## United Nations Global Compact Communication on Progress 2016

GSK is a signatory to the UN Global Compact (UNGC). The Compact challenges business to operate according to ten principles covering bribery and corruption, human rights, labour and the environment.

The following Index is structured according to the 21 criterion for an Advanced Level Communication on Progress (COP) and is compiled from our 2016 Responsible Business Supplement, 2016 Annual Report and the gsk.com website.

### Statement of support from the CEO

“GSK became a signatory to the United Nations Global Compact in 2007 and remains committed to upholding the Ten Principles on human and labour rights, the environment and anti-corruption. This is reflected in our strategy, policies and standards ensuring we continue to deliver long term commercial success, whilst simultaneously responding to the evolving expectations of society.”

Andrew Witty, Chief Executive Officer, GSK, March 2017

### Criterion 1: Mainstreaming into corporate functions and business units

<table>
<thead>
<tr>
<th>Description</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company’s sustainability commitments and objectives</td>
<td>Our governance structure</td>
</tr>
<tr>
<td>Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary</td>
<td>Our governance structure</td>
</tr>
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</table>

### Criterion 2: Describes value chain implementation

<table>
<thead>
<tr>
<th>Description</th>
<th>Reference</th>
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</thead>
<tbody>
<tr>
<td>Communicate policies and expectations to suppliers and other relevant business partners</td>
<td>Our values/Ethical conduct – p.14 Working with third parties – p.18</td>
</tr>
<tr>
<td>Implement monitoring and assurance mechanisms (e.g., audits/screenings) for compliance within the company’s sphere of influence</td>
<td>Our values/Ethical conduct – p.14 Working with third parties – p.18</td>
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</table>

### Criterion 3: Robust commitments, strategies or policies in the area of human rights

<table>
<thead>
<tr>
<th>Description</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to comply with all applicable laws and respect internationally recognised human rights, wherever the company operates</td>
<td>Human rights – p.18</td>
</tr>
</tbody>
</table>
**Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company**

**Criterion 4: Describes effective management systems to integrate the human rights principles**

- On-going due diligence process that includes an assessment of actual and potential human rights impacts
- Allocation of responsibilities and accountability for addressing human rights impacts

**Criterion 5: Describes effective monitoring and evaluation mechanisms of human rights integration**

- Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff

**Criterion 6: Describes robust commitments, strategies or policies in the area of labour**

- Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies
- Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners

**Criterion 7: Describes effective management systems to integrate the labour practices**

- Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organisation of workers

**Criterion 8: Describes effective monitoring and evaluation mechanisms of labour principles integration**

- System to track and measure performance based on standardised performance metrics
- Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards.
- Process to positively engage with the suppliers to address the challenges through schemes to improve workplace practices

**Criterion 9: Describes robust commitments, strategies or policies in the area of environmental stewardship**

- Reflection on the relevance of environmental stewardship for the company
- Written company policy on environmental stewardship
- Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners
- Specific commitments and goals for specified years

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**Data summary**

**Aiming to be carbon neutral**

- **Working with GSK and the environment**
- **Our planet**
- **Developing our people**
- **GSK and the environment**
- **Working with third parties**
- **Aiming to be carbon neutral**
- **Commitments**

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**Human rights statement**

**Human rights – p.18**

**Human rights statement**

**Human rights – p.18**

**Human rights statement**

**Ethical conduct – p.14**

**Developing our people**

**Working with third parties – p.18**

**Working with third parties – p.18**

**Annual Report – p.50**

**Our planet – p.22**

**GSK and the environment**

**Working with third parties – p.18**

**Aiming to be carbon neutral – p.23-25**

**Commitments – p.23-25**

**Data summary – p.28**
### Criterion 10: Describes effective management systems to integrate the environmental principles

| Environmental risk and impact assessments | Carbon – p.23  
Water – p.24  
Waste – p.25 |
|------------------------------------------|----------------|
| Assessments of lifecycle impact of products, ensuring environmentally sound management policies | Carbon – p.23  
Water – p.24  
Waste – p.25 |
| Allocation of responsibilities and accountability within the organisation | Our governance structure |

### Criterion 11: Describes effective monitoring and evaluation mechanisms for environmental stewardship

| System to track and measure performance based on standardised performance metrics | Data summary – p.28  
Annual report – p.50 |
|------------------------------------------|----------------|
| Leadership review of monitoring and improvement results | Our governance structure  
Annual report - Governance & remuneration – p.86 |
| Audits or other steps to monitor and improve the environmental performance of companies in the supply chain | Working with third parties – p.18  
Aiming to be carbon neutral – p.23 |

### Criterion 12: Describes robust commitments, strategies or policies in the area of anti-corruption

| Publicly stated formal policy of zero-tolerance of corruption | Ethical conduct – p.14  
Anti-Bribery and Corruption Policy |
|-------------------------------------------------------------|----------------|
| Policy on anti-corruption regarding business partners | Ethical conduct – p.14  
Working with third parties – p.18  
Third party guidelines |

### Criterion 13: Describes effective management systems to integrate the anti-corruption principle

<table>
<thead>
<tr>
<th>Support by the organisation’s leadership for anti-corruption</th>
<th>Ethical conduct – p.18</th>
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<tbody>
<tr>
<td>Internal checks and balances to ensure consistency with the anti-corruption commitment</td>
<td>Ethical conduct – p.18</td>
</tr>
<tr>
<td>Management responsibility and accountability for implementation of the anti-corruption commitment or policy</td>
<td>Ethical conduct – p.18</td>
</tr>
</tbody>
</table>
| Communications (whistle blowing) channels and follow-up mechanisms for reporting concerns or seeking advice | Ethical conduct – p.18  
Speak-up integrity line |

### Criterion 14: Describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

| Leadership review of monitoring and improvement results | Ethical conduct – p.18  
Annual report – Corporate Responsibility Committee Report p.109 |
|---------------------------------------------------------|----------------|

### Criterion 15: Describes core business contributions to UN goals and issues

| Align core business strategy with one or more relevant UN goals/issues | Annual Report How we create value – p.13  
Annual Report Our strategic priorities – p.14  
GSK SDGs public policy  
Our corporate responsibility priorities – p.5  
Strengthening healthcare infrastructure – p.10 |
|---------------------------------------------------------------------|----------------|
| Develop relevant products and services or design business models that contribute to UN goals/issues | Strengthening healthcare infrastructure – p.10  
Health for all – p.7  
Open innovation – p.8  
Better access to medicines and vaccines – p.9  
Addressing human rights impacts – p.18 |
<table>
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<tbody>
<tr>
<td>Criterion 16: Describes strategic social investments and philanthropy</td>
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</tbody>
</table>
| Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy | Better access to medicines and vaccines – p.9  
Community volunteering creates change – p.21 |
| Criterion 17: Describes advocacy and public policy engagement |  |
| Publicly advocate the importance of action in relation to one or more UN goals/issues | Health for all – p.7  
GSK SDGs public policy |
| Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues | GSK SDGs public policy  
Africa health agenda international conference  
Business Action on the SDGs |
| Criterion 18: Describes partnerships and collective action |  |
| Develop and implement partnership projects with public or private organisations on core business, social investments and/or advocacy | Open innovation – p.8  
Better access to medicines and vaccines – p.9  
Reducing child mortality – p.12  
Strengthening healthcare infrastructure – p.10  
Our approach to partnering |
| Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company’s positive impact on its value chain | Open innovation – p.8  
Better access to medicines and vaccines – p.9  
Building products to better meet needs – p.10  
Strengthening healthcare infrastructure – p.10  
Clinical study register – p.15 |
| Criterion 19: Describes CEO commitment and leadership |  |
| CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact | UNGC COP CEO statement |
| CEO promotes initiatives to enhance sustainability of the company’s sector and leads development of industry standards | CEO statement – p.3 |
| Criterion 20: Describes Board adoption and oversight |  |
| Best practices | Our implementation  
Board of Directors (or equivalent) assumes responsibility and oversight of long-term corporate sustainability strategy and performance | CRC Chairman statement – p.3  
CEO statement – p.3  
Our governance structure |
| Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability | CRC Chairman statement – p.3  
*Our governance structure* |
| --- | --- |
| Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress) | CRC Chairman statement – p.3  
*Our governance structure* |
| **Criterion 21: Describes stakeholder engagement** | |
| Publicly recognises responsibility for the company’s impacts on internal and external stakeholders | Our corporate responsibility priorities – p.5 |
| Define sustainability strategies, goals and policies in consultation with key stakeholders | Our corporate responsibility priorities – p.5  
Commitments – p.6 |
| Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect ‘whistle blowers’ | Ethical conduct – p.18  
*Speak-up integrity line* |