

Independent Limited Assurance Report

to the Directors of GlaxoSmithKline plc

GlaxoSmithKline plc (“GSK”) commissioned DNV GL Business Assurance Services UK Limited (“DNV GL”, “us” or “we”) to conduct a limited assurance engagement over Selected Information presented in the Responsible Business Supplement 2017 (the “Report”), for the year ended 31st December 2017.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. This conclusion relates only to the Selected Information, and is to be read in the context of this Assurance Report, in particular the inherent limitations explained below.

Our observations and areas for improvement will be raised in a separate report to GSK’s Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

- GSK has mature established reporting criteria, contained in its EHS Technical Support Documents. These help the business track and report EHS performance adequately. Moreover, by defining a reporting boundary, GSK can focus on its material contributions and remain strategic in its reporting decisions.
- GSK manages efficiently its electronic EHS data platform, called EHS Central. The data we checked was easy to track and analyse via this system. Also, given the level of technical knowledge and understanding of EHS data’s context, the team that manages it can advise and support on its use and application.
- A proportion of the total waste data is managed by a third party, Veolia. During our site audits to Stevenage and Irvine, we noted (on the sample reviewed), that the contractor appears to have robust system to manage waste information, i.e. its IT systems and procedures are well-established and properly managed. While we commonly find errors in this type of dataset, it is evident that the work done by Veolia has reduced and/or minimised the errors in data accuracy and completeness.
- While we did not find material errors in the data that we reviewed, we recommend that GSK review its data checking procedures to formally define what is considered a material outlier for energy, water and waste indicators at site level and track only these errors to resolution.

Selected information

The scope and boundary of our work is restricted to the Environmental, Health and Safety (EHS) performance data included within the Report (the “Selected Information”), listed below:

- Total Energy (million GJ)
- Total scope 1 and 2 GHG emissions (‘000 tonnes CO₂e)
- Selected scope 3 GHG emissions (‘000 tonnes CO₂e) (use of inhalers)
- Water use in operations (million cubic metres)
- Wastewater discharge (million cubic metres)
- Total waste generated (thousand tonnes)
- Waste to landfill (thousand tonnes)
- Number of fatalities
- Reportable incidents with lost time
- Lost time reportable injury and illness rate (per 100,000 hours worked)
- Reportable incidents with and without lost time
- Reportable injury and illness rate (per 100,000 hours worked)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used GSK’s EHS Technical Support Documents (the “Criteria”), a summary can be found in the Detailed Environmental Data document [here](#).

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on GSK’s website for the current reporting period or for previous periods.

Our competence, independence and quality control

DNV GL established policies and procedures are designed to ensure that DNV GL, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV GL) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV GL holds other audit and assurance contracts with GSK, none of which conflict with the scope of this work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with GSK’s management to obtaining an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Site visits to Irvine (UK), Stevenage (UK), Rosia (Italy) and Sonepat (India) to review process and systems for preparing site level data consolidated at GSK’s UK headquarters. DNV GL were free to choose the sites on the basis of materiality and their contribution to the group’s overall data;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Recalculating the Selected Information using suitable conversion factors and/or as established by GSK’s Criteria;
- Reviewing data at source and following this through to consolidated group data;
- Reviewing information provided by GSK’s third party contractors;
- Reviewing that the evidence, measurements and the scope provided to us by GSK for the Selected Information is prepared in line with the Criteria; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

For and on behalf of DNV GL Business Assurance Services UK Limited, London, UK
13th March 2018



Douglas Farquhar

Principal Consultant and Lead Assuror
UK Sustainability, DNV GL – Business Assurance



Shaun Walden

Principal Consultant and Reviewer
UK Sustainability, DNV GL – Business Assurance

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

Our assurance relies on the premise that the data and information provided to us by GSK have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Report.

Responsibilities of the Directors of GSK and DNV GL

The Directors of GSK have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to GSK in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV GL Business Assurance

DNV GL Business Assurance Services UK Limited is part of DNV GL – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

www.dnvgl.co.uk/BetterAssurance