

Corporate Responsibility Report Summary 2013

*“Alongside other interventions,
an effective vaccine could
really help reduce the burden
of malaria for Africa.”*

About GSK

Our mission

GSK's mission is to improve the quality of human life by enabling people to do more, feel better, live longer. We are doing this by developing innovative products and improving access to healthcare for patients around the world.

Cover image

Nahya Salim, a paediatrician and research scientist in Tanzania, Africa, has been working on GSK's RTS,S malaria vaccine trials at the Ifakara Health Institute since 2007. She is currently overseeing trials of the new vaccine, as well as researching how malaria interacts with other diseases, such as intestinal worms, TB and HIV.



This summary contains highlights from our performance across the four areas of our responsible business approach:

Health for all
Our Behaviour
Our People
Our Planet

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.

External recognition



Topped the biannual Access to Medicines Index since it began in 2008 (the next index is in 2014).



The only healthcare company to be included in the CDP Performance Leadership Index and the CDP Disclosure Leadership Index in 2013.



Became first company to be awarded global certification to the Carbon Trust's Water Standard in recognition of our year-on-year reductions in operational water use globally.



Member of FTSE4Good since 2004.



Achieved Bronze ranking in RobecoSAM's 2014 Sustainability Yearbook (based on 2013 submission), putting us in the top 10% of our industry.

Narrowly missed inclusion of the Dow Jones Sustainability Ranking in 2013 with a score of 81.

CEO's statement

Message from our CEO



Over the past six years we have been making fundamental changes to deliver innovation and access to our products for patients and customers, and improved sustainable financial performance for our shareholders.

2013 was the most productive period of R&D output in the company's history. Of the six major new medicine files we profiled at the start of 2013, five were approved and we are expecting regulatory decisions for the remaining asset in this group in the first half of 2014. In addition, we launched our new injectable quadrivalent flu vaccine in the USA. Together, these new drugs offer patients a range of new treatment options and represent substantial opportunities for business growth.

We continue to take action to reform our business model to meet the expectations of society and deliver our mission, in line with our values.

As a global healthcare company, GSK can play an important role in meeting societal challenges. In 2013, we continued to develop innovative life-saving drugs and work with partners to get medicines to the people that need them most.

In 2013, we made new commitments to increase transparency of our clinical research by announcing our support for the AllTrials campaign and becoming the first pharmaceutical company to commit to publishing the detailed clinical study reports for all of our medicines. In May, we were the first in our industry to launch an online system enabling researchers to request access to anonymised patient-level data from our clinical trials. I am pleased that some other companies have now also adopted this approach.

We also announced plans to evolve the way we sell and market products to healthcare professionals, to further align our activities with the interests of patients and remove even the perception of conflict of interest. Specifically, we plan to stop direct payments to healthcare professionals for speaking engagements and for attendance at medical conferences, and extend our US 'Patient First' programme globally, to decouple sales team remuneration from scrip generation.

We continue to expand access to our medicines to people living in the developing world.

During 2013, we signed a ground-breaking five-year partnership with Save the Children, to combine the resources and capabilities of our two organisations to help save the lives of one million children living in the poorest countries in Africa.

In 2013, we donated our four billionth tablet of albendazole to treat intestinal worms and lymphatic filariasis – part of our long-term commitment to tackle neglected tropical diseases – and delivered 862 million vaccine doses worldwide. We also strengthened our global initiatives to tackle non-communicable diseases such as cancer, diabetes, respiratory and heart disease.

I am also delighted we achieved a significant milestone for our malaria vaccine candidate which demonstrated that it could potentially halve the number of malaria cases in young children. This vaccine has the potential to save hundreds of thousands of children's lives and we plan to file for approval during 2014. We are committed to making it available at a not-for-profit price.

There is no higher priority for me than the values-based conduct of our employees. In the past few years, we have focused on bringing to life our values and being thoughtful about what they really mean at a human level.

It is because of my strong belief in our company's values that the allegations made in China about the behaviour of some individuals were so disappointing. The investigation into this matter by the authorities in China continues and we are cooperating fully. As a company, we are committed to learning the lessons and taking all necessary action in relation to the outcome of this investigation.

Our continued commitment to transparency was also evident in our efforts to disclose and address our environmental impacts. We are the only healthcare company listed in both the CDP's Disclosure Leadership Index and its Performance Leadership Index in 2013, for our clear reporting and performance on climate impacts.

My job as CEO is to deliver a healthy company, and that is only possible with healthy employees. Our ground breaking Partnership for Prevention initiative will give benefits-eligible employees and their families equal access to preventive and basic healthcare benefits wherever they are based.

In 2014, we will continue to challenge our business model at every level, to ensure we are responding to the needs of patients and meeting the wider expectations of society.

Sir Andrew Witty
Chief Executive Officer

Who we are

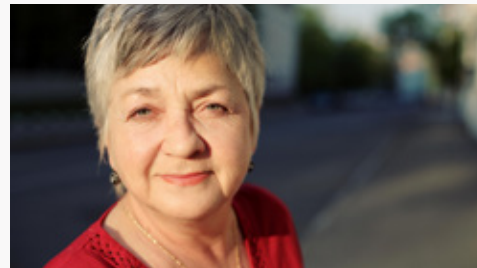
GSK is a science-led global healthcare company that researches and manufactures a range of products to help people do more, feel better and live longer.

As a global healthcare company, our commercial success depends on creating innovative new medicines, vaccines and healthcare products, and making these accessible to as many people who need them as possible.

By doing this, we will be able to grow our business and provide benefits to patients, consumers, society, our employees and our shareholders.

We put our values at the heart of every decision we make, and we commit to help people do more, feel better, live longer.

Pharmaceuticals



£17.9bn **67%**

Turnover of Group

We develop and make medicines to treat a broad range of conditions including: respiratory disease, cancer, heart disease, bacterial and viral infections such as HIV, lupus and skin conditions.

Vaccines



£3.4bn **13%**

Turnover of Group

Our vaccines business is one of the largest in the world, producing more than 30 vaccines for children and adults against a range of infectious diseases. In 2013, we delivered 860 million vaccine doses, over 80% of them for use in developing countries.

Consumer healthcare



£5.2bn **20%**

Turnover of Group

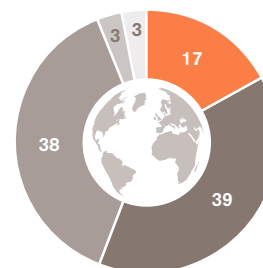
We develop and market a range of consumer health products based on scientific innovation. We have brands in four main categories: Total wellness, Oral care, Nutrition and Skin health.

Our values are transparency, respect for people, integrity and patient focus.

Where we are

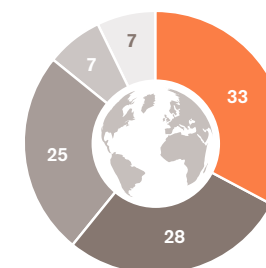
We have a significant global commercial presence in more than 150 markets, with a network of 86 manufacturing sites worldwide, and R&D centres in the UK, USA, Spain, Belgium and China.

Employees by region 2013 (%)



USA
Europe
EMAP
Japan
Other

Turnover by region 2013 (%)



USA
Europe
EMAP
Japan
Other

£26.5bn

2013 Group turnover

How we create value

We are adapting our business model and pursuing a strategy that delivers sustainable performance through innovation and expanding access, driven by our values.

Our mission

We have a challenging and inspiring mission: to improve the quality of human life by enabling people to do more, feel better, live longer. This mission gives us the purpose to develop innovative medicines and products, and make them available to as many people who need them as possible.

Our mission is underpinned by a number of key factors.

To achieve our mission, we rely on our people – their knowledge, their expertise and their enthusiasm – and put our values at the heart of every decision we make.

Our strategic priorities – grow, deliver, simplify – help us work towards our vision, while enhancing business performance and delivering sustainable growth.

We focus on understanding the needs of patients, consumers and individual markets so we can channel our research into developing appropriate products. These insights also enable us to adapt our business model to improve availability and affordability.

Our business model

We have a broadly-based and balanced business across pharmaceuticals, vaccines and consumer healthcare. At the core of our business model are the concepts of innovation and access. We create value by researching and manufacturing innovative and high quality products, and making these accessible to as many people who need them as possible.

Improving healthcare and making it affordable and accessible to more people is a huge challenge, and one that requires a combined effort.

To meet this challenge, everyone involved in providing healthcare – industry, healthcare professionals, universities, healthcare funders including governments, charities and regulators – need to work together. With this in mind, partnership and collaboration is a key principle of our business approach.

We continue to reform our business model. For example, we have taken industry-leading positions to improve global public health through our pricing and access strategies, increase transparency of our clinical trial data and modernise our commercial practices and interactions with customers.

Outputs

Delivering innovation and maximising access to our products generates value for patients, and society more widely.

Our primary contribution is to make products that provide benefits to patients and consumers.

Successful delivery of this generates profitable and sustainable performance. In turn, this allows us to generate value and returns for our shareholders, and enables us to reinvest in the business.

We also create value by making direct and indirect economic and social contributions in the countries where we operate. These wider benefits to society include contributions through tax, employment and enhancing the well-being of local communities through our global community initiatives.



Health for all

Driven by our steadfast focus on the patient, we are bringing health benefits to more people around the world through our open, flexible and collaborative approach to innovation and access to healthcare.



In focus

Philomene is being treated for breast cancer at the Butaro Cancer Centre of Excellence, Rwanda. As part of our work to address non-communicable diseases in the developing world, we are funding the training of cancer healthcare professionals in Rwanda in partnership with charities and the government. This will increase access to trained cancer specialists for patients like Philomene.

Health for all

Overview

To bring new vaccines and medicines to patients faster, we are accelerating our innovation processes, opening up our research findings and resources to others, and bringing together partners to explore new delivery models and flexible pricing strategies to increase access to our existing range of products.

We have been at the forefront of the transformation in our industry's approach to global healthcare over the past decade, but we know there is still much more to be done to meet major health challenges. We want to play a leading role in this effort, while generating the returns we need to invest and grow our business.

We remain committed to improving treatment options and life-saving vaccines and medicines through our strategies to extend access and foster innovation, and our continued focus on diseases of the developing world. The ways in which we have evolved our business model enable us to make a significant contribution to the [UN's Millennium Development Goals](#) for 2015.

Through our own work and collaboration with others in our sector and beyond, we are creating sustainable solutions that will improve quality of life by enabling people to do more, feel better and live longer.



Internal perspective

“Scientific and technological innovation will enable us to make the advances necessary to bring new medicines, in new ways, to patients everywhere. At GSK, we are working with many partners and across many areas – such as gene therapy and biopharmaceuticals – to develop medicines for diseases where effective treatments do not currently exist. We’re also playing our part in exploring new ways to stimulate innovation in areas where the commercial incentive is weaker – for example on TB, antibiotic resistance or Alzheimer’s.”

Patrick Vallance
President, Pharmaceuticals R&D, GSK

External perspective

“Community health workers provide vital services to rural communities and GSK has been a pioneer and trail-blazer in supporting the deployment of CHWs across Africa. The One Million Community Health Workers Campaign will save lives and help rural communities in sub-Saharan Africa to break free of extreme poverty. By promoting the systematic deployment of a million CHWs, roughly 1 per 100 households in rural areas, the Campaign will support sub-Saharan Africa to make major strides towards the Millennium Development Goals and beyond.”

Jeffrey Sachs
Director of the Earth Institute and the Sustainable Development Solutions Network

External perspective

“Given the scale of the disease burden in developing countries, we look forward to our continued work with GSK to develop essential lifesaving health interventions. We’re particularly excited about GSK’s long-term commitment to global health R&D and innovation in malaria.”

Dr. Trevor Mundel
President, Global Health Programme,
Bill & Melinda Gates Foundation

Health for all

2013 at a glance

Innovative science to create value for all

Of the six major new medicines we profiled at the start of 2013, five were approved. We are expecting regulatory decisions for the remaining asset in the first half of 2014. We also launched a new injectable quadrivalent flu vaccine in the USA.

GSK accounted for 19% of FDA new drug approvals.

6

Innovative science to create value for all

£3.4bn

Invested £3.4bn in global research and development for innovative medicines, vaccines and consumer products.

We have 40 new molecular entities in phase II/III clinical development.

Access to healthcare

Increased our focus on non-communicable diseases such as diabetes and cancer in developing countries through research and training for healthcare providers.

Access to healthcare

Partnered with Save the Children to help save the lives of one million children.

Access to healthcare

Delivered 46.8 million vaccine doses to GAVI Alliance at affordable prices to protect children from pneumococcal diseases, rotavirus gastroenteritis and cervical cancer.

46.8m

Diseases of the developing world

Achieved a major milestone in our malaria vaccine candidate, which demonstrated that over 18 months of follow-up, RTS,S almost halved the number of malaria cases in young children (aged 5-17 months at first vaccination) and reduced by around a quarter the malaria cases in infants (aged 6-12 weeks at first vaccination).

Diseases of the developing world

Donated our four billionth albendazole tablet to fight lymphatic filariasis and intestinal worms as part of our commitment to work with partners to control or eliminate 10 of the 17 neglected tropical diseases.

4bn

HIV/AIDS

Obtained regulatory approval in the USA, Canada and Chile for *Tivicay* (dolutegravir), a new treatment option for people living with HIV.



HIV/AIDS

Agreed to grant the UNITAID-backed Medicines Patent Pool, a voluntary licence for paediatric formulations of the antiretroviral medicine, abacavir, in 118 countries, where 98% of HIV positive children live.



Access to healthcare

Updated our tiered pricing model for vaccines to increase support for countries committed to long-term immunisation programmes that reflects their ability to pay.

Access to healthcare

Reinvested 20% of the profits we made in Least Developed Countries – £5.1 million – to train community health workers and strengthen healthcare infrastructure in those countries.

→ See page 23



Diseases of the developing world

Provided 412 million doses of oral polio vaccine as part of our continued support for global efforts to eliminate the disease – we have contributed over 15.8 billion doses since 1988.

412m

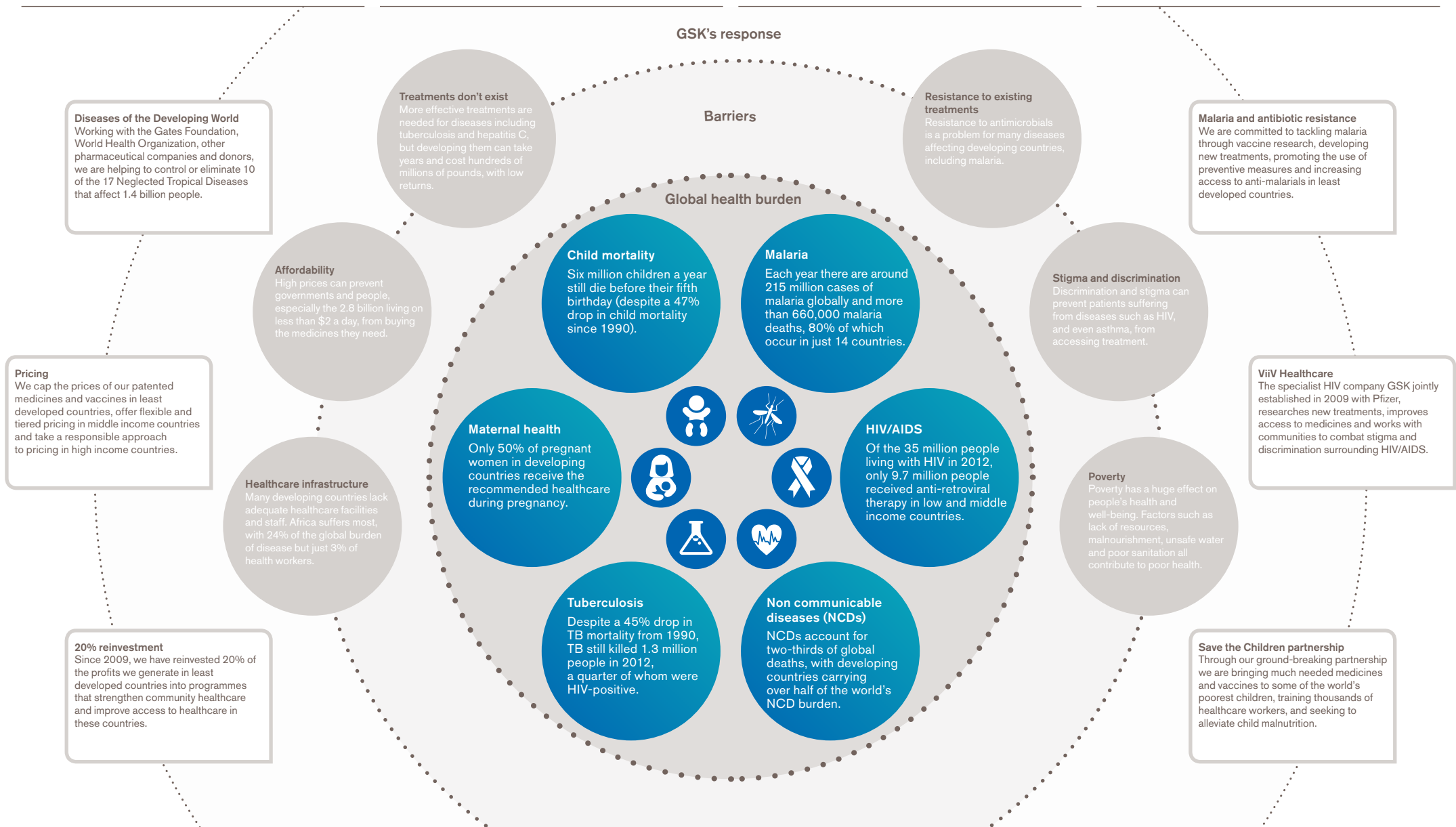
Health and well-being in our communities

£221m

Donated £221 million to promote the health and well-being of communities through funding, product donations and employee volunteering.

Improving healthcare: a global challenge

As a global healthcare company, GSK works within the context of the global health burden, exemplified by the UN Millennium Development Goals. We recognise the complex barriers to health and are responding in innovative ways.



Ground-breaking partnership with Save the Children to help save one million lives

Commitment

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

Our ground-breaking partnership with international children's charity, Save the Children, will help save the lives of one million children. By combining our expertise, resources and capabilities, we will bring much-needed medicines and vaccines to some of the world's poorest children, train thousands of healthcare workers, and seek to alleviate child malnutrition. GSK is investing at least

£15 million in grants and we are encouraging employees to raise £1 million a year through volunteering and fund raising.

Globally, over six million children die every year due to a lack of basic healthcare, vaccines or nutritious food. We are establishing signature programmes in the Democratic Republic of Congo (DRC) and Kenya to test the impact of a series of

comprehensive interventions. A joint R&D board will explore the development of new or repurposed products to tackle the causes of newborn and infant death.

One of our first life-saving projects is the reformulation of chlorhexidine, an antiseptic found in our Corsodyl mouthwash, for umbilical cord cleansing to prevent infection in newborns. If applied for the first few days of their life, this gel could play a vital role in preventing infection and saving babies' lives. This is one of the 13 interventions recommended

by the UN Commission on Life Saving Commodities.¹

We are also registering a child-friendly, powder-based antibiotic into the DRC to help fight pneumonia, one of the biggest killers of children under five, as well as developing a low-cost nutritional product to help combat child under-nutrition.

This new partnership builds on our collaboration with Save the Children over the past eight years, which includes work on our 20% reinvestment programme in Least Developed Countries

and the Africa Malaria Partnership. Together we awarded US\$1 million in 2013 for healthcare innovations originating in the developing world. The award was split between five organisations, with the largest portion going to Friends of Sick Children in Malawi, for their development of a low-cost device to help newborn infants breathe.

¹ Source: <http://www.everywomaneverychild.org/resources/un-commission-on-life-saving-commodities>

Our behaviour

For GSK, how we do things is just as important as what we do. Our values-based culture is designed to ensure we put patients and customers first.



In focus

Andrew is a senior scientist who has worked at GSK for seven years and works in Biopharm Research and Development at our Stevenage site, in the UK. Like all our employees, Andrew uses our values and our Code of Conduct as a guide for decision-making and knows that we encourage employees to speak up when they have concerns.

Our behaviour

Overview

In our efforts to meet global healthcare challenges while ensuring the sustainability of our business, we navigate a wide range of complex ethical issues associated with every stage of the development and delivery of our products – from research through to manufacturing and supply, to sales and marketing.

Our four core values – transparency, respect for people, integrity, and patient-focus – guide us in everything we do. And our people, our partners and our suppliers are expected to adhere to the strict codes of ethical conduct that support these values.

Over the last six years we have evolved our business model to better meet society's expectations. And we are leading the industry in many areas – from increasing the transparency of clinical research to transforming the way we incentivise our sales teams and engage with healthcare professions.

Recent allegations of fraudulent behaviour in China have underlined the importance of our efforts. We are prepared to take decisive action and change the way we operate if we are failing to meet the expectations of our stakeholders.

2013 at a glance

Our values and principles

All employees must uphold our Code of Conduct. In addition, over 65,000 designated managers completed our annual Ethical Leadership Certification to certify their awareness, understanding and compliance with GSK's values and policies.

65,000

Internal perspective

“Our commitment to transparency enables the broader scientific community to examine data more closely to conduct further research that can help advance medical science or improve patient care. We also have a responsibility to ensure that the vital contribution made by people who participate in our trials is used to help further scientific understanding”.

James Shannon,
Chief Medical Officer, GSK

Our values and principles

Systematically assessed GSK's human rights impacts, and developed plans relating to our supply chain and embedding global standards at the country level.

Research practices

To facilitate further research and progress medical science and patient care we launched an online request system where external researchers can access the detailed anonymised patient-level data from our clinical trials. We also became the first company to publish clinical study reports – formal reports on the design, methods and results of our trials.

Working with healthcare professionals

Began a process to end direct payments to healthcare professionals for speaking engagements or attendance at medical conferences by 2016.

Sales and marketing

Extended our 'Patient First' programme in our US business to base sales team incentives on scientific knowledge and behaviours that support ethical, patient-focused business practices, instead of sales volumes.

External perspective

“GSK was the first pharmaceutical company to join the AllTrials campaign in February 2013 saying the company owes it to the thousands of people who have taken part in clinical trials to make the data they have generated available for scrutiny. Many organisations representing patients, doctors and regulators have applauded GSK's decision, and we are looking to GSK to develop the strong leadership on clinical trial reporting that is urgently needed across the industry”.

Sile Lane,
The AllTrials campaign

Manufacturing and supply chain

Began rolling out an anti-counterfeiting programme that will provide unique serial numbers on 200 packaging lines across 25 manufacturing sites over the next four years.

200

Putting patients first in sales and marketing

We constantly challenge ourselves on how we can better meet the expectations of society. In 2013, we reinforced our commitment to putting patients first by announcing fundamental changes to our sales and marketing practices, and the way we interact with healthcare professionals.

Instead of individual sales targets, we will now incentivise our sales and marketing teams who detail our products to prescribers to ensure that the interests

of patients come first. Our new compensation scheme will reward sales and marketing professionals for how well they use their technical knowledge to improve patient care and GSK's overall business performance. It is built on our experience in the USA, which has shown that such an approach pays off through improved customer satisfaction.

We are also changing our relationship with healthcare professionals (HCPs). We

work with HCPs in a number of ways, including on research that they conduct on our behalf and by soliciting their expertise on GSK products or therapy areas.

In 2014, we began a two-year process to end the practice of paying HCPs to speak on our behalf, about our products or disease areas, to audiences who prescribe or can influence prescribing. This move is designed to provide patients with greater confidence that whenever they talk to a

doctor, nurse or other prescriber, there is no perception of a conflict of interest. We remain committed to continue our support to HCPs, and these changes will help us do so with transparency.



Our people

Our people are essential to our success. We focus on building their individual capabilities, and aim to support and empower them to be the best they can be.



In focus

Alicia is an electrical engineering graduate on one of GSK's specialist graduate schemes. Future talent is essential to business success and we run several schemes to support talented employees, like Alicia, in their early careers.

Our people

Overview

By creating strong leaders, offering individual development opportunities and rewarding our people based on how they deliver as well as what they achieve, we are motivating our employees to excel and put our values at the heart of every decision they make. We want them to feel proud of the work they do, the company they work for and the difference they make.

For GSK, living our mission starts from within, by improving the health and well-being of our employees. We are helping people build their energy levels, resilience and productivity, and we are introducing unrivalled preventive healthcare benefits for employees and their families worldwide.

As an inclusive employer, we want to ensure all of our people feel valued, thrive as individuals and are inspired to work together to help us achieve our mission, whatever their background.

2013 at a glance

Internal perspective

"We have designed the new Performance System to connect individual performance with reward and align our collective efforts to deliver our strategy. At the heart of the system are individual and leadership expectations which guide what we do and how we do it, aligned to our values."

Claire Thomas
SVP Human Resources, GSK

Internal perspective

"When I look at myself now and compare it to before I attended Energy for Performance, I realise I am a totally different person. I am a better leader, husband and father. The way I look at it is – you have to take care of your own health first and be a role model for others before they will look up to you as a leader, be willing to listen and want to follow what you have to say."

Richard Lewis
Immunology & Rare Diseases, GSK

Talent and leadership development

Reached over 6,500 leaders in 30 countries through our coaching programmes to strengthen leadership capabilities.

6,500

Talent and leadership development

Increased the number of employees each year completing voluntary assignments with Non-Government Organisations or non-profit organisations through PULSE to 99 – up from 94 in 2012.

Inclusion and diversity

Increased the proportion of women in management to 41%, up from 40% in 2012.

41%

Inclusion and diversity

The graduation of our first Project Search cohort and subsequent recruitment of the next group of students.

Health, safety, and well-being

Reduced injury and illness rates by 12% from 2012.

↓ 12%

Health, safety, and well-being

Equipped 48,300 employees with the tools to cope with workload stress through energy and resilience training since 2008.

48,300

Performance, reward and recognition

Began the roll out of preventive healthcare benefits through our Partnership for Prevention programme, which will be available to employees and their families worldwide by 2018.

Performance, reward and recognition

Launched the GSK Expectations as part of our new Performance System to better link employee reward with our values.

Setting the standard in employee healthcare

GSK's Partnership for Prevention (P4P) programme is setting the standard in employee healthcare.

In 2012 we piloted the programme in Ecuador, Ghana, Nigeria and Romania. By 2018, P4P will offer all benefits-eligible employees and their families access to up to 40 preventive health services – from vaccinations to cancer

screenings – at low or no cost. No other multinational company is doing this on the same scale.

No matter what job they do, or where they work, we want all our employees to have access to the healthcare they need to be fit and healthy. By providing access to preventive healthcare we are reinforcing our efforts to maintain a motivated,

engaged and resilient workforce, and giving our employees the opportunity to improve and protect their health.

These services are of even greater need for those working in countries where preventive healthcare may be unavailable or access is limited.



Our planet

We are working hard to reduce our environmental footprint, even as we grow our business to extend the benefits of GSK products to more patients and customers around the world.



In focus

Adina is a pharmacy manager in London at one of the pharmacies where GSK is running our Complete the Cycle inhaler recycling scheme. Complete the Cycle encourages patients to return their old inhalers to a participating pharmacy so they can be recycled, helping reduce waste and carbon emissions.

Our planet

Overview

We are committed to managing and reducing the environmental impacts of our operations and our products across their life-cycle. Our stakeholders expect us to, and the long-term success of our business depends on it. To ensure we can continue to deliver high quality products to patients and consumers in the future, we must protect the natural resources we need to make them today.

These resources are already becoming scarcer and more expensive, and the effects of climate change and water scarcity could threaten some of the improvements in global health our medicines, vaccines and consumer products are helping to deliver.

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

2013 at a glance

Carbon

Our Scope 1 and 2 carbon emissions from our operations grew slightly in 2013, although they remain 7% lower than our 2010 baseline.



External perspective

"I applaud GSK's approach to minimising their environmental footprint. They are the first company worldwide to announce that all new respiratory drugs will only be launched in dry powder formulations, which have less than 10% of the global warming potential than HFA inhalers. However, GSK must maintain momentum if they are to reach their ambitious carbon targets."

Ashley Woodcock OBE
Consultant Respiratory Physician, University Hospital of South Manchester
Shared in Nobel Peace Prize with IPCC and Al Gore

Carbon

Our Scope 3 emissions (excluding raw materials) increased by 1.5% in 2013 across the value chain due to strong sales of HFA propellant-based inhalers, and have increased by 11% since 2010.

Water

Used 2% less water in our operations during 2013.

↓ 2%

Mapped water use across our value chain – production of raw materials accounts for an estimated 84% of our total water footprint and our own operations represent just 1%.

Water

Became the first company to be awarded global certification to the Carbon Trust's Water Standard in recognition of our year-on-year reductions in operational water use globally.



Waste

Generated 11% more waste than in 2012 due to business growth, but achieved 6% reduction compared to 2010.

Waste

Achieved zero waste to landfill at 37 sites.



Internal perspective

"We are focused on reducing emissions, energy and water use throughout our supply chain, which both benefits the environment and also reduces waste and cost, so that we can reinvest savings in innovation and improving access to our medicines."

Roger Connor
President, Global Manufacturing and Supply, GSK

Engagement

Reviewed carbon, water and waste data from over 216 suppliers to better understand environmental impacts in our supply chain.



Taking a scientific approach to sustainability

The sourcing of raw materials and the complex, energy-intensive chemical processes involved in transforming them into our products accounts for around half of our value chain carbon footprint.

Over the last five years, we have been using innovative technology to reduce environmental impacts associated with manufacturing active pharmaceutical ingredients – the substances in our drugs that treat or prevent illness. Following trials in

Jurong, Singapore, teams at the eight facilities where we produce active ingredients are implementing holistic improvement plans which are bringing significant environmental benefits and cost reductions.

Infrastructure investments included installing a biogas plant at Irvine, UK, a combined heat and power facility in Worthing, UK, and a photo oxidation system for waste treatment in Singapore. Our site in Cork, Ireland, where we

are now bio-treating waste and recovering the energy produced, achieved zero waste to landfill for the third year running in 2013, and has cut water use by 57% and carbon emissions by 41% since 2008.

We are also making changes to the chemical processes themselves. For example, we are investing in a new process at our facility in Quality Road, Singapore, which uses enzymes in the manufacturing of amoxicillin (one of the most widely prescribed antibiotics

in the world). This innovative process will significantly cut our carbon emissions by reducing cooling requirements, as well as producing less organic waste.

Many of the improvements we are making take time to implement. But across all eight sites, we have already cut energy use by 4%, CO₂ emissions by 12%, water use by 10% and waste to landfill by 82% since 2010.















Commitments

Progress overview

In 2012, we developed forward-looking commitments across the four areas of our responsible business approach. They aim to address unmet global health needs and are aligned with our strategic priorities and our values.

In this year's full Corporate Responsibility Report we have reported on our progress against these commitments and here we provide a summary.

	 Commitments	 Progress tracker	
Health for all	Innovation for unmet medical needs 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.	On track 	Worked to promote R&D of new antibiotics and accelerate development of treatments for Alzheimer's disease through the Innovative Medicines Initiative, and continued to research multi-drug-resistant tuberculosis.
	Developing vaccines that don't need to be kept cold Invest in the development of vaccines that don't require continuous refrigeration, making distribution easier and less expensive.	On track 	Partnered with the Bill & Melinda Gates Foundation to accelerate advances in vaccine research, including making them less vulnerable to heat.
	Building products to better meet needs 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.	On track 	Our 'catch-up' programme in developing countries received approvals for a further 26 products in 2013; and we reached 16,000 villages in India with low cost nutritional formulation of <i>Horlicks</i> .
	Better access to medicines and vaccines Further embed our flexible pricing strategy and innovative business models for our prescription medicines and vaccines, to increase usage among those less able to access and afford our products.	Progressing well 	Updated our approach to tiered pricing for vaccines.
	Reducing child mortality Continue to invest in innovative cross-sector partnerships to reduce child mortality.	On track 	Formed a ground-breaking partnership with Save the Children to help save one million children's lives.
	Strengthening healthcare infrastructure Continue to work with partners to support the development and strengthening of healthcare infrastructure. We anticipate this could improve access to healthcare for 20 million under-served people by 2020 (vs 2012).	Progressing well 	Launched innovative partnerships with Barclays and Vodafone, and invested £5.1 million in strengthening healthcare infrastructures through our 20% reinvestment programme in Least Developed Countries.
	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 World Health Organization (WHO) and UNAIDS achieve their goal of reaching 15 million people globally with antiretroviral treatment by 2015.	On track 	Committed to grant the UN-supported Medicines Patent Pool, a voluntary licence to develop paediatric formulations of the antiretroviral medicine abacavir, to treat HIV in the 118 countries where 98% of HIV positive children live globally.
	Fighting malaria Build on our 30 year commitment to contribute to the fight against malaria through continued R&D investment and partnerships on the ground.	Progressing well 	Announced large scale phase III trial data for our malaria vaccine RTS,S and are developing a medicine, Tafenoquine, in partnership with MMV for the treatment and relapse prevention of vivax malaria.
	Eliminating and controlling neglected tropical diseases Help to eliminate and control ten neglected tropical diseases that affect 1.4 billion people, by 2020 – including the elimination of lymphatic filariasis, through our continued investment in R&D, ongoing product donations and our contribution to the London Declaration on Neglected Tropical Diseases.	On track 	Donated 763 million albendazole tablets to eliminate Lymphatic Filariasis and control soil-transmitted helminths, and screened our compound library for promising treatments for parasites that cause sleeping sickness, Chagas Disease and Visceral Leishmaniasis.
Eradicating polio Continue to support the WHO objective of eradicating polio by 2018 by providing vaccines to UNICEF until this is achieved.	Progressing well 	Provided a further 412 million doses of Oral Polio Vaccine to the Global Polio Eradication Initiative.	

Commitments

Progress overview *continued*

Commitments

Progress tracker

	Commitments	Progress tracker
Our behaviour	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.	On track Announced changes to our global sales and marketing practices to further ensure patient interests come first, and introduced a new performance management system focused on values.
	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.	Progressing well Strengthened resources to enhance our pharmacovigilance operating model, expanded dedicated product quality teams and maintained our robust policies and governance framework on patient safety.
	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.	On track Reduced number of animals used in our research by 10% in 2013.
	Promoting Human Rights Address the UN Guiding Principles on Business and Human Rights across our own operations and our supplier relationships.	On track Conducted a human rights impact assessment and prioritised seven areas for further analysis, and updated our human rights statement accordingly.
	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.	Progressing well Launched online system enabling researchers to request access to the detailed anonymised patient-level data from our clinical trials and became first pharmaceutical company to publish clinical study reports.
	Ensuring ethical stakeholder interactions Demonstrate that all GSK interactions with patient advocacy groups and political stakeholders are conducted appropriately, ethically and transparently.	On track Embedded new criteria to ensure public policy groups we work with are aligned with our values and agreed relevant Standard Operating Procedures.
Our people	Promoting inclusion and diversity Continue to promote inclusion and diversity globally at GSK.	On track Agreed to establish Global Disability Council and introduced gender targeted coaching and sponsorship.
	Creating inspiring and healthy workplaces Continue to create a working environment that inspires people to grow and perform in a healthy and resilient way.	On track Interim employee survey results showed improvements in team leader effectiveness; continued to roll out preventive healthcare for employees; reduced injury and illness rates by 12% from 2012.
	Community volunteering to create change Extend volunteering opportunities to bring about positive change to communities and global health while providing individual development.	On track Increased the number of employees taking part in PULSE volunteer partnership programme to 99 (from 58 in 2010).
Our planet	Aiming to be carbon neutral Reduce our overall carbon footprint by 25% by 2020 (vs. 2010) and have a carbon neutral value chain by 2050.	Work to do Scope 1 and 2 carbon emissions from our operations up 2% in 2013, but down 7% since 2010; Scope 3 emissions (excluding raw materials) up 1.5% in 2013 and up 11% since 2010, due to strong sales of HFA propellant-based inhalers.
	Reducing our water impact By 2020, reduce our water impact across the value chain by 20% (vs. 2010).	On track Used 16% less water in our operations (vs. 2010); mapped water use across our value chain; became first company to be awarded global certification to the Carbon Trust's Water Standard.
	Reducing our waste By 2020, reduce our operational waste by 50% (vs. 2010).	On track Cut total waste by 6% and sent 39% less to landfill (vs.2010); achieved zero waste to landfill at 37 sites.
	Building sustainability in our supply chain Build sustainable supply lines for our Nutrition portfolio and work with local farmers to improve their agricultural practices, improve their yields, their competitiveness and their livelihoods.	On track Began working with a dairy supplier in India to develop a secure supply of locally produced whey protein (from milk) to make <i>Horlicks</i> , and now source 60% of whey protein from the local supplier in India for <i>Horlicks</i> .