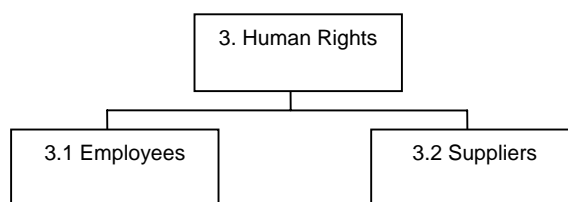


# HUMAN RIGHTS



Human Rights 3

## Human Rights

### *Corporate responsibility principle*

We are committed to upholding the UN Universal Declaration of Human Rights, the OECD guidelines for MNEs and the core labour standards set out by the International Labour Organisation. We expect the same standards of our suppliers, contractors and business partners working on GSK's behalf.

Human rights is a broad subject that is relevant to GSK in a number of different contexts. In this section we discuss human rights for GSK employees and human rights issues in our supply chain.

Our direct employees are generally highly educated and skilled people for whom we are striving to make our company an attractive employer. Generally our employment standards on issues such as diversity and equal opportunities provide adequate safeguards on human rights.

Our supply chain is complex, diverse and global. We recognise it is possible that our suppliers in some countries do not fully respect the human rights of their workers or those in their community. Within our sphere of influence, we have begun work to ensure that our suppliers observe similar standards to ours in their relations with employees and communities.

## Employees

The human rights of our employees at work are fully protected by our employment policies and procedures. For more details see Employment Practices in the website.

We operate globally, including in countries where the government does not fully respect human rights. We believe our presence in these countries is vital to ensure continued access to medicines for their people. We aim to create a working environment for our employees where the standards match those in our operations elsewhere.

To ensure we are delivering our commitment to international human rights standards in employment, we conduct an annual global audit. This involves asking the head of Human Resources for each country where we operate to report on whether GSK employment practices meet these standards. Following the 2004 audit we have not identified any significant human rights issues for our workforce.

We can confirm that GSK does not employ children or anyone younger than 16. All our employees are entitled to join trade unions and to organise, in countries where this is permitted by national legislation. We are committed to listening and responding to the views of our employees, including through works councils and staff consultation committees.

Discrimination and harassment are not tolerated under any circumstances. Employees can report any concerns to senior management on a confidential basis, using our global integrity helpline. During 2004 there were no cases reported by employees to our compliance function that directly raised human rights issues.

## Suppliers

Our supply chain is complex. It includes high-spend, strategic relationships with suppliers that manufacture medicines for us or supply ingredients to multiple GSK manufacturing plants. It also includes relatively low spend contracts for locally-sourced goods or services such as cleaning products, rubber gloves or laundry services.

Given the size, diversity and global scope of our supply chain we recognise it is possible that suppliers in some countries do not fully respect the human rights of their workers or those in their community. Within our sphere of influence, we have begun work to ensure that our suppliers observe similar standards to ours in their relations with employees and communities.

The first step is to incorporate clauses in our supplier contracts that seek assurances from our suppliers about their commitment to human rights. This includes compliance with minimum wage legislation; provision of a healthy, safe work place free from discrimination; the right of employees to join an independent trade union; and opposition to all forms of slavery and exploitative child labour.

During 2004 we continued the process (begun in 2003) to include human rights clauses in our central contract templates for use with new suppliers. During 2005 we will be working with local procurement managers to ensure they incorporate appropriate clauses into local contracts. Human rights clauses are also being introduced into contracts for existing suppliers as they are renewed.

Where appropriate, taking into account the varying risk of human rights abuses in different regions, major existing suppliers have been asked to confirm in writing that they comply with GSK's human rights clauses. We began this process in 2003 by contacting over 400 suppliers and in 2004 we contacted over 650 more suppliers.

The second step is to audit and monitor suppliers. We already conduct regular Environment Health and Safety audits of our contract manufacturers (see Suppliers and Contractors). In 2003 these audits were extended to incorporate criteria and questions on human rights. There were 35 audits conducted during 2004 and no human rights issues were noted. For other major suppliers, compliance is assessed during regular supplier review meetings conducted by GSK's procurement professionals.

A guidance document 'Supplier Compliance with GSK Human Rights Requirements' has been developed for employees working in procurement. It explains our standard contract clauses on human rights, the importance of supplier compliance with these standards, how to monitor human rights issues during EHS audits and supplier reviews and how to deal with instances of non-compliance. This is part of our Sourcing Group Management process which provides a training and best practice programme for GSK procurement

professionals. Human rights requirements are included in the criteria used by procurement for selecting new suppliers.

If a supplier is found not to have met our standards we will work with them to agree improvement plans and achieve compliance. We think this is better than walking away from the problem. However, we will terminate a contract if a supplier will not or cannot work towards compliance.