

GSK Public policy positions

The Sustainable Development Goals

The Issue

The Sustainable Development Goals (SDGs) were adopted by world leaders at the United Nations (UN) Sustainable Development Summit in September 2015. They include 17 goals and 169 related targets aimed at ending poverty, fighting inequality and injustice, and tackling climate change by 2030.

The SDGs build on the eight Millennium Development Goals (MDGs) adopted in 2000, targeting poverty, hunger, disease, gender inequality, and access to water and sanitation. Good progress has been made with the MDGs, showing the value of a unifying agenda underpinned by goals and targets. Despite this success, the indignity of poverty has not yet ended. The SDGs and the broader sustainability agenda therefore aim to go much further than the MDGs, addressing the root causes of poverty and the universal need for sustainable development that works for all people.

The role of the private sector is intrinsically built into the framework of the SDGs and we believe that business has an essential part to play in helping to realise the goals – indeed without private sector input, the ambition is unlikely to be fully realised. By investing in areas such as health, infrastructure, agriculture and energy, the private sector is one of the many partners that will contribute to the ultimate success of the SDGs.

The scale and nature of GSK's business means that we contribute to a number of the UN's goals through our every day operations. For example we contribute to SDG 8 "Good Jobs and economic growth" through our working environment which supports employees to feel valued, respected and empowered. We also contribute to SDG 5 "Gender equality" through our promotion of inclusion and diversity, support for human rights and investment in the training and development of our people.

Our role as a science-led healthcare company and global manufacturer means we particularly align with certain health and environment goals. While our experience of working in multiple markets and jurisdictions means we recognise how important effective laws and good governance will be in helping to realise the SDGs. This paper focuses on GSK's contribution in these three areas and on the value of collaboration and partnerships in driving our work. It builds on the overview of our 23 Responsible Business Commitments provided in our Responsible Business Supplement many of which align directly with the SDGs, to provide a detailed analysis of our support for the health, environment and governance goals.

GSK's Position

- **GSK is fully committed to leveraging our expertise and experience to support the development agenda reflected in the SDGs.** We publically report annually on our progress against our 23 Responsible Business Commitments, many of which are directly aligned with the SDGs.
- **Improved health must remain central to the development agenda.** Despite the gains that have been made in health over the last 15 years, the job is far from done. The transition from the more health-focused MDGs to the more comprehensive SDGs must not lead to a reduction of resources for health – in fact, more resources will be required to achieve the new set of challenging and ambitious targets.
- **Universal Health Coverage (UHC) is key to achieving the Health SDG.** GSK is fully committed to realising the UHC target via a thoughtful transition that meets the shared goals of industry, governments and others to expand patient access to medicines and services while preserving incentives for future innovation and sustainability.
- **High quality environmental standards are central to supporting the sustainability agenda.** In a world where economies are globalised, but where nations are dependent on each other, there is a need for global, regional, national and local environmental standards to manage environmental threats, particularly those that cross political borders such as climate change, air pollution and loss of biodiversity.
- **Good governance and a zero tolerance approach to bribery and corruption are prerequisites for facilitating sustainable economic development and realisation of the SDGs.** Within the healthcare sector, they help ensure that resources are legitimately and appropriately deployed to support public health.
- **A flexible and pragmatic approach to implementation is key to the success of the SDGs.** Recognising the fiscal challenges that the majority of countries face, GSK supports the nationally-led approach, allowing countries to focus on and prioritise their own specific national challenges and barriers within the SDGs framework.

- **Partnership approaches and accountability mechanisms are needed.** Governments will ultimately be accountable for implementing their national plans to deliver on the SDGs by 2030. However, willingness among all actors to collaborate, innovate and be solutions-focused will be essential. GSK stands ready to engage with governments, civil society and other private sector stakeholders, to support national strategic planning and implementation.

BACKGROUND

The Millennium Development Goals: 2000–2015

The MDGs were the eight international development Goals, ratified following the UN Millennium Summit in 2000. They consisted of 21 targets to be achieved by 2015 and provided a clear framework for Government action opportunities to improve lives across the globe.

Good progress was made against the MDGs. For example, the target of halving the number of people without access to improved sources of water was achieved five years ahead of schedule. The number of people living on less than \$1.25 a day reduced from 1.9 billion in 1990 to 836 million in 2015, successfully hitting the 50% reduction target. The under-five mortality rate has also dropped by more than half.

But the Goals were created only by a handful of stakeholders, therefore lacking adequate involvement from all crucial actors, such as developing countries. Inevitably, due to this lack of collaboration, uneven progress was observed across the Goals and countries. Furthermore, the MDGs fell short by failing to integrate the economic, social, and environmental aspects of sustainable development as envisaged in the Millennium Declaration, and by failing to promote sustainable patterns of consumption and production.

The Sustainable Development Goals: 2015–2030

While less complex, the MDGs were key to the creation and implementation of the SDGs as they paved the way for more specific goals that stretch over a much greater range of themes. The SDGs were agreed in a far more collaborative and inclusive way than the MDGs and call for action by all countries – low, middle and high income to promote prosperity while protecting the planet. They recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of societal needs including education, health, reducing vulnerable populations and environmental protection. Improved health outcomes will inevitably result from the realisation of a number of the SDGs, underscoring the importance of health in supporting sustainable development.

The focus of reporting on the SDGs is at the national level where governments are expected to develop their own National Plans. For some, finding the resources to implement their Plans is their biggest challenge. Each country therefore has the flexibility to adopt their own approach to tackling the SDGs, including identifying and adapting their own indicators and targets to track national progress towards implementation.

Various organisations are involved in the process of measuring progress against the SDGs. At the national level, each country has been advised to choose the indicators that are best suited to track its own progress, and some private sector bodies are in the process of creating tools to facilitate this. At the company level, the SDG Compass¹ provides guidance for companies on how they can align their strategies as well as measure and manage their contribution to the SDGs. It was developed by Global Reporting Initiative, the UN Global Compact and the World Business Council for Sustainable Development.

The UN has compiled *The Sustainable Development Goals Report 2016*², setting out where countries stand in relation to each target. Their SDG Index³ meanwhile provides countries with a measuring tool to help them keep track of and assess their progress, as well as their weaknesses. These tools will also allow for comparisons between countries.

¹ <http://sdgcompass.org>

² <http://unstats.un.org/sdgs/report/2016>

³ <http://sdgindex.org/download>

Health and the SDGs

SDG 3: Ensure healthy lives and promote wellbeing for all at all ages

The transition from the MDGs to the SDGs in 2016 marked a key milestone for those working to improve global health. It provided an opportunity to reflect on the major progress in health that has been achieved over the past 15 years – especially in the areas of childhood mortality, HIV/AIDS and malaria. But it also highlighted the key challenges that remain, for example around non-communicable diseases, such as cancer and heart disease, and achieving Universal Health Coverage (UHC).

UHC is the concept that all people should receive the quality health services that they need without experiencing financial hardship as a result. It is not a new concept, but it has gained importance, visibility and relevance in recent years. It is a key objective of the WHO and is Target 3.8 under SDG 3:

“Achieve Universal Health Coverage (UHC) including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality and affordable medicines for all.”

Resilient, inclusive, affordable, sustainable and equitable health systems will lay a foundation for achieving UHC, which better prepares health systems to respond to diverse health challenges, including infectious diseases, non-communicable diseases, malnutrition, reproductive health and promoting health for all throughout their life. UHC is a global ambition with multiple local challenges. Every country has a unique health system and each faces a different journey towards meeting the UHC target, based on its own particular demographics, lifestyles, patient expectations and developments in medical progress.

GSK welcomes the broadening of the SDG agenda both within and beyond health, but we recognise the need to retain focus on the critical public health dimensions of the MDGs – i.e. HIV, malaria, neglected tropical diseases and maternal and child health. Our portfolio, alongside our commitments to access, innovation and flexible pricing, clearly support the UHC target. Specifically, we pursue flexible business models focused on both innovation and access – our approach includes tiered pricing where we reserve our very lowest vaccines prices for Gavi, a public-private alliance to improve access to vaccines in the world’s poorest countries. We also cap the prices of our patented medicines and vaccines in Least Developed Countries at 25% of the price charged in developed countries – as long as our manufacturing costs are covered, so we can sustain these prices in the long term. We are also contributing to fight diseases of the developing world, such as malaria. Our malaria vaccine candidate received a positive scientific opinion from European regulators in 2015 for the prevention of malaria in young children in sub-Saharan Africa. The WHO has confirmed its pilot implementation in three settings in sub-Saharan Africa, due to begin in early 2018 to assess how this vaccine (a world first) might be used alongside other tools to prevent malaria.

Environmental Protection and the SDGs

SDG 6: Clean Water and Sanitation

Fresh water is critical to achieving UHC, to providing sanitation facilities, and to safeguarding livelihoods. It is also essential to producing healthcare products. As such, there is a clear link between the availability of fresh water and GSK’s mission to help people do more, feel better, live longer.

GSK faces a number of challenges across our entire supply chain related to water scarcity and management, ranging from the sourcing of raw materials and the impacts of our manufacturing and research facilities, to the use and disposal of our products by patients and consumers.

We are committed to ensuring water is managed sustainably and equitably as a shared public resource. We carry out environmental testing on all our pharmaceuticals, including relevant consumer healthcare products, to generate data to support our submissions to Regulatory Agencies. We also set our own environmental emission limits to minimise GSK pharmaceuticals/compounds discharge from our manufacturing sites. We have been a signatory of the UN CEO Water Mandate – a global programme designed to help companies develop, implement and disclose sustainable water practices – since 2009 and we are currently looking to embed our environment standards in all relevant third party contracts.

SDG 13: *Take urgent action to combat climate change and its impacts*

If left unaddressed, climate change will have severe consequences for people living today and for future generations, especially the poorest and most vulnerable members of society. The *Lancet Commission report on Health and Climate Change* is a compelling reminder of this and of how climate change is exacerbating health issues that need to be tackled by the global community.

The 21st Session of the Conference of Parties to the UN Framework Convention on Climate Change in Paris in 2015 achieved a new international agreement on climate change aimed at curbing greenhouse gas emissions from fossil fuels and keeping the rise in average global temperatures well below 2 degrees Celsius. It came into effect in October 2016.

GSK supports the Paris Agreement as it is essential in order to preserve our environment and reduce health risks associated with climate change. At an operational level, we have set ourselves the long term ambition to be carbon neutral by 2050 – a target consistent with the level of decarbonisation required to keep global temperature increase below 2°C compared to pre-industrial temperatures. We have also set shorter term goals to reduce our value chain carbon footprint against a 2010 baseline and we report progress against these goals every year in our Responsible Business Supplement. By the end of 2015, for example, GSK's value chain carbon footprint had grown just 2% vs 2010 despite shipping 40% more product from our factories, showing that we are beginning to decouple business growth from environmental impact.

SDG 15: *Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss*

Deforestation is the conversion of primary or secondary natural forest into agricultural production areas, tree plantations, or other land uses. Deforestation comes in many forms, including fires, clear-cutting for agriculture, ranching and development, unsustainable logging for timber and degradation due to climate change. Deforestation is a major contributor to climate change which will have severe consequences for people living today, especially the poorest and most vulnerable, as outlined in the *Lancet Commission report on Health and Climate Change*.

From 2000-2012, estimates indicate that expansion of commercial agriculture and timber plantations destroyed more than 50 million hectares of tropical forests with dire consequences for biodiversity and significant implications for human health, property and livelihoods. Risks include an increased spread of diseases, such as malaria, and aggravated respiratory problems caused by smoke from deforestation fires. Deforestation continues at a rate of 15 million hectares of forest each year, an area almost twice the size of Ireland.

GSK acknowledges our business may contribute to deforestation and we are committed to moving towards “deforestation-free sourcing” for all key commodities purchased directly by GSK. To date, we have focused on paper packaging, where our goal is to source at least 90% of paper packaging from responsible sources by 2020, and palm oil, where we offset palm oil used in our own operations with a credit trading scheme, which supports the production of sustainable palm oil. We also purchase material certificated to an internationally recognised standard for sustainable palm oil growing. The next group of materials we will focus on will be palm oil derivatives.

The Rule of Law, Good Governance and the SDGs

SDG 16 -Target 5: *Substantially reduce corruption and bribery in all their forms*

Tackling corruption, as part of a broader commitment to embedding social justice and good governance, has the potential to benefit international trade, civil society and the development of emerging economies. SDG 16 therefore shines a valuable spotlight on the need to address unacceptable practices, inadequate anti-corruption laws and endemic corruption - all of which undermine economic development and frustrate full realisation of each of the SDGs.

The proposed National Implementation Plans need to be based on an honest diagnosis of endemic problems in whichever sector they exist and to set out a realistic roadmap for addressing them. Tackling corruption, however, is not solely the responsibility of Governments. All players – including private companies – must

challenge themselves to look beyond simply operating within the law as a sufficient commitment to addressing corruption in support of the SDGs.

GSK has a zero tolerance approach to bribery and corruption and a robust enterprise-wide anti-bribery and corruption (ABAC) programme designed to respond to associated risks. Key elements of this programme include setting expectations & training; reporting; and investigating misconduct. Our approach is constantly evolving to respond to new challenges and societal expectations. In recent years we have, in particular, taken steps to improve our approach to compliance; to revise our commercial model; and to further reduce risk in particularly challenging markets.

Collaboration and the SDGs

SDG 17: *Revitalise the global partnership for sustainable development*

Realisation of the SDGs is not the responsibility of one single actor or group. It will demand new collaborations and partnerships, drawing on the expertise and resources of each partner towards a common goal. GSK has a track record of partnering for success. We therefore fully support SDG 17's focus on multi-stakeholder partnerships as a systemic target underpinning all the SDGs. We look to partner with governments, civil society and the private sector wherever practical and appropriate, to support delivery of our strategy and related sustainability targets. Examples of GSK's efforts in this area include:

- Our work with Save the Children, dedicated to helping save the lives of one million children by widening immunisation coverage; addressing nutritional needs of children; and training health workers in the poorest communities.
- A dedicated drug discovery facility at Tres Cantos in Spain researching new treatments for diseases of the developing world (DDW) including TB and malaria. This open laboratory welcomes visiting scientists from universities, not-for-profit partnerships and other research institutes to work on projects for DDWs, to learn from our expertise and to share our world-class facilities.
- Our work with the Energy and Resources Institute, a sustainable development NGO in India, on assessing how we can help reduce water impact in the rural Indian communities that supply us with the wheat, barley and milk used to manufacture Horlicks. We have piloted an assessment approach with 10 direct material suppliers and 20 rural villages. We have identified projects to address water conservation, rainwater harvesting, waste water treatment, groundwater recharge and rehabilitation of water bodies, and are investigating options to implement these identified projects.
- Our work with a number of key organisations aimed at elevating governance standards across industry. Our engagement involves working closely with the UN Global Compact (UNGC) Anti-Corruption Task Force; with the OECD's Secretariat and the Business and Industry Advisory Committee (BIAC) Anti-Bribery & Corruption Task Force and Responsible Business Conduct Policy Group; and with Transparency International around its Pharmaceuticals and Healthcare Programme, which is seeking to help tackle the issue of bribery and corruption within healthcare sectors and systems.

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