

GSK Public policy positions

Water stewardship

The issue

Since 1990 over 2 billion people have gained access to improved water and sanitation; nevertheless, dwindling supplies of safe drinking water remain a major problem impacting every continent (source: UNDP). Water scarcity currently affects more than 40% of people around the world and is projected to increase with the rise of global temperatures as a consequence of climate change.¹

Competition for scarce water resources is an increasing threat to economic development and a growing business risk that affects us all. Outdated public policy, that fails to account for the impact of climate change on water management, could exacerbate this risk.

Fresh water is critical to achieving universal health coverage, to providing sanitation facilities, and to safeguarding livelihoods. It is also essential to producing healthcare products. There is a clear link between the availability of fresh water and GSK's purpose 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.

This paper sets out how GSK is responding to water scarcity, including our commitments to reduce our direct consumption of water, to reduce the impact of water consumption throughout our supply chain and to safeguard water quality.

GSK's position

As a responsible business and a signatory of the United Nations CEO Water Mandate GSK has made water stewardship a priority. Our approach comprises the following four elements:

1. **Ensuring water availability:** We strive to minimise water use in our direct operations and to work with our suppliers in water scarce areas to do the same. In water scarce areas we have implemented aquifer recharge and water recycling systems where appropriate and will continue to do so.
2. **Maintaining water quality:** We strive to preserve the quality of water in communities where we operate; to ensure that our water effluent does not adversely affect people or the environment; and to work with regulators and local governments to ensure we meet all local water quality requirements. We are also working with the third parties to embed our environmental standards in their operations.
3. **Supporting access to water and sanitation for all:** We recognise the Human Right to Water, which, as defined by the United Nations, entitles everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic use. As a global company we support efforts to provide safe, clean, accessible and affordable drinking water and sanitation for the communities in which we operate.
4. **Managing regulatory and reputational risks:** We believe we have a responsibility to work with key stakeholders on water issues and to advocate for strong and effective water governance and regulations. In addition, in areas of high-risk water scarcity we actively engage with stakeholders and other local water users to develop action plans to mitigate these risks. We also engage our suppliers to help them understand their water footprint and ways to reduce water use across the value chain.

¹ <https://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-6-clean-water-and-sanitation.html>

BACKGROUND

Only a tiny proportion of the earth's water is fresh and easily accessible. Current estimates suggest that 92% of available fresh water is used for agricultural purposes with the balance shared roughly equally between industrial and domestic use.

GSK and water stewardship

For GSK, water stewardship goes beyond being an efficient water user and employing good waste water practices. It is about collaborating with key stakeholders including suppliers, governments, other businesses, non-governmental organisations and local communities around identifying and implementing the most effective water management policies. Water scarcity is greatly influenced by how water is conserved, used and distributed amongst communities and because water is a shared resource all users have to cooperate to ensure its use is sustainable. This is made difficult because water basins frequently cross national boundaries and the true value of water is rarely reflected in its price.

GSK's water usage

GSK uses fresh water in our manufacturing processes and while it is an integral part of many of our products, such as antibiotics and vaccines, our use is not particularly intensive. Along with the rest of the pharmaceutical industry, GSK has a requirement for relatively low volumes of ultra-pure water.

GSK and its legacy organisations have had water reduction programmes in place for many years. In the ten years to the end of 2010 GSK reduced our direct consumption of water by more than 30% and we remain committed to this water reduction programme. In the five years running up to the end of 2015 a further reduction of 20% occurred and our aim now is to reduce our water use in high water stress areas by a further 30% by 2030, compared to 2016.

GSK is now taking this programme into our supply chain, targeting suppliers and contract manufacturers in water scarce areas and helping them to assess their water use and progress water saving projects. We estimate that around 42% of our value chain water footprint is associated with the raw materials we buy and the majority of this has historically been associated with agriculture.

Preserving water quality

We carry out environmental testing on all our pharmaceuticals, including relevant consumer healthcare products, to generate data to support our submissions to regulatory agencies. This data is also invaluable for setting our own environmental standards or emission limits to minimise GSK pharmaceuticals/compounds discharge from our manufacturing sites so that it is considered safe for the environment and for people. We also work with industry groups and regulators to continually update the methodologies used to evaluate the impacts of our products on the environment.

We expect third parties with whom we work to adopt similar environmental standards as GSK in their operations, including water quality preservation. The diversity and nature of our supply chain relationships is extensive and complex. The process for embedding our environment standards in all relevant third party contracts will therefore take time. It will be subject to a risk-based approach and given the significant environmental and public health implications associated with substandard operations driving antimicrobial resistance it will initially focus on third party suppliers of antibiotics. Where third party standards are found lacking remediation steps will be taken. Our commitment is to ensure that factory discharges from all third party antibiotic manufacturers are negligible by the end of 2021.

Community engagement

Since 2009, GSK has been a signatory of the UN CEO Water Mandate - a global programme designed to help companies develop, implement and disclose sustainable water practices. And since 2013 we have been working closely with Save the Children with the aim of helping to reduce child mortality, through focussing on preventable deaths, including those from waterborne diseases. By 2019 the partnership had reached 5.6 million people, including 2.95 million children under five.

In water scarce areas we recognise that we need to do more than just decrease our consumption, we need to help recharge the aquifers. We are achieving this by harvesting rainwater onsite and in the local communities e.g. we have captured the water at schools close to one of our factories in India which has recharged the aquifer and removed stagnant water around the schools thereby helping to decrease the disease burden in that area.

In 2014 we began working closely with The Energy and Resources Institute (TERI), a sustainable development NGO in India, to assess how we could reduce water impact in the rural Indian communities that supplied us with the wheat, barley and milk used in manufacturing Horlicks. Over the years, we piloted an assessment approach with 10 direct material suppliers and 20 rural villages. We also identified projects to address water conservation, rainwater harvesting, waste water treatment, groundwater recharge and rehabilitation of water bodies.

In 2018, with the support of local stakeholders and the community, GSK delivered a water resource development and management project near Nabha, India. While our direct involvement in this TERI initiative is set to decline following the divestment of Horlicks in 2020, the conditions are set to facilitate the use of around 82 million litres of treated waste water per annum for irrigation and to deliver around 10 million litres of additional water per annum to recharge the local aquifer.

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