Our success depends on our ability to research and develop innovative medicines, vaccines and consumer healthcare products and make them accessible for more people in a responsible way.
At GSK responsible business is how we do business.

We report key information on our approach to responsible business alongside our financial performance within the Annual Report.

This supplementary document provides additional context and details of our progress against our responsible business commitments.

Cover image
By working together with health workers like Head Nurse Jacqueline Mankenda, GSK and Save the Children are directly reaching thousands of children, including those in the hardest to reach communities.

Photo: Ivy Lahon/Save the Children
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Chairman’s statement

I have no doubt that commercial success is directly linked to operating in a way that meets the changing expectations of society.

GSK’s long-standing commitment to responsible business remains central to the company’s strategy. To reflect this and in further efforts to improve our corporate reporting, we have integrated more information about our responsible business approach and performance within the Annual Report. This document – the Responsible Business Supplement – provides additional detail on these topics and has been structured to clearly set out the progress made during 2014 against our responsible business commitments.

Assuring GSK operates responsibly is a priority for the Board and its Committees, in particular the Corporate Responsibility Committee (CRC) which I chair. In 2014, the CRC had oversight of both progress and challenges across a range of responsible business areas.

This included strategies to drive innovation where there is a key need, such as diseases impacting the developing world like malaria and Ebola, as well as antibiotic resistance; and strategies to improve access to medicines and vaccines such as pricing models, building capacity and capability in Africa and the partnership with Save the Children.

The Committee was encouraged to see continued efforts to evolve the commercial model. A new approach to compensation for sales representatives has now been rolled out worldwide and work is ongoing to fundamentally change the relationship with doctors and customers, removing any perception of a conflict of interest.

The Board continues to monitor how GSK benchmarks on its commitment to responsible business practice. During 2014, GSK topped the Access to Medicines Index for the fourth consecutive time. The index measures the performance of the top 20 pharmaceutical companies on their efforts to improve access to medicines and healthcare in developing countries. The Company also re-entered the Dow Jones Sustainability Index in 2014, ranking in the top 2% of companies in the sector on the environmental, social and governance criteria sought by responsible investors.

This is my final letter as Chairman of GSK and the CRC. One of the reasons I took this role was my belief in the significant value this company brings to society. Through my time as Chairman, I am pleased to have seen many changes and much progress, whether that is delivery from the company’s R&D organisation, efforts to improve access to our medicines, or the evolution of the commercial model. This has been coupled with a strong commitment to shareholder returns.

I remain confident GSK will deliver considerable long-term value and returns for shareholders, and value to wider society into the future.

Sir Christopher Gent
Chairman

External benchmarking

- Topped the Index in 2014 and every time since it began in 2008.
- Rejoined the Dow Jones Sustainability Index in 2014 with a score of 84, putting us in the top 2% of our sector on environmental, social and governance criteria.
- With a score of 96 B, retained our position in the CDP’s FTSE 350 Climate Disclosure Leadership Index for the seventh year, in recognition of the amount and quality of climate change data we disclosed.
- GSK remains the only pharmaceutical company to have achieved the Carbon Trust’s Carbon Standard and Water Standard for cutting carbon emissions and water use across our operations globally.
- Member of FTSE4Good since 2004.
In 2014, despite challenges resulting from our operating environment, we made sustained progress against both the company’s strategic priorities and our commitment to operate responsibly.

I was particularly proud of the progress on our commitments to improve access to medicines this year. We saw the world’s first malaria vaccine come another step closer when we submitted our RTS,S candidate for regulatory approval. We have committed that we will make the vaccine available at a not for profit price for those who need it.

We also saw progress on addressing affordability barriers to access to healthcare. In 2014, we extended our tiered pricing approach to prescription medicines, asking countries to pay based on their national income. In early 2015, we also committed to freeze vaccine prices for GAVI graduating countries for ten years.

Looking at other priority areas, we made good progress on employee gender diversity – slightly increasing the proportion of women in management – from 41% to 42% – and are on track with the roll-out of our preventative healthcare programme for our employees and their families, reaching 15 countries so far.

We have also set ambitious targets on carbon, water and waste. We continue to face the challenge of reducing our carbon footprint across the value chain while sales of our propellant based inhalers, our product with the biggest carbon footprint, continue to grow. However, we have met our operational water use target a year early, cutting use by 20% since 2010.

Finally, it is through the efforts of many that we look to fulfil our commitment to operate responsibly. I'd like to thank all our employees and partners – their continued support has helped us both address challenges and deliver substantial achievements this year.

Sir Andrew Witty
Chief Executive Officer

How we operate is just as important to us as delivering financial performance. We believe our commitment to responsible business will bring long-term, sustainable business benefit.

In 2014, despite challenges resulting from our operating environment, we made sustained progress against both the company’s strategic priorities and our commitment to operate responsibly.

We continue to look at ways to transform our commercial model. A new approach to compensation for sales representatives has now been rolled out worldwide. These changes build on the reforms we started in the USA more than two years ago and I was pleased to see our most recent Healthcare Practitioner customer satisfaction research showing that GSK now ranks first in the USA among our peer group for the value we bring to their work. Adding to this, by 2016, we will have fully implemented our commitment to stop paying doctors to speak on our behalf and instead deliver information to them through a new multi-channel system.

We believe these changes are not only the right thing to do, but that they will also be a competitive advantage. They follow our initiatives on clinical trial data transparency.

We expect all our people to put our values at the heart of their decisions and that their work meets or exceeds the expectations of society. That’s why the issues we saw in China last year have been wholly disappointing and we have taken significant steps to rectify the issues identified in our Chinese business, to apply appropriate lessons to our operations elsewhere and to strengthen our monitoring of ethical conduct. Given the complexity of our sector and the challenges of working in global healthcare, we will continue to face risks. However, we continue to believe that with robust systems in place our presence in these markets can improve access to medicine and broader healthcare.

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Finally, it is through the efforts of many that we look to fulfil our commitment to operate responsibly. I’d like to thank all our employees and partners – their continued support has helped us both address challenges and deliver substantial achievements this year.

Sir Andrew Witty
Chief Executive Officer
Our approach to embedding responsible business practice is based on our values backed by strong governance. Our strategic priorities are underpinned by our responsible business approach and we are continually listening to stakeholders to better understand their expectations of us.

Creating value for society
Developing innovative products and maximising access to them delivers direct benefit to patients and consumers. If we do this successfully, this will deliver profitable and sustainable business performance. In turn this allows us to generate value and returns for our shareholders and to reinvest in the business. Wider society benefits too, since healthy people and communities are essential to building strong, sustainable societies.

We also contribute significant value by making direct and indirect economic contributions in the countries and communities where we operate through tax, our employment of 98,000 people and charitable support.

Responsible business priorities
The priorities for our responsible business approach sit within the context of macroeconomic and social trends that are impacting wider society and all companies. These trends present both opportunities and challenges for global healthcare companies like GSK.

We report our progress across four areas: Health for all, Our behaviour, Our people, and Our planet. In 2012, we developed longer-term commitments across the four areas. This report details progress against these commitments in 2014.

Governance
We have a robust governance structure in place to oversee our approach to responsible business, with oversight integrated within our core governance framework.

Our Audit and Risk Committee focuses on the key business risk areas for GSK, including non-financial risks. It is supported by our Audit and Assurance team, provides an independent view (i.e. assurance) to senior management and the Board of how risk is being managed across the Group in line with an agreed Assurance Plan.

GSK also has a Board-level Corporate Responsibility Committee (CRC) led by our Chairman. The CRC has oversight for our approach to responsible business across our four areas of focus. It meets four times a year, providing high-level guidance and reviews performance and progress against our commitments.

Values and conduct
We are committed to being a values-based business. We expect all of our employees to act transparently, respectfully and with integrity – and to put the interests of patients and consumers first. Our leaders are responsible for embedding this into our culture, decision making and how we work. This ranges from the way we conduct our research, to our approach to sales and marketing, to the way we interact with patients, doctors and policymakers.

Our Code of Conduct, and accompanying training, seek to ensure everyone at GSK understands how to put our values into practice and we encourage our employees to report any concerns through our Speak Up channels. We extend these same high standards to suppliers through our Third Party Code of Conduct.
Listening to stakeholders
We value engagement with a range of external stakeholders as an effective tool for gaining deeper insight into societal trends and expectations, as well as offering us the opportunity to challenge our own assumptions about the way we work.

Teams across GSK engage with a wide range of stakeholders through day-to-day interactions with customers, formal engagement with governments and patient advocacy groups (see page 33), and regular dialogue with suppliers (see page 25), partners and investors. Communicating with employees and responding to their feedback is critical to running our business effectively and helps us retain the most talented people (see page 35).

We are willing to fundamentally change the way we do things to better meet stakeholder expectations. Examples include our open innovation strategy to stimulate research into unmet medical needs (see page 12), an end to direct payments to doctors (see page 27) and changes to the way we reward our people (see page 35).

As well as ongoing stakeholder engagement, we carry out additional research to determine current and emerging issues to help shape our approach to responsible business.

For example, in 2013, we undertook a formal materiality analysis, gathering internal and external perspectives on the key areas that have considerable financial, operational, and/or reputational impacts on our company (see chart on right). While this identified all the issues relevant to our business, we focus our efforts on those of high or medium importance to GSK and our stakeholders.

Prioritising our most material issues

<table>
<thead>
<tr>
<th>Importance to stakeholders</th>
<th>Importance to business success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Access to healthcare</td>
</tr>
<tr>
<td>Medium</td>
<td>Transparency</td>
</tr>
<tr>
<td>High</td>
<td>Product innovation</td>
</tr>
<tr>
<td></td>
<td>Clinical trials conduct</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Energy and climate change</td>
</tr>
<tr>
<td></td>
<td>Animal research</td>
</tr>
<tr>
<td></td>
<td>Diversity and inclusion</td>
</tr>
<tr>
<td></td>
<td>Anti-counterfeiting</td>
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<tr>
<td></td>
<td>Training and development</td>
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<tr>
<td></td>
<td>Privacy and data security</td>
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<tr>
<td></td>
<td>Water use</td>
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<td></td>
<td>Ethical supplier standards</td>
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<tr>
<td></td>
<td>Talent, attraction and reward</td>
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<tr>
<td></td>
<td>Security of supply</td>
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<tr>
<td></td>
<td>Tax and economic contribution</td>
</tr>
<tr>
<td></td>
<td>Intellectual property rights</td>
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<tr>
<td></td>
<td>Responsible sales and marketing</td>
</tr>
<tr>
<td></td>
<td>Fascio to health and well-being</td>
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<tr>
<td></td>
<td>Tax and economic contribution</td>
</tr>
</tbody>
</table>

As we do things to better meet stakeholder expectations, we carry out additional research to determine current and emerging issues to help shape our approach to responsible business.
## Commitments

Our commitments aim to address global health needs and are aligned with our strategic priorities and our values.

### User Key

- **Work to do**: 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.

### Commitment Tracker

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Progress tracker</th>
<th>Progress in 2014</th>
<th>Find out more</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Open innovation</strong></td>
<td></td>
<td>Created the world’s first Open Lab for non-communicable diseases in Africa. Working with other pharmaceutical companies and academies to conduct a major study in dementia research. Continued working with the IMI’s New Drugs 4 Bad Bugs collaboration related to antibiotic research.</td>
<td>Page 12</td>
</tr>
<tr>
<td><strong>Developing vaccines that don’t need to be kept cold</strong></td>
<td></td>
<td>Invested US$1.8 million in research to enable a critical liquid component used in our malaria vaccine candidate to remain stable in hotter climates, working with the Bill and Melinda Gates Foundation.</td>
<td>Page 13</td>
</tr>
<tr>
<td><strong>Better access to medicines and vaccines</strong></td>
<td></td>
<td>Extended our tiered pricing approach to prescription medicines as well as vaccines, asking countries to pay based on their wealth and ability to pay; committed to freeze vaccine prices for Gavi graduating countries for ten years.</td>
<td>Pages 14-15</td>
</tr>
<tr>
<td><strong>Building products to better meet needs</strong></td>
<td></td>
<td>Worked with partners to develop an inhaled form of oxytocin, which can prevent women dying from pregnancy-related causes, and to reformulate an antiseptic used in mouthwash to reduce newborn deaths.</td>
<td>Page 16</td>
</tr>
<tr>
<td><strong>Reducing child mortality</strong></td>
<td></td>
<td>Continued our partnership with Save The Children which aims to reach one million children, matched employee fundraising of £1 million, launched second Health Innovation Award, obtained EMA agreement of pathway for chlorhexidine gel, and established Emergency Response workstream.</td>
<td>Page 17</td>
</tr>
<tr>
<td><strong>Strengthening healthcare infrastructure</strong></td>
<td></td>
<td>Re-invested £6 million profits in Least Developed Countries to strengthen healthcare systems and partnered with the World Health Organisation (WHO), the International Telecommunication Union, Vodafone, Barclays and others to pilot innovative healthcare delivery systems.</td>
<td>Page 18</td>
</tr>
<tr>
<td><strong>Eliminating and controlling neglected tropical diseases</strong></td>
<td></td>
<td>Donated a further 858 million albendazole tablets to help eliminate LF and control intestinal worms; made progress towards identifying a preclinical candidate to combat the leishmaniasis parasite through our collaboration with the University of Dundee and Wellcome Trust.</td>
<td>Page 19</td>
</tr>
<tr>
<td><strong>Fighting malaria</strong></td>
<td></td>
<td>Filed the world’s first malaria vaccine candidate, RTS.S for regulatory approval; started phase III trials for tafenoquine to treat <em>P. vivax</em> malaria.</td>
<td>Page 20</td>
</tr>
<tr>
<td><strong>Health for all</strong></td>
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<td></td>
</tr>
</tbody>
</table>
## Eradicating polio

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

- Delivered 396 million doses of the oral polio vaccine via Global Polio Eradication Initiative to the countries that most need it, bringing the total to over 16.2 billion doses over the past 25 years.

## Access to antiretroviral treatment for HIV

Through ViiV Healthcare, continue to increase access to our medicines and care for adults and children living with HIV around the world. We will help the WHO and UNAIDS achieve their goal of reaching 15 million people globally with antiretroviral treatment by 2015.

- Entered an agreement with the Medicines Patent Pool to accelerate access to dolutegravir for both adults and children in countries where the HIV burden is the highest.

## Promoting values in sales and marketing practices

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.

- Completed the roll-out of our new sales compensation model globally in January 2015 and started work to change how we engage with healthcare professionals so that by 2016 we will no longer pay them to speak about our medicines. We have also changed the way we support education for doctors.

## Transparency in clinical trial data

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.

- Led the development of www.clinicalstudydatarequest.com where researchers can now request access to anonymised patient level data from over 1,000 clinical trials by GSK and other companies.

## Rigorous patient and consumer safety

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.

- Developed a Third Party Oversight programme that will consolidate and streamline our approach to managing third-party risk globally; introduced Fingerprint, an end-to-end supply chain serialisation programme that will further strengthen our anti-counterfeiting measures.

## Minimising animal testing

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.

- Launched a strategic initiative that has the potential to reduce our reliance on animal studies; continued looking for new ways to develop medicines using human cells and tissues together with the European Bioinformatics Institute and the Sanger Institute.

## Promoting Human Rights

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

- Increased focus on the human rights impacts identified by an external assessment of our business, for example through our global Third Party Oversight programme.

## Engaging with patient advocacy groups and political stakeholders

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

- Enhanced Global Standard Operating Procedures on public policy group and government official engagement; first full year of implementation of an Emerging Markets and Australasia patient advocacy strategy to broaden and deepen interactions with patient groups, whilst embedding the highest levels of transparency and governance.
## Commitments

**Our progress – continued**

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Progress tracker</th>
<th>Progress in 2014</th>
<th>Find out more</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Protecting the health and well-being of our people</strong></td>
<td></td>
<td>Provided preventive healthcare for over 14,000 employees and their families in 15 countries; over 5,200 of employees have participated in programmes to improve personal resilience; injury and illness rate down 4% from 2013.</td>
<td>Page 37</td>
</tr>
<tr>
<td><strong>Promoting inclusion and diversity</strong></td>
<td></td>
<td>Increased proportion of women in management from 41% to 42%; developing global standards to measure businesses’ disability performance.</td>
<td>Page 38</td>
</tr>
<tr>
<td><strong>Community volunteering to create change</strong></td>
<td></td>
<td>98 employees volunteered with 39 non-profit organisations through our PULSE programme; established a Volunteer Ambassador Network in 30 countries to develop locally relevant programmes.</td>
<td>Page 39</td>
</tr>
<tr>
<td><strong>Aiming to be carbon neutral</strong></td>
<td></td>
<td>Cut Scope 1 and 2 emissions from our operations by 11% since 2013 and 19% since 2010; Scope 3 emissions up by 2%; this remains a challenge as the sales of our propellant based inhalers continue to grow.</td>
<td>Page 43-44</td>
</tr>
<tr>
<td><strong>Reducing our water impact</strong></td>
<td></td>
<td>Cut operational water use by 5% in 2013 and 20% since 2010 – hitting our 2015 target a year early; completed a four-year assessment to measure water impact across the value chain; recertified to Carbon Trust’s Water Standard.</td>
<td>Page 45</td>
</tr>
<tr>
<td><strong>Reducing our waste</strong></td>
<td></td>
<td>We generated 159,000 tonnes of waste from our operations, 4% less than in 2013 and 11% less than 2010. Sent 6% of waste to landfill compared to 10% in 2010. 48 sites achieved zero waste to landfill.</td>
<td>Page 46</td>
</tr>
<tr>
<td><strong>Building sustainability in our supply chain</strong></td>
<td></td>
<td>We remain committed to building a sustainable supply chain for our Nutrition portfolio. Changes to market dynamics within the portfolio are impacting our sourcing model so we are currently reviewing this commitment.</td>
<td></td>
</tr>
</tbody>
</table>

### User Key

- **Work to do**
  - 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.

- **Work to do**
  - Work is needed to get the commitment on schedule.
Konnah* and his family live in a community near Monrovia badly affected by Ebola. Konnah has lost family members to the virus. His remaining family have been helped by Save the Children. GSK is contributing to the fight against Ebola by accelerating development of our investigational vaccine and supporting humanitarian efforts, including funding for Save the Children to enable them to continue their work.

Name has been changed to protect identity.
Health for all
Our approach

Health challenges remain a fundamental barrier to economic development and quality of life. GSK aims to make a real contribution to meeting these challenges.

Our medicines, vaccines and consumer health products are improving quality of life for patients and consumers around the world. But millions of people are still not getting the vaccines and treatments they need because they cannot afford them, and there are still many diseases without treatments that impact the poorest. Many countries continue to have under-resourced health systems.

To play our part in tackling these global health challenges we are using open innovation to target unmet medical needs, pioneering new business models to increase access to our products and collaborating to strengthen healthcare infrastructure. In doing so, we are making an important contribution to the Millennium Development Goals for 2015.

Innovation
GSK scientists are creating new products that have the potential to make a real difference to people’s lives. We have around 40 new molecular entities in phase II and phase III development. Following five approvals in 2013, we received four further significant product approvals in 2014, for respiratory, HIV and diabetes.

We know that we can’t discover everything on our own. We collaborate with partners to target unmet medical needs and great scientific challenges — from diseases which impact the developing world to Alzheimer’s and antibiotic resistance.

We have adapted our approach to intellectual property to accelerate the discovery of new drugs for pressing health priorities, such as malaria and TB. Our open innovation strategy offers external scientists access to our compound library and our resources to promote research in these areas.

Improving access and availability
We aim to extend access to existing products by tackling affordability and availability barriers.

We have a tiered pricing approach for prescription medicines and vaccines, where countries pay different prices based on their ability to pay, as determined by Gross National Income (GNI) per capita. To maximise patient benefits and sustain our business in Least Developed Countries (LDCs), we have capped our prices at 25% of those for more developed countries. We are also investing in new formulations and distribution models to make our products more available.

Developing countries bear the greatest burden of both infectious and non-communicable diseases (NCDs), and have the least resources to manage them. In Africa, where many global health challenges are magnified, we are investing £130 million to stimulate research, improve scientific capabilities and build manufacturing capacities (see page 11).

Strengthening healthcare systems
In the world’s poorest countries, the lack of trained healthcare workers to diagnose diseases and administer treatment is preventing many patients from accessing our medicines and vaccines, regardless of the cost.

By reinvesting 20% of our profits in LDCs to train front-line healthcare workers, we aim to improve access to healthcare for 20 million people by 2020. The 25,000 healthcare workers our partners have trained in the past five years are already providing access to healthcare for more than 6.5 million people.

2014 In focus: our contribution to the fight against Ebola
GSK has been working closely with the World Health Organization (WHO), regulators and other partners to respond to the Ebola crisis and to accelerate development of our investigational Ebola vaccine. We are also contributing to the overall humanitarian effort.

As of February 2015, our investigational Ebola vaccine is now being tested in a large phase III clinical trial sponsored by the National Institute of Health (NIH) in Liberia. If it protects volunteers as hoped, it could contribute significantly to controlling this outbreak. Its future use in mass vaccination campaigns will depend on whether the WHO, regulators and other stakeholders are satisfied that the vaccine candidate provides protection against Ebola without causing significant side effects and how quickly large quantities of vaccine can be made.

We are actively exploring, with relevant organisations and partners, all opportunities to accelerate the development of manufacturing at an industrial scale, so that if the trials are successful, we will be in a position to significantly ramp-up production of the vaccine candidate to help combat this, or future Ebola outbreaks.
Health for all
Our approach – continued

Investing in Africa

GSK is further investing in Africa to increase access to medicines, build capacity and deliver sustainable growth. Our vision is to make GSK products available to 80% of the population in sub-Saharan Africa and LDCs by 2020.

Africa has long borne the highest rates of infectious diseases and now faces growing incidences of NCDs too. This dual health burden poses a significant obstacle in economic and social development.

We will invest £130 million in Africa over the next five years. Working with partners, we aim to provide a portfolio of relevant products and innovative pricing strategies, support African R&D expertise and increase local manufacturing capacity and capability.

Supporting open innovation and collaboration
We are investing £25 million to create the world’s first Africa Open Lab for NCD research, where GSK scientists and external researchers will work together to improve understanding of NCD variations in African patients.

Our goal is to deliver 25 high-impact research projects to contribute to the World Health Organisation’s global target of 25% reduction in preventable NCD deaths by 2025. The NCD Open Lab builds on the success of our original Open Lab in Spain, which focuses on malaria, tuberculosis (TB) and other tropical diseases (see page 12).

Through our Trust in Science Africa programme, we continue to seek out the best scientific ideas and fund their development. In 2014, we awarded funding to six scientists from Kenya and Uganda for research into HIV, TB and NCDs in Africa. See our website for more on Trust in Science in Africa and Latin America.

Developing products where they are needed
Increasing capability and capacity to manufacture medicines in Africa will create jobs and boost long-term economic prospects. We will invest £100 million to expand our existing facilities in Kenya and Nigeria, and build new factories elsewhere to ensure the sustainable production of medicines in Africa for African people.

To further increase the region’s skills base, we aim to establish up to 25 academic Chairs/Programmes to promote the study of pharmaceutical science, healthcare policy and provision. In time, this will enhance local research, manufacturing and healthcare capability, helping to secure future investment and build vibrant healthcare economies.
Health for all
Open innovation

By adapting our innovation model we aim to stimulate research where it is needed.

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

Our open innovation approach
Our approach is based on three principles: access to our compounds and data, greater flexibility on intellectual property, and partnerships to share our expertise, processes and infrastructure.

We have screened our entire library of over two million compounds for signs of activity against malaria and TB, two of the world’s deadliest infectious diseases, and have shared compounds and data with the wider scientific community to stimulate research in these areas. We also aim to share the results of similar screening exercises for several neglected tropical diseases in the near future.

External researchers working alongside GSK scientists at our Open Lab in Tres Cantos, Spain, have access to our compound library, our facilities and financial support from the Tres Cantos Open Lab Foundation – an independent charity with £10 million in funding from GSK. Projects at the Open Lab focus on diseases of the developing world. In 2014, 26 visiting scientists made use of the Open Lab which has built up a portfolio of 42 research projects since it was established in 2010.

Non-communicable diseases (NCDs)
Claiming 75% of all lives, NCDs such as cancer, heart disease, respiratory problems, kidney disease and diabetes are the world’s biggest killers. Our strategic approach to NCDs includes innovation and research of new drugs, improving the efficacy of existing medicines, increasing patient access to our medicines, and health education and prevention (through our products to help people quit smoking, for example). For more on our approach to NCDs, see our policy paper. We are using our open innovation approach to promote research into new treatments for NCDs.

Nearly 80% of NCD-related premature deaths occur in low- and middle-income countries. In March 2014, as part of our Africa strategy, we announced a £25 million investment to establish the world’s first Africa NCD Open Lab. To address the specific variations of NCDs in Africa, this innovative research network will see GSK scientists collaborate with researchers across Africa on high quality research from a hub at our R&D facility in Stevenage, UK. GSK, the Medical Research Councils of South Africa and the UK have together pledged £5 million to help South African researchers study NCDs as part of this Open Lab initiative. As part of the first call for proposals in November 2014, we committed a further £4 million to support successful proposals for NCD research from Cameroon, Côte D’Ivoire, Ghana, Kenya, Malawi, Nigeria, The Gambia, and Uganda.

Tackling antibiotic resistance
The discovery of antibiotics revolutionised modern medicine. Patients no longer die from minor infections. But the efficacy of this medical mainstay is increasingly threatened by a steady rise in bacteria immune to antibiotics. These antibiotic-resistant bacteria, such as MRSA, now causes 25,000 deaths a year in the EU alone.

The urgent need to develop new antibiotics that can effectively target these bacteria is widely recognised, but unique scientific challenges, lengthy and complex clinical trials, and a low return on investment have hampered attempts to address this need, and many companies have withdrawn from this area. We are combining our long heritage and expertise in antibiotics with our open innovation approach to stimulate research in antibiotic resistance as well as supporting the long-term sustainability of existing antibiotics.

As well as our in-house team of researchers investigating potential new antibiotics, we collaborate with others through the Innovative Medicines Initiative’s (IMI’s) New Drugs 4 Bad Bugs (ND4BB) programme.

In 2014, we contributed to five projects within the ND4BB programme, ranging from the design and implementation of efficient clinical trials to understanding how to design compounds that can penetrate multi-drug-resistant pathogens.

Alzheimer’s and dementia
We are extending our open innovation approach to target Alzheimer’s and dementia. GSK is part of the Dementias Platform UK, a £53 million partnership of pharmaceutical companies and academics that is conducting a large study in dementia research. The collaboration focuses not only on developing treatment, but also on earlier detection and prevention of this disease.

We are also working to identify indicators of Alzheimer’s disease through our participation in the Accelerating Medicines Partnership with the National Institutes of Health, peer companies and academics.
Health for all
Developing vaccines that don’t need to be kept cold

We are working with partners to help overcome barriers to delivering vaccines in developing countries.

Vaccines often need to be kept cold to make sure they do not degrade during transport and storage. Keeping them refrigerated every step of the way is a tremendous challenge, particularly in developing countries where vaccines play such an important role.

Inadequate equipment, unreliable power supplies and lack of resources for monitoring temperatures make it very difficult to maintain the ‘cold chain’ for vaccines from GSK to the recipient. The cold chain begins in our manufacturing plant and from there the vaccine is transferred to its destination country using a refrigerated unit. Upon arrival, there are often challenges in transferring the vaccine, which sometimes involves cool boxes taken by boat to remote islands, or donkey to small villages in the mountains. Reducing dependence on the cold chain will be a big step forward in the delivery of sustainable vaccination programmes.

To do this, we are exploring a number of different approaches, with the ultimate target to keep the vaccine stable for three years at up to 30°C. Amongst the approaches being considered is spray drying – an approach used extensively in food manufacturing but not previously used in the manufacturing of vaccines. Through our work with the Bill and Melinda Gates Foundation under the Vaccines Discovery Partnership, together we are investing $1.8 million in research to enable the adjuvant (a critical liquid component) used in our RTS,S candidate malaria vaccine to remain stable at higher temperatures. This will eventually make it easier to transport the vaccine in sub-Saharan African regions where the disease is most prevalent (see page 20 for more on our malaria vaccine).

We have made good progress towards our objective in 2014, and are currently evaluating how these findings could be incorporated into the development of our future vaccines, including our candidate TB vaccine.
**Health for all**

*Better access to medicines and vaccines*

We want our medicines and vaccines to be accessible to everyone who needs them, no matter where they live or how much they can afford.

**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.

**Progress overview:** Progressing well

To improve access to healthcare, we have strategies to address affordability, building local capacity and supporting vulnerable communities.

**Affordability**

To improve affordability, our tiered pricing strategy enables us to offer our products at prices that take into account economic factors in each country.

This means we ask countries to pay a fair price for our medicines and vaccines based on their wealth, as determined by Gross National Income (GNI) per capita, which will enable broad access to our product globally. Prices in Least Developed Countries (LDCs) represent the lowest of the tiers, with additional tiers defined for lower, upper middle, and high income countries. Rather than having a one-size-fits-all approach, within each tier we allow country units to develop local pricing strategies that take into account economic factors, the country’s healthcare system, and patient affordability.

In 2014, we committed to extend our tiered pricing approach to include our prescription medicines as well as vaccines. We also cap the prices of our patented medicines and vaccines in LDCs at 25% of prices charged in developed countries – as long as our manufacturing costs are covered, so we can sustain these prices in the long term. Since we adopted this approach in 2010, we have increased the amount of medicines we supply to LDCs. In Yemen, for example, where we reduced the price of 11 medicines by an average 30% in 2013, sales volumes have increased by 56%.

We reserve our very lowest vaccine prices for Gavi, a public-private alliance to improve access to vaccines in the world’s poorest countries. Gavi supports countries with a GNI per head of less than $1,570. As countries develop and exceed this GNI threshold, they ‘graduate’ from Gavi support. We have committed to freeze vaccine prices for graduating countries for ten years to help them maintain their commitment to immunisation during this transition.

We have committed to provide Gavi with more than 850 million vaccine doses at reduced prices to help protect 300 million children in the developing world by 2024. We supply Gavi with vaccines for rotavirus (Rotarix), pneumococcal disease (Synflorix) and cervical cancer (Cervarix). Cervarix is being used in Gavi demonstration projects in three African countries to understand the most effective way to immunise girls. In 2014, we entered into a three-year agreement to supply low-cost doses of our Synflorix vaccine to Médecins sans Frontières to immunise children caught up in ongoing crises. We also continue to work with the Pan American Health Organization and the Bill and Melinda Gates Foundation to supply Cervarix to countries in Latin America and the Caribbean at lower prices to support long-term vaccination programmes against cervical cancer.

Through our ‘catch up’ programme, once products are approved in Europe and the USA, we also seek approvals in developing countries where there is a significant unmet medical need (where appropriate and permitted to do so by national regulations). To combat the rising prevalence of respiratory diseases such as Chronic Obstructive Pulmonary Disease (COPD) and asthma, we are making non-patented, established medicines (such as Ventolin and Flixotide) and newly launched patented medicines (such as Relvar and Anoro) more affordable. This will help us in achieving our goal of increasing access to our respiratory medicines to relevant patients in developing countries.

In middle income countries national incomes are higher, but there is often a significant portion of the population who cannot afford medicines. Our tiered pricing approach means we can offer innovative patient access programmes – for example, in India we introduced a programme offering eligible patients suffering from chronic idiopathic thrombocytopenic purpura (an autoimmune condition) four weeks of treatment free of charge after they receive a 12-week course of Revolade.
Health for all
Better access to medicines and vaccines – continued

In developed markets it is important that we are also mindful of the burden of healthcare costs. In Europe, we tailor our approach to specific country needs and work with governments to demonstrate value for patients, payers, healthcare professionals, taxpayers and our industry. For example, in the UK, we price our respiratory medicines Anoro, Relvar and Incruse for asthma and COPD in line with, or less than, other alternatives. In the USA, the list price for our newly launched diabetes medicine, Tanzeum, is lower than medicines in the same class.

We also offer Patient Assistance Programmes (PAPs) for eligible US patients who do not have insurance. In 2014, our PAPs provided prescribed GSK medicines and vaccines valued at $156 million (£95 million) to nearly 183,000 patients. Overall, patient enrolment has declined in GSK’s patient assistance programme, primarily as a result of new coverage options available for patients via the Affordable Care Act. Even with the new coverage options in the US, GSK continues to help support patient access to our medicines and also provides services to help interested and potentially eligible enrollees understand these alternative coverage options.

Building local capability and capacity
We promote local manufacturing in developing countries, and our joint ventures and technology transfer arrangements help build the capabilities of developing countries to research and manufacture vaccines and medicines, while increasing our access to markets. Examples include investing to develop skills, infrastructure, R&D and manufacturing capability as part of our new Africa strategy (see page 11). In Brazil, we partner with FioCruz, a leading public health research institution, to manufacture vaccines that address the country’s public health priorities and develop a vaccine for dengue fever.

In India, our joint venture with Biological E, an Indian biotechnology company, is developing a six-in-one combination vaccine containing the Inactivated Poliovirus Vaccine (IPV).

Supporting vulnerable communities
To improve access to healthcare for people in vulnerable communities, we make targeted product and financial donations to programmes run by local and global partners that are designed to be sustainable in the long term. In 2014, our global community investment totalled £201.5 million ($332.4 million), compared with £221 million ($347 million) in 2013. The overall 2014 total contribution represents a decline, largely due to fewer US patients enrolling in GSK’s patient assistance programmes, which is primarily a result of the Affordable Care Act. In 2014 our support included:

- **Cash:** In 2014, we donated £51 million in cash to improve the health and well-being of communities worldwide, for example by donating £6 million to strengthen healthcare infrastructure in LDCs, primarily through training community health workers (see page 18).

- **Product donations:** We donated medicines valued at £132 million. This support includes our Patient Assistance Programme, which accounted for 49% of our total giving in 2014, 858 million albendazole tablets to fight lymphatic filariasis and soil-transmitted helminths (see page 19) and product donations to support humanitarian aid in 78 countries, distributed through our partners AmeriCares, Direct Relief, IMA World Health, MAP International, and Project HOPE.

- **Time:** We also encourage employees to volunteer their time and expertise (see page 39) and employee volunteering time accounted for £4 million.

1 GSK values product donations at the cost of goods, as we believe this is a truer reflection of the cost to GSK than the wholesale acquisition cost often used by the pharma industry for valuing product donations. The total value of product donations in 2014, based on wholesale acquisition cost, was £466 million.
Health for all
Building products to better meet needs

We aim to better meet the needs of people worldwide by developing new products, formulations and formats.

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.

Progress overview: On track

Improving access to our products is not just about making them affordable. It’s also about making sure the right type of products are available in the right places to meet patient needs.

In 2014, we continued to develop new formats for a range of our medicines and consumer products.

Many middle-income patients living with respiratory conditions, such as asthma and COPD, cannot afford sophisticated multi-dose inhalers, so we created a new inhaler product using single-dose capsules, Ventolin Rotacaps, which are sold in small pack sizes to spread the cost. Ventolin Rotacaps is now the most widely distributed GSK product in the Philippines and we are now developing similar single-dose capsules for another of our respiratory medicines, Seretide.

In developing countries, the risk of women dying from pregnancy-related causes is 23 times higher than in developed economies, and the single biggest cause of death is excessive bleeding. Oxytocin, a manufactured hormone, can be used to stop the bleeding, but this requires refrigeration and a trained healthcare worker to administer the product – both often lacking in resource-poor countries. In 2014, we launched a multi-sector partnership to develop an inhaled form of oxytocin designed to be heat-stable, affordable and easy to administer.

To reduce newborn deaths, we are accelerating the development of a common antiseptic found in our Corsodyl mouthwash to prevent umbilical cord infection leading to sepsis, through our partnership with Save the Children (see page 17).

Through ViiV Healthcare, we began a new collaboration with Janssen in 2014, to develop a two-drug, single-tablet regimen for patients already virally suppressed after being on a three-drug regimen. Plans include investigating potential paediatric fixed-dose formulations of this regimen (see page 22).

In India, where many low-income and rural consumers live in hard-to-reach places, we have significantly expanded our distribution network to now cover 20,000 villages directly with our range of wellness, oral health and nutritional products at an appropriate size and price for everyday purchase and consumption. We have also trained local women to set up their own businesses to sell our products to households in areas where there are no retailers.

We also launched single-serve sachets of our Sensodyne toothpaste in the Philippines, and in the USA we offer a smaller one-week supply of a number of our Smoking Cessation products.
**Health for all**

**Reducing child mortality**

Our innovative partnerships aim to save the lives of children by increasing access to essential vaccines and medicines.

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

**Progress overview:** On track

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Global efforts to tackle child mortality have almost halved death rates among under-fives since 1990. But over six million children still died before their fifth birthday in 2013 – most of them in low- and middle-income countries, mainly from preventable diseases.

Our vaccines, medicines, consumer healthcare products and expertise can play an important role in reducing child mortality.

**Partnering to save one million lives**

We are partnering with Save the Children to combine our scientific expertise and global reach with the charity’s child health expertise and on-the-ground knowledge. Together, we aim to help save the lives of one million children in the world’s poorest countries.

This partnership, formed in 2013, is exploring how one of our existing products, chlorhexidine, could be used to reduce deaths among infants. We are reformulating the antiseptic, used in our Corsodyl mouthwash, for umbilical cord care to prevent serious infection, a common cause of death for many newborns.

Together we are investing in flagship programmes in the Democratic Republic of Congo (DRC) and Kenya that aim to tackle challenges in the supply and demand of effective healthcare and contribute to a reduction in maternal, newborn and under-five deaths. The programmes focus on the strengthening of local health facilities and services, capacity building of front-line health workers, and community mobilisation. In 2014, we completed a ‘catch up’ vaccination programme in the DRC for over 2,000 children in hard-to-reach rural areas.

In June 2014, we launched our second annual $1 million Healthcare Innovation Award with Save the Children to identify innovations that can improve survival rates among children, and newborns in particular, in developing countries.

Two organisations were jointly awarded the top prize of $370,000 each. The University of Nairobi received recognition for its bar-coded ‘Wellness Cards’ that register babies with a clinic when they are born and encourages carers to keep up vaccinations and ongoing care by adding credit for food products when they visit the clinic. And ColaLife, based in Zambia, was recognised for an innovative business model that breaks down the ‘last-mile’ barriers to access to medicines even in remote areas.

GSK employees are contributing their time, expertise and enthusiasm to support our partnership with Save the Children through volunteering and fundraising. We match employee fundraising up to £1 million a year, and the first £1 million was reached in September 2014. Some of the funds raised by employees will be used to support a programme to pilot an innovative approach to improving the care of premature babies in Kenya.

**Immunising and treating children**

Around 40% of the world’s children are immunised against at least one serious disease with a GSK vaccine. We supply vaccines to Gavi at significantly reduced prices for use in the world’s poorest countries (see page 14). We have committed to provide Gavi with more than 850 million vaccine doses at reduced prices to help protect 300 million children in the developing world by 2024.

Many of our medicines are recommended for paediatric use, including treatments for asthma, cancer, eczema, epilepsy, HIV/AIDS and infectious diseases. Our albendazole tablet donations are supporting the WHO’s goal to de-worm 75% of school-age children in countries where intestinal worms are endemic (see page 19). Building on its commitment to paediatric HIV, ViiV Healthcare is actively investigating child-friendly formulations of dolutegravir, that could add to the number of medicines available for children living with HIV. See page 22 for more information.
Health for all
Strengthening healthcare infrastructure

GSK is committed to strengthening health systems to improve access to healthcare in developing countries.

Projects undertaken in 2014 include:
- Training 200 nurses using innovative distance e-learning in Tanzania with AMREF Health Africa.
- Advocacy initiatives with Save the Children that focused on 168 Ministry of Health officials and members of parliament in Burkina Faso.
- Training over 7,000 health workers with CARE International in rural Bangladesh, reaching over 1.8 million beneficiaries.

GSK also supports the One Million Community Health Workers Campaign, led by the UN Sustainable Development Network to train a million community health workers by the end of 2015. Our investment helps to track progress towards this goal through a virtual 'Operations Room' that will also enable users to share best practices, successes and challenges.

Partnering to develop new healthcare delivery models
We are exploring ways to improve access to healthcare and promote economic development through, for example, our £7 million three-year partnership with Barclays in Zambia. One year in, we are finalising plans to test the feasibility of the new a social enterprise model to increase availability of health services and products in underserved regions as well as plans to pilot a micro health insurance product for improved affordability of essential medicines.

More than 25,000 children in Mozambique have now registered in our mVacciNation pilot programme with Vodafone, which seeks to improve vaccination rates using mobile phones. The mobile app reminds caregivers when vaccines are due and enables the government and healthcare workers to better manage vaccine stocks. Over 42,900 vaccination visits have already been recorded. Having completed initial research in five clinics, we will expand the service to 76 clinics for a one-year pilot in 2015. With funding from USAID and Gavi, the pilot will measure impact and assess cost effectiveness to inform decisions about scaling up the programme in Mozambique and other African countries.

Mobile technology is also at the heart of a major collaboration we joined in 2014 with the WHO and the International Telecommunication Union to combat NCDs around the world. Better health information, education and preventive measures can play an essential role in reducing the global incidence of NCDs by addressing common risk factors including smoking, alcohol, poor diet and inactivity. Health for NCDs will develop and scale up best practices in online healthcare including reminders and support for patients, tips to avoid risk factors and technical support to healthcare providers.

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

Progress overview: Progressing well
Health for all
Eliminating and controlling neglected tropical diseases

We are committed to defeating neglected tropical diseases (NTDs) to free future generations from their debilitating impacts.

Commitment: Help eliminate and control ten 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.

Progress overview: Progressing well

<table>
<thead>
<tr>
<th>Albendazole tablet donations</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 (since 1999)</th>
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<tr>
<td>Tablets for LF elimination (m)</td>
<td>609.9</td>
<td>585.7</td>
<td>588.9</td>
<td>647.9</td>
<td>678.6</td>
</tr>
<tr>
<td>Tablets to treat intestinal worms (m)</td>
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<td>16.8</td>
<td>121.0</td>
<td>114.5</td>
<td>180.2</td>
</tr>
<tr>
<td>Total</td>
<td>609.9</td>
<td>602.6</td>
<td>709.9</td>
<td>762.4</td>
<td>(858.8)</td>
</tr>
</tbody>
</table>

Albendazole donation
GSK has now donated more than five billion albendazole tablets to help eliminate LF and control intestinal worms over the past 15 years. Our donations have reached over 600 million people – including 200 million children – and 15 countries have completed mass drug administration campaigns for LF. Researchers estimate the number of people at risk of infection of LF has almost halved since 2000.

More than 120 million people are infected with LF and 40 million are living with the pain and stigma of the debilitating swelling it causes. Intestinal worms infect over 800 million children worldwide, with symptoms that can stunt their development and prevent them going to school.

We have donated albendazole tablets to support efforts to eliminate LF in 61 countries and contribute to the WHO’s goal to regularly de-worm 75% of school-age children in 55 countries where intestinal worms are endemic.

In 2014, we donated 678 million albendazole tablets for LF elimination and 180 million tablets to treat intestinal worms.

Researching new treatments
The urgent need for new treatments to combat NTDs requires a flexible and open approach to innovation. GSK is a founding member of WIPO Re:Search, an open innovation platform that seeks to accelerate the development of new and better treatments against NTDs such as dengue, rabies and Chagas disease, as well as malaria and TB.

Our research and development facility in Tres Cantos, Spain, (see page 12) prioritises research on NTDs and other diseases of the developing world. In 2014, this research yielded:

- Progress towards identifying a preclinical candidate to combat the leishmaniasis parasite through our collaboration with the University of Dundee and Wellcome Trust.
- 192 high-quality hits for African trypanosomiasis (sleeping sickness) from a screening of 1.8 million compounds in the GSK compound library.
- A promising hit from our compound library for Chagas disease identified through an Open Lab collaboration with New York University, which is being taken forward to the next stage of the drug discovery process.

The set of compounds assembled for each of these NTDs will be made available to the wider scientific community for further R&D.
Health for all
Fighting malaria

We have supported the fight against malaria for 30 years, researching new treatments and promoting preventive measures such as treated bed nets.

Malaria is responsible for more than 550,000 deaths a year and around 3.2 billion people are at risk. Spread by mosquitos, around 90% of estimated deaths from malaria occur in sub-Saharan Africa (SSA), and 77% of these are in children under the age of five.

To date there is no licensed vaccine available for the prevention of malaria. In 2014, GSK reached a major milestone with the submission of a regulatory application for our candidate malaria vaccine, RTS,S, to the European Medicines Agency (EMA).

This is a key moment in GSK’s 30-year journey to develop the world’s first malaria vaccine. This submission follows our 2013 announcement of phase III data showing that RTS,S almost halved the number of cases of clinical malaria in young children (aged 5-17 months at first vaccination) in the 18 months after vaccination.

If a positive opinion from the EMA is granted, the WHO has indicated that a policy recommendation may be possible by the end of 2015. A positive opinion from EMA will also be the basis for marketing authorisation applications in SSA.

RTS,S’ development involved one of the biggest vaccine trials ever conducted in Africa. While a number of additional steps still need to be completed, we anticipate that the vaccine could be available for implementation in early adopter SSA countries in 2017.

GSK has invested hundreds of millions of dollars to date in RTS,S and the programme has also received funding from the Bill & Melinda Gates Foundation. In addition, the international non-profit organisation PATH has contributed financial, scientific, managerial and field expertise to the development of RTS,S.

GSK has committed to set the eventual price of RTS,S at a not for profit price that will cover the cost of manufacturing the vaccine together with a small return of around 5% that will be reinvested in R&D for second generation malaria vaccines, or vaccines against other tropical diseases.

Researching new treatments
In addition to work on a vaccine to prevent the spread of malaria, we are exploring more effective treatments for those who contract the disease.

GSK researchers are working in collaboration with Medicines for Malaria Venture (MMV) to develop Tafenoquine, a single-dose medicine for the treatment of P. vivax malaria (a strain widespread in South and South East Asia, Latin America and the horn of Africa). The latest stage of our Tafenoquine clinical trial, announced in April 2014, will assess the drug’s efficacy and safety in adult patients. If successful, Tafenoquine could contribute significantly to eliminating malaria by preventing relapses of the dormant P. vivax parasite.

We are also working on projects to find new drugs for P. falciparum malaria treatment, which will approach the next phase of preclinical discovery and development by the end of 2014.

Promoting preventive measures
Through our African Malaria Partnership, we have invested more than £4.8 million since 2001 to support community programmes that aim to prevent malaria by training health workers and volunteers, distributing insecticide-treated bed nets and promoting awareness campaigns.

We work with non-profit partners to deliver support on the ground to communities in sub-Saharan Africa.

In Sierra Leone, for example, we work with the Tony Blair Faith Foundation, which has reached over two million people – 33% of the population – by training religious leaders who in turn train community volunteers on malaria prevention. It is estimated that over 90% of households have changed their behaviour as a result. GSK PULSE volunteers are exploring opportunities to replicate the model in other parts of Africa.

Our long-standing partnership with The Carter Center in Nigeria provides insecticide-treated bed nets and educates people on how to use them to effectively tackle both malaria and LF (also transmitted by mosquitos). In Ghana, our support for Family Health International (FHI 360) is training community health workers and volunteers on the diagnosis, treatment and management of malaria and NTDs such as onchocerciasis, schistosomiasis and intestinal worms.
Health for all
Eradicating polio

GSK has played a key role in tackling polio over the past 60 years and we remain committed to supporting the WHO’s goal to completely eradicate the disease by 2018.

The war on polio led by the Global Polio Eradication Initiative (GPEI) has eradicated the disease from many countries and cut the global incidence rate by 99% over the past 25 years.

Eliminating the final 1% is proving extremely challenging. India was declared polio-free in 2014, a milestone that global health experts once thought unachievable. But polio remains endemic in Afghanistan, Nigeria and Pakistan, and there were new outbreaks across Africa and the Middle East in 2014.

Our vaccines have been recognised by the WHO as vital to the eradication effort. In 2014, we delivered 396 million doses of the oral polio vaccine (OPV) via GPEI to the countries that most needed it. We have contributed over 16.2 billion doses since 1988 and we expect to meet at least 30% of UNICEF’s demand up to 2018 – an anticipated 1.5 billion doses. We have also stockpiled large amounts of OPV to be kept available for use by UNICEF in the event of an outbreak.

OPV contains a small quantity of weakened, live polio virus. It is being phased out in countries where polio has already been eradicated to prevent the very small risk of the disease re-emerging from the vaccine itself. Instead, these countries administer the inactivated polio vaccine (IPV). To ensure a long-term supply of polio vaccines, we are investing €320 million in a new IPV facility in Wavre, Belgium, where production is due to begin in 2018.

We already produce and supply IPV to developed countries, and are exploring ways to make it more accessible and affordable for developing countries. Through our joint venture with Biological E, an Indian pharmaceutical company, we are creating a combination vaccine that includes IPV and vaccines for five other diseases in a single dose. We expect this to be available by 2020.

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

Progress overview: On track

Read more online

We publish more detail online on key issues including:
• Clinical trials in the developing world
• Developing world vaccine production technology transfer
• IP and access to medicines in developing countries
• Pandemic preparedness and developing countries
• Technology transfer, capacity building and developing countries
• Working together for the health of mothers and children
• GSK briefing on non-communicable diseases in the developing world
• GSK position statement on the post 2015 development agenda
• Approach to pricing
• Product donations
• Working together for the health of mothers and children
Health for all
Access to antiretroviral treatment for HIV

We are contributing to the global effort to tackle HIV/AIDS through ViiV Healthcare, a specialist HIV company owned by GSK, Pfizer and Shionogi.

**Commitment:** Through ViiV Healthcare, we will continue to research new treatments, increase access to our medicines and care for adults and children living with HIV around the world. We will also work with communities to combat stigma and discrimination associated with HIV. We will help the World Health Organization (WHO) and UNAIDS achieve their goal of reaching 15 million people with HIV. We will help the World Health Organization (WHO) and UNAIDS achieve their goal of reaching 15 million people with HIV. We will also work with communities to combat stigma and discrimination associated with HIV. We will help the World Health Organization (WHO) and UNAIDS achieve their goal of reaching 15 million people with HIV. We will help the World Health Organization (WHO) and UNAIDS achieve their goal of reaching 15 million people with HIV. We will help the World Health Organization (WHO) and UNAIDS achieve their goal of reaching 15 million people with HIV.

**Progress overview:** Progressing well

Global efforts, including important contributions from ViiV Healthcare, have helped to reduce HIV infection rates by 38% since 2001 and AIDS-related deaths by 35% since 2005. But around 35 million people worldwide are still living with HIV and 1.5 million died from AIDS-related causes in 2013.

**Delivering new treatments**
In 2014, ViiV Healthcare was granted approval in the EU for its innovative antiretroviral treatment, Tivicay. Tivicay, the brand name of the compound dolutegravir, is an integrase inhibitor used in combination with other antiretroviral medicinal products for the treatment of adults and adolescents living with HIV. Trials have shown that Tivicay is effective for both treatment-naïve and experienced patients. The WHO has cited dolutegravir as a long-term developmental priority for child antiretroviral treatments.

Combining antiretrovirals into a single pill improves convenience for patients. In 2014, ViiV Healthcare secured approval in the USA and Europe for a new single-pill treatment known as Triumeq that combines dolutegravir and nucleoside reverse transcriptase inhibitors, abacavir and lamivudine. ViiV Healthcare is also partnering with Janssen to develop and study a two-drug single tablet combining dolutegravir and rilpivirine, a non-nucleoside reverse transcriptase inhibitor, for patients already virally suppressed on a three-drug regimen.

In 2014, a second study began on the experimental long-acting injectable integrase inhibitor, cabotegravir, also known as GSK744. ViiV Healthcare has also been collaborating with Janssen to study cabotegravir’s efficacy, safety and tolerability when combined with a long-acting form of rilpivirine in patients who are virally suppressed.

ViiV Healthcare conducted 31 collaborative research trials in sub-Saharan Africa, to assess how to treat people living with HIV where resources are scarce, including issues such as mother-to-child HIV transmission, paediatric and adult treatment strategies and the implications of HIV, Hepatitis B and Tuberculosis co-infection.

**Increasing access to HIV treatment and care**
With nearly 90% of people infected with HIV living in low-income countries, increasing access to care and treatment is a priority. ViiV Healthcare applies a uniform approach to all its medicines, with the goal of supporting people in 135 countries affected by HIV. Royalty-free voluntary licences are offered in all low-income least-developed and sub-Saharan African countries. In middle-income countries, we apply a flexible pricing policy that factors in Gross Domestic Product and the impact of the epidemic on the country.

Fourteen royalty-free licence agreements with generic manufacturing companies enable international manufacturers to produce and market low-cost versions of all ViiV Healthcare’s antiretrovirals to donor agency and public-sector programmes.

In 2014, a few months after regulatory approvals, ViiV Healthcare entered an agreement with the Medicines Patent Pool (MPP) to accelerate access to dolutegravir for both adults and children in countries where the HIV burden is the highest. For adults, ViiV Healthcare has granted royalty-free licences for all least-developed, low-income and sub-Saharan African countries, while introducing the first-ever MPP licence with a tiered royalty structure, where a small percentage of the price is based on GDP, for specific middle-income countries.

For children, generic manufacturers now have a royalty-free voluntary licence to develop paediatric formulations of dolutegravir in 121 countries, where 99% of children with HIV live. The licence also includes paediatric formulations and lower-dose tablets currently in clinical development.

**Improving outcomes for key affected populations**
For vulnerable and marginalised populations, such as sex workers and men who have sex with men, it is imperative that access to therapy and care is combined with support for community-based services to combat stigma and provide support. ViiV Healthcare works with several partners through its Positive Action initiatives to meet the needs of these communities.

Another vulnerable group are the 3.2 million children under 15 living with HIV, most in sub-Saharan Africa. Only 34% of them have access to appropriate treatment. Treating children requires appropriate formulations because their metabolic rates and feeding habits differ from adults. ViiV Healthcare works with partners to develop appropriate formulations at low prices, including paediatric oral solutions and masked flavoured solutions. In 2014, ten research trials assessed 3,550 paediatric and adolescent patients worldwide.

Over the past five years, ViiV Healthcare’s Positive Action for Children Fund has invested £25 million in more than 100 programmes in sub-Saharan Africa to help prevent mothers from passing HIV to their children and £10 million in the Paediatric Seed Fund.

See the ViiV Healthcare website for more information.
We work to put our core values – patient focus, integrity, respect for people and transparency – at the heart of every decision we make. We are embedding ethical behaviour across the business through our Code of Conduct, training and Speak Up culture, including at our Stevenage site where Umesh Kumar works.
We are changing the way we work to further embed our values in everything we do.

### Our values

We expect our employees and the third parties we work with to act according to our values – patient focus, integrity, respect for people, and transparency.

We want to understand and, where possible, exceed society’s expectations of us. We have changed the way we do business, often going beyond industry norms, to further embed our values:

- **Research practices:** to advance medical science, we have increased access to data from our clinical research trials – including providing researchers with anonymised patient-level information (see page 28).
- **Sales and marketing practices:** we have fundamentally changed the compensation model for our sales teams to reinforce patient-focused business practices. In 2016, we will stop payments to healthcare professionals to speak on our behalf to avoid any perceived conflicts of interest (see page 27).
- **Employee performance management:** living our values is one of six clear expectations used to evaluate individuals’ performance through our new performance management system (see page 35).

### Ensuring employees understand our expectations

We aim to create a workplace where everyone feels valued, respected and empowered to make the right decisions. Wherever they work, we want all our employees to understand our expectations of ethical behaviour and have the confidence to report any concerns. Our Code of Conduct is available in 24 languages and we have created a resource centre with tools and discussion guides to help link our values to local activities and cultures.

Employees failing to complete mandatory training on time are subject to disciplinary action, as defined and permitted by local labour laws. Designated managers also have to fulfil an annual Ethical Leadership certification requirement, to ensure that they lead by example and create an ethical working environment.

We schedule global learning programmes through the year to make it easier for employees to be trained on our values, policies and regulatory requirements. We classify programmes as mandatory, expected or elective to ensure key programmes are prioritised.

### 2014 In focus: Code Of Conduct

We updated the Code in 2014 to reinforce the critical role our values play in protecting our reputation and commercial success. We strengthened the message that employees should feel protected and empowered to report concerns through our confidential Speak Up channels. As part of our drive to enhance third-party oversight, we extended the Code to cover our complementary workforce.

Training on the Code of Conduct is already mandatory for all employees and will also be required for complementary workers from 2015.
Suppliers and other third parties such as agents, distributors and affiliate companies (where we have an equity stake) play an essential role in helping us develop, manufacture and distribute our products. But working with third parties also exposes us to risks that could harm our business.

To manage these risks, we expect third parties to comply with our standards on quality, safety, ethics, labour rights, health and safety, and the environment. Our Third Party Code of Conduct sets out these expectations.

Our audit teams manage and regularly assess the performance of over 6,000 suppliers that support our manufacturing supply chain. In 2014, more than 1,400 suppliers were assessed for quality in compliance with GSK’s Quality Management System. We also audit suppliers on ethical, environmental and health and safety (EHS) management systems, and performance. In 2014, we increased the number of EHS audits of our higher risk supplier facilities from 32 to 43 and created a new team to support more extensive EHS risk-based auditing across our supplier base. This includes six EHS, human rights and labour practices audits, conducted in collaboration with other pharmaceutical companies, as part of the Pharmaceutical Supply Chain Initiative (PSCI).

For more on audits, see our data summary on page 47.

On completion of every audit, we work with suppliers to develop an improvement plan to address any areas of concern and check that these plans are implemented satisfactorily in an agreed timeframe. If significant gaps are identified, we may suspend or terminate our work with an existing supplier, or decide not to work with a potential new supplier.

In addition to EHS audits, a specialist commercial insurance company conducted seven assessments to review risks to supply.

Our new company-wide third-party oversight risk management programme will build on established standards and systems that are currently delivered in a decentralised way. It will streamline our work with third parties and create a standardised approach to addressing third-party risk across the business.

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Supplier EHS audits 2009-2014 (existing and potential suppliers)

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* Each supplier audit is counted as a single audit, even where multiple sites/locations are included.

Payment terms

We expect our suppliers to meet our standards, but we also have a responsibility to support them by paying on time. We know that small businesses in particular often face cash-flow challenges. Following a change in our standard payment terms for suppliers, we reviewed the terms for small and medium companies in 2014. This resulted in an exception for small and medium suppliers or small diverse suppliers in the USA from the standard payment terms. We have also set up a dedicated small-business hotline to provide advice and support to smaller suppliers.
Ethical conduct

Preventing bribery and corruption
Bribery and corruption go against our values and put our business and reputation at risk. We therefore take a zero tolerance approach.

Our Anti-Bribery and Corruption (ABAC) programme is designed to prevent non-compliance. We continued to re-evaluate the effectiveness of this programme to ensure it is robust. Employees have access to a handbook that offers practical guidance and procedures that include controls to prevent non-compliance and reinforce our policy on Preventing Corrupt Practices.

People working in high-risk areas complete mandatory online training and additional face-to-face training is provided, where relevant to the role and the risk faced. Our training uses real-world examples to help employees build the skills they need to identify risks and effectively combat both real and perceived corruption. Over 72,000 GSK employees and complementary workers completed this additional ABAC training in 2014, in more depth than covered in the Code of Conduct training.

We have a dedicated and independent audit team who assess our internal controls, to help ensure we maintain our ethical standards. We continue to invest in other methods of assuring our controls to prevent the risk of bribery and corruption.

In September 2014, GSK China Investment Co. Ltd (GSKCI) was found guilty, according to Chinese law, of bribing non-government personnel. This verdict followed investigations initiated by China’s Ministry of Public Security in June 2013 and included a fine of £301 million.

This has been a deeply disappointing matter for us. The illegal activities of GSKCI are a clear breach of GSK’s governance and compliance procedures. They are wholly contrary to the values and standards expected from our employees. We have published a statement of apology to the Chinese government and its people on our website.

Our focus is on learning from this issue. We have taken steps to comprehensively rectify the issues identified at GSKCI, including changing engagement activities with healthcare professionals and expanding our review and monitoring of invoicing and payments. We will use robust compliance systems and work closely with government to continue to innovate, improve access to medicines and establish GSKCI as a model for reform in China’s healthcare industry. We have also sought to apply appropriate lessons to our operations elsewhere, but, given the complex global environment in which we operate, we will continue to face risks.

Reporting and investigating concerns
Our Speak Up programme offers people within and outside GSK a range of channels to voice concerns and report misconduct without fear of reprisal. These include telephone and internet channels run by independent external operators to enable anonymous reporting. All concerns are investigated by GSK management.

In 2014, we standardised how we monitor contacts received from making similar mistakes.

The Global Ethics and Compliance team manages investigations into reported concerns and provides tools, oversight and guidance to improve compliance. In 2014, we formed an ABAC Investigations Committee to oversee any allegations of bribery and corruption across GSK. We also made substantial investment to increase our investigative capability. Our global Corporate Investigations team investigates all allegations of misconduct, including ABAC and fraud issues. Allegations have been raised in a number of countries that are currently being followed up on and investigated, including in Poland, Syria, and Lebanon.

In 2014, 3,947 employees were disciplined for policy violations (3,128 in 2013), of these 373 (375 in 2013) were dismissed or agreed to leave the company voluntarily. Policy violations related to sales and marketing codes accounted for 233 dismissals (161 in 2013). Of the total disciplined, 3,131 employees received a documented warning (2,753 in 2013) and the remainder received verbal warnings.

The primary reason for the increase in the number of disciplinary cases (particularly documented warnings related to Code of Conduct violations) was the increased number of reports from China (652 in 2014, 48 in 2013), the strengthening of our monitoring systems, and the introduction of a quarterly knowledge test for sales representatives. Failure to pass the test results in the employee receiving a documented warning.

Employees who remain with the company following a policy violation receive retraining and increased monitoring and support. In some cases, retraining is extended to an employee’s colleagues to prevent them from making similar mistakes.

Breaches of external codes
GSK was found to be in breach of external industry or government promotional codes 39 times in 2014. Of these, 23 related to our Consumer Healthcare products, mainly breaches of national regulations and codes on advertising. The remaining breaches related to our prescription products, including breaches for promotional materials and advertising. We investigate every breach of an external code and take steps to prevent a recurrence, which may include retraining or other corrective measures, such as disciplinary action.
Creating a sales force that puts patient needs first
We are modernising the way we sell and market our medicines, transforming the business model the industry has had for many years. We are changing how we compensate our sales representatives and engage with healthcare professionals (HCPs), to meet customer needs and to ensure patients interests come first. In 2014, we made good progress against our commitments in three key areas, announced in December 2013.

Firstly, in January 2015, we completed the roll-out of changes to the way our sales teams are compensated. Our sales professionals around the world no longer have individual sales targets, but instead, are assessed and compensated based on their technical skills, scientific knowledge, quality of service they deliver to HCPs, and broader business performance. Our sales teams are listening to customers’ needs and bringing the right GSK resources to help improve patient care. In the USA, GSK was ranked first among major pharmaceutical companies by HCPs on the value we bring in our 2014 customer satisfaction survey.

Our sales and marketing employees, along with relevant third parties acting on our behalf, must follow our Code of Practice for Promotion and Customer Interactions. In 2014, we refreshed the Code to further align with our values.

Progress overview: On track

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.

Secondly, we are changing how we support education for doctors. Our commitment to medical education remains unchanged, but we will move away from direct sponsorship of individual HCPs to arm’s length funding, for example via third-party independent medical organisations. It will be up to these organisations to decide how to best deliver education programmes, without influence from GSK.

Thirdly, by 2016, we will no longer pay HCPs to speak to other prescribers about our medicines. Instead we are using other channels, including digital and real-time applications, to provide information about our medicines and vaccines in the way HCPs want it, when they want it.

The expert medical doctors we have within GSK will also take a role to talk and answer questions about our medicines with their peers. They will be responsible for, and measured on, providing the right information to support the safe and effective use of our medicines.

We will continue to pay HCPs for non-promotional advisory services and clinical research. These payments are governed by rigorous controls and are based on fair market value.

Publishing payments made to HCPs
GSK is committed to publishing payments we make to HCPs and healthcare organisations. We already do so in several countries, including Australia, France, Japan, the Netherlands, Portugal, Slovakia, the UK and the USA, in line with locally agreed government or industry association standards. We continue to support increased transparency in other countries as industry associations or governments establish specific guidelines for disclosure, for example, through the European Federation of Pharmaceutical Industries and Associations code on payments.

Direct-to-consumer marketing of prescription medicines
We advertise our prescription medicines directly to consumers in New Zealand and the USA. Direct-to-consumer (DTC) advertising of prescription medicines is not permitted in other markets. All DTC advertising is governed by our DTC Communications policy, based on the PhRMA Guiding Principles: Direct to Consumer Advertisements about Prescription Medicines.

All our DTC advertising in the USA is reviewed by legal, regulatory or medical specialists and new DTC television advertisements are submitted to the US Food and Drug Administration (FDA) for review and comment before broadcast. In 2014, our US Pharmaceutical business did not receive any Notices of Violation or Warning Letters from the FDA for advertising or promotion of products.

Our US Commercial Practices Policies ensure that all sales and marketing activities related to pharmaceutical products meet legal requirements and high ethical standards. In 2014, we revised these policies to make them more principles-based and user-friendly. We also included new criteria that must be met before launching DTC promotions for new medicines, including educating HCPs about the new treatments and alerting them to the upcoming advertising campaign.

“I welcome GSK’s move to transform their business model, to ensure that patients’ interests are central to every decision the company takes and to remove any potential concerns about undue GSK influence on HCP prescribing behaviour. It’s a bold move and one that EPF will monitor closely.”

Nicola Bedlington
Secretary General of the European Patients’ Forum

“In the way we compensate We are transforming Promoting values in sales and marketing practices”
Sharing information on our clinical trials supports further work to benefit medical science and patient care.

At any given time, we have over 300,000 volunteers and patients, across 75 countries, participating in nearly 400 of our clinical trials. Sharing information about our trials helps to make sure their involvement contributes to the advancement of medical science and patient care. Their contribution helps researchers, within GSK and beyond, better understand disease areas and develop new medicines and treatments for the people who need them.

We make a large amount of information publicly available, and GSK was the first pharmaceutical company to sign up to the AllTrials campaign for research transparency. Since 2004, we have had an online clinical study register. We now make available information on all our trials, including result summaries, regardless of whether the outcomes might be considered positive or negative.

In 2013, GSK became the first company to make Clinical Study Reports (CSRs), formal reports that form the basis of submissions to regulatory agencies, publicly available. CSRs are posted onto the register with personal information removed. In 2014, we co-led an initiative by non-profit organisation, TransCelerate BioPharma Inc., to develop a recommended approach for removing and redacting personal information in CSRs.

The aim is to provide greater access to information on the design, methods and results of our trials, while protecting the personal information of participants. The register now includes over 5,500 summaries of trial results and 200 CSRs. Following improvements to the design and utility of the Register, we have this year seen an increase in the number of pages viewed per visit and the duration of each visit.

We were the first company to provide researchers with the detailed data that sit behind clinical trial results to conduct further research. We created an online system in 2013 so researchers could request access to detailed anonymised patient-level data from our trials. In January 2014, we expanded the system and launched www.clinicalstudydatarequest.com to include data from other companies. By the end of 2014, GSK and nine other companies used this system. We are encouraging the development of an independent system that will include studies from across the industry and academia.

Researchers must submit research proposals to an independent review panel to ensure the data will be used responsibly and within a secure environment. By the end of 2014, GSK had over 1,000 studies listed as available for request, and researchers are also able to ask about data from other studies. Over 36 research teams have already accessed our data using this system.

A survey of researchers’ experience has shown that this secure environment is meeting their key needs and has helped us to identify areas for improvement. We also completed an audit of the internal processes we have in place to support our commitment to provide greater access to patient level 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.

Progress overview: Progressing well
Our behaviour

Rigorous patient and consumer safety

Patient safety is our number one priority in the development, testing, manufacturing and use of our products.

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.

Progress overview: Progressing well

We conduct trials in accordance with the International Conference on Harmonisation’s Good Clinical Practice guidelines. All our trial protocols are reviewed by an independent ethics committee, made up of medical professionals, scientists, lay people and investigators, which has the power to reject or stop a clinical trial. In 2014, we piloted a risk-based monitoring approach that uses new techniques to identify and manage emerging risks associated with data quality and patient safety. We plan to implement this approach across all our clinical trials in 2015.

We maintain a risk register to share the top global risks emerging from our clinical trials and help our research teams around the world monitor quality and safety controls appropriately.

Our R&D employees are trained on Good Clinical Practice before working on any clinical research. We regularly audit our trial sites and those of third parties carrying out trials on our behalf to ensure high ethical quality and safety standards. We conducted 234 of these audits in 2014 (see data summary on page 47), and implemented a comprehensive programme for managing outsourced activities that included training for our partners on GSK’s policies and practices.

We collaborated with industry peers, regulators, healthcare providers, patients and other interested parties to improve communication about our medicines and enhance pharmacovigilance. This science relates to the detection, monitoring, assessment, understanding and prevention of adverse effects or any other drug-related problems. As part of our efforts to improve the pharmacovigilance process, our research teams perform benefit/risk evaluations through the life cycle of all medicines, and the results are presented to our Global Safety Board. In 2014, we replaced multiple department-specific tools with a new global database to improve and standardise our safety processes.

Putting patient safety first in clinical research

Research is essential to create new and better medicines that can transform lives. We conduct trials with patients and healthy volunteers to assess potential new medicines and continue to monitor their efficacy and safety once approved. Our clinical trials are conducted to the highest ethical standards, wherever they take place, and put patient safety first.

We only conduct clinical trials in countries where the medicines are likely to be suitable for the wider community. GSK does not conduct clinical trials of investigational medicines in a country if it is known at the outset that there is no intent to pursue registration to make the medicine available for use in that country.

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In 2014, we explored the use of technologies to better understand patient adherence to medicines during clinical trials. These included: electronic reminders to improve patient adherence to trial regimens; and sophisticated technologies that transmit data when a dose of medication is released in the stomach to help scientists understand how the medication is used.
Our behaviour

Rigorous patient and consumer safety – continued

Manufacturing and supply
We produce more than two billion packs of medicines, over 800 million doses of vaccines and nearly five billion packs of consumer healthcare products every year.

We have a well-established internal framework in place to ensure compliance, consistency and reliability. Our quality culture puts the patient at the centre of our efforts to deliver 'right first time'. We are also simplifying and rationalising our processes to remove risks that could affect quality.

Our end-to-end supply chain model is standardising and improving our controls across our entire supply chain and manufacturing operations – from sourcing raw materials and making products to quality controls, packaging and transport to our customers.

As well as ensuring patient and consumer safety, our commitment to high standards in our manufacturing is helping us drive progress towards our ultimate goal of zero accidents, zero defects and zero waste (see more on health and safety on page 37, and waste on page 46).

In 2014, two GSK manufacturing sites (at Cork in Ireland and Ste. Foy in Canada) received Warning Letters from the US FDA. We are taking comprehensive actions to resolve these issues.

Combating risks from counterfeit products
Counterfeit medicines, vaccines and other healthcare products pose a significant threat to patient and consumer safety. Not only do they lack the necessary active ingredients and quality controls to deliver the health benefits they claim, they often contain impurities that can actually cause harm.

Most counterfeit GSK products originate in China, Colombia, India, Pakistan and Peru, and our most counterfeited products include Sensodyne and Aquafresh toothpastes and medicines such as Augmentin and Panadol.

We have a comprehensive global strategy to identify and prevent counterfeiting, tailoring solutions to requirements in specific markets. Technological features such as holograms, security seals and complex background patterns on our packaging help patients and consumers recognise genuine products and avoid counterfeits. We use technology to track, monitor and investigate the sale of counterfeit products.

We also support the Fight the Fakes campaign, a global campaign that raises awareness on the dangers of counterfeit medicines, and advocate governments to help stop counterfeits.

In 2014, we introduced Fingerprint, an end-to-end supply chain serialisation programme that will apply unique serial 'fingerprints' on many of our products and further strengthen our anti-counterfeiting measures to help protect patients and consumers. The unique identifiers will be recorded in a database. The product can then be scanned and verified against the database at any point in the supply chain. By the end of 2014, 48 packaging lines at 14 of our sites had serialisation capability. We will implement Fingerprint across an additional 50 lines in 2015 to enable product tracking and government reporting.

Counterfeiting is a crime and we work closely with appropriate law enforcement and customs agencies to combat large-scale, often highly sophisticated, counterfeiters. In 2014, a six-year investigation concluded when a Chinese court convicted and imprisoned a group of counterfeiters who were manufacturing counterfeit GSK medicines for sale in Africa. We also collaborated with law enforcement agencies in Colombia, India and Pakistan, which led to raids and arrests in underground counterfeiting factories. For more on reported cases, raids and arrests, see our data summary on page 47.
Our behaviour
Minimising animal testing

When we develop new medicines and vaccines, we need to check they have the desired effect and are safe for people to use. To do this, we need to assess how they affect the interactions between pathways, organs and tissues within the body, which makes animal tests a critical part of our research strategy.

We adopt the ‘3Rs’ approach, commonly used across the biomedical industry, to replace animal research where possible, reduce the number of animals used in a study while still providing precise information, and refine techniques to minimise pain and improve the welfare of animals.

Replace
In 2014, we launched a strategic initiative that has the potential to reduce our reliance on animal studies. Together with the European Bioinformatics Institute and the Sanger Institute, we are looking for new ways to develop medicines using human cells and tissues. As well as using ‘in vitro’ tests on individual cells, cultures or tissues, we use computer simulations instead of animals where possible.

Reduce
We have continued to rigorously challenge the need for animal studies and focus on the 3Rs. For example, while studying multiple sclerosis, our scientists found that changes in the optic nerve can be used as a proxy for overall nerve degeneration. Instead of studying different stages of the disease in multiple animals, we are developing a method to track loss of vision in a single animal.

To encourage uptake of the 3Rs, we recognise employees who make outstanding contributions to animal welfare. In 2014, a Silver Animal Welfare award went to an individual whose work showed that the age of animals used in research may profoundly affect experimental results. By applying this knowledge when designing studies, fewer animals may be needed because of reduced variability in study groups. These findings will be explored further by the National Centre for 3Rs.

In 2014, we used 8.5% fewer animals than the previous year and 39% fewer than in 2000. Of these, fewer than 1.7% were non-rodents, and 0.3% were non-human primates.

Refine
We have clear standards and processes in place to ensure animal welfare. Our Office of Animal Welfare, Ethics and Strategy, led by our Chief of Veterinary Medicine, oversees the humane and responsible use of animals across GSK.

Studies conducted by contractors and suppliers on our behalf must adhere to the same high standards of animal welfare we adopt in our own research. Our animal quality assurance group has assessed more than 700 of these organisations’ care and welfare programmes over the past seven years. In cases where contractors fail to adopt our recommendations or show no commitment to continuous improvement following a site visit, we stop working with them.

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.

Progress overview: Progressing well
Our behaviour
Addressing human rights impacts

We support the UN Guiding Principles on Business and Human Rights and are working to address our human rights impacts.

We are committed to upholding the Universal Declaration of Human Rights and the core labour standards set out by the International Labour Organization. GSK is also a signatory to the UN Global Compact.

An independent third-party assessment of the human rights impacts of our business in 2012, identified seven priority areas: access to health care, air quality impact relating to propellants, clinical trial standards, employment practices, patient safety, product counterfeiting, and use of third-party suppliers.

Further work highlighted the potential to improve company-wide risk management and controls for use of suppliers. In 2014, we continued to address this through our new global Third Party Oversight programme (see page 25).

We also identified a need to provide more support for local markets to effectively implement the principles of our global policy on the equal and inclusive treatment of employees. In 2014, we worked to address this through greater collaboration, communication and training (see page 38).

Activities in embargoed countries
Some stakeholders have concerns about how businesses operate in countries targeted by sanctions laws, such as Cuba, North Korea, Iran, Sudan and Syria. There are clear challenges and risks for the company operating in these markets. We believe that people should not be denied access to medicines because of the regime operating in their country. We aim to supply medicines and vaccines in all countries that need and wish to purchase them, including essential medicines in sanctioned countries, in compliance with applicable sanctions and export controls. We also comply with the disclosure requirements of the Iran Threat Reduction and Syria Human Rights Act of 2012. We regularly look at how best we can address the challenges of supplying in these countries and meet the needs of patients.

Privacy and data security
Our global privacy principles require all employees and suppliers to ensure that all personal data are collected, used, processed, transferred and stored appropriately, securely and in line with legal requirements. See our website for a summary of our Binding Corporate Rules on safeguarding personally identifiable information.

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

Progress overview: On track

Read more online
We publish more detail online on key issues including:
- GSK Anti-Bribery and Corruption Handbook
- GSK policy on preventing corrupt practices and maintaining standards of documentation
- GSK Anti-Bribery and Corruption guidelines for Third Parties
- Cloning technologies and stem cell research
- Disclosure of clinical trial information
- The care, welfare and treatment of animals
- The role of transgenic animals in biomedical research
- Use of Non-human Primates (NHPs) in the Discovery and Development of Medicines and Vaccines
- Counterfeiting of healthcare products
- Pharmacovigilance
- Criteria for working with public policy groups
- Global Code of Practice for Promotion and Customer Interactions
- Code of Conduct
- Clinical trials in the developing world
We regularly interact with political and other key stakeholders and we are committed to doing so appropriately, ethically and transparently.

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

Progress overview: Progressing well

Public policy
We engage with governments, policymakers, multilateral agencies, and professional associations to advocate for policies that protect the interests of patients, while supporting our business. For example, in 2014, we worked to help advance policies that spur innovation and accelerate the pace of medical breakthroughs in the USA through the government’s 21st Century Cures initiative. We also shared best practices on universal mass vaccination strategies with authorities and national immunisation technical advisory groups in Europe and Adriatic countries.

GSK registers costs relating to lobbying on the EU Transparency Register and the US Federal Lobbying Register. In 2014, the cost of representing our interests to EU institutions was in the range of €700,000 and €800,000¹ and we spent $3,452,000² on US federal lobbying activities.

We do not make corporate political contributions. Our US employees can choose to provide financial support to political groups or individual candidates through Political Action Committees (PACs) under the Federal Election Campaign Act. In 2014, the GSK employees’ PAC contributed $525,900 to state and federal candidates – 65% of those funds were contributed to federal candidates and 35% of the funds were contributed to candidates for state offices.

As part of our advocacy efforts, we work with appropriate third-party policy groups. We have clearly defined criteria to guide our selection of these groups to ensure they share our values and align with our priorities. In 2014, we introduced new Standard Operating Procedures to reflect these criteria and revised existing ones that govern our interactions with government officials. We also trained relevant employees on our updated Global Policy on Grants and Donations.

GSK is a member of many trade and industry associations that primarily represent pharmaceutical, consumer products and vaccine businesses at the national, regional and international levels. See our website for a full list.

Engaging with patient advocacy groups
We engage with, and support, patient groups to gain insights from patients, to help us develop products and advocate for policies that better meet their needs.

Our support includes funding, staff training, educational assistance and collaboration on disease awareness and prevention projects, as outlined in the GSK Code of Practice for promotion and customer interactions. Grants funding from GSK cannot exceed 25% of patient groups’ annual revenue and we do not exert undue influence or promote our products to these groups to ensure they share our values and align with our priorities. In 2014, we introduced new Standard Operating Procedures to reflect these criteria and revised existing ones that govern our interactions with government officials.

Our Patient Advocacy Leaders Summits (PALS) continue to build relationships between patient advocates, industry and health policy experts. In 2014, PALS events were held in Portugal, Switzerland, Latvia, Germany, Japan, Serbia and Slovenia. Issues including empowering communities to conduct patient-centred care, improving access to healthcare and promoting high-quality strategies for patient advocacy were discussed. In the USA, a National PALS and five Regional PALS, events focused on healthcare costs and quality. PALS have reached more than 7,000 leaders from 55 countries since they began in 2002.

Tax
Businesses are increasingly being challenged to ensure they contribute through the tax system to the societies in which they operate, and to provide information on their tax management principles and policies. We understand our responsibility to pay an appropriate amount of tax. We fully support efforts to ensure companies are appropriately transparent about how their tax affairs are managed.

We have a substantial business and employment presence in many countries around the globe and we pay a significant amount of tax, including corporation and other business taxes, as well as tax associated with our employees.

At the same time we have a responsibility to our shareholders to be financially efficient and deliver a sustainable tax rate. As part of this approach, we look to 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.

We pay a considerable amount of tax in the UK because a significant proportion of our global corporate functions and R&D and manufacturing activities are located there. This includes corporation tax on profits generated, as well as indirect tax and employment taxes, although the precise amounts fluctuate from year to year. See our Annual Report, page 63 for further details on our tax payments. Read more about our approach to tax on our website.

¹ This includes running an advocacy office in Brussels, salaries, conferences, travel and consulting costs. It excludes trade association membership fees. In April 2015, the range published on the EU Register will change as GSK adjusts our calculations of representing our interests to EU institutions

² See the US Federal lobbying register. This figure covers the costs of salaries and benefits for all employees registered to lobby the US Government, lobbying consultant costs, research, running the government affairs office in Washington DC, and support staff. It also includes the proportion of GSK’s trade association fees that was associated with federal lobbying.
Through our PULSE programme, employees have an opportunity to use their expertise to support non-profit organisations addressing major global health challenges, while building their own skills and experience. Martin Brandt volunteered with the OGRA Foundation Kisumu Kenya.
To ensure we have the right people with the right skills to support our business, our people strategy focuses on four areas: talent, leadership, performance, and engagement.

**Talent**
We are working hard to attract, develop and retain the skilled and talented people we need at all levels of our organisation. We are on track to achieve our global target to recruit 450 students a year onto our early talent programmes by 2015. Acknowledging our global commitment to increasing our apprentice population, we have decided to include them in our early talent community, alongside our Future Leaders (graduates) and Esprit (post-graduate) programme participants.

**Leadership**
Our leadership development programmes provide employees at all levels with the skills they need to become leaders — from Management Essentials, for those new to management, to the more advanced Leading Business for our experienced leaders. Our coaching programmes helped 4,034 participants strengthen their leadership capabilities in 2014. See page 36 for more on our approach to leadership.

**Performance**
We are improving the way we manage employees’ performance to promote individual responsibility and accelerate the delivery of our business strategy. Our new global performance system sets clear objectives for our people, aligned with delivering our strategy and underpinned by the six GSK Expectations, defining what we require of everyone at GSK. This puts more emphasis not only on results, but also the way results are achieved, and enables us to better engage and motivate our people by strengthening the connection between individual performance and reward.

**Engagement**
Engaging employees in our mission and strategy gives everyone at GSK a clear sense of how they can help drive the business forward. Our CEO and members of the Corporate Executive Team (CET) deliver regular live broadcasts and messages to keep employees informed about our strategy and progress. We also recognise the importance of listening to employees and acting on feedback to improve their experience. In 2014, we conducted interim surveys covering around 33,000 employees that indicated managers were leading their people more effectively.

Engagement and formal consultation with employees and representatives, such as unions and works councils, is particularly important during periods of restructuring and we continue to work closely with these groups.

Information on our performance in these areas can be found in the data summary on page 48.

2014 In focus: supporting our people during integration
In 2014, we announced a proposed three-part transaction with Novartis. The transaction will further strengthen our vaccines and consumer healthcare businesses, and will result in considerable change for our employees.

Around 12,000 Novartis employees will join our business and employee transfers will take place in around 80 countries. Our priorities for employees are to:

- **Limit the number of redundancies:** by applying recruitment freezes and other cost-saving measures. In instances where redundancies are unavoidable, we are committed to offering support and advice to help employees find a new job.
- **Provide clear and regular communication:** we held ‘live’ briefings with over 500 local leaders to ensure employees are well informed about any changes and how they may be affected. These briefings also gave employees, works councils and unions the opportunity to raise any questions or concerns with us.
- **Ensure a successful cultural integration:** we conducted interviews with senior leaders from both organisations and a survey of 17,000 GSK and Novartis employees to understand their perspectives on the two businesses’ working cultures and what they would like the future culture to be. We are using the results to develop a cultural transformation plan.

“There is a very open culture where people really accept you for who you are, and make it a point to develop every one in a way that suits their individual capabilities.”

Choon
Marketing and Sales, GSK Singapore — participant in the Future Leaders Programme
Our people

Our approach – continued

Creating a pipeline of strong leaders at all levels of our business

We are committed to supporting our leaders in developing best-practice management capabilities and values-based decision making, through an integrated and complementary range of leadership programmes.

Together these programmes clarify what is expected of our leaders both individually – and, as a community, in delivering our strategy of helping our patients and customers do more, feel better and live longer.

Strengthened by the common language created through our GSK Leadership Expectations, our leadership programmes also ensure we have exceptional and diverse leaders at all levels of the business practising inclusive leadership, which means they value and draw on the differing knowledge, perspectives, experience and styles, contained in our global community.

Our Management Essentials and First Line Leader programmes provide new managers with a thorough grounding in essential management responsibilities, e.g. performance management, to ensure they can confidently take the next step in their careers.

The Leading Delivery programme helps our middle managers, those ‘leading managers’, to translate our business strategy into action, drive performance, build capabilities and enhance trust with their team members and colleagues.

For experienced, high-potential leaders, our Leading Business programme aims to equip them with the skills, behaviours, knowledge and mindsets required to manage and support diverse, cross-cultural and high-performing teams, while translating our strategy into effective actions for their business units. Over an 18-month period, participants undertake an immersive experience in Mumbai and London focusing on a range of leadership responsibilities, including building better partnerships, creating shared value, understanding key issues (e.g. access to medicines) and giving participants first-hand visibility of our NGO work.

A key teaching point for our leaders is working with the paradoxes of senior roles, e.g. balancing local and global needs.

The small number of leaders demonstrating the business acumen and leadership capabilities to be appointed to our Corporate Executive Team or one of its direct reports, are invited to participate in a highly customised, two-year global learning experience in our bespoke Enterprise Leadership programme: an intense, highly experiential programme combining assessment, coaching, training and applied learning elements.

In 2014, we introduced a new programme enabling our female leaders to enhance their network, clarify their career ambitions and build their confidence to become strong senior leaders. Combining personal and group coaching, senior sponsorship and open honest dialogues, we believe this programme helps our organisation to make better decisions by further reducing risk and increasing innovation.
Protecting our people

We take a progressive approach to protecting the health and well-being of our employees, and sustaining a strong health and safety culture across our operations is an important focus for the business. Over the past ten years, we have more than halved our reportable injury and illness rate. In 2014, we reduced this figure by 4% to 0.26 incidents per 100,000 hours worked. This means we have achieved our 2015 target a year early.

Our health and safety culture ensures employees are aware of health and safety risks and how to stay safe at work. In 2014, we continued to invest in leadership training to help leaders identify and manage these risks more effectively, with over 1,500 Global Manufacturing and Supply leaders in 30 countries taking part.

We also continued to reduce the potential exposure of employees to hazardous substances. For example, we eliminated the use of formaldehyde for fumigation from our vaccine manufacturing processes.

Providing preventive healthcare

Our ground-breaking global Partnership for Prevention (P4P) programme aims to create a healthier and more productive workforce, and differentiate GSK as an employer. P4P offers up to 40 preventive healthcare services – such as immunisations, cancer screenings and routine preventive examinations – to employees and their families at little or no cost as part of their benefits package. We are the only multinational company to offer such benefits on this scale.

This year we made good progress towards our target to implement P4P globally by 2018. The programme was piloted in Ecuador, Ghana, Nigeria and Romania in 2012, and has since been implemented in the Middle East and Turkey. P4P now provides preventive healthcare to more than 14,000 employees and family members in 15 countries. This will increase to over 30,000 employees and family members in 35 countries when we launch P4P in Latin America and South America in early 2015. It will then be extended to Pakistan and countries in Africa.

“GSK’s approach to promoting energy and resilience is not only novel and innovative; it’s also contributing to the health of the individual and the bottom line. GSK should be proud of the work they are doing in this field – a model for others.”

Professor Sir Cary Cooper CBE
Distinguished Professor of Organisational Psychology and Health, Lancaster University
As an inclusive employer we value and draw on the different knowledge, perspectives, experiences and working styles of a global workforce.

**Gender diversity**

We aim to improve gender balance at all levels of our organisation. In 2014, we focused on creating opportunities for women in management. The proportion of women in management continued to increase to 42% (see chart). Women continued to represent 21% of our Corporate Executive Team and 31% of our Board. GSK ranked joint fifth in the UK Government’s 2014 report on women’s representation on the boards of FTSE 100 companies.

Our employee-led Women’s Leadership Initiative brought together 1,500 people and over 20 GSK senior leaders at its first global conference in 2014, to encourage action on accelerating women’s career development.

Through Accelerating Difference, 118 female managers completed individual and group coaching sessions in 2014. We also encourage senior leaders to sponsor female managers to support their career development.

**Women in management positions (%)**

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<td>40</td>
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<td>42</td>
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</tbody>
</table>

**Disability**

We are working hard to ensure we understand the needs of people with disabilities when developing employment opportunities. We have established a Global Disability Council to agree priorities, set objectives and report our progress in becoming a disability confident organisation.

As a founding member of business disability international (bdi), a social enterprise involving several other global businesses, GSK is helping develop global standards to measure businesses’ disability performance.

In addition to our efforts at a global level, we are involved in local initiatives to ensure our recruitment process is inclusive of people with disabilities, for example:

- Japan: we joined an accessible recruitment search engine called Accessibility for Disabled Employees.
- UK: we have helped 35 young people with learning disabilities to transition from education to employment through Project Search, since 2012.
- US: through a partnership with global IT company, Computer Aid Inc and Danish company, Specialisterne, we will start recruiting people with autism into our IT services teams in 2015.

**Cultural and ethnic diversity**

To ensure our leadership teams represent the diverse markets we serve, we are building a talent pipeline that includes people from a range of cultural and ethnic backgrounds. Eight nationalities are represented on the Corporate Executive Team and Board, and the people we employ in our Emerging Markets, Asia Pacific and Japan, represent 44% of our workforce. In 2014, our consumer healthcare business in India and pharmaceutical business in Latin America made particularly good progress in attracting and developing local talent.

We also increased the proportion of people from emerging markets participating in our development programmes and joining the company through our graduate and MBA programmes. In addition, the development of our new regional headquarters in Singapore will enable us to attract and develop talent from emerging markets. Developing local talent is also an important focus of our Africa strategy (see page 11).

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

**Progress overview:** Progressing well
Our people
Community volunteering creates change

We encourage our people to volunteer their time and expertise to support communities around the world.

Our flagship PULSE Volunteer Partnership enables employees to work full time with a non-profit organisation or charity for three or six months. This builds their leadership skills, while providing valuable insights and expertise to organisations working to address major healthcare challenges.

Since 2009, we have sent 482 employees from 51 countries to work with 94 non-profits and provided over £16 million worth of skilled services to our partners. In 2014, 98 employees volunteered with 39 organisations. See the PULSE Report.

Our partner organisations and volunteers both agree PULSE has a positive impact: 90% of non-profit partners are doing something differently as a result and 98% of volunteers agree their PULSE assignments strengthened their leadership skills. See the employee volunteering section of our website and blog for more on PULSE and its impact.

Our employees are a key part of our global partnership with Save the Children. Since the launch of the campaign in May 2013, GSK employees from more than 80 countries have raised over £1.2 million, which will be matched by funding from GSK. Through PULSE, 18 employees were also seconded to work with Save the Children to support our partnership with the charity in 2014 (see page 17).

We encourage employees around the world to support their local communities by offering one paid day off each year to volunteer through our Orange Day programme. Orange Day projects in 2014 included distributing food to homeless people in Malaysia, organising a careers workshop for unemployed parents in Poland and doing maintenance work at an orphanage in India.

To extend employee volunteering and bring positive change to more communities, we established a new Volunteer Ambassador Network in 2014. This includes 130 employees in 30 countries working with non-profit partners to understand their needs and develop locally relevant programmes. We are also raising awareness about the opportunities we offer through a website and a Volunteer Awareness Week.

“Through my PULSE assignment, I was able to recognise and leverage the collaborative and problem-solving skills I’ve gained in my 13 years as a lawyer at GSK. The experience changed me, as I realised that I can offer other professional skills to our community partners.”

Trish
Assistant General Counsel, worked with Philadelphia Education Fund in the US
We are recovering waste from our sites in Singapore, using it to produce electricity and steam that power the Jurong site – where Tomas Hong Yean works. This is cutting carbon emissions, waste and costs.
Our planet

Our approach

We are committed to reducing the environmental impacts of our operations and our products.

Climate change is one of the world’s most pressing issues and a major threat to people’s health and global economic development. Impacts like extreme weather and heat waves affect food production and availability of clean water and sanitation, and threaten hard-won global health improvements.

By using resources more efficiently, and collaborating with others to tackle these challenges, we can reduce costs and enhance competitiveness.

We have set ambitious goals to reduce carbon, water and waste across our value chain – from the sourcing of raw materials and the impacts of our own labs and factories, to the use and disposal of our products by patients and consumers.

GSK is a signatory to the UN Caring for Climate initiative and the UN CEO Water Mandate. Through these and other partnerships, we are sharing knowledge and resources to tackle global environmental challenges together.

Recertified in 2014, GSK remains the only pharmaceutical company to have achieved the Carbon Trust’s Carbon Standard and Water Standard for cutting carbon emissions and water use across our operations globally.

“GSK has recognised that the vast majority of the environmental impact of its business occurs outside its operational control. By working closely with its supply chain, GSK is showing real leadership, taking meaningful action on sustainability and driving change by helping other companies to improve their own performance through innovation and collaboration.”

Tom Delay
CEO, Carbon Trust

We retained our position in the CDP’s FTSE 350 Climate Disclosure Leadership Index for the seventh year. GSK is one of only two pharmaceutical companies to be included in the index in recognition of the amount and quality of climate change data we disclosed.

2014 In focus: reducing environmental impacts

We are changing the way we make antibiotics – looking for ways to save energy, reduce water impact and waste, improve yields and reduce costs whilst maintaining the efficacy of the drug. We have achieved a 15% reduction in our antibiotics carbon footprint per pack over the past five years, while increasing production volumes by 40%.

At our site in Irvine, Scotland, we have introduced wind turbines and two combined heat and power plants to reduce carbon emissions from energy use. We have also installed an anaerobic digester, that will save the site £1.4 million a year. These changes mean Irvine is now producing around 40% more product using just 5% more energy and the same amount of water as in 2010, with a 10% reduction in carbon emissions.

At our Quality Road site in Singapore, we use the penicillin produced at Irvine to make amoxicillin – one of the most widely prescribed antibiotics. By introducing a new process using enzymes, we will eliminate chlorinated solvents, cut the amount of waste produced and reduce carbon emissions at the site by 40%. Solvent waste that cannot be recovered is being used as fuel to generate electricity and steam at Jurong, our other factory in Singapore.

At our site in Worthing UK, we formulate and package the antibiotic, Augmentin, from amoxicillin and clavulanic acid. By putting six tablets in each foil blister strip, instead of four, we reduced foil use by 30% and pack size by 25%, enabling us to put more packs on each pallet.
Our planet

Our approach – continued

We have set an ambitious target to achieve a carbon neutral value chain by 2050.

Understanding our carbon footprint across the value chain

Raw materials
We are working with suppliers to reduce the impacts associated with sourcing raw materials, as well as exploring ways to use resources more efficiently in our products.

Operations
We are investing in technology, efficiency measures and renewable energy to reduce carbon emissions from energy use in our operations.

Logistics
We aim to minimise carbon emissions from transporting our products to customers by using sea freight rather than air and by redesigning packaging to make transportation more efficient.

Product use
Some of our products, particularly propellant-based inhalers, generate carbon emissions during use by patients and consumers.

Disposal
We have established an inhaler recycling programme and engage with patients to reduce emissions associated with disposal of our products.

Total emissions
15m tonnes CO₂e per annum

Energy
1.2m tonnes CO₂e per annum

HFA and process emissions
0.2m tonnes CO₂e per annum

Business travel
0.1m tonnes CO₂e per annum

Sales force
0.2m* tonnes CO₂e per annum

Use of metered dose inhalers
5.4m tonnes CO₂e per annum

Use of other products
1.0m* tonnes CO₂e per annum

*Estimated.
Our planet
Carbon

We are reducing operational carbon emissions and engaging suppliers and patients to cut emissions associated with sourcing raw materials and use of our products.

Performance in 2014
In 2014, we reduced our Scope 1 and 2 emissions, those in our operational boundaries, by 11% to 1.6 million tonnes of CO₂e. This is a 19% reduction compared with 2010, achieved through our continued investment in energy efficiency.

Our Scope 3 emissions, such as those associated with logistics, business travel and patients’ use of our metered dose inhalers (that use a HFA propellant), increased by 2% in 2014. This is an overall increase of 17% compared to 2010. Tackling our Scope 3 emissions continues to be a challenge as the sales of our propellant-based inhalers continue to grow.

Product impacts
We have been working with the Carbon Trust since 2011 to measure and certify the carbon footprints of our 40 biggest selling products to identify where we can make the most effective reductions from emissions associated with our products. For example, in 2014, we changed the process to manufacture the Active Pharmaceutical Ingredient, Abacavir, used to treat HIV. This reduced the product’s carbon footprint by 7%.

Operational impacts
Reducing energy use and the carbon emissions associated with generating energy that we purchase is an important focus of our programme to cut our environmental impacts. We are investing in infrastructure such as wind turbines to generate renewable energy, and using waste as fuel for energy. For example, in Ireland we have installed a 150-metre wind turbine that will cut the Cork site’s electrical carbon footprint by 30% and save over £900,000 in energy costs in 2014. In Singapore, we have installed a boiler that is fuelled by waste from our Jurong and Quality Road sites to provide steam for the Jurong site, cutting its energy costs by 13%.

We are also changing the way we manufacture metered-dose inhalers. At our sites in Spain and France we have reduced the amount of propellant used to purge air from our Flixotide, Seretide and Ventolin inhalers by 75%. This has reduced GHG emissions associated with this process by around 40,000 tonnes of CO₂e per year. This innovation was recognised in our CEO Environment, Health, Safety and Sustainability Awards in 2014.

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

Progress overview: Work to do
Our supply chain
Working with our suppliers to help them reduce their carbon emissions is critical to achieving our carbon goals. In 2014, we collected carbon, water and waste data from over 200 of our largest materials suppliers, covering over £1 billion of our spending on raw materials used in manufacturing and R&D. See page 25 for more on our approach to responsible procurement.

In 2014, we also launched the GSK Supplier Innovation Exchange. Through this online forum, around 100 suppliers collaborated to share practical ideas about improving energy efficiency and reducing water use. Suppliers have used this insight to make improvements in their operations.

We also offered to run workshops for selected suppliers at their own sites to help them identify ways of reducing energy use.

We recognise our suppliers’ efforts to reduce their environmental impacts through our new GSK Supplier Environmental Sustainability Award. In 2014, packaging supplier Albéa, which supplies GSK with tubes for our toothpaste, won the award for its comprehensive energy efficiency programme.

"When GSK asked if we wanted to take part in an energy reduction workshop, I’ll be honest, we were sceptical about what it would actually deliver. But we are now very glad we agreed. The changes we are making as a result of the workshop could reduce our energy use by up to 47% and make significant inroads into our operating costs over the next three years – so it was definitely worth doing!"

Head of Engineering
Aesica Pharmaceuticals

Use of our products
Use of our products, such as metered dose inhalers, accounts for 46% of carbon emissions across our value chain. In 2014, the Carbon Trust certified the carbon footprints of three of our respiratory products according to the Greenhouse Gas Accounting Sector Guidance for Pharmaceutical Products and Medical Devices. The footprinting compared Relvar/Breo Ellipta, Seretide Accuhaler/Advair Diskus, both dry powder inhalers, and Seretide Evohaler/Advair HFA, a metered-dose inhaler.

The results show that through thoughtful design of our newer dry powder Ellipta inhaler, containing Relvar/Breo, we reduced the carbon footprint of one day’s treatment by at least 35% versus our older inhalers. We have shared these product footprints with the UK NHS and the National Formulary in Denmark.

Complete the Cycle
Our Complete the Cycle initiative encourages patients and customers to return their old respiratory inhalers to participating pharmacies which are then sent back to us to be recycled.

This reduces waste sent to landfill as well as prevents the remaining propellant in used inhalers being released as greenhouse gases, as we collect it when crushing the cans for aluminum which is recycled. The scheme has also created an opportunity for pharmacists to talk with their patients about managing their condition, and for us to pilot ways of sharing information about the inhalers collected with local healthcare service providers. This helps inform patient education and reduces medicine waste.

Launched in 2011, Complete the Cycle is now running in six countries, with over 2,300 community and hospital pharmacies participating in the UK alone.

"The scheme has created a new opportunity for pharmacists to talk to their patients about managing their condition. We are piloting ways of sharing information from the inhalers collected with local healthcare services to help inform patient education and reduce medicines wastage."

Nikki Yates,
Head of UK Pharmaceuticals
We are working to reduce the water impact associated with our products.

**Performance in 2014**
In 2014, we cut our operational water use by a further 5%. This 20% reduction from the 2010 baseline means we have met our 2015 target to cut operational water use by 20% a year early. Measuring and reducing our wider water impact across the value chain – not just the amount we use – is more challenging. In 2014, we completed an extensive assessment to identify the activities that have the highest water impact across our value chain and prioritised our efforts.

**Mapping water impact across the value chain**
Water consumption is just one dimension of water impact. Over the past two years we have been working with external experts and NGOs to identify the factors that contribute to our total water impact. These are:

- **Water scarcity** – the amount of freshwater available in the basin in relation to demand.
- **Local water quality** – the level of pollution in freshwater sources and the threats to biodiversity as a result, including from the release of pharmaceuticals from our operations.
- **Health and social risks** – people’s access to clean water and improved sanitation.
- **Regulatory and reputational risks** – the level of water governance and regulatory risk related to water.

Combining these indicators with water consumption and data from the WWF Water Risk Filter, we developed a global water impact tool that we have used to identify hotspots across the value chain.

**Operational impacts**
We use just under 15 million m³ of water per year in our operations – research laboratories, manufacturing sites and offices. We systematically audit our sites to identify opportunities to cut water use. In 2014, we audited four of our highest water use sites in India, Italy and Singapore, three of which are in areas of water scarcity. We have cut water-use by an average of 10% at each of these sites by, for example, introducing more water efficient cleaning procedures, identifying and repairing leaks, and investing in efficient equipment.

Reducing water use remains an important factor, but we have also developed a tool with the Carbon Trust to determine our wider water impact at all of our sites. In 2014, we began piloting the tool at eight sites globally, including a site in India with a significant water impact. By generating a water impact score, the tool clearly identifies each site’s main impacts and offers guidance to help them put improvement plans in place.

**Our supply chain**
Our supply chain uses an estimated 1,200 million m³ of water. Raw materials for Horlicks, carbohydrates (sugars), wood derived products and eggs account for 75% of the water impact. We have partnered with TERI, an NGO in India, to develop a diagnostic water impact tool. In 2014, we used this to identify opportunities for our ten largest suppliers to reduce water impacts. In 2015, we will work with our suppliers and TERI to extend this process to a further 20 suppliers.

**Use of our products**
We estimate that 13% of GSK’s value chain water impact is from consumer use of our products, in particular people leaving the tap running when cleaning their teeth. In 2014, we extended our ‘Turn off the Tap’ campaign, adding the logo and labelling to our Sensodyne toothpaste brand in the UK.
Our goal is to halve operational waste by 2020. We are doing this by adopting four simple steps to eliminate, reuse, recycle and generate energy from waste – in that order of priority.

**Performance in 2014**
With a goal to halve operational waste by 2020, we are actively eliminating, reusing and recycling waste, as well as generating energy from waste. In 2014, we generated 159,000 tonnes of waste from our operations, 4% less than in 2013 and 11% less than 2010. We are continuing to explore ways to cut waste at individual sites to help us to achieve our target of halving our operational waste by 2020.

Only 6% of our total waste went to landfill in 2014 and three more sites achieved zero waste to landfill status, bringing the total to 48 sites. This represents 50% of our manufacturing and major research and development sites. We recognise we have more work to do to achieve zero to landfill at all our sites by 2020.

**Operational waste**
We recognise the need to continue reducing waste even as our business grows. The processes we use to manufacture medicines are complex and highly regulated by multiple governments across the globe. It can take several years to introduce major changes that improve manufacturing processes while reducing the amount of waste generated see page 41.

We cannot avoid producing some waste, but we recognise that this waste has a value. We aim to avoid sending waste to landfill, or other disposal with no positive benefit, and have instead focused on moving waste up the hierarchy by seeking opportunities to reuse it where possible, recycling or incinerating it to generate energy. We are starting to see some progress. The proportion of waste that is recycled or disposed of with a positive benefit has increased from 71% in 2010 to 74% in 2014.

In Australia, for example, we have increased the amount of ethanol recovered at our Port Fairy site by 726,000 litres by reusing ethanol in washing processes while maintaining product quality. This has also saved the business £500,000 per year in operating costs.

We continue to look for innovative ways to reduce and recycle waste at other sites around the world. For example, we received regulatory approval to compost 1,500 tonnes per year of egg waste generated from manufacturing flu vaccine at our Sainte Foy site in Canada. Instead of sending it to landfill, the egg waste will be mixed with other green waste and sold as compost.

Other new ideas to find beneficial uses for our waste include sending packaging waste from our Poznan site in Poland to make a construction material for waterproof flooring and running a pilot to recover the aluminium from waste toothpaste tubes at our site in Maidenhead, UK.
Data summary

### Health for all

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<td>Neglected tropical diseases</td>
<td>603 million</td>
<td>709 million</td>
<td>762.4 million</td>
<td>678 million</td>
</tr>
</tbody>
</table>

### Our behaviour

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>1,828</td>
<td>2,919</td>
<td>3,128</td>
<td>3,947</td>
<td></td>
</tr>
<tr>
<td></td>
<td>308</td>
<td>312</td>
<td>375</td>
<td>373</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,520</td>
<td>2,607</td>
<td>2,753</td>
<td>3,131</td>
<td></td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>123</td>
<td>161</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>25</td>
<td>36</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Number of contacts made to our Speak up channels</td>
<td>2,700</td>
<td>1,600</td>
<td>1,865</td>
<td>3,203</td>
<td>See page 26 for more information</td>
</tr>
</tbody>
</table>

### Clinical trial data

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publicly available trial result summaries (cumulative)</td>
<td>4,452</td>
<td>5,000</td>
<td>5,400</td>
<td>5,583</td>
<td>May 2013 – Dec 2014</td>
</tr>
<tr>
<td>Number of Clinical Study Reports posted to the register</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Number of trials listed for which data are available for request</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,081</td>
<td></td>
</tr>
<tr>
<td>Number of research teams with approved data requests accessing GSK trial data</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>36</td>
<td></td>
</tr>
</tbody>
</table>

### Clinical research

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical quality assurance assessments</td>
<td>326</td>
<td>293</td>
<td>323</td>
<td>322</td>
</tr>
<tr>
<td>Audits of investigator sites conducting GSK-sponsored trials</td>
<td>173</td>
<td>190</td>
<td>254</td>
<td>234</td>
</tr>
<tr>
<td>Audits of GSK processes</td>
<td>9</td>
<td>14</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Audits of contract research organisations that carry out clinical trials on our behalf</td>
<td>25</td>
<td>26</td>
<td>34</td>
<td>40</td>
</tr>
<tr>
<td>Audits of GSK local operating companies involved in clinical trial activities</td>
<td>7</td>
<td>11</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Investigations of suspected irregularities</td>
<td>34</td>
<td>47</td>
<td>51</td>
<td>13</td>
</tr>
<tr>
<td>Inspections of GSK sites by regulatory authorities</td>
<td>65</td>
<td>94</td>
<td>112</td>
<td>73</td>
</tr>
</tbody>
</table>

### Anti-counterfeiting

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of reported cases of counterfeiting</td>
<td>378</td>
<td>354</td>
<td>494</td>
<td>491</td>
</tr>
<tr>
<td>Number of raids by law enforcement agencies and regulatory authorities</td>
<td>148</td>
<td>208</td>
<td>307</td>
<td>234</td>
</tr>
<tr>
<td>Number of arrests by law enforcement agencies and regulatory authorities</td>
<td>181</td>
<td>124</td>
<td>272</td>
<td>273</td>
</tr>
</tbody>
</table>
## Data summary – continued

### Our People

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of injuries and illness with lost time</td>
<td>429</td>
<td>404</td>
<td>352*</td>
<td>274</td>
<td>Per 100,000 hours worked.</td>
</tr>
<tr>
<td>Lost-time injury and illness rate</td>
<td>0.21</td>
<td>0.20</td>
<td>0.17*</td>
<td>0.15</td>
<td>Per 100,000 hours worked.</td>
</tr>
<tr>
<td>Reportable injury and illness rate</td>
<td>0.36</td>
<td>0.33</td>
<td>0.27*</td>
<td>0.26</td>
<td></td>
</tr>
<tr>
<td>Number of near-miss incidents</td>
<td>29,734*</td>
<td>66,103*</td>
<td>131,727*</td>
<td>176,237*</td>
<td>Near-miss incidents were reported globally from 2012. Data from 2011 relate to results of a pilot project from Global Manufacturing and Supply.</td>
</tr>
<tr>
<td>Number of fatalities</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>Fatality occurred when an employee’s motor cycle was hit by an SUV carrying out an overtaking manoeuvre.</td>
</tr>
</tbody>
</table>

### Talent and leadership development

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of leaders completing Leading Delivery programme</td>
<td>1,879</td>
<td>1,139</td>
<td>1,333</td>
<td></td>
<td>Previously reported combined figure.</td>
</tr>
<tr>
<td>Total number of coaching assignments</td>
<td>74</td>
<td>538</td>
<td>1,050</td>
<td>1,390</td>
<td>Previously reported combined figure.</td>
</tr>
<tr>
<td>Number of graduates recruited</td>
<td>124</td>
<td>277</td>
<td>287</td>
<td>304</td>
<td></td>
</tr>
<tr>
<td>Number of employees completing post-graduate Esprit programme</td>
<td>9</td>
<td>26</td>
<td>47</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Number of apprentices recruited</td>
<td>10</td>
<td>50</td>
<td>58</td>
<td>69</td>
<td></td>
</tr>
</tbody>
</table>

### Inclusion and diversity

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of women in management (total)</td>
<td>39</td>
<td>40</td>
<td>41</td>
<td>42</td>
<td>Previously reported combined figure.</td>
</tr>
<tr>
<td>Percentage of employees from emerging markets, Asia-Pacific and Japan</td>
<td>40</td>
<td>42</td>
<td>43</td>
<td>44</td>
<td></td>
</tr>
</tbody>
</table>

### Volunteering

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees completing PULSE</td>
<td>80</td>
<td>91</td>
<td>99</td>
<td>98</td>
<td></td>
</tr>
</tbody>
</table>

* Data has been restated where actual data is now available to replace estimated data that was reported previously.
## Data summary – continued

### Our planet

<table>
<thead>
<tr>
<th>Data</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carbon</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 and 2 GHG emissions (‘000 tonnes CO₂e)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas and other fuel</td>
<td>570</td>
<td>572</td>
<td>529</td>
<td>538</td>
<td>485</td>
<td></td>
</tr>
<tr>
<td>Electricity and steam</td>
<td>964</td>
<td>881</td>
<td>778</td>
<td>768</td>
<td>726</td>
<td></td>
</tr>
<tr>
<td>Propellant emissions during manufacture of inhalers</td>
<td>214</td>
<td>223</td>
<td>244</td>
<td>254</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>Sales force travel</td>
<td>165</td>
<td>169</td>
<td>167</td>
<td>177</td>
<td>187</td>
<td></td>
</tr>
<tr>
<td>Other emissions</td>
<td>62</td>
<td>72</td>
<td>77</td>
<td>71</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,975</td>
<td>1,917</td>
<td>1,795</td>
<td>1,809</td>
<td>1,604</td>
<td></td>
</tr>
<tr>
<td><strong>Scope 3 GHG emissions (‘000 tonnes CO₂e)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased materials</td>
<td>5,600</td>
<td>5,600</td>
<td>5,600</td>
<td>5,600</td>
<td>5,600</td>
<td>Estimated data.</td>
</tr>
<tr>
<td>Product logistics</td>
<td>169</td>
<td>200</td>
<td>203</td>
<td>202</td>
<td>222</td>
<td></td>
</tr>
<tr>
<td>Business travel by air</td>
<td>96</td>
<td>97</td>
<td>98</td>
<td>90</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>Propellant emissions during use of inhalers</td>
<td>4,647</td>
<td>4,760</td>
<td>5,198</td>
<td>5,302</td>
<td>5,411</td>
<td></td>
</tr>
<tr>
<td>Use of other products</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>Estimated data.</td>
</tr>
<tr>
<td>Disposal of products</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>Estimated data.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,712</td>
<td>11,857</td>
<td>12,299</td>
<td>12,397</td>
<td>12,527</td>
<td>Estimated data.</td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net water consumption in operations (million cubic metres)</td>
<td>18.7</td>
<td>17.4</td>
<td>16.3</td>
<td>15.7</td>
<td>14.9</td>
<td></td>
</tr>
<tr>
<td>Estimated net water use in value chain (million cubic metres)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,540</td>
<td>1,472</td>
<td></td>
</tr>
<tr>
<td><strong>Waste</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total waste generated (thousand tonnes)</td>
<td>178</td>
<td>170</td>
<td>151</td>
<td>166</td>
<td>159</td>
<td></td>
</tr>
<tr>
<td>Waste to landfill (thousand tonnes)</td>
<td>17.2</td>
<td>13.1</td>
<td>10.2</td>
<td>10.7</td>
<td>10.2</td>
<td></td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal audits (number)</td>
<td>17</td>
<td>25</td>
<td>31</td>
<td>27</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Environmental fines (£)</td>
<td>10,648</td>
<td>410</td>
<td>0</td>
<td>2,100</td>
<td>354,303</td>
<td>* See footnote below.</td>
</tr>
<tr>
<td><strong>Environmental remediation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spend (million $)</td>
<td>–</td>
<td>–</td>
<td>3.8</td>
<td>5</td>
<td>6.6</td>
<td></td>
</tr>
</tbody>
</table>

* During a follow-up inspection in 2013 at our Upper Merion site, a regulator discovered a waste tank installed in 2004 that did not comply with local regulations. The resulting fine of $317,500 was levied due to the longevity of the non-compliance. The waste tank has been taken out of service and we have surveyed all our US sites to confirm compliance against these regulations.

- A settlement fine of $172,900 was paid by our Hamilton site for failure to submit a risk management plan for storage and use of chloroform. The site cooperated with the US EPA in resolving the matter by promptly submitting a viable plan.

- Our Memphis site self-disclosed errors and omissions in our annual air emissions results during 2006, 2010 and 2011. A $90,000 penalty was levied.

- In 2012, we upgraded air emission control systems and improved reporting procedures at the site to ensure compliance.

- Our Upper Providence site self-disclosed in 2013 a failure to comply with record-keeping requirements. A penalty of $4,200 was levied. We have improved our reporting procedures to ensure compliance.

We are excluding ‘biogenic’ emissions according to current guidance, which accounts for the decrease in emissions.

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.
Summary of assurance statement

Bureau Veritas' Summary Independent Assurance Statement
Bureau Veritas UK Limited has been engaged by GSK plc to provide independent assurance of the Environment, Health and Safety (EHS) performance data for 2014 that has been prepared by GSK plc. 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 that 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 management.

Opinion and Recommendations
As a result of the verification conducted as per the scope of work, it is Bureau Veritas’ opinion that GSK’s 2014 EHS performance data:
- Provide a fair summary of EHS-related activities and performance.
- Contain performance metrics and information that are based on established collection and collation processes, and are deemed to be free from significant error, omission or bias.

The quality of data evidenced at site and consolidated level was seen to be based on an up to date and recently implemented data management system (EHS Central) and supporting processes and guidance. The implementation of EHS Central has been comprehensive and effective during 2014 and further refinement in EHS reporting can be through: inclusion of more complete EHS data from the Commercial Operations business; review of supporting guidance to fully meet the requirements of the new system; and completion of the revised approach to the detection of anomalies in consolidated EHS datasets.

Statement of independence, impartiality and competence
Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 180 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 are committed to continue improving, with the ultimate goal of providing the most accurate EHS data to the public on our website. In 2015, we will continue to work towards improving our data accuracy with an emphasis on incorporating the recommendations provided by Bureau Veritas. With the implementation of our new reporting system we have seen improvement in data reporting in many areas of the business. The data in the Responsible Business Supplement can be used by sites to improve their management of their EHS programmes. In 2015, we will continue working with all sites to improve their data submission, including providing comments for the explanation of trends in a complete and timely fashion.

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 2014, 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 trademarks 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.

Your feedback counts
- We welcome your feedback on our responsible business performance and reporting. Please contact us at csr.contact@gsk.com. You can also request to receive regular updates on our progress.