DC, and the cost of travel and consulting. We publish a full list of our memberships of industry trade associations that may lobby indirectly on our behalf [online here](#).

Although GSK does not make corporate political contributions, our US employees can financially support individual candidates or political groups through a Political Action Committee (PAC) under the Federal Election Campaign Act. Our employees' PAC contributed \$380,360 to state and federal candidates in 2016 – 29% of those funds were contributed to state candidates and 71% to federal candidates.

Building trust with patient advocacy groups

We engage with, and support, patient organisations to gain insights that enable us to develop products and advocate for policies that better meet patient needs. In 2016, we issued a public policy position outlining how and why we work with patient organisations, and the high ethical standards we apply in our interactions. We publish information about all the support we provide on our website.

We held Patient Advocacy Leaders Summits (PALS) in the Czech Republic, Germany, Japan and Portugal in 2016. The PALS gather GSK employees and patient advocacy leaders together to build relationships between health policy experts, patient advocates and industry. In 2016, we supported the first Asia Pacific Lung Summit to connect with patient leaders who advocate for lung health in their communities and improve our understanding of conditions like asthma.



→ **Read more online**

[Public policy position on political advocacy](#)
[Patient group funding](#)
[Public policy and patient advocacy](#)



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Promoting human rights

Commitment: Address the UN Guiding Principles on Business and Human Rights across our own operations and our supplier relationships.

On track



Progress in 2016

We focus on seven areas that we have prioritised based on where our operations have the biggest potential to affect human rights: access to healthcare, air quality impact relating to propellants, clinical trial standards, employment practices, patient safety, product counterfeiting and use of third-party suppliers. Our progress in each area is outlined in the relevant sections of this report.

We are managing human rights risks in the supply chain by reinforcing our requirements on labour rights and health and safety, and ensuring these are communicated consistently through our contracts with third parties. We continue to monitor existing suppliers and screen new suppliers, and continued the roll-out of our third-party oversight programme across Latin America and South East Asia in 2016 (see Working with third parties).

We have published a statement in response to the UK government's Modern Slavery Act 2015 which outlines our policies and processes to minimise the risk of modern slavery within our operations and our supply chain. We aim to ensure compliance with these policies through our wider programmes on ethical behaviour, including Speak Up channels for people to raise any concerns. We have found no indications of slavery, trafficking or child labour in our organisation.

→ **Read more online**
[Human rights statement](#)
[Modern slavery statement](#)
[Ethical conduct and supply chain](#)

Working with third parties

Commitment: We seek to work with third parties that share our commitment to high ethical standards and operate in a responsible way. If performance gaps are identified, where appropriate we commit to working with the third party to improve performance.

On track



Progress in 2016

Each year we spend billions of pounds with tens of thousands of third parties for the provision of a wide range of goods and services. In 2016, we increased our use of preferred suppliers, bringing it to more than 90% of our purchase order spend. This enables us to build strong relationships with the suppliers that are most critical to our business.

Overseeing third parties

At GSK, our third parties include suppliers, distributors and other organisations with which there is a transfer of value. In 2016, we continued the roll-out of our global third-party oversight programme which reached a total of 43 countries across Latin America and South East Asia. The programme aims to drive improvements in our supply chain and distributor network and ensures that the third parties we engage with are aligned with our values.

We conducted more than

 **8,700**

assessments through our
third-party oversight programme

We have completed more than 8,700 third-party risk assessments. This includes an extensive assessment on labour rights, fair business practices, anti-bribery and corruption, environment and sustainable procurement for over 1,000 third parties. Further risk assessments are underway, with the programme scheduled to complete global roll-out by the end of 2017. To date, we have identified activities across 700 of our third-party engagements which have required improvements to address risk management and concerns about ways of working. During 2016, we also commenced the anti-bribery and corruption training initiative for third parties, seeking to ensure that the third parties we work with have the appropriate risk awareness and therefore ability to manage it.

In 2016, we conducted over 70 third-party audits on health and safety, ethics, environment and labour rights. We also conducted a further 1,850 audits focused specifically on quality processes. Where we identify areas for improvement, we engage with the respective third parties to develop improvement plans and track their completion with the overall aim of enhancing performance in the supply chain. We may also suspend or terminate work with a third party if significant issues are identified.



→ **Read more online**
[Pharmaceutical Supply Chain Initiative \(PSCI\)](#)
[Ethical conduct and third parties](#)
[Working with third parties](#)



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Our people

We aim to create a safe and inclusive workplace where everyone at GSK can feel able and inspired to realise their potential and help us meet global health challenges.

In this section

Developing our people in inspiring and healthy workplaces



Promoting inclusion and diversity



Community volunteering to create change



Building the next generation of leaders

Our Future Leaders programme provides a consistent, high-quality approach to our global graduate recruitment. In 2016, we had 441 new recruits representing 59 nationalities and 58 countries.





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Commitment performance update

Developing our people in inspiring and healthy workplaces

Commitment: Continue to create a working environment that inspires people to grow and perform in a healthy and resilient way.

Progressing well



Progress in 2016

Attracting and retaining talent

In 2016, we welcomed 465 graduates and postgraduates into our Future Leaders and Esprit programmes, including 164 from emerging markets. GSK was voted top graduate employer for Research and Development in The Times Top 100 Graduate Employers 2016 (for the 19th successive year) and ranked 13th overall. In 2016, we recruited 83 apprentices in the UK and 16 in Canada, Ireland and the US as we expand our apprenticeship programmes in further markets. GSK was ranked 6th overall in the 'Rate My Apprenticeship' awards in the UK for the best apprentice employers.

In 2016, we trained around 3,500 people to support their promotion to first and second line leader roles. We have continued to evolve our global leadership development programmes and have found that managers who complete them show significant improvement in effectiveness based on feedback from their teams.

By coaching their colleagues, our leaders enable others to improve their performance and achieve their potential. In 2016, we trained 245 leaders to become coaches and our strategic use of coaching was recognised as world-class by the International Coach Federation's Prism Award. Internal analysis has shown that individuals who experience either our internal 'Job Plus' coaching or external executive coaching believe they significantly improve their ability to demonstrate all of the GSK Leadership Expectations.

In 2016, we responded to insights from our 2015 global employee survey, which 78% of employees completed. Our Corporate Executive Team also hosted 'listening sessions' with senior leaders and conducted follow up discussions, and we also introduced 'pulse' surveys to better understand employee engagement at more regular intervals.

Protecting our people

In 2016, we had a reportable injury and illness rate of 0.26 per 100,000 hours worked which, according to Pharmaceutical Safety Group (PSG) data, is comparable to other leading companies in our sector.

Road safety remains one of our biggest risks, particularly in emerging markets where the majority of our sales representatives use two-wheel vehicles. Sadly, in 2016 one of our sales force died as a result of a road traffic incident in India. To try to prevent tragedies like this from reoccurring we have driver safety programmes in India, Indonesia and Vietnam, with 4,000 people taking part in 2016.

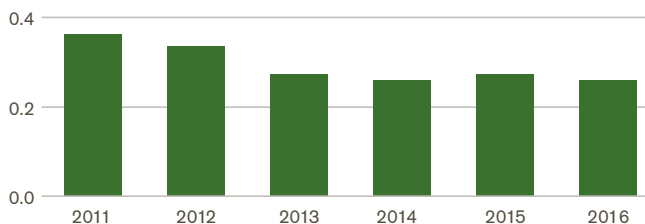
Health and wellbeing

As a healthcare company, we think hard about how we can best support not only the health of our patients and consumers but also our employees. Through the success of our global energy and resilience training programmes, and our innovative and ambitious Partnership for Prevention programme (P4P), we have created strong foundations. This progress has been recognised externally as we were named 'Britain's Healthiest Employer' in Vitality Health's 'Britain's Healthiest Workplace 2016' awards.

Through P4P we now offer almost 100,000 employees and family members in 75 countries unprecedented access to preventive healthcare services, such as immunisations and cancer screening, at little or no extra cost. In 2016, we extended these services to India and Russia and the Commonwealth of Independent States, keeping us on track to achieve our goal of global coverage by 2018.

Reportable injury and illness rate

(per 100,000 hours worked)



→ Read more online
Working at GSK

Building the next generation of leaders

Our Future Leaders programme is delivering the fresh ideas and talent needed to continue driving our success across key markets.



The programme was launched in 2012 to ensure a consistent, high-quality approach to our global graduate recruitment and development. The three-year programme consolidated and replaced several existing schemes with varied approaches. It provides a breadth of potential career pathways – from R&D and finance, to marketing and procurement – with the option to move between functions during several job rotations.

Job rotations make up 70% of the programme, with feedback, mentoring and coaching constituting a further 20%, and formal training the remainder. This balance enables graduates to develop the specific skills to be effective in their individual role and business, while getting a broad grasp of the company and learning GSK's distinctive global leadership approach.

The programme is rated highly by participants. A recent survey of alumni from the Future Leaders programme found that 89% of respondents felt the rotations helped them to develop relevant skills and experience for their career at GSK. They also indicated they felt supported by their line manager and team, and would recommend the programme to friends.

The benefits to the business are also clear. The number and geographical spread of the intake means we have young, home-grown and diverse leaders rooted in all our markets, including the faster growing emerging countries. In 2016, we had 441 new recruits representing 59 nationalities from 58 countries – up from 130 from eight nations in 2012.

→ Read more online
Future Leaders website



Promoting inclusion and diversity

Commitment: Continue to promote inclusion and diversity globally at GSK.



Progress in 2016

In 2016, more than 200 female managers began our Accelerating Difference programme, which supports the progression of high performing female leaders into senior roles through individual and group coaching, and sessions with male and female leaders to discuss career progression and share experiences. Around 48% of participants in 2013 have since been promoted and are more likely to stay at GSK than their colleagues (male or female), with 80% retention rate over the last three years.

The Accelerating Difference programme was recognised as best practice by the 2016 Female FTSE Board Report by Cranfield University, a study of women's representation on the boards of the UK's top companies.



[Read more online](#)
Inclusion and diversity

The percentage of women in management rose to 43% in 2016, and women represented 15% of our Corporate Executive Team (CET) and 31% of our Board (this compares with an average of 26% among FTSE100 boards, according to the Cranfield Board report). We also want our leaders to represent the diverse markets we serve and we recruited 441 people from 58 countries for our Future Leaders graduate programme in 2016. Five different nationalities are currently represented on the CET and the Board.

Women in management (%)

	2013	2014	2015	2016
SVP/VP	28	29	29	30
Director	40	40	40	42
Manager	44	45	45	46
Total	41	42	42	43

Employees by gender

	Male	Female	Total
Total employees	56,104	43,196	99,300
Total employees %	57%	43%	

As part of our efforts to promote an environment where everyone feels included, we established a global Lesbian, Gay, Bisexual, and Transgender (LGBT) Council in 2016, chaired by our President of R&D and endorsed by the CET. The Council aims to engage and educate on LGBT issues and consider GSK's potential involvement in LGBT issues that impact our employees and the patients and customers we serve. We achieved a 100% score in the Human Rights Campaign Foundation's Corporate Equality Index, which rates workplaces on LGBT equality in the US.

We are working with the Global Disability Council to develop an online accessibility portal that allows employees to find information on support or adjustments to their working environments. In 2016, we expanded our internship programme for young people with learning difficulties to our Stevenage bioscience hub in the UK.



Community volunteering to create change

Commitment: Extend volunteering opportunities to bring about positive change to communities and global health while providing individual development.



Progress in 2016

Our PULSE Volunteer Partnership programme provides a skills-based volunteering opportunity where eligible employees are matched with a non-profit organisation for three or six months full-time. In 2016, 73 volunteers from 25 countries contributed £3.4 million worth of skilled services to 31 non-profit partners in 27 countries. They worked on assignments that help to meet global healthcare challenges and support the UN Sustainable Development Goals, particularly on health and education.

Our PULSE programme is creating positive change for our non-profit partners, with 78% agreeing that our volunteers delivered something unique that their employees could not have delivered and 91% stating that the impact of the volunteer was felt even six months after the assignment ended. Our employees also benefit, with 91% of PULSE volunteers saying they are doing something differently at GSK after their return from assignment.



[Read more online](#)
Employee volunteering
PULSE volunteers
PULSE Impact Report



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We aim to reduce environmental impacts across our value chain while extending access to our products for the people who need them – by minimising our carbon footprint, reducing local water impacts and cutting operational waste.

In this section

Aiming to be carbon neutral	Work needed
Reducing our water impact	Progressing well
Reducing our waste	On track

Reducing emissions in our own operations

We are investing in renewable energy infrastructure, converting to low-emission fuels and improving energy efficiency to cut emissions in our own operations. We have reduced our operational emissions (Scope 1 and 2) by 18% since our 2010 baseline.





Commitment performance update

Aiming to be carbon neutral

Commitment: Reduce our overall carbon footprint by 25% by 2020 (vs 2010) and have a carbon neutral value chain by 2050.

Work needed

Progress in 2016

In 2016, our operational emissions (Scope 1 and 2) totalled 1.6 million tonnes of CO₂e. This is broadly the same as the previous year and represents an 18% decrease against our 2010 baseline. We reduce our emissions through a continued focus on energy efficiency, renewable energy and investment in sustainable buildings (see case study on page 24).

In 2016, we revised our calculation method for our Scope 3 emissions with the current GHG protocol methodology which now includes the impact of purchased services, capital investments, fuel and energy related activities, logistics upstream in the supply chain, all business travel and commuting. Based on this latest methodology, we increased our 2010 baseline figure to 18.7 million tonnes of CO₂e from 15 million tonnes of CO₂e.

In 2015¹ our overall carbon footprint (Scope 1, 2 and 3) increased from 17.8 million tonnes CO₂e in 2014 to 20.3 million tonnes of CO₂e due to the Novartis integration. This represents an 8.5% increase to our overall footprint versus our 2010 baseline. Excluding Novartis, our footprint has remained flat from 2010-2015 despite the volume of medicines, vaccines and consumer healthcare products shipped from our factories having increased by approximately 40% over the same period.

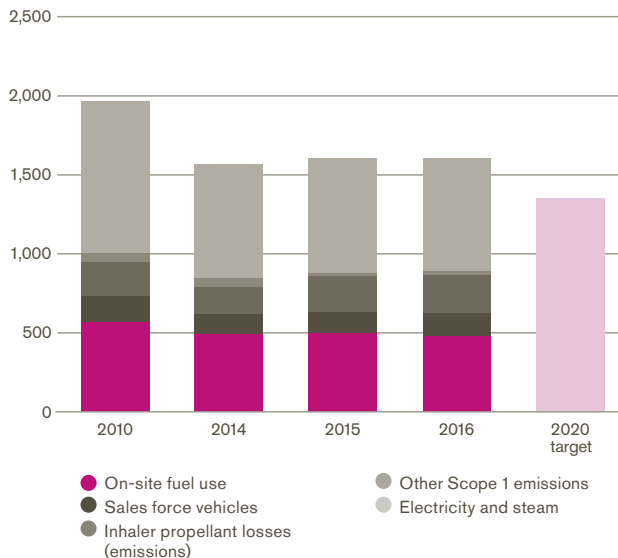
Our supply chain represents the largest part of our value chain footprint (51%) followed by the use of our products (30%). Our own operations, logistics and end of life disposal make up the remaining 19%.

As our largest value chain impact, we focus on helping our suppliers make environmental improvements. For example, 188 suppliers (covering £1 billion of our spend on direct raw materials) disclose information through Ecodesk, an online platform to monitor and promote environmental improvements in our supply chain. In addition, more than 350 suppliers use our online sustainability collaboration platform, the GSK Supplier Exchange, to share best practice.

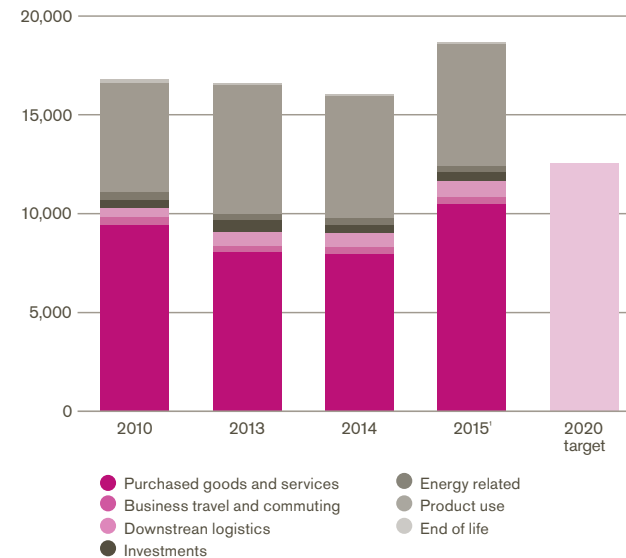
Our 2016 Supplier Environmental Sustainability Awards went to Aitken Spence, a printing and packaging company in Sri Lanka, and the Dow Chemical Company.

Certain products have a disproportionate effect on our value chain emissions, particularly our Ventolin propellant-based inhalers, which emit greenhouse gases during use. We continue to research solutions to this issue, including changing the way we manufacture, to reduce the amount of propellant used, while maintaining efficacy for patients.

Scope 1 and 2 GHG emission
(thousand tonnes CO₂e)



Scope 3 GHG emission
(thousand tonnes CO₂e)



1. Our most recently available scope 3 data is from 2015. We will publish 2016 data online in late 2017.

[Read more online](#)
Aiming to be carbon neutral



Reducing our water impact

Commitment: Reduce our water impact across the value chain by 20% by 2020 (vs 2010).

Progressing well



Progress in 2016

We used 14.5 million m³ of water across our operations in 2016, which was 3% less than in 2015, representing a 23% reduction compared to our 2010 baseline. We continue to look for ways to use water more efficiently and reduce total water consumption across our operations.

Over the last five years, we have refined an approach to assessing water impact in our value chain, taking into consideration four areas: water scarcity, local water quality, health and social risks and regulatory and reputational risks for the value chain. We were able to use this to identify where across our value chain we should focus our interventions.

Whilst it remains difficult to report specific reductions in water impact across the value chain, we are able to identify the regions where our water use has the highest impact. We continue to focus on reducing water use in our own operations and in our supply chain, with particular focus on GSK's sites in water-scarce regions and our agricultural supply chain for Horlicks India. In addition, our new Water Stewardship Policy reinforces our commitment to reduce our water impact across our value chain through engagement and collaboration with key stakeholders.

Together with Alternative Development Initiatives, an Indian sustainable development NGO, we are also supporting communities in the Horlicks supply chain to improve water management and agricultural yields. An innovative project in Rajasthan, an arid region of India, is now replenishing the local water source for the village of

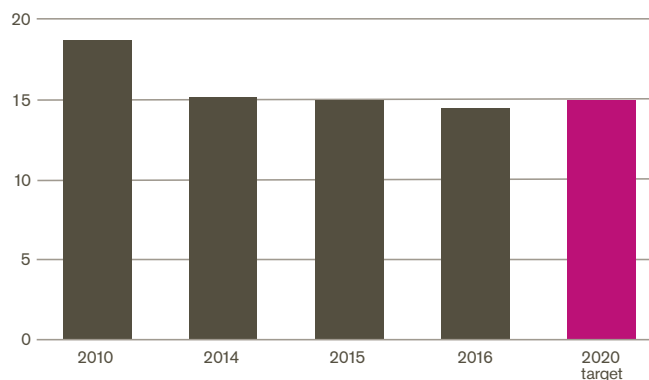
→ Read more online
Water stewardship policy
Reducing our water impact

Sawaipura with nearly 200,000m³ water, which is around a quarter of the amount of water that our three Horlicks factories across India use in their operations.

In the Punjab region of India, we partner with others to improve local farmers' water management through conservation practices such as fixing leaks, harvesting rainwater and managing the timing of crop sowing to coincide with rainfall. We are raising awareness through education programmes in over 60 villages across the region. Water is also needed to produce food crops used as fodder for cows, so we are training farmers to make use of surplus grass that can be used as cow feed during droughts. This means they do not have to buy fodder and are able to sustain their milk yields all year-round.

Operational water use

(million m³)



We have reduced our water use across our operations by

23%
compared to 2010

Investing in sustainable buildings

Designing sustainable buildings across our global operations to minimise our environmental impact.



Our new building in Ware, UK, needs carefully controlled ambient temperature and humidity to store pharmaceutical samples. The building design makes it resilient against outdoor temperature changes, while minimising environmental impacts.

The 200m² of solar panels on the roof generate twice as much energy as the building needs, feeding the rest back into the grid. Inside, the rooms have plenty of natural light and ventilation, heated by the sun through clever building design. Hot water comes from an on-site combined heat and power plant. This is our most innovative building design to date and continues the transformation of sites across our global network.

One of our US regional operations hubs in Philadelphia was awarded LEED Platinum – the highest rating from the international green buildings certification – and uses just 70% of the energy of a traditional building. At our state of the art factory in Bangalore, India, solar panels will generate over 500kW of power and will discharge no liquids.

As we learn more about how sustainable building techniques can be used for industrial purposes, we are putting this knowledge into practice with similar projects in the UK, where GSK funding led to the construction of the country's first ever carbon neutral laboratory in Nottingham.



70%

the energy of a traditional building at our operations hub in Philadelphia



Reducing our waste

Commitment: By 2020, reduce our operational waste by 50% (vs. 2010).

On track

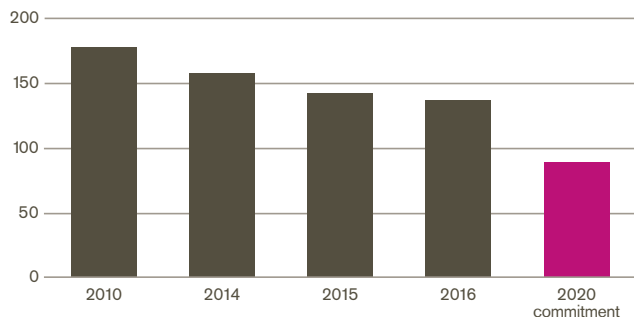


Progress in 2016

In 2016, our operations produced 137,000 tonnes of waste – 4% less than the previous year and 23% below our 2010 baseline. The majority of this (73%) was recycled or incinerated to recover energy, with only 5% sent to landfill. Around 70% of our sites have now achieved zero waste to landfill by repurposing materials that would otherwise go to waste or by using waste-to-energy services.

Working with Company Shop, an organisation that redistributes surplus food and products in the UK, we diverted 23 tonnes of consumer products from going to waste because they were too close to their expiry date for conventional retailers to sell. These are distributed through stores, including those targeting people in poverty. We are now exploring ways to expand this pilot to more locations and products.

Operational waste (thousand tonnes)



[Read more online](#)
 Reducing our waste | Pharmaceuticals in the environment

Emerging environmental issues in 2016

Microbeads and microplastics

GSK is committed to managing and reducing the environmental impacts of our products.

Microbeads are defined as solid plastic particles less than 5mm in size which are used in rinse off cosmetic and personal care products that cleanse and exfoliate.

GSK does not use such microbeads in its products and we have no have plans to do so in the future.

As an additional step, we are evaluating our portfolio to determine reformulation opportunities for products that use other inactive plastic ingredients. To date, we have identified a small number of products that we plan to reformulate. These initiatives will take approximately three years to complete and phase into the market.

We continue to work closely with industry associations to ensure that appropriate definitions are consistently applied and that industry has enough time to reformulate and transition new products into the marketplace.

Waste water pollution in the supply chain

There is also increasing pressure on the pharmaceutical industry from a broad group of stakeholders to tackle waste water pollution in the supply chain and in particular the links it has to anti-microbial resistance (AMR).

We have stringent policies in place to manage the environmental impact of all of our pharmaceutical manufacturing, including antibiotics, and we're committed to carrying out due diligence, close monitoring and auditing of our third-party suppliers' environmental practices.

AMR is a complex problem, driven by a number of diverse factors, and it's essential that united, global efforts are maintained, to address the practices driving resistance and to encourage investment to create a future pipeline of new treatments. Read more about our AMR efforts on page 8.

External recognition for our climate change and water efforts

GSK included in prestigious CDP 'A lists' for climate and water.



Our efforts to reduce carbon emissions were acknowledged in 2016 with our inclusion in the 'Climate A List'. CDP assessed companies globally from across 10 industry sectors; we were one of only 193 companies (9% of applicants) and seven healthcare companies to be A-listed.

Our high rating reflects the significant steps we have taken to help meet our goal of becoming carbon neutral by 2050, while continuing to grow our business and meet the healthcare needs of more people. For example, we have moved towards a more environmentally sustainable approach to treating respiratory disease. This has included reducing emissions during the manufacture of inhalers and launching our Complete the Cycle scheme, the first of its kind to work with pharmacists and patients to recover and recycle inhalers. Such steps have helped us to reduce our operational emissions by 18% since 2010.

We were also one of only 24 (3% of applicants) companies, and the only healthcare company to be included in the Water A List. This success reflects our achievements in reducing water usage by 23% since 2010 and our commitment to water stewardship.

[Read more online](#)
 External recognition



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		2013	2014	2015	2016	Notes	
Health for all	Better access to medicines and vaccines	Number of doses of <i>Synflorix</i> supplied to Gavi (million)	31	50	62	75	
		Number of doses of <i>Rotarix</i> vaccine supplied to Gavi (million)	16	31	33	37	
		Value of GSK medicine and vaccines prescribed through our US Patient Assistance programme (cost of goods sold in million USD)	176	156	147	110	
	Community investment	Number of patients reached through our US Patient Assistance programme	316,580	183,000	150,148	137,659	
		Cash (million £)	54	51	57	67	
		Product and in-kind (million £)	146	133	137	127	
		Time (million £)	4	4	4	3	
	Strengthening healthcare infrastructure	Management costs (million £)	17	13	11	12	
		Health worker training programmes (million £)	5.1	6	6.5	11*	
		Healthcare workers our partners have trained (cumulative)	12,000	25,000	40,000	43,000	
	Neglected tropical diseases	Number of people reached through our 20% reinvestment programme (million, cumulative)	3	6.5	11	17.5	
		Albendazole tablets to help LF elimination (million)	648	679	644	649	
	Eradicating polio	Albendazole tablets to help treat intestinal worms (million)	115	180	258	367	
Number of doses of oral polio vaccine delivered to Global Polio Eradication Initiative (million)		–	–	220	470		
Our behaviour	Compliance	Employees disciplined for policy violations	3,128	3,947	3,574	3,294	
		Employees who were dismissed or agreed to leave the company voluntarily	375	373	387	221	
		Documented warnings	2,753	3,131	2,890	2,499	
		Total number of marketing and promotional activity violations	161	233	237	178	
	Clinical trial data (cumulative)	Number of contacts made to our Speak Up channels	1,600	1,865	3,203	2,568	
		Publicly available trial result summaries	5,400	5,583	5,800	6,040	
		Number of studies with Clinical Study Reports posted to the register	–	200	663	1,941	
		Number of trials listed for which patient level data is available for request	–	1,081	1,727	1,953	
		Number of research teams granted access to GSK trial data	–	36	82	106**	

* 2016 figures include healthworker programmes beyond our least developed country (LDC) programmes.

** This figure includes 18 projects related to Novartis assets. These projects were fully transitioned to Novartis during 2016. The 2017 report will therefore incorporate a removal of these 18 projects from the total.



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Clinical research

	2013	2014	2015	2016	Notes
Audits of investigator sites	254	234	175	138	
Audits of GSK processes	20	19	26	25	
Audits of GSK local operating companies	13	16	41	32	
Investigations of suspected irregularities	51	13	29	23	
Audits of contract research organisations	34	40	23	45	
Total audits undertaken	323	322	265	263	

Anti-counterfeiting

Number of trainings for customs officials	–	–	–	38	
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Ensuring quality in manufacturing and supply

Number of regulatory inspections of our pharmaceutical business	88	96	86	66	
Number of regulatory inspections of our vaccines business	40	45	49	45	
Number of regulatory inspections of our consumer healthcare business	69	46	40	56	

Our people

Health and safety*

Number of fatalities	0	1	2	1	
Reportable incidents with lost time	353	281	318	353	
Lost time reportable injury and illness rate	0.17	0.15	0.15	0.17	
Reportable incidents with and without lost time	567	498	566	525	
Reportable injury and illness rate	0.27	0.26	0.28	0.26	

Talent and leadership development

Total number of coaching assignments	1,050	1,390	1,554	1,923	
Number of graduates recruited through our Future Leaders programme	287	304	444	441	
Number of postgraduates recruited through the Esprit programme	47	35	26	24	
Number of apprentices recruited	58	69	74	99	

Inclusion and diversity

Percentage of women in management (total)	41	42	42	43	
Percentage of employees from emerging markets, Asia-Pacific and Japan	43	44	43	42	

Volunteering

Number of employees completing PULSE	99	98	78	73	
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* 2015 health and safety data has been restated to include former Novartis sites acquired in 2015.



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Carbon

	2010	2014	2015	2016	Notes
Scope 1 and 2 GHG emissions ('000 tonnes CO₂e)					
Gas and other fuel	570	490	499	480	
Electricity and steam	962	723	703	716	
Propellant emissions during manufacture of inhalers	214	169	224	243	
Sales force travel	165	131	135	144	
Other emissions	62	35	27	26	
Total	1,974	1,548	1,615	1,610	
Scope 3 GHG emissions ('000 tonnes CO₂e)*					
Purchased goods and services	9,483	8,053	10,514	-	
Product logistics	406	717	805	-	
Business travel by air and commuting	423	356	373	-	
Propellant emissions during use of inhalers	4,647	5,411	5,132	5,447	
Use of other products	834	743	984	-	
Disposal of products	124	97	105	-	
Other emissions	856	715	777	-	
Total	16,773	16,093	18,690	-	
Water					
Water use in operations (million cubic metres)	18.7	15.2	14.9	14.5	
Waste					
Total waste generated (thousand tonnes)	178	158	142	137	
Waste to landfill (thousand tonnes)	17	10	8	7	
Compliance					
Internal audits (number)	25	19	16	42	
Environmental fines (£)	2,100	354,303**	500	5,800	
Environmental remediation***					
Spend (million \$)	5	6.6	4.5	2.3	

* Other than propellant emissions data (which is collected through our internal systems) we will not have an accurate picture of Scope 3 GHG emissions until later in the year.

** A detailed breakdown of 2014 environmental fines is available in the 2014 Responsible Business Supplement. These fines were mostly due to the discovery of a waste tank at our Upper Merrion site that did not comply with local regulations, plus a fine paid by our Hamilton site for failure to submit a risk management plan for storage and use of chloroform.

*** We take responsibility for removing pollution and contaminants from soil, surface and ground water at facilities we have used previously, and at the disposal sites of waste management companies we have used.



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Summary of assurance statement

Bureau veritas' summary independent assurance statement

Bureau Veritas UK Ltd has been engaged by GlaxoSmithKline (GSK) plc to provide independent assurance of its Environment, Health and Safety (EHS) performance data for 2016. The objective of Bureau Veritas' work is to express an opinion on the accuracy and reliability of the EHS data and to provide a summary of findings.

The full assurance statement can be found [here](#), which includes details of the scope of work, methodology, findings and recommendations for improvement.

Summary of scope and methodology

- Assessment of performance data contained within the 'EHS Data Table' and associated data management processes: this involved detailed review of the integrity of selected datasets and aggregation and checking processes at the corporate level, as well as sampling data back to source at five GSK sites. The sites were chosen to represent significant impact, GSK operations and geographical spread;
- Interviews with senior EHS staff to understand GSK's objectives and approach to data collation and management.

Opinion and recommendations

Based on the assurance work we carried out and the evidence we were presented with, as per the scope of work, nothing came to our attention to suggest that:

- the reported data does not provide a fair representation GSK's EHS-related activities and performance during the defined period; and
- there are significant omissions or material misstatements which could affect stakeholders' ability to make informed judgements on GSK's EHS performance.

Since its implementation, EHS Central has been comprehensive and effective in improving submissions and data. Further refinement in EHS reporting can be through: unifying the hours worked calculation methodology across all business groups; ensuring that all emission factors used are up to date, particularly the ones used by the third-party data providers e.g. for business travel.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, environment, health, safety and social accountability with over 185 years history. The assurance team has extensive experience in environmental, social, ethical and health and safety information, systems and processes. Bureau Veritas' Code of Ethics ensures that staff members avoid conflict of interest and maintain high ethical standards in business activities.

GSK's response to assurance

We are pleased with Bureau Veritas' findings on GSK's established processes in managing (EHS) data. We thank them for their recommendations, as we are committed to continuously improving our data collection and reporting processes in order to provide accurate EHS data to the public in the Responsible Business Supplement and on our website.

About our reporting

We report our performance annually in this report as part of our commitment to being open and transparent about our business activities. Responsible business is also covered in our Annual Report.

Data coverage

All data in this report relates to GSK's global operations in the calendar year 2016, except where otherwise stated. Data in the environment and health and safety sections has been independently verified by Bureau Veritas. Brand names appearing in italics throughout this report are trade marks either owned by and/or licensed to GSK or associated companies.

Reporting standards

Our index against the Global Reporting Initiative guidelines shows which elements are covered in the report. As a signatory to the UN Global Compact, we publish an annual Communication on Progress to demonstrate how we uphold its ten principles. These are both available on [GSK.com](#).

Policies, codes and standards

We have a number of policies, codes and standards accessible on our website covering a range of different areas from public health, to business integrity and the environment. These can be found, and downloaded [here](#).

Your feedback counts

We welcome your feedback on our responsible business performance and reporting. You can also request to receive regular updates on our progress.

Please contact us at csr.contact@gsk.com



London, February 2017