



do more
feel better
live longer

Responsible Business Supplement 2015

Our success depends on our ability to research and develop innovative products and make them accessible for more people in a responsible way.





About this supplement

Learn about how we embed responsible business practice within our 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

Nadeen, Debbie and Lindsay from our Weybridge lab in the UK worked on the reformulation of chlorhexidine solution, used in our *Corsodyl* mouthwash, into an antiseptic gel which could be used to help prevent umbilical cord infections in developing countries.

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Chairman's statement



Operating responsibly is fundamental to the Group's strategy and since becoming Chairman in 2015 I have witnessed the significant strides GSK is making in promoting innovation, improving access to healthcare and challenging industry norms on issues such as sales practices.

The Board aims to reinforce and support management's commitment to operating ethically and responsibly worldwide. The Board and its Corporate Responsibility Committee (CRC) oversee policies and programmes across the business to ensure that the Company is taking action that is in the interests of society and its shareholders. In May 2015, Non-Executive Director, Lynn Elsenhans, took over as Chair of the CRC following Sir Christopher Gent's retirement from the Board.

In 2015, amongst several topics and issues, the CRC reviewed the company's commitment to operating transparently and with integrity through the transformation of its commercial model. It also explored the critical issue of how to balance the need for a return on investment for innovation with the need to price products appropriately and improve access for patients.

GSK's strong performance on responsible business is evident in the company's high rankings in external benchmarking exercises. GSK has topped the Access to Medicine Index since its inception, and maintained its position in the Dow Jones Sustainability Index and as a long-standing member of FTSE4Good.

The company's efforts to reduce environmental impacts were also recognised in 2015 with a score of 100 for carbon disclosure from the CDP, reflecting extensive reporting on how GSK manages the risks and opportunities associated with climate change. The approach to managing water impacts was also acknowledged with a B score in the CDP Water Index.

Information about the Group's responsible business approach and performance is detailed in the Annual Report. This Responsible Business Supplement provides further detail on the most material social and environmental topics, and sets out progress made towards these commitments during 2015.

We continue to welcome dialogue with all the company's stakeholders in matters related to this supplement.

Philip Hampton
Chairman

External benchmarking



GSK topped the Access to Medicine Index in 2014, for the fourth consecutive time since the biennial assessment began in 2008.



We were included in the Dow Jones Sustainability World Index with a score of 82 for economic, environmental and social performance.



We improved our score from 96 to 100 B to secure a place in the CDP's FTSE 350 Climate Disclosure Leadership Index for the eighth consecutive year, in recognition of the quality of our disclosure on climate change impacts.



GSK continues to be the only pharmaceutical company to hold the Carbon Trust's Carbon Standard for cutting carbon emissions and its Water Standard for reducing water use across our operations globally.



Member of FTSE4Good since 2004.



CEO's statement



Whilst 2015 has been a year of substantial change for GSK, we have remained fully focussed on progressing our responsible business commitments whether it be through proactive measures such as new ways of working with healthcare professionals or responding to some of society's most pressing health needs like Ebola.

GSK's malaria candidate vaccine, the product of 30 years of research, received a positive scientific opinion from European regulators this year for use in the prevention of malaria in young children in sub-Saharan Africa. This is an important step towards making the vaccine available, alongside other tools, to protect children from malaria. We will provide the vaccine at a not-for-profit price, to ensure price is not a barrier to access.

Our partnership with Save the Children achieved a major milestone when we submitted for approval an antiseptic gel to prevent potentially fatal umbilical cord infections in newborns in developing countries. We also accelerated the development of our candidate vaccine for Ebola in response to the outbreak in West Africa and provided humanitarian support for regions affected.

2015 saw increased focus on antibiotic resistance. In spite of the scientific challenges in this area, GSK has an active pipeline, which includes a potential new and first-in-class treatment that is moving towards phase III development. We are taking a collaborative approach to this research and want to work with governments to create new economic models that can help to secure a new supply of antibiotics for the future.

There was also increased attention on the price of medicines in 2015, notably in the USA. We seek to price our medicines and vaccines responsibly and sustainably to reflect both the value they deliver – to patients, healthcare systems and wider society – and the customer's ability to pay. Our tiered pricing approach for vaccines and our commitment to price medicines in Least Developed Countries at 25% or less of European prices are strong examples of this approach. In developed markets we continue to seek flexible approaches to pricing and look for opportunities to price according to value. In the USA all of our six most recently launched medicines were priced at parity or at a discount to the medicines they aim to supersede.

In January 2015, we completed the roll out of a new compensation model for our sales teams and in January 2016, we stopped paying doctors to speak on our behalf, instead engaging with them through digital channels and providing direct contact with our own medical teams. Not only are these changes in step with the high expectations society has of healthcare companies, they also support improving our performance.

We have clear expectations of the ethical conduct of our people, and in 2015 we strengthened our code of conduct training increasing its relevance to different cultures, while maintaining global standards. We remain vigilant on this, aware of the complex risk factors in many of the markets in which we operate. We have fulfilled our commitment to clinical trial transparency. Three years on since its inception, our clinical trials database lists more than 1,700 trials and 62 research teams have been given access to our detailed trial data.

Whilst our absolute carbon footprint has increased during the year, we have reduced the value chain carbon footprint of the products we shipped in 2015 by an average of 25% compared to 2010. We have also reduced direct carbon emissions by 21% since 2010. As we extend access to our products, particularly propellant-based inhalers, reducing our environmental impact across the value chain is increasingly challenging. We continue to look at ways to minimise this impact.

Given the significant level of restructuring within the Group, we have sought to provide support for those leaving the company and invested in listening to our employees. Our global staff survey had a 78% participation rate this year. We scored well on measures for empowerment and resilience, however scores for employee engagement understandably fell. Senior leaders across the Group are already taking steps to address this.

In conclusion, I would like to thank all our employees and partners for their continued hard work in supporting our goals as a responsible business. It is only through their efforts that we have been able to achieve so much again this year.

Sir Andrew Witty
Chief Executive Officer



Our approach

2015 performance highlights

As a global healthcare company, the biggest contribution we can make to society is to innovate and drive access to our medicines, vaccines and consumer healthcare products. We seek to bring health benefits to more people around the world through our open, flexible and collaborative approach.

We are breaking down barriers to effective healthcare by opening up our innovation process to accelerate drug discovery in areas of great unmet medical need and scientific challenge and working to address both infectious and non communicable diseases. We also continue to work on urgent public health emergencies, such as the Zika and Ebola viruses, whilst working with the global community to prevent or quickly control future disease outbreaks.

To bring new vaccines and medicines to more patients we are bringing together partners to create new delivery models and flexible pricing strategies to increase access to our products.

Fighting Malaria

The European Medicines Agency adopted a positive scientific opinion for our malaria candidate vaccine, *Mosquirix*, in children aged six weeks to 17 months.

→ Read more on page 23

Increasing access to HIV medication

Granted 16 royalty-free voluntary licences that enable generic manufacturers to sell HIV medicines at significantly reduced prices.

→ Read more on page 25

Reducing child mortality

Through our partnership with Save the Children, we have reached over 1.3 million children with life-saving immunisations, treatments and other interventions since 2013.

1.3m

→ Read more on page 23

Tackling antibiotic resistance

Our most advanced antibiotic asset is moving towards phase III studies, following positive phase II results.

→ Read more on page 16

Transparency in clinical trial data

62 research teams have been given access to GSK trial data since 2013.

62

→ Read more on page 32

Increasing transparency

Ranked in the top three most transparent FTSE 100 companies by Transparency International in their Corporate Political Engagement Index.

→ Read more on page 29

Ethical conduct

As of January 2016 we no longer pay HCPs to speak to other prescribers about our medicines and vaccines.

→ Read more on page 29

Engagement

Over 76,000 employees, 78% of our workforce, took part in our global employee survey, providing valuable feedback.

78%

→ Read more on page 42

Carbon

We have reduced direct carbon emissions (scope 1 and 2) by 21% since 2010, saving over 1 million tonnes of CO₂e over five years.

21%

→ Read more on page 50

Water

Hit our 2015 water target a year early, reducing our usage by 25% since 2010.

25%

→ Read more on page 52

Waste

Produced 15% less waste in 2015 versus 2014.

15%

→ Read more on page 53



Our approach

Responsible business in practice

Our values, strong governance and stakeholder dialogue inform our approach.

Creating value for society and shareholders

Our mission is to help people do more, feel better, live longer. We do this by researching and developing medicines and vaccines that improve people's lives. We are working to make our products available and affordable for the people who need them, no matter where they live or what they can afford. We do this through investing in R&D, adopting flexible approaches to pricing, promoting open innovation, and strengthening healthcare systems. By growing our business and extending access to our medicines, we are ensuring long term commercial success as well as improving people's health, creating value for our shareholders and delivering economic benefits to wider society.

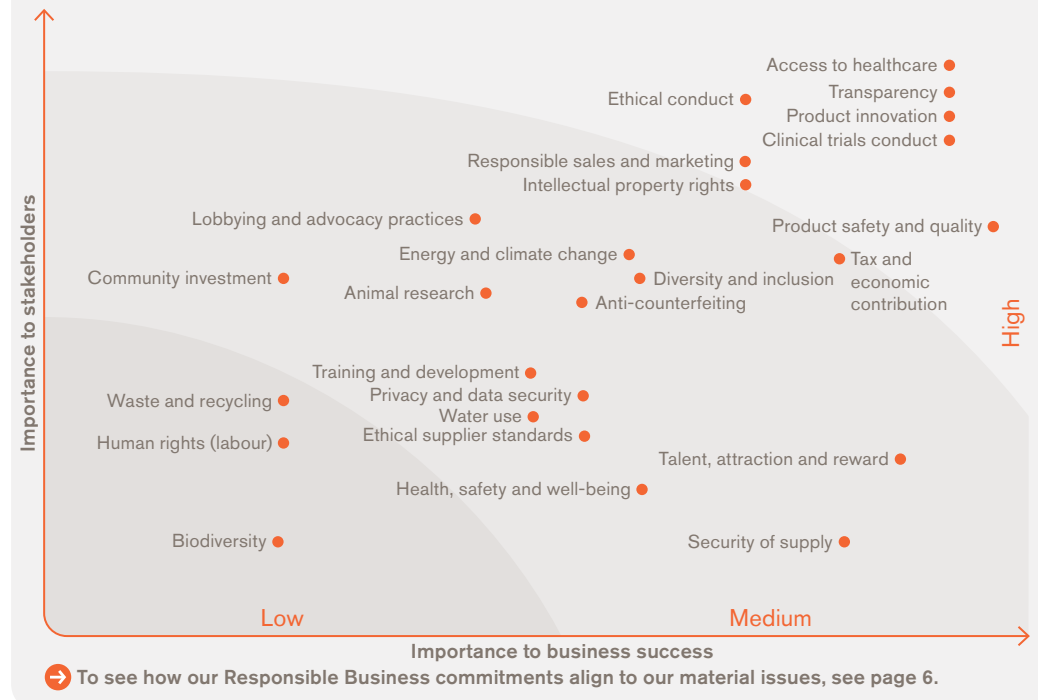
GSK contributes directly and indirectly to economic growth in more than 150 countries, through tax, charitable support and employment of 101,255 people around the world.

Operating responsibly also supports our ability to attract and retain talent, manage costs and build trust with patients and consumers, our customers, payers and stakeholders who influence our license to operate.

Listening to stakeholders

We welcome engagement with a range of external stakeholders to better understand their expectations and societal trends. Teams across GSK regularly engage with our stakeholders through exchanges with customers, suppliers (see page 38), partners and investors, and formal engagement with patient advocacy groups and policymakers (see page 36). Listening and responding to our employees is also critical to help us run our business effectively and retain the most talented people (see page 42).

Prioritising our most material issues



Responding to stakeholder expectations, over the last several years we have fundamentally changed the way we operate – from transforming our sales and marketing practices (see page 31) to promoting open innovation to encourage research into unmet needs (see page 15).

Identifying our priorities

To identify our responsible business priorities, we undertook a formal materiality analysis based on the importance of each issue to stakeholders and the relevance to our business goals, using internal and external inputs.

The key areas identified through this process as having considerable financial, operational or reputational impacts on the business are shown in the diagram.

This materiality analysis is reviewed and validated annually through engagement with stakeholders. A detailed description of our [materiality analysis](#) is available. This process helps us prioritise our efforts on the issues that matter most to our business and our stakeholders.



Our approach

Responsible business in practice

Our commitments

We have well established, long-term responsible business commitments which sit across four key focus areas: Health for all, Our behaviour, Our people and Our planet. The table on the following page shows how these are linked to our material issues.

We regularly review our responsible business commitments in response to stakeholder feedback and as business strategy evolves. In 2015 this review resulted in two new commitments regarding ethical conduct and working with third parties. We updated our commitment on access to antiretroviral treatment for HIV, and subsumed our commitment to develop vaccines that don't need to be kept cold into our wider goal to build products that better meet people's needs. We no longer have a commitment to build sustainable supply lines for our nutrition portfolio. Instead, we are tackling the environmental impacts of our product range through our existing commitments for carbon, water and waste. See page 50 for how we have substantially reduced the carbon emissions for *Horlicks*. In this report, we summarise progress in 2015 against these 23 commitments.

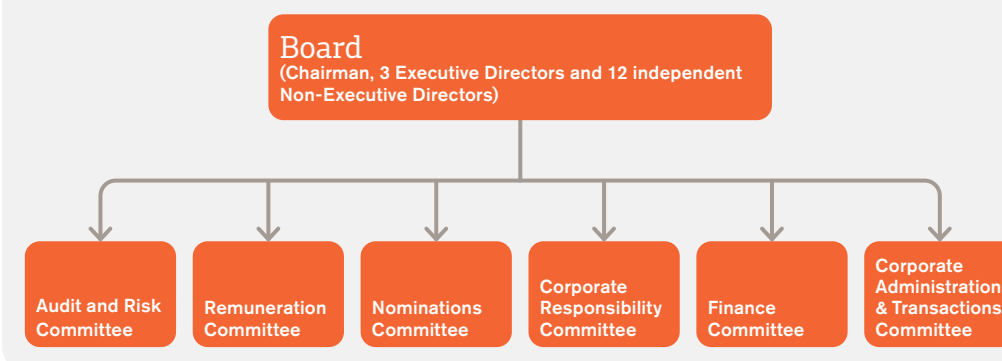
Governance and conduct

Our Board-level Corporate Responsibility Committee (CRC) oversees our responsible business activities. It meets four times a year to provide high-level guidance and reviews performance against our commitments. Both the Chairman and CEO are amongst its members. In 2015, Non-Executive Director Lynn Elsenhans, a long-standing member of the CRC, took over as its Chair when Sir Christopher Gent retired from the Board.

Management of key non-financial risks is governed by our Audit and Risk Committee. The Audit and Assurance team supports this committee by providing an independent view to the Board and senior management of how risk is being managed across the business consistent with an agreed Assurance Plan.

Our values are: integrity, transparency, focus on patients and respect for people. Our leaders motivate employees to put these core values at the heart of their decision making. This applies to everyone at GSK, wherever they work and whatever their role is – from conducting clinical research to selling our medicines or interacting with patients, doctors and governments. All employees must complete our Code of Conduct training annually to ensure they understand how to integrate our values into their everyday work. We encourage the reporting of any concerns about behaviour that goes against our values through our Speak Up channels. We also expect the suppliers and third parties we work with to share our values as set out in our public policy statement on working with Third Parties.

Our governance structure and systems





Commitments

Our progress

User Key

Work needed
 On track
 Progressing well
 Completed

Commitment		Progress in 2015	Progress tracker	Link to GSK material issue
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.	Created the world's first Open Lab for non-communicable diseases in Africa, which has appointed an independent scientific advisory board as well as selected research projects. Accelerated the development of new antibiotics, with our most advanced asset, developed in partnership, moving towards phase III development. Collaborative approach to dementia research, supporting scientific partnerships and novel funding mechanisms to accelerate research projects.	 → Page 15	Access to healthcare Product innovation Transparency Intellectual property rights
	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.	Partnered with Desano Pharmaceuticals to enable production of our HIV treatment in China and a number of developing countries; extended our price freeze commitment to 10 years for countries 'graduating' from Gavi support; as well as pricing all of our six most recently launched new medicines in the USA at parity or at a discount to the medicines we aim to supersede.	 → Page 17	Access to healthcare Community investment
	Building products to better meet needs Continue to build a core range of products & formats to better meet the needs of people across the globe, including those less able to access and afford our products.	Began a clinical trial of a heat-stable, low-cost inhaled form of oxytocin, developed in collaboration with Monash University and other partners. Submitted a regulatory application to the European Medicines Agency (EMA) for an antiseptic gel to prevent umbilical cord infections in newborns, based on the chlorhexidine solution used in our <i>Corsodyl</i> mouthwash.	 → Page 19	Access to healthcare Product innovation
	Reducing child mortality Continue to invest in innovative cross-sector partnerships to reduce child mortality.	Through our partnership with Save the Children we have reached over 1.3 million children in the world's poorest countries. Rewarded sustainable and scalable healthcare innovations to improve under-five child survival rates through our annual \$1 million Healthcare Innovation Award.	 → Page 20	Access to healthcare
	Strengthening healthcare infrastructure 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).	Continued to reinvest 20% of LDC profits in 35 countries, training an additional 15,000 frontline health workers (40,000 since 2009) and reaching 5.5m people (11 million since 2009). Expanded health worker training beyond LDCs to other countries in sub-Saharan Africa.	 → Page 21	Access to healthcare Community investment
	Eliminating and controlling NTDs Help eliminate and control 10 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.	Reached over 760 million people with over 902 million albendazole tablets to eliminate lymphatic filariasis and control intestinal worms. Published data on 600 high-quality hits against neglected tropical diseases in 2015, after screening over two million compounds from our collection.	 → Page 22	Access to healthcare Community investment
	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.	Received a positive scientific opinion from the European Medicines Agency for our malaria candidate vaccine RTS,S, in children aged six weeks to 17 months. Launched a new £22 million partnership with Comic Relief to fight malaria in five endemic countries.	 → Page 23	Access to healthcare Product innovation



Commitments

Our progress – continued

User Key

Work needed
 On track
 Progressing well
 Completed

	Commitment	Progress in 2015	Progress tracker	Link to GSK material issue
Health for all	Eradicating polio Continue to support the WHO objective of eradicating polio by 2018 by providing vaccines to UNICEF until this is achieved.	Delivered 220 million doses of oral polio vaccine in 2015, and since 1988, we have contributed over 16 billion doses. Invested in an inactivated polio vaccine facility in Belgium.	 → Page 24	Access to healthcare
	Access to antiretroviral treatment for HIV Through ViiV Healthcare, we will continue to research new treatments, increase access to our medicines and care for people living with HIV around the world. We will support UNAIDS to deliver their 90-90-90 ambition by 2020. We will also work with communities to combat stigma and discrimination associated with HIV.*	Reached 138 countries worldwide through ViiV Healthcare's access programmes. Granted 16 royalty-free voluntary licences that enable generic manufacturers to sell ViiV Healthcare products at significantly reduced prices. Together with the Clinton Health Access Initiative, enabled pharmaceutical company Aurobindo to file an application to the US FDA for generic approval of dolutegravir in 2015.	 → Page 25	Access to healthcare Product innovation
Our behaviour	Ethical conduct We will continue to strengthen our values based culture by training our people on the standards expected, encouraging the reporting of any concerns and embedding our values into the way we measure employee performance.	99.9% of employees completed mandatory annual training on our Code of Conduct. Extended the training to over 30,600 complementary workers. Strengthened training with external certification for members of our Ethics and Compliance team.	 → Page 29	Ethical conduct
	Promoting values in sales and marketing Continue to drive a value-based approach to sales and marketing practices across the world, with the interests of consumers and patients at its core.	Completed the global roll-out of changes to sales team compensation. No longer pay healthcare professionals to speak to other prescribers about our medicines.	 → Page 31	Ethical conduct Responsible sales and marketing
	Transparency of clinical research 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.	The Wellcome Trust took over the management of the panel of external independent experts that review proposals to access data on www.clinicalstudydatarequest.com , an important step towards creating an independent data-sharing system that includes studies from across industry and academia. In 2015 we also met our commitment to make available global studies going back to the formation of GSK in 2000 – 1,700 studies in all.	 → Page 32	Transparency in clinical trial data Intellectual property rights
	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.	Recognised for our collaboration with informatics company, Epidemico, to monitor publicly available information on social media to gain insights into the adverse effects of our medicines. Extended our supply chain serialisation programme, Fingerprint, across 86 packaging lines to verify products anywhere in the supply chain and help to combat counterfeiting.	 → Page 33	Anti-counterfeiting Product safety and quality
	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.	Used 26% fewer animals than in 2014, a continuation of a downward trend over nine years. 98% of animals used were rodents.	 → Page 34	Animal research

* Commitment updated as previous commitment ended in 2015



Commitments

Our progress – continued

User Key

■ ■ ■ ■ Work needed

■ ■ ■ ■ On track

■ ■ ■ ■ Progressing well

■ ■ ■ ■ Completed

	Commitment	Progress in 2015	Progress tracker	Link to GSK material issue
Our behaviour	Promoting human rights Address the UN Guiding Principles on Business and Human Rights across our own operations and our supplier relationships.	Labour rights included in comprehensive new programme to strengthen our management of third party risks in the supply chain. Became a Living Wage accredited employer in the UK.	■ ■ ■ ■ ➔ Page 35	Human rights (labour)
	Ensuring ethical interactions Demonstrate that all GSK interactions with patient advocacy groups and political stakeholders are conducted appropriately, ethically and transparently.	Ranked in the top three most transparent FTSE 100 companies by Transparency International in their Corporate Political Engagement Index. Produced a new Global Standard for Interactions with Patient Organisations.	■ ■ ■ ■ ➔ Page 36	Ethical conduct Lobbying and advocacy practices Tax and Economic Contribution
	Working with third parties We seek to work with third parties that share our commitment to high ethical standards and operate in a responsible way. If performance gaps are identified, where appropriate we commit to working with the third party to improve performance.	Introduced a comprehensive new programme to strengthen our management of third party risks in the supply chain. Identified over 1,300 high-risk suppliers that must undergo an assessment of responsible business policies and practices. Assessed around 200 high-risk distributors.	■ ■ ■ ■ ➔ Page 38	Ethical conduct Human rights (labour)
Our people	Creating inspiring and healthy workplaces Continue to create a working environment that inspires people to grow and perform in a healthy and resilient way.	More employees than ever shared their views in our employee survey with a 78% response rate. Refreshed and simplified our health and safety standards. Exceeded our graduate recruitment target by hiring 470 graduates and postgraduates onto our Future Leaders and Esprit programmes globally.	■ ■ ■ ■ ➔ Page 42	Health, safety and wellbeing Training and development
	Promoting inclusion and diversity Continue to promote inclusion and diversity globally at GSK.	Welcomed 118 more women into our Accelerating Difference programme which supports career advancement for female leaders. Partnered with the UK Government's Disability Confident campaign to raise disability awareness across our company.	■ ■ ■ ■ ➔ Page 44	Diversity and inclusion
	Community volunteering to create change Extend volunteering opportunities to bring about positive change to communities and global health while providing individual development.	Enabled 560 employees from 57 countries to provide over £19 million worth of skilled services for our non-profit partners through our PULSE volunteering programme since 2009. 92% of participants' line managers and colleagues agreed that the experience had helped them develop their skills and performance.	■ ■ ■ ■ ➔ Page 45	Community investment
Our planet	Carbon Reduce our overall carbon footprint by 25% by 2020 (vs. 2010) and have a carbon neutral value chain by 2050.	Our value chain carbon footprint has grown by 2%, largely due to continued growth in sales of our propellant-based inhalers. Direct carbon emissions declined in 2015, bringing the total reduction to 21% over five years. Scored 100% for our environment disclosure in the CDP.	■ ■ ■ ■ ➔ Page 50	Energy use and climate change
	Water By 2020, reduce our water impact across the value chain by 20% (vs. 2010).	Hit our 2015 water target a year early, reducing our usage by 25% since 2010 – saving over 15 million m ³ , more water than we use in a whole year. Partnered with The Energy and Resource Institute to develop water saving initiatives in rural Indian communities.	■ ■ ■ ■ ➔ Page 52	Water use
	Waste By 2020, reduce our operational waste by 50% (vs. 2010).	Produced 15% less waste in 2015 compared to the previous year. Over 60% of our manufacturing and R&D sites have achieved zero waste to landfill.	■ ■ ■ ■ ➔ Page 53	Waste and recycling



Health for all

Our Positive Action programmes target key affected populations to reach those at the greatest risk of HIV infection.

Image is courtesy of International Centre for Research on Women.



Health for all

Our approach

Our medicines, vaccines and consumer health products are improving quality of life for patients and consumers around the world, however many people are still not getting the treatments they need. Challenges include affordability, the fact that there are still many diseases without treatments, and under-resourced health systems.

We are addressing these challenges by tackling barriers to affordability and accessibility through our flexible pricing approach, and through our work with key partners. We are stimulating open innovation to target areas of unmet medical need, from neglected tropical diseases which mainly affect those in the developing world to non-communicable diseases such as cancer and diabetes.

We are also strengthening healthcare systems around the world through our continued reinvestment of 20% of our profits generated in the world's poorest countries into training front-line health workers in these regions.

In the UN's new Global Goals for Sustainable Development (SDGs) health is explicitly included in goal number three "ensure healthy lives and promote wellbeing for all at all ages." We will support this by tackling some of the biggest global health challenges – from newborn mortality to malaria – and extending the benefits of our products to more people, regardless of where they live or their ability to pay.



2015 highlights

Open innovation

We shared data with researchers on 600 compounds that showed signs of activity against neglected tropical diseases, to support research into new treatments both within and outside GSK.

600

→ Read more on page 15

Flexible pricing

This year we extended our price freeze commitment to 10 years for countries 'graduating' from Gavi support, and maintained our commitment to cap the prices of our patented medicines and vaccines in Least Developed Countries at 25% of developed world prices. All of our six most recently launched new medicines in the USA were priced at parity or at a discount to the medicines we aim to supercede.

→ Read more on page 17

Increasing access to HIV medication

Following agreement with the Medicines Patent Pool, extended access to dolutegravir to countries where 93% of adults with HIV in the developing world live.

→ Read more on page 25

Reducing child mortality

Through our partnership with Save the Children, we have reached over 3.6 million people including 1.3 million children with life-saving immunisations, treatments and other interventions since 2013.

1.3m

→ Read more on page 20

Strengthening healthcare infrastructure

Trained an additional 15,000 front-line health workers (40,000 since 2009) in 35 least developed countries and reached 5.5m people (11 million since 2009).

11m

→ Read more on page 21



Fighting Malaria

The European Medicines Agency adopted a positive scientific opinion for our malaria candidate vaccine, *Mosquirix*, and the WHO has recommended a pilot roll-out in countries in sub-Saharan Africa.

We launched a new £22 million partnership with Comic Relief to fight malaria and strengthen health systems.

→ Read more on page 23

"This vaccine is an historic achievement and a welcome addition to the arsenal of preventive tools in the fight against malaria. And I commend GlaxoSmithKline for demonstrating resilience and ingenuity in developing this valuable asset."

Ray Chambers

The UN Secretary-General's Special Envoy for Health in Agenda 2030 and for Malaria



Health for all

In focus

Responding to Ebola and Zika

2014 saw a critical public health emergency with the outbreak of Ebola in West Africa, which demanded an urgent response and the impact continued in 2015. As well as providing humanitarian support to affected regions, GSK accelerated the development of our candidate vaccine for Ebola at an unprecedented rate, with trials now underway.

Collaboration has been critical – we have been able to fast track development of the Ebola vaccine due to the fact that many different organisations, including the National Institutes of Health in the USA, the WHO, the Wellcome Trust and the UK Government, have worked together with a common goal.

We have been closely monitoring the outbreak of the Zika virus in Brazil since it began in the Autumn of 2015. We have reached out to our partners and collaborators in Brazil and across the world to assess the situation and feasibility of potential vaccine development. We are also evaluating our existing technology platforms, which we believe could potentially be suitable for working on a Zika virus vaccine.

While our experience, particularly with developing the Ebola vaccine, will be useful in the event of future outbreaks, we recognise that the global community must improve its capacity to prevent or quickly control unpredictable disease outbreaks. This will help avoid devastating consequences for human health, economies and global security.

GSK is committed to working with partners to help ensure a more proactive approach to planning for global health threats so that we can respond faster in the event of similar crises. For example we have worked with the US Government's Biomedical Advanced Research and Development Authority (BARDA), since its inception.



Humanitarian emergency response

Every year millions of people are displaced by disasters and emergency situations. These crises can devastate families, leaving them without access to adequate food, shelter or healthcare.

GSK works with partners and humanitarian organisations to prepare for and respond to emergency situations. In some instances, we fast-track the development of life-saving vaccines, and in others, we contribute by donating cash, products and our employees' time. We also invest in long-term rebuilding and reconstruction in the aftermath of a disaster.

In 2015, GSK worked with Save the Children to create a strategic and operational framework for humanitarian action and to mobilise the resources and expertise of both organisations to strengthen our response. This included providing seed funding to help Save the Children establish an Emergency Health Unit – a team of specialist health workers who deliver basic healthcare within 72 hours after disaster strikes.

The unit began in the UK and has been extended to the Asia Pacific region. In the USA, we recently announced a partnership with Save the Children and the National Center for Disaster Preparedness to help communities better plan to protect and care for children in the event of a disaster.



£1.1m



Donated to support efforts to address the global refugee crisis.



Health for all

Innovation for unmet medical needs

We are breaking down barriers to effective healthcare by opening up our innovation process to accelerate drug discovery in areas of great unmet medical need and scientific challenge.



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.



Progress overview: **Completed**

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.

Diseases of the developing world

Our open innovation model continues to advance research in diseases of the developing world (DDWs) such as malaria, tuberculosis (TB) and neglected tropical diseases (NTDs).

At our dedicated research centre in Tres Cantos, Spain, we work exclusively on developing new and innovative medicines for diseases of the developing world, supported by and collaborating with other organisations including the Wellcome Trust and the Bill and Melinda Gates Foundation. In 2010 we took the unprecedented step of opening these facilities to external scientists, creating the world's first 'Open Lab' where visiting scientists can work on their own projects while accessing GSK's expertise, resources capabilities. In the five years since it opened, the Open Lab has built a portfolio of 51 research projects, supported 64 visiting scientists, and resulted in 44 scientific publications and several promising drug discovery leads. Additionally, these projects have contributed towards generating £38 million in follow up grants to enable researchers to further their DDW research.

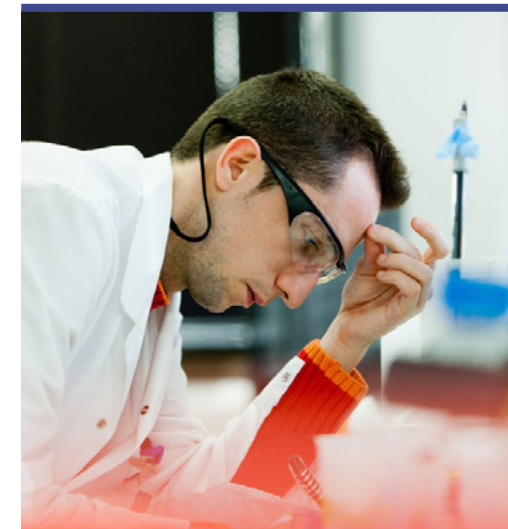
In 2015 our Tres Cantos researchers screened our library of over two million compounds for signs of activity against kinetoplastids – a group of parasitic diseases estimated to infect approximately 20 million people in the developing world – and have shared the 600 'hits' identified with researchers, to encourage further research in this field both within and outside GSK. This builds on similar exercises we have already carried out for malaria.

Read about how we are eliminating and controlling NTDs on page 22.



Non-communicable diseases (NCDs)

We are also using our open innovation model to accelerate research into NCDs in Africa. NCDs include some of the world's biggest killers such as cancer, diabetes, heart disease and chronic respiratory diseases like COPD. Most healthcare research in Africa has focused on communicable diseases, but NCDs are emerging as the continent's next biggest killers. Recognising this gap, in 2014 we created the Africa NCD Open Lab, which will work in partnership with major funders, academic groups and governments to conduct NCD research in Africa. This effort will be critical to achieve the World Health Assembly goal to reduce avoidable mortality from NCDs by 25% by 2025 and to increase understanding of the unique attributes of NCDs in African patients.



The Africa NCD Open Lab has appointed an independent external scientific advisory board, chaired by a leading African scientist, which will provide input into the strategy. Its first research projects have been selected from eight sub-Saharan African countries and the Lab will also support researchers from South African institutions in partnership with the Medical Research Councils of South Africa and UK.

In the UK we are also partnering with the Medical Research Council and five universities on the Experimental Medicine Initiative to Explore New Therapies (EMINENT). This open innovation research initiative aims to support up to ten experimental medicine projects on inflammatory diseases, such as Chronic Obstructive Pulmonary Disease (COPD) and fibrosis.

For more on our approach to NCDs, [see our policy paper](#).



Health for all

Innovation for unmet medical needs – continued

Research into Tuberculosis

Research into Tuberculosis (TB) has stalled in the last 40 years. Yet 9 million people – many living in poverty – contracted the disease in 2013 and 1.5 million died as a result. At the same time, the emergence and spread of multi drug-resistant TB presents an increasing public health threat and current treatments are typically less effective, more toxic and costlier.

We led the ORCHID alliance (Open Collaborative Model for Tuberculosis Lead Optimization) to address this urgent medical need. This four-year multi-sector partnership, co-funded by the European Union and completed in 2015, aimed to develop new medicines against drug-resistant TB and make them available to patients quickly and efficiently.

The work of the alliance included repurposing beta-lactam compounds as potential anti-tubercular drugs, using the 180 TB 'hits' from our compound collection to identify targets for future TB drug discovery programmes, creating a portfolio of lead compounds and moving two 'hits' to pre-candidate selection stage.

We are also advancing the phase II clinical trial for our candidate TB vaccine, developed in partnership with Aeras, with funding from the Bill and Melinda Gates Foundation.

Tackling antibiotic resistance

Increasing resistance to existing antibiotics is an emerging and urgent public health crisis, with drug resistant infections responsible for 500,000 deaths a year. This problem is exacerbated by scientific and economic obstacles that discourage research to develop new antibiotics.

Despite these challenges, we are committed to advancing research in this field. We have our own research unit focused on developing the next generation of antibiotics and an active pipeline of potential new medicines in development. Our most advanced asset – a topoisomerase inhibitor, gepotidacin (GSK2140944) – has been developed in collaboration with the US government's Biomedical Advanced Research Development Authority (BARDA). This asset has a novel mechanism of action and the potential to address multiple indications, is now moving towards phase III studies, following positive phase II results.

Our collaboration with BARDA is one of several partnerships we are involved in with governments, scientific institutions and other companies to accelerate the development of new antibiotics. Another key public-private collaboration in this field that we are active members of is the Innovative Medicines Initiative's NewDrugs4BadBugs initiative, which was launched in 2012 to address all of the key issues associated with the development of new antibiotics.



In January 2016, we signed up to a declaration of more than 80 pharmaceutical and diagnostics companies, committing to work with governments and in parallel to develop sustainable economic models for antibiotics to ensure a sustainable supply of these medicines for the future.

£17m



Investment in the
UK government's Dementia Discovery Fund

Alzheimer's and dementia

Dementia is one of the leading causes of disability and dependency among older people globally. Alzheimer's disease is the most prevalent cause of dementia and we are extending our open innovation model to tackle this challenge. Our focus is on public-private partnerships and new collaborative models.

In 2015, we became a founding partner, with a £17 million investment, in the UK government's Dementia Discovery Fund – a global fund for dementia research. The fund, designed to speed up the discovery and development of new treatments for dementia, will identify and promote new avenues for research from around the world.

We also continue to participate in the US Accelerating Medicines Partnership on Alzheimer's and the UK Dementia Platform, and to lead IMI's PharmaCog project to develop new tools for testing candidate drugs to treat Alzheimer's.

As this commitment ended in 2015, we will be replacing it with a new commitment that will focus on important global health challenges, including tackling antibiotic resistance and diseases of the developing world.



Health for all

Better access to medicines and vaccines

We are working to make our medicines and vaccines available and affordable for the people who need them, no matter where they live or what 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**

Affordability in low- and middle-income countries

Six billion people live in emerging markets and 300 million of them will begin using healthcare for the first time in the next five years. Our flexible pricing strategy seeks to meet their healthcare needs by providing more products at lower prices. We can extend access in this way because our global footprint and broad product offering allows us to sell high volumes of products.

Since 2010, we have capped the prices of our patented medicines and vaccines in Least Developed Countries (LDCs) at 25% of developed world prices, as long as our manufacturing costs are covered. We also have a tiered pricing approach for our products, where countries pay a price based on their Gross National Income (GNI) per capita.

GSK pioneered the tiered pricing model to improve access to our vaccines and enable low-income countries to roll out national immunisation programmes. We offer our lowest prices on vaccines for organisations such as Gavi, the Vaccine Alliance, which supports countries with a GNI per head of less than \$1,570. Since 2012, we have supplied nearly 89 million doses of *Rotarix* vaccine to Gavi, enabling 33 LDCs to launch immunisation programmes to combat rotavirus gastroenteritis, a common cause of diarrhoea and childhood mortality.

We supply Gavi with vaccines for cervical cancer (*Cervarix*) and for pneumococcal disease (*Synflorix*), which has now been introduced in 13 countries. In 2015, we committed to freezing our prices for developing countries that graduate from Gavi support so they can continue to purchase our vaccines at significantly discounted prices for a decade after graduation. We also supplied 62 million low-cost doses of *Synflorix* to Gavi and over 100,000 doses to Médecins sans Frontières to immunise children caught up in crises.

In 2014, we extended the tiered pricing model to include our prescription medicines. We develop pricing strategies based on country-specific circumstances, such as patient affordability, the local healthcare system, and other social and economic actors. Whilst we have increased access to some of our products through this strategy, we know there is more work to do. In Bangladesh, for example, sales of GSK's brand for cefixime have grown by 60% over four years since we reduced the price to help more people access this oral antibiotic.

In middle-income countries, where many people are still living in poverty, our flexible pricing approach enables more people to access our products. By halving the price of our *Seretide* inhaler devices (*Accuhaler* and *Evohaler*) in India, we increased sales volumes by 25% and 68% year-on-year during 2015. In the Philippines, GSK has introduced a card and coupon patient programme, offering discounts of between 10-60% for selected products. In 2015, more than 58,000 patients accessed products, including antibiotics *Augmentin* and *Zinnat*, as well as our *Seretide* inhaler, through the programme.

We have also participated in the Groundwork Dialogue, a multi-stakeholder platform alongside national representatives from Colombia, Ghana, Philippines, Thailand and Vietnam, to improve evidence-based decision-making in health systems in low- and middle-income countries. The resulting Groundwork Framework, released in 2015, outlines a plan for governments and industry to enable people to obtain the medicines they need at a price they can afford.

A UN High Level Panel on Innovation and Access will also issue a report in 2016. Our CEO Andrew Witty sits on the panel, which was convened by the UN Secretary-General Ban Ki-moon.



Health for all

Better access to medicines and vaccines – continued

Affordability in developed countries

Affordability can also hinder access for people in developed countries. We broaden access to our products in these markets by having a flexible approach, while retaining returns for our investment in innovation. For example, in the USA all of our six most recently launched new medicines were priced at parity or at a discount to the medicines we aim to supercede.

In the USA, we offer various types of patient assistance to help ensure appropriate access to our medicines. GSK has programmes for eligible patients who do not have prescription drug coverage, those with a Medicare Part D Prescription Drug Plan and we now offer specialty product assistance for eligible insured patients. As a result of new coverage options available following the Affordable Care Act, more patients are insured and fewer are requiring our Patient Assistance Programmes (PAP). However, as part of our commitment to access, we continue to provide services to help patients understand alternative coverage options. In 2015, our PAPs provided prescribed GSK medicines and vaccines valued at \$146,655,296* to 150,148 patients.

In 2015, we reached an agreement with the UK government to make Britain the first country with a nationwide vaccination programme against meningitis B, a potentially deadly infectious disease. It offers fair value for the National Health Service, while ensuring GSK can continue to invest in creating new treatments and vaccines.

Building local capability and capacity

Building local capabilities improves access in developing countries by providing patients and consumers with locally relevant products while enhancing domestic manufacturing capacity and capability.

Increasing local access and supply is an important part of our commitment to Africa, and in 2015 we continued to evaluate options for manufacturing in Nigeria. We are also investing in academia in Africa, such as through collaborating with the Royal Society of Chemistry's Pan African Chemistry Network, and Universities across Sub-Saharan Africa, to train over 500 scientists. The collaboration aims to support the development of a skilled workforce which will in turn support vibrant local healthcare economies.

In 2015, we announced our plans to establish a new global headquarters for Asia in Singapore and started work on a £100 million pharmaceutical factory in India. Once operational, the factory will manufacture eight billion tablets and one billion capsules of anti-inflammatory and gastroenterology medicines, per year, for the Indian market.

In Brazil, we are collaborating with FioCruz to develop vaccines that tackle the country's health priorities, and in India our joint venture with Biological E is developing a combination vaccine for six diseases in one. Through ViiV Healthcare we have signed an innovative manufacturing partnership with Desano, a Pharmaceuticals manufacturer, to provide our HIV treatment dolutegravir at a competitive price to China and other countries where the need is greatest.

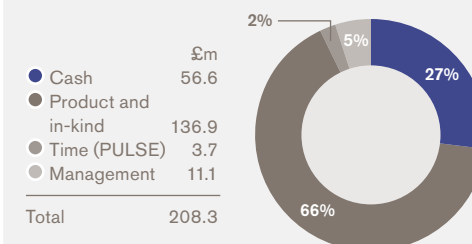
Supporting community access to healthcare

Our targeted product and financial donations help local and global partners provide community access to healthcare. In 2015, our global community investment totalled £208.3 million, compared with £201.5 million in 2014.

In 2015 our support included:

- **Cash:** In 2015, we donated £56.6 million in cash to communities worldwide, including £40.8 million on health, wellbeing and education programmes. This includes donating £6.5 million to strengthen healthcare infrastructure in LDCs, primarily through training community health workers (see page 21).
- **Product donations:** We donated medicines valued at £136.9 million. This support includes our Patient Assistance Programmes, over 900 million albendazole tablets to fight lymphatic filariasis and soil-transmitted helminths (see page 22) and product donations to support humanitarian aid, distributed through our partners AmeriCares, Direct Relief, IMA World Health, MAP International and Project HOPE.
- **Expertise:** Our employees volunteered time, skills and expertise worth £3.7 million.

Our giving in 2015



* 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 prescribed GSK medicines and vaccines provided through PAPs in 2015 based on wholesale acquisition cost, was \$467,055,083.



Health for all

Building products to better meet needs

We are developing new formulations and formats that can overcome accessibility barriers and extend the reach of our life-saving products.



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: **Progressing well**

Making our medicines, vaccines and consumer products available in appropriate formats is an important part of our strategy to increase access to healthcare and better meet the diverse needs of patients and healthcare systems worldwide.

Developing vaccines and medicines that don't need to be kept cold

Most vaccines need to be kept cool (between 2°C and 8°C) during storage and distribution to remain effective. In developing countries, maintaining this 'cold chain' right through to the patient can be very challenging.

Through our partnership with the Bill and Melinda Gates Foundation, we are reformulating a critical liquid component used in our RTS,S candidate malaria vaccine to enable it to remain stable for three years even at temperatures of up to 30°C. By June 2015, we had demonstrated this stability for up to one year at 30°C and for a month at up to 45°C. We aim to integrate this thermostable formulation into our global malaria strategy to make it easier to transport and store the vaccine in hot regions like sub-Saharan Africa where people are most at risk of the disease.

Some medicines also need to be refrigerated, such as oxytocin, a manufactured hormone used to reduce excessive bleeding during or after birth – the single biggest cause of maternal mortality. The liquid oxytocin is hard to access in developing countries because of the lack of proper refrigeration and trained healthcare workers to administer injections. We are collaborating with Monash University in Australia and other partners to develop a heat-stable and low-cost inhaled form of oxytocin. In 2015, we began a clinical trial of this new dry powder formulation.

Developing new formulations and formats

We are exploring ways that our existing products can be reformulated to tackle different health challenges.

Through our partnership with Save the Children, we are investigating the use of a skin emollient containing sunflower seed oil to reduce the risk of infection, dehydration and hypothermia caused by severe and acute malnutrition in children. We have also submitted a regulatory application to the European Medicines Agency for an antiseptic gel to prevent umbilical cord infections in newborns that has been reformulated from the chlorhexidine solution used in our *Corsodyl* mouthwash. See page 20 for more on our work to reduce child mortality.

Combining more than one vaccine or treatment can extend coverage, reduce the number of doses that need to be transported and administered by health workers, or simplify complex drug regimens for patients.

Our flu vaccine now protects people against four strains of influenza, rather than three, in a single dose. In Bangladesh, we began a clinical study in 2015 to test a four-dose vial of *Synflorix*, the pneumococcal vaccine we supply to Gavi. If successful, this new format will reduce the storage space and the cold chain capacity required for transport and use of the vaccine.

Through ViiV Healthcare, we are investigating the combination of multiple drugs to provide more treatment options and simplify complex drug regimens for people living with HIV. ViiV Healthcare has a dedicated paediatrics group focused on developing antiretroviral treatments adapted for infants and children (see page 25).

Smaller pack sizes to make products more affordable

We sell smaller sachets of our products in emerging markets in order to make them more affordable, for example our *Sensodyne* toothpaste in the Philippines and our *Horlicks* nutritional supplement in India. Our single-unit inhaler products, *Ventolin Rotacaps* and *Rotahaler* devices, help patients living with asthma and COPD to manage the cost of their treatment by buying a little at a time. This enables patients, particularly those who receive wages on a daily or weekly basis, to access this critical medication. *Ventolin Rotacaps* and *Rotahaler* devices are registered in 32 countries, and we are expanding reach to patients in Philippines, Indonesia, Vietnam, Nigeria and Kenya.



Health for all

Reducing child mortality

Through our vaccines, medicines and pioneering partnership with Save the Children, we are contributing to the urgent effort to reduce child mortality globally.



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



Progress overview: **On track**

Approximately 16,000 children under five die every day, many from preventable causes. Due to social and economic inequalities, under-five mortality in low-income countries is 11 times higher than in high-income countries.

We are committed to helping to save one million children's lives in the world's poorest countries through our ground-breaking partnership with Save the Children. Our efforts include developing child-friendly medicines, widening immunisation coverage, accelerating access to treatments and strengthening healthcare systems. This commitment is an important contribution to the UN Global Goals for Sustainable Development to end preventable deaths of newborns and children under five years of age by 2030.

Partnering to help save one million children's lives

Through our partnership with Save the Children we are combining our capabilities in R&D, supply chain, procurement and vaccines with the charity's expertise working with the most vulnerable children. Together we are delivering tangible results. To date, we have reached over 1.3 million children. Over 23,500 under-fives have been fully immunised, over 125,000 children have been treated for diarrhoea, malaria or pneumonia, and over one million children have been screened for malnutrition.

Using insights and on-the-ground knowledge from Save the Children, we have been working to reformulate the antiseptic chlorhexidine solution used in GSK's *Corsodyl* mouthwash into a gel to prevent umbilical cord infections. This issue is exacerbated in developing countries, where many births take place at home and without proper health care. In October 2015, we submitted a regulatory application to the European Medicines Agency. If approved for use, we will offer the antiseptic gel at a not-for-profit price and we will share our knowledge with others so it can be manufactured locally. Read more about our work with Save the Children on pages 14, 19 and 45.

Our programmes with Save the Children in the Democratic Republic of Congo (DRC) and Kenya aim to establish models that can be replicated in other developing countries. For example, in the DRC, where over 300,000 children a year die before reaching their fifth birthday, we are delivering essential services for neonatal, maternal and child health. In Kenya, where we are supporting the charity's newborn child survival programme, we have trained over 570 community health workers, set up 57 community health units and refurbished over 33 maternity centres.

In February 2016, we announced the winners of the third annual \$1 million Healthcare Innovation Award, set up by GSK and Save the Children to reward sustainable and scalable healthcare innovations that have resulted in tangible improvements to under-five child survival rates. The 2016 winners include innovations in strengthening health systems, community programmes and treatment strategies from Africa, Asia and South America. The overall winner was a digital immunisation system developed by PATH in South Vietnam.

Through our PULSE volunteering programme (see page 45), over 45 GSK employees have volunteered with Save the Children since 2013.

We also encourage employee fundraising, and since the partnership began GSK employees have raised over £1.65 million, which has been increased to £3.3 million through matched funding from GSK. The money raised is used to support the health programmes in Kenya and the DRC, as well as Save the Children's humanitarian relief efforts and local programmes in other countries around the world.

Other efforts to reduce child mortality

Vaccines to immunise children are critical to reducing childhood mortality. Through our work with Gavi, we provide reduced-price vaccines to help protect more than 300 million children from diseases such as rotavirus and pneumococcal disease.

We have also committed to donate up to 400 million tablets of albendazole each year until 2020 in support of the WHO's goal to de-worm 75% of children in countries where intestinal worms are endemic (see page 22).

Many of our health worker training programmes (see page 21) focus on reducing child and maternal mortality in rural communities. For example, in Nepal, we work with CARE International and the government to improve maternal, neonatal and reproductive health. We are improving the skills of frontline health workers, providing health equipment, and enabling local communities to feedback on how health centres perform and the quality of services provided. Through our support, over 6,000 health workers in Nepal have been trained, reaching more than one million beneficiaries.



Save the Children

HELPING TO SAVE ONE MILLION CHILDREN'S LIVES



Health for all

Strengthening healthcare infrastructure

Our reinvestment in Least Developed Countries (LDCs) has trained over 40,000 frontline health workers, supporting 11 million underserved people.



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

By 2035, the world will face an estimated shortfall of nearly 13 million frontline health workers. A lack of trained health workers already presents a fundamental barrier to accessing quality healthcare for people in the world's poorest countries.

With our partners, we are training frontline health workers, supporting community education and advocating for increased investment in health system strengthening.

Reinvesting in healthcare

In the LDCs where we operate, we reinvest 20% of our profits from the sales of our pharmaceutical and consumer healthcare products to train and educate community frontline health workers in those countries. Since 2009, we have reinvested £21 million of our LDC profits in 35 countries, training 40,000 frontline health workers, including midwives, nurses and community health workers and volunteers, who have in turn reached 11 million people.

To ensure the sustainability of our reinvestment programmes, they are tailored to meet specific community needs and align with government health priorities. Working with our partners, Amref Health Africa, CARE International and Save the Children, we focus on training frontline health workers and educating communities on basic preventative health. We build capacity by improving health facilities, equipping training centres and advocating for improved policies and increased investments from governments. In 2015, with our support:

- CARE International trained 170 midwives from local communities in Bangladesh, who have been formally accredited and salaried by the government.
- Save the Children successfully lobbied the Mali government to recruit 637 health professionals by demonstrating the effectiveness of our community health worker training programme.

- Amref Health Africa supported elearning training for 500 nurses and midwives in Tanzania and Uganda.

GSK is supporting the UN **One Million Community Health Workers Campaign** that advocates for recruitment and formal recognition by Ministries of Health of one million community health workers. We are funding a pilot to train 1,800 health workers in Ghana, which the Campaign aims to showcase to catalyse further investment in the programme.

In 2015, to increase access to healthcare and deliver long-term economic growth across Africa, we expanded health worker training beyond LDCs to Ghana, Kenya and Nigeria. We are supporting Amref Health Africa train 2,500 health workers in Kenya on managing diabetes and childhood asthma. We are also working with Save the Children to build the capacity of 5,000 frontline health workers across three Nigerian states to reach more than 400,000 children under five and their mothers. By end 2017, we aim to have trained 75,000 health workers, benefitting millions of underserved patients.

Partnering to develop new healthcare delivery models

We are exploring how technology and new business models can be used to transform the way healthcare is delivered in developing countries around the world.

GSK's three-year partnership with Barclays seeks to develop new business models that increase access to healthcare and stimulate economic development in Zambia. In 2015, we worked together to launch a one-year pilot of a social enterprise with CARE International to train community entrepreneurs to sell health products door-to-door.

More than 35,000 children in Mozambique have now been registered in our mVaccination pilot programme with Vodafone, which seeks to improve vaccination rates using mobile phones. Parents and caregivers receive updates on their phones to remind them when vaccinations are due, and over 55,000 vaccination visits have been recorded.

In addition, healthcare workers are responsible for recording vaccination stock levels and refrigerator temperatures on a weekly basis through the phone. An average of five stock updates, and three cold chain updates, per week were recorded by 17 facilities. In December the service was expanded to 76 facilities.

With funding from USAID and Gavi, a randomized control trial will measure the impact of the pilot and assess cost effectiveness to inform decisions about scaling up the programme in Mozambique and other African countries.

We are also contributing to a joint initiative by the WHO and International Telecommunications Union to assist governments to use mobile technology to prevent and treat non-communicable diseases in both developed and developing countries. The initiative targets risk factors and conditions such as smoking, hypertension, diabetes and poor diets. In Costa Rica, for example, a campaign using text messages to help people stop smoking encouraged 12% of participants to quit.

In 2015, we began working with Marie Stopes International, an NGO, to pilot a scalable women's health intervention programme in Bangladesh, Madagascar and Sierra Leone to screen, prevent and treat cervical cancer. The programme will target 45,500 women, aged 30 to 49, and will expand the roll out of our *Cervarix* cervical cancer vaccine for young girls.



Health for all

Eliminating and controlling neglected tropical diseases

We are partnering with others to free millions of people from the debilitating effects of neglected tropical diseases (NTDs).



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**

NTDs are a group of communicable diseases prevalent in 149 developing countries and affecting over one billion people. Nearly one in six people worldwide suffers from at least one NTD. The debilitating effects – including disability, disfigurement and death – have a detrimental impact on the health and economies of the world's poorest countries.

Together with our partners in the [London Declaration on NTDs](#), we are committed to controlling or eliminating at least 10 of these NTDs by 2020. In 2015, this partnership of major pharmaceutical companies, UN organisations, academics, NGOs and national governments released its [third annual report and scorecard](#). While progress is being made towards the WHO targets, challenges remain. Our contribution focuses on our large-scale donation of albendazole, efficient forecasting, manufacturing and shipping of donated products, global research and advocacy.

Our donation of albendazole enables de-worming of school age children in all endemic countries. We also have an extensive R&D effort on NTDs, which focuses on African sleeping sickness, Chagas disease and Leishmaniasis. Through our efforts, we hope to make a significant contribution to new targets to end NTDs by 2030 that form part of the UN Global Goals for Sustainable Development.

Albendazole donation

We have pledged to donate albendazole for as long as needed to help eliminate LF, a mosquito-borne worm disease that causes disfiguring swelling of limbs and genitals known as elephantiasis. We are also committed to providing up to 400 million albendazole tablets a year to help treat school age children at risk of intestinal worms where these soil-transmitted helminths are endemic.

In 2015, we donated 644 million albendazole tablets for LF elimination and 258 million tablets to treat intestinal worms. In total, we have donated nearly six billion tablets over 16 years, reaching over 760 million people including 212 million school aged children.

Researching new treatments

The scale and complexity of NTDs requires an open and flexible approach to innovation. In addition to our own R&D group dedicated to NTDs and other diseases of the developing world (DDWs), we are prioritising research in this area at the Tres Cantos Open Lab (see page 15). GSK is also a founding member of WIPO Re:Search, an open innovation platform that seeks to accelerate the development of new and better treatments against NTDs.

Our open innovation process resulted in the publication of 600 high-quality hits against NTDs in 2015, after screening over two million compounds from our collection. Scientists working at Tres Cantos have also made progress on developing the first preclinical candidate to treat Visceral Leishmaniasis and a promising pre-candidate drug to combat Chagas disease.

Albendazole tablet donations	2011	2012	2013	2014	2015	Total (since 1999)
Tablets for LF elimination (m)	585.7	588.9	647.9	678.6	643.6	5,269
Tablets to treat intestinal worms (m)	16.8	121.0	114.5	180.2	258.3	690.8
Total	602.6	709.9	762.4	858.8	901.8	5,959.7



Health for all

Fighting malaria

After 30 years of research, we are now closer than ever to making available the world's first vaccine against this devastating disease.



Commitment: Build on our 30-year commitment to contribute to the fight against malaria through continued R&D investment and partnerships on the ground.



Progress overview: Progressing well

A child in Africa dies from malaria every two minutes. Most are under the age of five. Malaria and poverty are closely linked, so the communities at highest risk from the disease are often those with the least access to prevention, diagnosis and treatment.

For the last 30 years, together with our partners, we have been working to develop a vaccine to protect young children from this deadly parasite. In 2015, we reached a significant milestone on our journey. The European Medicines Agency adopted a positive scientific opinion for our malaria candidate vaccine *Mosquirix*, or RTS,S, in children aged six weeks to 17 months.

WHO has recommended that RTS,S should be introduced through a pilot roll-out. WHO is now actively working with financing bodies, and the malaria vaccine clinical trials partnership (including PATH and GSK) to generate support for the pilots, and to finalise the design of the pilot implementation programme.

GSK developed RTS,S in partnership with the PATH Malaria Vaccine Initiative and with funding from the Bill and Melinda Gates Foundation. The vaccine candidate targets a malarial parasite, *P. falciparum*, which is most prevalent in sub-Saharan Africa. Trials have shown that its use, along with bed nets and insecticides, can help protect the region's most vulnerable children.

GSK has committed to supply RTS,S at a not-for-profit price. The price will cover the cost of manufacturing the vaccine together with a small return of around five per cent that will be reinvested in research and development.

Using our open innovation approach

In addition to our significant investment in the development of a vaccine to prevent malaria, we are also continuing our research into new and better treatments for those who contract the disease. Our research has resulted in the discovery of a pre-clinical candidate that is effective against current malarial parasites.

To stimulate external drug discovery research for malaria, we published over 13,500 promising 'hits' from our compound collection in 2010.

We have also been working with MMV to progress the development of tafenoquine, a drug to treat and prevent *P. vivax* malaria, a strain occurring primarily in South and South East Asia, Latin America and the horn of Africa. The phase III trial programme is currently investigating *Tafenoquine* in adult patients with *P. vivax* malaria.

Partnerships to fight malaria

Since 2001, we have supported the Africa Malaria Partnership to promote the use of existing interventions, such as bed nets, indoor residual spraying, and anti-malarial treatments.

In 2015, we continued our partnerships with Amref Health Africa and Save the Children to train health professionals and community health workers in Tanzania and Kenya respectively. We also continued our work with FHI 360 and The Carter Center to combine interventions to control malaria and NTDs in Ghana and Nigeria, and with the Faiths Act Sierra Leone to train 47 faith leaders to become malaria ambassadors.

In December 2015, we launched a new partnership with Comic Relief, a UK charity, to fight malaria and strengthen health systems. This £22 million partnership, created by a £17 million donation from GSK and £5 million from Comic Relief, will make grants to frontline organisations in five malaria endemic countries. This complements interventions by other global health funders and grassroots organisations. Through this collaboration, we aim to support the WHO target to reduce malaria cases and deaths by at least 90% by 2030 and support the Global Goals for Sustainable Development.



Health for all

Eradicating polio

We are using our vaccines and technologies to support the eradication of polio.



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



Progress overview: **Progressing well**

Polio is an infectious viral disease that mainly affects children and has no known cure. In many instances, it can cause life-long paralysis. For the past 25 years, 99% of the world has been polio-free. GSK played a key role in achieving this, in partnership with other organisations, and we are committed to supporting the WHO's goal to completely eradicate the disease.

In September 2015, the WHO announced that polio is no longer endemic in Nigeria. This follows the 2014 milestone of India being declared polio-free. This is good news, however the virus remains endemic in two countries: Afghanistan and Pakistan. Without eradication the global threat of polio remains. In 2015, new outbreaks were confirmed in Madagascar.

Through the Global Polio Eradication Initiative (GPEI), we supply the oral polio vaccine (OPV) to the countries that most need it.



220m

In 2015, we supplied 220 million doses of the oral polio vaccine.



In 2015, we delivered 220 million doses of OPV, and since 1988, we have contributed over 16 billion doses. We expect to meet our full, three-year contractual commitment to GPEI by delivering 300 million doses in 2016 and another 150 million in 2017.

In 2015, WHO scientists recommended the transition to an OPV that targets only two disease strains, instead of the usual three. By removing the type 2 strain (which has not been detected since 1999) the very small risk of the disease re-emerging from the vaccine itself is eliminated. In line with this strategy, we are ready for a successful switch to the two-strain vaccine in April 2016. We have also stockpiled large amounts of OPV to be kept available for use by UNICEF in the event of an outbreak.

Inactivated polio vaccine (IPV) is replacing OPV in countries where the disease has been eradicated to prevent re-emergence of the disease. We already supply IPV to developed countries and we are investing in a new IPV facility in Belgium, due to begin production in 2018.

In 2013 we formed Qualivax, a joint venture with Indian pharmaceutical company, Biological E, to create a combination vaccine that includes inactivated polio virus (IPV) and vaccines for five other diseases in a single dose. We expect the vaccine to be available by 2020. Following the eradication of polio, this combination vaccine will be an important tool to help prevent a resurgence of the disease, particularly in the developing world.



Health for all

Access to antiretroviral treatment for HIV

Through research and collaboration we are developing and increasing access to treatments for HIV/AIDS.



Commitment: Through ViiV Healthcare, we will continue to research new treatments, increase access to our medicines and care for people living with HIV around the world. We will support UNAIDS to deliver their 90-90-90 ambition by 2020*. We will also work with communities to combat stigma and discrimination associated with HIV.



Progress overview: Progressing well

Worldwide, 35 million people are living with HIV but only 38% of adults and 24% of children are getting treatment. We are supporting efforts to work towards universal coverage. Our priority is to develop new medicines for HIV/AIDS and ensure they can be accessed by the people who need them most.

Delivering new treatments

Tivicay (dolutegravir) was first approved by the US FDA in 2013 and is now available in 61 countries. *Triumeq*, a combined antiretroviral drug, was approved in 2014, and is available in 31.

Innovative formulations and delivery methods are vital for people living with HIV. ViiV Healthcare is working with Janssen, a pharmaceutical research company, to develop a two-drug single tablet regimen combining dolutegravir and rilpivirine for patients who are already virally suppressed. We are also exploring combining cabotegravir and rilpivirine, two long-acting formulations that could be administered much less frequently than existing medicines, making it easier for people to adhere to treatment. In addition, we are investigating the use of cabotegravir as a prevention in high-risk populations.

As part of our ongoing research into antiretroviral treatments, we support more than 20 clinical studies involving over 25,000 patients across Africa and Asia. These studies address areas for patients in these regions, including prevention of mother-to-child transmission, TB co-infection, paediatrics and adolescents.

Findings from these studies will be used to inform local and global HIV treatment programmes and improve access for patients in these regions.

Increasing access to HIV treatment and care

Extending access to HIV treatment and care is a priority, particularly in low-income countries where nearly 90% of people affected by HIV live. ViiV Healthcare's access programmes reach 138 countries worldwide and 16 royalty-free voluntary licences enable generic manufacturers to sell its products to donor agencies and public sector programmes at a significantly reduced price.

Following a 2014 agreement with the Medicines Patent Pool (MPP), a UN-backed organisation that encourages voluntary licencing and patent pooling, ViiV Healthcare has introduced the first ever MPP licence with a tiered royalty system tailored to national GDPs. This strategy extends access to dolutegravir to countries where 93% of adults with HIV in the developing world live, and to paediatric formulations of the drug in the 121 countries where more than 99% of children with HIV live.

We are also helping to improve access by facilitating the approval process for generic versions of dolutegravir. In 2015, our partnership with the Clinton Health Access Initiative enabled Indian pharmaceutical company Aurobindo to file an application to the US FDA for generic approval of dolutegravir. With FDA approval, generic dolutegravir could be supplied through the President's Emergency Plan for AIDS Relief in licensed countries outside of the USA. In the US and Europe, *Tivicay* and *Triumeq* are available to patients through the relevant national health services.

Improving outcomes for key affected populations

Stigma remains one of the biggest barriers to people getting tested, disclosing their HIV status and starting treatment. Since 1992, we have supported the HIV community to fight stigma and discrimination, and promote healthcare access by working with more than 350 community based organisations and other stakeholders.

We target our efforts in key affected populations to reach those at the greatest risk of HIV infection. Our programmes include the £25 million Positive Action for Children Fund, support for prevention of mother-to-child transmission; and raising awareness of HIV prevention, testing and care among adolescents, girls, women, men who have sex with men and the transgender community. For example, in 2015 we announced a US\$10 million (£6.7 million), four-year ACCELERATE! Initiative to catalyse community support for black gay and bisexual men in the US cities hardest hit by HIV.

Antiretroviral treatment coverage is often lower for children than adults. ViiV Healthcare has a dedicated R&D work stream to develop formulations and therapies better suited for infants and children under the age of 15. We developed paediatric taste-masked formulations of abacavir and lamivudine to improve adherence of children to therapy. Since receiving tentative approval from the FDA in 2014 for the treatment, our partners Mylan and the Clinton Health Access Initiative have been working to make it available to countries covered by the license agreement.

See the ViiV Healthcare website for more information, including our new series of [policy documents](#) on key issues.



* 90% of people living with HIV to know their HIV status, 90% of those diagnosed to receive sustained antiretroviral therapy and 90% of those receiving therapy to have an undetectable viral load.



Our behaviour

As of January 2016, we no longer pay HCPs to speak to other prescribers about our medicines and vaccines.



Our behaviour

Our approach

We are driven by our values in everything we do – from developing, testing and manufacturing new medicines to engaging with governments on appropriate policies.

Using rigorous standards and controls, we prioritise patient safety, transparency and acting with integrity in all our research and clinical trials. We then continuously monitor and report any potential adverse effects from our medicines and vaccines when prescribed by physicians and used by patients.

We expect all our employees and suppliers to live our values. Mandatory annual training ensures our people know our [Code of Conduct](#), and we measure their performance not just by what they deliver, but how they deliver them in line with our values.

We have significantly changed our commercial model to lead the industry in the way we sell and market our medicines, to ensure patients' needs come first. Our pharmaceutical medical representatives the world no longer have individual sales targets. Instead, they are assessed and compensated based on their knowledge and quality of service they deliver to healthcare professionals (HCPs) and broader business performance.

One of our core values is respect for people and human rights are fundamental to this. GSK is a signatory to the UN Global Compact and we are exploring how to implement the UN Guiding Principles on Business and Human Rights across our value chain.

2015 highlights

Transparency in clinical trial data

We have given 62 research teams access to clinical trial data, enabling further research and maximising the contribution made by the thousands of volunteers and patients participating in our studies.

62

→ Read more on page 32

Ethical conduct

99.9% of our people completed mandatory annual training on our Code of Conduct in 2015, including complementary workers who were required to take the training for the first time.

99.9%

→ Read more on page 29



A sales force that puts patient needs first

In January 2015, we completed the roll-out of changes to the way our sales teams are compensated globally. Our pharmaceutical medical representatives no longer have individual sales targets.

→ Read more on page 31

"I think the interaction between the pharmaceutical industry and doctors is open to critique. Any interaction between industry and the health professional community needs to be open and transparent."

Sir Michael Rawlins
Chair of the Medicines and Healthcare Products Regulatory Agency.

Working with third parties

We introduced a comprehensive new programme to strengthen management of environmental and social risks in the supply chain, and identified around 1,300 high risk suppliers and 200 distributors that must undergo further assessment through this programme.

1,300

→ Read more on page 38

Increasing transparency

In 2015, GSK was ranked among the top three most transparent FTSE 100 companies in Transparency International's Corporate Political Engagement Index.

Top 3

→ Read more on page 32



Our behaviour

In focus



The ethics and compliance academy

Our values dictate how we behave and guide the decisions we make. Our Global Ethics and Compliance team play a major role in embedding a values-based culture by providing tools to establish robust internal controls and create an ethical culture where people feel comfortable raising concerns.

In 2015, we introduced a new Ethics and Compliance Academy that provides in-depth training and external certification for members of this team worldwide. The aim of this innovative model is to strengthen compliance and ethics by promoting a common approach on ethics and compliance across the business.

Over five days of interactive activities, case studies and presentations from internal and external experts, participants learn how to apply GSK's values practically on a day to day basis and how to detect potential risk areas across the business. On completion of the course, participants must successfully pass an examination to receive a Leading Professional in Ethics and Compliance (LPEC) certification issued by the Ethics & Compliance Initiative (ECI), a non-profit organisation. Those who have completed the course have achieved a 98% pass rate, with an average score of 88%.

Nick Hirons, Head of Global Ethics and Compliance, said: "We wanted to go beyond training, to take people on a development journey from compliance professionals to ethics and compliance experts. Our goal is to help participants help the business make values-based decisions, and recognise and confidently navigate in ethical grey zones."

Through the Academy, we are building a network of informed, engaged and effective ethics and compliance officers. In 2015, we ran five Academy sessions with 198 employees from 90 countries – 97% agreed that they had learned new skills and 98% agreed that the Academy was a valuable use of their time.

We plan to develop a less specialised version of the Academy for senior leaders and employees in our legal, human resources and audit functions. By enhancing their knowledge in ethics and compliance, we can create an even stronger ethical culture across GSK.



In 2015, we ran Academy sessions with 198 employees from 90 countries.



Our behaviour

Ethical conduct

We are guided by our values – integrity, transparency, focus on patients and respect for people – in everything we do.



Commitment: We will continue to strengthen our values-based culture by training our people on the standards expected, encouraging the reporting of any concerns, and embedding our values into the way we measure employee performance.



Progress overview: **Progressing well**

Training employees on our expectations

We train our people to put our values into practice and make the right choices if they are faced with ethical dilemmas. Our [Code of Conduct](#) and a dedicated online resource centre provide the guidance and tools they need to apply our values in their everyday activities, wherever they work around the world.

In 2015, 99.9% of employees completed mandatory annual training on our Code of Conduct. The online course is available in 23 languages and includes training on our values, ethical leadership, anti-bribery and corruption, and reporting any issues or concerns.

We have increased managers' accountability to ensure that their employees take part in the training, and in 2015 we extended this mandatory training to over 30,600 complementary workers for the first time. Employees who fail to complete the course may face disciplinary action, as defined and permitted by local labour laws. In 2015, 97 people received written or verbal warnings after failing to complete the course in the required time frame, even after being granted an extension.

Embedding our values in performance measurement

Living our values is one of the six expectations we use to measure employees' performance through our global performance system. This puts the emphasis on the way employees achieve results, rather than just the results themselves. As part of this continued focus on embedding values in our performance management, in 2015 we extended our existing recoupment programme to cover approximately 1,100 senior managers globally. We have also fundamentally changed the compensation model for our sales teams to focus on patient needs. See page 31 for more on promoting values in sales and marketing practices.

Anti-bribery and Corruption

We have zero tolerance for bribery or corruption in any form. Our Anti-Bribery and Corruption (ABAC) programme includes risk assessments, standards and additional training for people working in high risk areas. More than 54,000 employees completed this training in 2015. We are now rolling out a new and simpler framework to engage and train third parties based on their risk profile.

In our 2015 employee survey, 85% of respondents agreed that their work environment encourages ethical behaviour even in the face of pressures to meet business objectives.





Our behaviour

Ethical conduct – continued

Reporting and investigating misconduct

We centrally track misconduct allegations, concerns and security incidents received through our Speak Up channels, monitoring, and other routes. In 2015 we received over 5,780 such reports or allegations. The majority of these, 3,257 (3,203 in 2014) were through our Speak Up channels which offer people within and outside GSK the opportunity to ask questions and voice concerns anonymously or confidentially through an independent third party by phone or online.

All concerns raised are reviewed and over 2,670 formal investigations were initiated in response to these allegations. The five most frequent categories of allegation were employee performance/relations, product promotion, interactions with HCPs, fraud and ABAC.

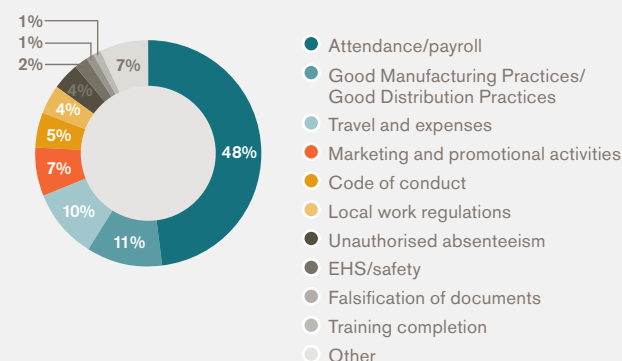
Disciplinary Action

Disciplinary action is taken when employees fail to act in line with our policies. In 2015 3,574 employees were disciplined for policy violations (3,947 in 2014). The types of policy violations (see chart) in 2015 remained broadly the same as in 2014. Attendance and payroll remains the biggest type of violation at 48% of the total (43% in 2014), followed by good manufacturing practices at 11% (10% in 2014). Travel and expenses violations increased to 10% (3% in 2014), due to increased frequency of monitoring.

Of the total disciplined, 297 received verbal warnings, 2,890 employees received a documented warning (3,131 in 2014) and 387 (373 in 2014) were dismissed or agreed to leave the company voluntarily. The highest number of dismissals were related to travel and expense policy violations which accounted for 130 dismissals, followed by 31 dismissals related to Code of Conduct violations and 22 for attendance/payroll violations.

Like many pharmaceutical companies, we are faced with various complex product liability, anti-trust and patent litigation, as well as investigations of its operations conducted by various governmental regulatory agencies. Further details of ongoing investigations are set out on page 71 of the Annual Report.

**Employees disciplined in 2015:
breakdown of types of policy violation.**





Our behaviour

Promoting values in sales and marketing practices

We have transformed the way we compensate our salesforce and engage with healthcare professionals to ensure patient needs come first.



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.



Progress overview: Progressing well

Creating a sales force that puts patient needs first

In January 2015, we completed the roll-out of changes to the way our sales teams are compensated globally. Our pharmaceutical medical representatives around the world no longer have individual sales targets. Instead, they are incentivised based on their technical knowledge, the quality of service they deliver to healthcare professionals (HCPs) to support improved patient care, and a broader set of business performance measures. Our sales teams are listening to customers' needs and using the right GSK resources to help support the delivery of improved patient care.

In the USA, the approach has generated strong positive customer feedback. In a survey of 3,599 US HCPs in July 2015, GSK ranked first in both trust and customer value for the second time in a row. Simplifying the system has resulted in a significant increase in engagement levels among our US sales teams. In a 2015 employee survey, 75% of respondents agreed that US Pharma is making the changes necessary to compete and 81% said they were proud to work for GSK.

Our sales and marketing employees, along with relevant third parties, must follow our [Code of Practice for Promotion and Customer Interactions](#).

Changing the way we engage with HCPs

We remain committed to ongoing dialogue with the scientific community and supporting medical education, but we are making changes to transform and modernise the way we engage with HCPs. As of January 2016, we no longer pay HCPs to speak to other prescribers about our prescription medicines and vaccines. We will continue to pay HCPs for providing services and for participating in our clinical research. These payments are governed by rigorous controls and are based on fair market value.

GSK is also changing the way it supports medical education by no longer playing a role in choosing which healthcare professionals are sponsored to attend scientific congresses. Instead, the company will provide funding to independent professional bodies who will allocate funding to individuals – another industry first. We will also support independent medical education by providing grant funding to recognised education providers. These programmes are independent and we do not influence the programme content.

To provide information about our medicines and vaccines in the way HCPs want it, when they want it, we are making significant investments in digital platform and capabilities, as well as in our in-house medical capabilities.

In markets where GSK experts are speaking, HCPs have found them to be highly effective and informative. In Canada, where we stopped payments to HCPs in early 2015, GSK expert speakers had delivered the same number of Medical Product Information Sessions by June as external HCPs had during all of 2014. Attendees commented on the strong scientific knowledge and communication skills of GSK speakers.

Disclosing payments made to HCPs

GSK is committed to disclosing the payments we make to HCPs and healthcare organisations, on an individual or aggregate basis. We already do so in several countries, including Australia, Denmark, France, Japan, the Netherlands, Portugal, Slovakia, the UK and the US, in line with locally agreed government or industry association codes. In 2017, we plan to disclose payments on an aggregate basis in Canada.

We support increased transparency in other countries where industry associations or governments establish specific guidelines for disclosure. For example, the new code on disclosure of payments to HCPs from the European Federation of Pharmaceutical Industries and Associations (EFPIA) requires any payments made from 1st January 2015 onwards to be reported on an annual basis. The first reports are expected to be published in June 2016.



Our behaviour

Transparency in clinical trial data

We are advancing medical science and patient care by providing greater access to clinical trial information.



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: **Completed**

The safety and effectiveness of new medicines must be demonstrated through clinical trials. Providing greater access to data from these trials – regardless of whether the results might be considered positive or negative – allows others to conduct further research. This also helps us ensure we maximise the contribution made by the thousands of volunteers and patients participating in our studies.

Since 2004, we have had an online clinical study register where we make available information on our trials, including summaries of results.

For the past number of years we have led the industry in sharing information and data about trials to advance medical science and patient care. We were the first company to make Clinical Study Reports (CSRs) publicly available. These formal reports are the basis of submissions to regulatory agencies and include detailed information on the design, methods and results of our trials. We post them on our clinical study register with patients' personal information removed. The register now includes over 5,800 summaries of trial results and 663 CSRs.

We were also the first pharmaceutical company to sign up to the [AllTrials](#) campaign for trials to be registered and results reported. In 2015, the campaign received support from 85 investors, representing more than £2.5 trillion of assets, in the USA, Europe and Australia.

In 2012, we committed to share the detailed patient-level data that sit behind clinical trial results to support further research that can advance science and improve patient care. This data is anonymised to protect patient confidentiality. To access it, researchers must submit research proposals to an independent review panel to ensure the data will be used for valid scientific enquiry.



118

Research proposals have been submitted to access GSK trial data

Three years on, the system set up by GSK for researchers to request access to data www.clinicalstudydatarequest.com, lists over 1,700 of our global clinical trials conducted since the formation of GSK and includes clinical trials from 12 other companies. By the end of 2015, 118 research proposals had been submitted to access data from GSK trials. We have already given 62 research teams access to detailed trial data.

Initially, proposals were reviewed by a panel of external independent experts appointed by GSK. In 2015, the [Wellcome Trust](#) took over management of this panel and appointed new members. This is an important step towards achieving our vision of an independent data-sharing system that includes studies from across industry and academia. We are in discussions with groups that are driving progress on this, such as the Harvard Multi-Regional Clinical Trials Centre, the Wellcome Trust, the Arnold Foundation and the National Academy of Medicine.



Our behaviour

Rigorous patient and consumer safety

Patient safety is paramount throughout the development, testing and manufacturing 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**

Understanding the risks

Before prescribing or taking any medicine, health workers and patients need to know the associated risks as well as the benefits. We have extensive controls in place designed to detect, evaluate and communicate benefits, risks and any potential safety concerns about our products.

Our research teams assess the benefit/risk profile of a medicine throughout its development and once it is in use. The results are reviewed by our Global Safety Board, which makes decisions on product safety issues. Chaired by our Chief Medical Officer and composed of senior physicians and scientists, this Board oversees our policies and controls on product safety. Best practices are also shared across the business through our internal risk advisory panel.

We also collaborate with industry peers, regulators and healthcare providers to enhance the detection, monitoring, understanding and prevention of adverse effects (known as pharmacovigilance). In 2015, GSK was awarded the Bio-IT World Best Practices Award for our [collaboration](#) with informatics company, Epidemico, to monitor publicly available information on social media to gain insights into the adverse effects of our medicines.

Putting patient safety first in clinical research

Our trials are conducted in accordance with the International Conference on Harmonisation's [Good Clinical Practice guidelines](#) and employees involved in the trials are trained on Good Clinical Practice. Before trials start, an independent ethics committee reviews the protocols. This committee can prevent a trial from being conducted.

Our global risk register helps research teams keep track of risks to quality and safety standards. These risks are often identified through regular audits of both our own trials and those conducted by a third party on our behalf. We performed 381 of these audits in 2015 (see data summary on page 55).

Ensuring quality in manufacturing and supply

In 2015, we produced 690 million doses of vaccines, around two billion packs of medicines and more than five billion packs of consumer healthcare products in our 89 manufacturing sites around the world.

We are committed to meeting the highest standards through stringent quality control and quality assurance processes. Our medicines and vaccines are manufactured according to Good Manufacturing Practice (cGMP) regulations, and our internal quality management system. In 2015, we had 86 regulatory inspections at our pharmaceutical supply sites, and the vast majority concluded with satisfactory outcomes. We are working with regulators to bring those inspections with remaining concerns to an acceptable conclusion. In our vaccines business we had 49 regulatory inspections and 45 at our consumer healthcare supply sites, all with satisfactory outcomes.

Along with our internal controls, our supplier requirements are also designed to ensure consistent high quality and safety in the production of our products. This end-to-end approach safeguards patient and consumer safety, and helps us to deliver the highest quality products, improve our safety performance and reduce waste.

Combating risks from counterfeit products

No company is immune to the threat of counterfeit products. While it is impossible to eliminate the risk completely, we are committed to minimise it so patients and consumers receive authentic medicines and healthcare products. We collaborate with multiple stakeholders to more effectively tackle this public health threat and support the global '[Fight the Fakes](#)' campaign which aims to raise awareness about the dangers of counterfeit medicines.

During 2015 331 cases were reported with confirmed counterfeit GSK products in 29 countries. Raid actions were conducted against 198 targets involved in the manufacture, distribution and/or sale of counterfeit GSK products and resulted in 161 arrests.

We continued to support Interpol along with 28 other pharmaceutical companies on a three-year industry initiative to combat counterfeiting of both brand and generic drugs. The initiative targets organised crime's involvement in the manufacture, distribution and sale of counterfeit pharmaceuticals, as well as raising public awareness on the dangers of purchasing counterfeit drugs, particularly those purchased on-line.

We have extended our supply chain serialisation programme, Fingerprint, across 86 packaging lines in over 18 manufacturing sites. The programme applies unique serial 'fingerprints' on many of our products and logs them into a government-managed database. Products can be verified at any point in the supply chain.



Our behaviour

Minimising animal testing

We are working on alternatives to using animals in our research and ensuring that animals are used only where required.



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**

All new medicines and vaccines undergo careful checks to assess their effects on the human body. Animal studies provide vital information that cannot be obtained by alternative methods and we are legally required to test our medicines and vaccines on animals before starting clinical trials, to protect patients from unexpected and potentially life-threatening adverse effects. We are also required to use animals for releasing some of our vaccines.

We apply the established '3Rs' approach to replace animal research where possible, reduce the number of animals needed and refine techniques to improve animal welfare. Scientific peer review challenges the need for animal studies, integrating non-animal and animal testing approaches, and ensuring studies are relevant and reproducible.

In 2015 we used 26% fewer animals than in 2014, a continuation of a downward trend over nine years, tied to changes in projects and programs and our commitment to the 3Rs. 98% of animals used were rodents.

Developing alternatives to animal studies

To reduce the need for in vivo (within the living body) animal studies, researchers need non-animal testing methods that model the form and function of living human tissue.

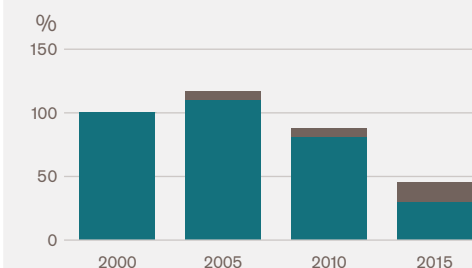
We have sponsored development of a computer model to predict drug concentration in humans based on in vitro (outside the body) data. We have also sponsored a collaboration that uses amoeba to replace rodents in certain studies.

We are partnering with University College London to explore how human cells and tissues could be used to enable in vitro testing as a potential replacement for animal studies. We also have ongoing experimental projects with the European Bioinformatics Institute and the Sanger Centre, and in this area GSK scientists are leading a cross-pharmaceutical group partnered with the National Institute of Health in the USA to design and test artificial organ systems (so called organ 'chips') for drug safety testing.

We sponsor two projects through the National Centre for the Replacement, Refinement and Reduction of Animals in Research (NC3Rs): to create an in vitro system that replicates the ability of human skin's ability to metabolise substances and to explore non-animal methods for assessing the safety of new gene therapy treatments.

We increasingly use in vitro methods in the quality control of vaccines – one of the biggest requirements for animal testing in our sector – and we support the European Commission's partnership to accelerate the acceptance of alternatives to animal use in regulatory testing.

Change in animal use vs. index year of 2000



■ Animals used within GSK facilities
■ Animals used by contractors on behalf of GSK

Figures are normalised to 2000, the first year of data after the formation of GSK.

Due to the variation in the methods for collection and collation of animal numbers between GSK and Novartis, the 2015 animal numbers for former Novartis sites are not being included within the animal number figures for the 2015 reporting cycle. This will be resolved for the next reporting cycle.

Ensuring 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. Our teams are trained and motivated to prioritise animal welfare and we recognise their innovative ideas with Animal Welfare Awards.

Our standards and processes to ensure animal welfare apply to animal studies conducted within GSK and by our contractors and suppliers. We do not work with contractors who fail to implement our recommendations or show no commitment to improve.

Animal programmes for Care, Welfare and Treatment of Animals for GSK and former Novartis Vaccines and Consumer Healthcare are currently being integrated.



Our behaviour

Promoting human rights

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



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



Progress overview: On track

GSK is a signatory to the UN Global Compact, which sets out key principles for business on human rights. We are committed to upholding the Universal Declaration of Human Rights and the core labour standards set out by the International Labour Organization.

The UN Guiding Principles on Business and Human Rights set a clear expectation for business to respect human rights. We undertook an independent third-party assessment in 2012 to help us understand the potential human rights impacts associated with our business. This 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.

Our efforts in each of these areas are outlined in the relevant sections of this report. Since 2012, a particular focus has been on improving company-wide risk management and controls for the use of third-party suppliers. We have identified key risks in this area and introduced a comprehensive new programme to strengthen our management of these risks. To find out more about this programme and what we are doing, see page 38.

Our human rights steering group provides company-wide direction and oversight to help ensure we meet our commitments on human rights as set out in our [Human Rights Statement](#). In 2015, the steering group focused on managing third-party risk, with particular emphasis on our public policy statement on working with Third Parties, labour rights and health and safety. The steering group also addressed GSK's position on the living wage, ensuring children's rights are an integral part of our consideration of human rights more broadly, and the transparency requirements of the Modern Slavery Act.

GSK is now a living wage accredited employer in the UK. Although we already pay all UK employees above the Living Wage, this accreditation extended this commitment to all third-party contracted employees in the UK.

Activities in embargoed countries

Operating in countries targeted by sanction laws such as Cuba, Iran, North Korea, Sudan and Syria, raises concerns for some stakeholders, and represents challenges and risks for the business. Although some sanctions have been lifted in Iran, others remain in force. We comply with the disclosure requirements of the Iran Threat Reduction and Syria Human Rights Act of 2012.

We believe that people should have access to essential medicines regardless of their country's regime. Wherever people need medicines and vaccines, we aim to supply them, including essential medicines in sanctioned countries, in compliance with applicable sanctions and export controls. Where appropriate we work in partnership to make GSK medicines and vaccines available, in particular where no such alternatives exist, for supply to supra-national groups like Unicef or direct to government.

Privacy and data security

All employees and suppliers must ensure that personal data are collected, used, processed, transferred and stored appropriately and securely, in line with our global privacy principles and legal requirements. See our website for a summary of our [Binding Corporate Rules](#) on safeguarding personally identifiable information.



Our behaviour

Ensuring ethical interactions

We are committed to engaging ethically and transparently with political and other key stakeholders.



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



Progress overview: **Progressing well**

Political advocacy

We interact regularly with governments, policymakers and other stakeholders to advocate for policies that encourage innovation, promote efficient management of healthcare spending and give patients the support they need.

All employees involved in lobbying activities must follow the relevant requirements set out in our Code of Conduct. We also expect any third-party policy groups that engage on our behalf to share our values and we have comprehensive [criteria](#) to guide the selection of these groups. Our Standard Operating Procedure on Managing Public Policy Groups reflects these criteria and we also train relevant employees on our related Global Policy on Grants and Donations.

In 2015, GSK ranked in the top three most transparent FTSE 100 companies by Transparency International in their Corporate Political Engagement Index. The Index assesses how open companies are about their political engagement and the quality of their reporting on how their political activities are governed, managed and implemented.

We register lobbying costs on the [EU Transparency Register](#) and the [US Federal Lobbying Register](#). In 2015, the cost of representing our interests to EU institutions was in the range of €1,500,000 and €1,999,999¹ and \$4,075,000 (\$4,370,000 in 2014) on US federal lobbying activities². These activities include running our advocacy offices in Brussels and Washington DC as well as the cost of consulting and travel. We also publicly list our membership of trade and industry associations that may lobby indirectly on our behalf. See our website for a [full list](#).

GSK does not make corporate political contributions, nor do we sponsor political meetings anywhere around the world. Our US employees can financially support political groups or individual candidates through Political Action Committees (PACs) under the Federal Election Campaign Act. In 2015, the GSK employees' PAC contributed \$446,727, to state and Federal candidates. 73% of those funds were contributed to Federal candidates and 27% of the funds were contributed to candidates for state offices.

To find out more, see GSK's [Public Policy Position on Political Advocacy](#).

Engaging with patient advocacy groups

We engage with, and support, patient organisations to gain insights that enable us to develop products and advocate for policies that better meet patient needs.

Our new Global Standard for Interactions with Patient Organisations outlines how we work with patient groups, collaborate on projects and gather insights ethically and transparently. Funding from GSK cannot exceed 25% of a patient group's annual revenue and, to respect their independence, we do not seek endorsement for or promote our medicines.

We publish all information (financial and non-financial) about the support we provide to patient organisations on our [website](#).

Our European Health Advisory Board (HAB) brings patient group leaders together into GSK to give insights on key policies, initiatives and issues that reflect the best interests of patients. In 2015, the HAB discussed patient involvement in research and the changes we are making to how we work with healthcare professionals (see page 31).

Through our Patient Advocacy Leaders Summits (PALS), we bring together a diverse group of patient advocacy leaders and GSK employees to build understanding and develop skills, and identify ways to collaborate appropriately. In 2015, PALS events were held in Germany, Japan, Slovenia, Switzerland and the USA, focusing on the critical role of patient advocacy.

GSK is a founding member of the Patient Focused Medicines Development initiative which is bringing together stakeholders including patient organisations in research and development to work for a more comprehensive and systematic approach to patient involvement in clinical development.

1. This includes running an advocacy office in Brussels, salaries, trade association membership fees, representation and consulting costs. While our activities in 2015 did not increase year on year, the declared figures are higher than those published in 2014 because of the new rules and guidelines of the EU Transparency Register. GSK followed the European Trade Association's (EFPIA) interpretation and guidance on implementing the newly revised guidelines.

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. Due to a reporting error, the amount spent on US federal lobbying activities was incorrectly stated in the 2014 Responsible Business Supplement. The correct figure is stated here.



Our behaviour

Our approach to tax

We understand our responsibility to pay an appropriate amount of tax and 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 world 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, such as the UK Patent Box.

We pay a considerable amount of tax in the UK because a significant proportion of our global corporate functions, 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.

Governance

We have robust internal policies, processes, training and compliance programmes to ensure we have alignment across our business and meet our tax obligations. Our Audit and Risk Committee, and the Board, are responsible for approving our tax policies and risk management.

Relationship with tax authorities

We seek to maintain open, positive relationships with governments and tax authorities worldwide and we welcome constructive debate on taxation policy. Where appropriate this means the group has entered into arrangements such as Continuous Audit Programmes and Advance Pricing Agreements. These agreements provide long-term certainty for both tax authorities and for GSK over the tax treatment of GSK's business.

International tax framework

We support the OECD and G20 principle that tax should be paid throughout the supply chain, commensurate with where the profit making activity takes place. The Base Erosion and Profit Shifting (BEPS) project was a constructive modernisation of that principle, addressing anomalies which had grown up over time. We believe that a multinational has economic activity in many countries around the world – and that basic principle means profits should arise, and be taxed, in those different locations.

Country by country reporting

We support the implementation of the OECD's recommendations on country-by-country reporting (CBCR) as being key to the success of BEPS project, and aligned with our core values of transparency and integrity. We support the exchange of CBCR data between tax authorities. This data, validated against existing information held on taxpayers, will support their ability to ensure multinational groups pay the right amount of tax. However, tax payments vary from year to year as investments are made and returns generated over a long term investment cycle.

As such, a figure for any given country in any given year, viewed in isolation, may not accurately represent the full picture. The amounts reported in our core financial results will be most representative of GSK's tax position over time.

Transfer pricing

In line with current OECD guidelines we base our transfer pricing policy on the arm's length principle and support our transfer prices with economic analysis and reports. The worldwide nature of our operations means that our intellectual property, R&D and manufacturing operations are centred in a number of key locations. A consequence of this is that our cross-border supply routes, necessary to ensure supplies of medicines into numerous end markets, can be complex.

Tax Havens

We do not engage in artificial tax arrangements – those without business or commercial substance. We have a substantial local business presence in the vast majority of the territories where we operate whether through business offices, sales force, manufacturing, R&D facilities or local distribution of our products, all of which contribute to economic development and create shared value for the region and our business.

Corporation tax:

Over the last 15 years we have paid £27.3 billion in corporation tax globally. In the UK, we have paid £2.7 billion since 2001, nearly 10% of the global total. In 2015 UK net sales were 4.2% of global net sales.

In 2015 the Group paid corporate income tax of £2,062m (£1,108m in 2014) on profits of £10,526m (£2,968m in 2014) representing a cash tax rate of 19.6% (37.3% in 2014). The corresponding accounting tax charge on profits was £2,154m (£137m in 2014).

Other taxes:

In 2014, as well as corporation tax, we paid additional business taxes of £146m – with another £173m of tax collected eg through employee income tax.



£27bn

Corporation tax paid
over 15 years



Our behaviour

Working with third parties

We aim to build strong relationships with third parties that support our business and share our values.



Commitment: We seek to work with third parties that share our commitment to high ethical standards and operate in a responsible way. If performance gaps are identified, where appropriate we commit to working with the third party to improve performance.



Progress overview: **On track**

Our suppliers and other third parties – including agents, distributors and affiliate companies (where we have an equity stake) – help us develop and distribute the medicines, vaccines and products that patients and consumers need.

Every year, we spend billions of pounds with tens of thousands of suppliers on a wide range of goods and services. It is essential that we strengthen the relationships with the suppliers and third parties that are critical to our business and work with those that share our values and operate in a responsible and ethical manner. To support this commitment, in 2015 we increased the use of preferred suppliers from 70% to 84%.

We are also collaborating with suppliers to manage the environmental impact of creating our products and medicines through, for example, our Supplier Innovation Forum (see page 50).

Managing third-party risk

In addition to meeting GSK's Anti-Bribery and Corruption and Labour Rights standards, where relevant, we expect Third Parties to comply with our standards on quality, safety, health and safety and the environment. These and other 'Principles' are clearly set out in our public statement on 'Working with Third Parties'. In 2015 we introduced a comprehensive new programme to strengthen our management of risk in the supply chain. The focus of this programme is to ensure that all Third Parties will be risk assessed against the GSK Principles and contracts amended, as necessary, by the end of 2017.

With a large supplier base, we need to focus our effort on working with those at highest risk of non-compliance with our standards on responsible business. Following a review of our suppliers, we identified around 1,300 that are considered high-risk based on the country where they operate, the type of product or service they provide, and the value of the contract. We also identified 200 high-risk distributors and have been conducting assessments focusing on four key risks: anti-bribery and corruption, labour rights, promotional activities and information protection.

All 1,300 of the suppliers identified as high-risk must undergo further assessment, in the form of an extensive questionnaire on environment, labour and human rights, fair business practices and sustainable procurement (how they manage risks in their own supply chain). Their responses will be assessed by external experts and suppliers must provide supporting evidence to demonstrate they have appropriate policies and management systems in place.

Based on our risk assessment and the questionnaire scores, additional due diligence may be required, including a detailed review of contract clauses, monitoring activities and, for the highest risk suppliers, on-site audits. At the same time as strengthening management of risk with existing suppliers, as part of the global deployment of the programme we will ensure each country has the capabilities and processes in place to assess third-party risks for new suppliers.

We also expect our suppliers and third parties to comply with GSK's quality and safety standards. Our global manufacturing and supply team continue to manage and regularly assess the performance of the suppliers that support our manufacturing, specifically on quality and ethical, environmental, health and safety (EHS) management systems. In 2015, we assessed more than 1,300 suppliers in line with our quality management system and audited 85 suppliers specifically on EHS.

On completion of all audits, we identify areas for improvement, work with suppliers to develop improvement plans and check this plan is implemented within an agreed time frame. If a significant concern is identified, we may suspend or terminate our work with an existing supplier, or decide not to work with a potential new supplier.

Supporting suppliers

We have a responsibility to support our suppliers by paying on time. We have put in place an exception to our standard payment terms for small and medium sized companies in the UK, and small diverse suppliers in the USA. We have a number of initiatives underway in 2016 to continuously improve the experience of suppliers who work with us.

As part of our commitment to diversity and inclusion, we support suppliers run by groups that are under-represented in the supply chain such as those owned by women, minorities and disabled veterans. Through our supplier diversity programmes, we engage with and mentor small and diverse businesses in our supply chain, and help them identify potential areas for growth. In the USA, 12.4% of our procurement spend was with small businesses in 2015.



Our people

Through our PULSE Volunteer Partnership, our employees use their professional skills to create sustainable change for our non-profit partners and the communities they serve.



Our people

Our approach

We invest in our people to ensure the long-term sustainability of our business. In order to help us tackle the biggest global health challenges, we need a talented, motivated and resilient workforce.

Our aim is to create a working environment where employees feel valued, respected, empowered and inspired. Listening to and supporting our people has been particularly important during a year of significant changes in the business.

We take a progressive approach to employee health, going beyond conventional health and safety – which remains fundamental – to focus on energy and resilience, and provide unprecedented access to preventive health services.

We help our employees learn new skills and gain new experiences to support their personal ambitions and drive the business forward. Combining development opportunities with volunteering, for example through our PULSE programme, benefits our people, our business and our non-profit partners.

Our early talent community is gifted and diverse – representing the future of our dynamic organisation. The business benefits of a diverse workforce are clear, with fresh ideas and varied experiences promoting better decision making. We are developing leaders that reflect and understand the markets we serve by developing local talent, mentoring aspiring female leaders and becoming more disability confident.

2015 highlights



Talent development

We recruited 74 apprentices and 470 graduates and postgraduates in 2015.

→ Read more on page 42

Engagement

Over 76,000 employees, 78% of our workforce, took part in our global employee survey.

78%

→ Read more on page 42

Healthy workforce

20% of our people have taken part in one of our global Energy and Resilience programmes since 2011.

→ Read more on page 42

Providing preventive healthcare

In addition to healthcare benefits in established markets, our global Partnership for Prevention programme now provides preventive healthcare to over 38,000 employees and family members.

38,000

→ Read more on page 43

Inclusion

We signed up to the UK Government's Disability Confident campaign as part of our commitment to remove barriers to employment opportunities for disabled people.

→ Read more on page 44

"Too many disabled people find themselves locked out of employment and that is why initiatives such as Disability Confident, and employers like GSK setting the bar, are really important."

Mark Atkinson
CEO, Scope

Volunteering

Since 2009, 560 employees from 57 countries have provided over £19 million worth of skilled services for our non-profit partners through our PULSE volunteering programme.

→ Read more on page 45





Our people

In focus



Inspiring the next generation of scientists

By 2020, the UK alone will need 1 million new scientists and engineers to solve future challenges, including some of the biggest health challenges of tomorrow. As a research-led healthcare company, GSK is playing a leading role in inspiring young people to get into science, technology, engineering and maths (STEM) as well as providing a range of career opportunities.

Our Science Education and Early Talent team, along with our 362 STEM ambassadors across the UK, engage young people by demonstrating real-world science and engineering in schools, and manage our graduate and apprenticeship programmes.

Rhiannon Lowe heads up a team of 150 ambassadors, all volunteer GSK employees from our site in Ware, Hertfordshire. She has been part of the programme since it began in 1999 alongside her job as an investigator in Investigative Safety and Drug Metabolism, where she focuses on diseases of the developing world and gene therapy.

She and her team put their expertise into practice to inspire people of all ages. They go into schools to demonstrate scientific experiments and host visits to GSK labs where students are given an opportunity to get involved in science that connects directly to our work and the real world.

Rhiannon encourages girls, in particular, to pursue these subjects from a young age as women represent only 14% of all STEM jobs in the UK.

"When I was young I was told by one of my teachers to study drama, but I always enjoyed sciences and maths and ended up completing a PhD in Virology and Immunology, part-time, whilst at GSK," she said.

In 2016, we aim to build on our experience in the UK by creating global STEM education programmes to give our employees the tools they need to inspire and foster the next generation of scientists and engineers worldwide.

GSK offers a range of career opportunities in the STEM areas; ranging from summer internships, to apprenticeships, graduate and postgraduate programmes. Our apprenticeship programme offers school and college leavers the opportunity to join the company in a variety of roles from Finance and IT to Laboratory Science and Engineering. Apprentices learn on-the-job and become valued members of the team as they progress, working towards nationally recognised qualifications and ultimately transition into a permanent role.

The scheme has grown steadily in the UK and our ambition is to continually expand the programme into new geographies, helping nurture this new generation of talent and adding to the diversity of our business.

362



We have 362 STEM ambassadors across the UK



Our people

Developing our people in inspiring and healthy workplaces

To attract and retain the best people, we foster a resilient and healthy workforce and create an inspiring place to work.



Commitment: Continue to create a working environment that inspires people to grow and perform in a healthy and resilient way.



Progress overview: Progressing well

We need motivated, talented people with the right skills and knowledge to help us tackle some of the world's most important health challenges. Our people strategy focuses on four areas: talent, leadership, performance and engagement.

Talent

The number of graduates and postgraduates joining our programmes is increasing. In 2015, we recruited 470 graduates and postgraduates onto our **Future Leaders** and **Esprit** programmes globally, exceeding our target of 450. We also welcomed 74 apprentices in the UK, 34% of which are women, across a number of disciplines and locations. We are looking to expand our apprenticeship programme into other geographies in 2016.

Leadership

We provide employees at all levels with the skills they need to advance their careers and we put particular emphasis on leadership development to support succession planning for the business. In 2015, over 3,300 line leaders completed leadership programmes to help them transition into managerial roles. Since 2010, we have trained over 1,000 of our people globally to act as coaches to help others fulfil their leadership potential.

In 2015, we launched the Enterprise Talent initiative to strengthen our leadership pipeline. The initiative accelerates the development of leaders who have the potential, and aspiration, to move into executive roles within the next four to eight years. Participants are sponsored by their business leadership team and attend events that are designed to develop their enterprise and external perspectives.

Performance

Through our global performance system, employees set objectives to support their own development and the business strategy. This is underpinned by a set of clear expectations that emphasise not just the results people achieve but the way they achieve them in line with our values.

Engagement

To help people understand how they can contribute to the success of the business, we provide regular updates on our mission, strategy and progress through live broadcasts and messages from our CEO and members of the Corporate Executive Team. Listening to our people is also critical to our success. In 2015 over 76,000 people, a record 78% of our workforce, took part in our employee survey. This provided valuable feedback to help us become a better employer (see box). To thank staff for sharing their views we donated £1 to Save the Children for each person who completed the survey.

In 2015 we welcomed 12,000 Novartis employees to GSK. Clear, regular communication was critical whilst onboarding our new colleagues into our values, expectations, performance system and local employee practices and programmes. With the major reshaping of our global pharmaceuticals business occurring at the same time, we placed an equal focus on supporting employees leaving the company, with our outplacement service providing effective coaching and assistance. We consult employees and their representatives, including unions and work councils, on any changes to the business that might affect them.

Listening to our employees

In 2015, more employees than ever before shared their views in our employee survey with a 78% response rate, up from 72% in 2012, providing us with valuable feedback.

Results from the survey tell us employees are clear on their accountabilities and feel empowered to perform their roles in the right way.

We are also encouraged by a marked improvement in our managers supporting work/life balance and how they communicate reasons for important changes, both of which are above the external benchmark.

However results also showed that engagement scores whilst remaining positive, have fallen, and given the amount of significant change in GSK, this was not unexpected.

We are now putting in place a strategy to improve engagement, and will track progress through a range of measures, including more active use of interim surveys during 2016.



Our people

Developing our people in inspiring and healthy workplaces – continued

Protecting our people

Protecting the health and safety of our people is an important focus. In 2015, we refreshed and simplified our standards to help everyone at GSK understand what they need to do to safeguard our people, our business and the environment. Our global health and wellbeing strategy was also reviewed, setting out our plan to ensure that every GSK employee has access to a consistent and comprehensive health service. We continue to be recognised as a leader in health and wellbeing, and in May 2015, GSK won the Multinational Healthy Workplace Award from the Global Centre for Healthy Workplaces.

We have been working hard to address road safety; a significant risk for our employees, particularly in emerging markets. Last year we launched a driver safety programme in India to help employees protect themselves and their families. This programme combines online learning with practical road safety activities for both driver and motorcyclists, and will be rolled out to Bangladesh, Cambodia, Indonesia, Pakistan and Vietnam.

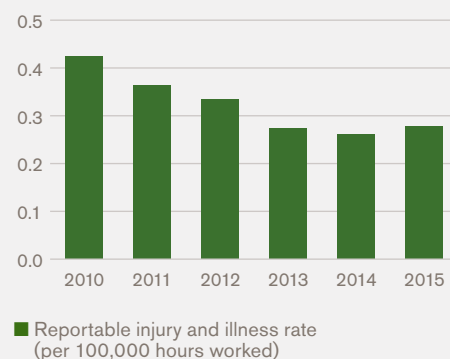
We have seen a steady reduction in our reportable injury and illness rate over the past 10 years. A slight increase occurred in 2015 which was mainly due to a large number of Semicircular Lipoatrophy cases, a treatable condition associated with localised pressure from office furniture, identified at our offices in Brazil. We have taken comprehensive steps to support those impacted and prevent recurrence.

As a global business operating in more than 150 markets, serious incidents do occur. In August 2015, one of our employees tragically died in a boiler explosion at our site in Rixensaart, Belgium. In addition to supporting the Belgian authorities with their investigations, we are taking steps to check the operations of every boiler across GSK.

In October, a sales employee in India, who was travelling on business, sadly died after their motorcycle collided with another vehicle.

In August, an explosion at a nearby chemical warehouse damaged several buildings at our site in Tianjin, China, and two employees suffered minor injuries. Before allowing staff to return, we checked the structural integrity of the site and monitored the air quality for toxic chemicals.

Reportable injury and illness rate



Building employee resilience

Our business is health and this starts with our own people. By the end of 2015, we had assessed the health needs of employees at 95% of our sites. We are using insights from these assessments to target more than 250 health needs identified across the business to design our employee health plans for the coming year and raise awareness among leaders about local health programmes.

To help our people achieve a healthy lifestyle, we are working with our major sites in the countries where we have the most employees to ensure that core programmes are available, such as exercise classes, discounted fitness centres, labelled healthy food options, nutrition education and support to quit smoking. Since 2011, 20% of our workforce have taken part in one of our global Energy and Resilience programmes and feedback indicates that our focus on energy and resilience is helping employees improve their personal resilience and wellbeing over time. 70% of those who took part in our 2015 employee survey agreed they have sufficient energy to invest in the things that matter most at work and in life.

We also offer counselling through our confidential Employee Assistance Programme (EAP) to support employees dealing with personal health, wellbeing and professional issues. All our employees now have access to this service and we continue to work to overcome cultural barriers that could make some people reluctant to use the service.

Providing preventive healthcare

To complement the employee healthcare benefits in our established markets, our Partnership for Prevention (P4P) programme aims to provide all our employees and their families with unprecedented access to preventive healthcare services at little or no cost. Implementation is being prioritised in regions where access to preventive services is unavailable or limited, particularly in developing markets.

The services, including immunisations and cancer screenings, are recommended by the World Health Organization and are now available to over 38,000 employees and family members in 52 countries. This places us halfway towards our target to implement P4P globally by 2018.

Employees are surveyed approximately six months after P4P is implemented in their country, and results have shown that almost a third of employees or their family member have used the services, with a 78% satisfaction rate.

In countries such as Turkey, where P4P has been in place for a longer period of time, we have seen incremental increases in both awareness and uptake of services while maintaining high satisfaction.

The programme was piloted in Ecuador, Ghana, Nigeria and Romania in 2012, and has since been expanded to the Middle East, Turkey, most of Africa and Latin America. In early 2016, we will launch P4P in India, Sri Lanka, Bangladesh, Russia and members of the Commonwealth of Independent States.



Our people

Promoting inclusion and diversity

The diverse knowledge, perspectives, experiences and working styles of our global workforce support our business and help us better meet the needs of patients and consumers around the world.



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



Progress overview: On track

We value diversity and aim to offer an inclusive working environment that welcomes people from all walks of life. In our 2015 survey, the proportion of employees agreeing they work in an organisation in which diverse perspectives are valued rose five points to 77%.

Gender diversity

We aim to improve gender balance by encouraging more women to join our business and develop as leaders. In 2015, women represented 52% of recruits to our Future Leaders programme, 42% of management, 17% of our Corporate Executive Team and 29%* of our Board.

Our Accelerating Difference programme supports the development of high performing female leaders to help them advance their careers and take on more senior roles. In 2015, 118 more female managers began the programme, which includes individual and group coaching sessions with internal and external coaches, supported by their line managers and senior sponsors. Group dialogue sessions provide a platform for both male and female leaders to discuss career progression at GSK and share their experiences, as well as prompting actions to address gender-related issues. Nearly 60% of female participants in 2013 and 2014 have since achieved a promotion or taken on more responsibility in their role.

Our Women's Leadership Initiative, one of our Employee Resource Groups, supports a culture of inclusion and aims to empower women to achieve their potential. It now has 2,721 members, with new groups launching in Africa, Europe and Singapore during 2015.

* As at 31st December 2015

Employees by gender

	Male	Female	Total
	57,715	43,539	101,255
% of total	57	43	

Women in management positions (%)

	2011	2012	2013	2014	2015
SVP/VP	26	27	28	29	29
Director	38	39	40	40	40
Manager	42	43	44	45	45
Total	39	40	41	42	42

Disability

Enhancing the attractiveness and accessibility of our business to people with disabilities is a priority for GSK. Our Global Disability Council (GDC) has identified a range of opportunities to increase GSK's disability confidence – from making our facilities and technology more accessible to addressing our culture and employee attitudes about disability.

We have set up a new Disability Confidence Network to provide a forum for employees to find out more about accessibility and raise awareness of local initiatives. We have also launched an online accessibility portal that enables employees in the UK to request additional support or adjustments to their working environment. We are looking to roll out this service to other countries.

Our UK business welcomed 12 more students with learning disabilities to transition from education to employment through Project Search. Of the 31 students who have completed the placements at GSK since they began in 2012, 60% are now in employment. Discussions are taking place to explore the feasibility of setting up Project Search at other GSK locations.

In December 2015, we partnered with the UK Government's **Disability Confident** campaign to raise disability awareness across our company, remove barriers, increase understanding and ensure that people with disabilities have the right opportunities.

Through our membership of business disability international, a social enterprise involving several global standards to measure businesses' disability performance.

Cultural and ethnic diversity

Six nationalities are represented on the Corporate Executive Team and Board, and the people we employ in our Emerging Markets, Asia Pacific and Japan represent 43% of our workforce.

We aim to attract and develop local talent across our markets by partnering with universities and offering opportunities within our business. This is a particular focus of our Africa strategy to build capability across the continent. The creation of our new regional headquarters in Singapore also provides a further opportunity to attract and develop talent from Asia.

To build a strong pipeline, it is important that our future leaders represent the diverse markets we serve to stay close to patient needs around the world. In 2015, we recruited 444 people from 53 countries for our Future Leaders graduate programme.



Our people

Community volunteering to create change

Our people develop their skills and support communities around the world by volunteering their time and expertise.



Commitment: Extend volunteering opportunities to bring about positive change to communities and global health while providing individual development.



Progress overview: **Progressing well**

Through our PULSE Volunteer Partnership, employees lend their professional skills to non-profit partners to help meet healthcare challenges at home and abroad. Working with our partners full-time over three or six months, our people are challenged to think differently, develop their leadership skills and bring new experiences and fresh ideas back to GSK.

In the six years since we launched PULSE, 560 employees have contributed over £19 million worth of skilled services to 103 non-profit partners in 62 countries. These PULSE volunteers have come from 57 countries with more than half of the 2015 volunteers from outside of the UK and the USA, where the programme first started.

The PULSE programme aims to create a positive and sustainable change for our partner organisations and the communities they serve. In a survey of non-profit partners, six months after our 2014 volunteers had completed their assignments, 94% of partners said that the volunteers' contribution was having a lasting impact.

Our volunteers are also bringing back valuable skills that support their own development and benefit the business. In 2015, 87% of volunteers say they are doing something different at GSK after they return and 92% of their line managers and colleagues agree that the experience had helped them develop their skills and performance.

Since our partnership with Save the Children began in 2013, GSK employees have raised over £1.65 million, which has been increased to £3.3 million through matched funding from GSK. Find out more about our Save the Children partnership on page x and on our website.

We also 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. In 2015, our people volunteered their time all over the world, from supporting a recreation camp for young girls in India to packing school supplies for children in the USA. Many of our employees use their Orange Days for activities supporting STEM education (see case study on page 41) and in the UK, one of our scientists worked on a project to develop the Natural History Museum's molecular laboratory facilities to best suit current and future demands and opportunities.

We continued to leverage our global infrastructure of ambassadors to promote volunteering at GSK through our annual volunteer awareness week. In 2015, a total of 94 activities were carried out across 49 GSK sites in 30 countries, including a town hall in Serbia, a farmers market in Finland, a 'measure your footprint day' in Colombia and information stands in Dubai and Uganda.

In 2015, GSK was invited to be a founding partner of IMPACT 2030, a global collaboration with the UN led by the private sector that aims to mobilise corporate volunteers to contribute to the Global Goals for Sustainable Development.

"To have a high-performing staff member located with us for six months, entirely paid for, bringing new skills and experience to our organisation, is very valuable. It also leads to a much deeper partnership between our organisations."

Simon Wright,
Head of Child Survival, Save the Children

PULSE Volunteer Partnership

Through our PULSE Volunteer Partnership, our employees use their professional skills to create sustainable change for our non-profit partners and the communities they serve.

In 2015, Avinash Mohanty, Product Group Manager at GSK India, worked with the Clinton Health Access Initiative, Inc. (CHAI) in Abuja, Nigeria to develop a comprehensive strategy to increase treatment access for children with pneumonia. After conducting baseline assessments of current practices and key issues, he interviewed key stakeholders and formulated a plan that will have a direct impact on policy, resource mobilisation and market shaping. He reports that the assignment exceeded his expectations: "It increased my awareness of the importance of being patient-focused and inspired me to find innovative and insightful solutions to impact more lives.

My time with the Clinton Health Access Initiative, Inc. has helped increase our geographical reach and partnerships with key stakeholders in India, while my collaboration with the Nigerian government on a disease of national interest has been a valuable experience that I can transfer directly to my role at GSK."

Go to our website to hear from our people about their experiences as PULSE volunteers and read the PULSE impact report.



Our planet

In 2015, we announced the investment of a further £35 million to enhance the antibiotic manufacturing facility at Quality Road in Singapore.



Our planet

Our approach

Major global environmental challenges like climate change and deforestation are exacerbating health issues and undermining efforts to overcome inequalities around the world. The consequences for current and future generations are likely to be severe and the poorest are particularly vulnerable. The new UN Global Goals for Sustainable Development draw clear links between health and the environment.

A changing environment can lead to higher levels of air pollution, the spread of disease vectors, food insecurity and under-nutrition, displacement and forced migration, and socio-economic stresses that all contribute to health issues.

As a global healthcare company, we can contribute to tackling both the effects of environmental change – as part of our work to deliver health for all – and the causes. We are targeting a carbon neutral value chain by 2050 with ambitious goals to reduce carbon, water and waste in the meantime. In the last five years, we have made significant progress.

GSK is also making a contribution to environmental challenges by sharing knowledge and resources through our participation in the [UN Caring for Climate Initiative](#) and the [UN CEO Water Mandate](#), a business-led movement to advance water stewardship and sanitation.



2015 highlights

Carbon

We have reduced direct carbon emissions (scope 1 and 2) by 21% since 2010, saving over 1 million tonnes of CO₂e over five years.

21%

→ Read more on page 53

CDP results

100% score for climate change disclosure and a B for performance in the CDP's FTSE 350 Climate Disclosure Leadership Index.

100%

Carbon footprint

We have reduced the value chain carbon footprint of the products we shipped in 2015 by an average of 25% versus 2010.

25%



Carbon Trust

GSK is still the only pharmaceutical company to hold the Carbon Trust's Carbon Standard for cutting carbon emissions and its Water Standard for reducing water use across our operations globally.



→ Read more on page 50

Waste

15% less waste produced in 2015. Over 60% of our manufacturing and R&D sites have achieved zero waste to landfill.

60%

→ Read more on page 53

Water

25% reduction in water usage since 2010 – hitting our 2015 water target a year early.

25%

→ Read more on page 52

Supplier engagement

Our Sustainable Supplier Programme won the award for Best Supplier Engagement at the Ethical Corporation Responsible Business Awards 2015.

→ Read more on page 50

Feedback from Ethical Corporation judges for our work with suppliers:

"A comprehensive programme that focuses on reducing Scope 3 carbon emissions using Ecodesk evaluation, supplier exchanging and workshops, as well as supplier awards. GSK have not solved every problem, but are making good progress in areas where they hold influence. The judges appreciated GSK's candid approach."



Our planet

In focus



Horlicks takes a Green Leap in India

Horlicks is one of our best-known brands. Used as a nutritional supplement in India, it provides essential vitamins and minerals for growing children.

But in 2012, we discovered through lifecycle analysis that *Horlicks* had the second largest carbon footprint of all our products. One reason for this was that our three *Horlicks* factories in India – in Nabha, Rajahmundry and Sonepat – were powered by coal.

We are investing £9.6 million in Project Green Leap to reduce carbon emissions and water use at these three *Horlicks* factories. For example, we continue to increase the amount of waste biomass we buy to replace coal as a fuel in our boilers. We will be constructing a new 1MW combined heat and power plant at Rajahmundry that will also be fuelled with waste biomass. This plant will improve efficiency by capturing heat from power generation that would otherwise be wasted.

At Sonepat, we are installing photovoltaic cells that generate 0.5MW of power from solar energy, and we are investing in efficient LED lighting across all three sites to cut our energy use.

Since the project began in April 2014, we have cut carbon emissions by 14%.

We have also installed effluent treatment plants and rainwater harvesting systems that enable water to be reused and disposed of safely, cutting water use by 30% and helping to replenish groundwater and restore local water sources.

“We identified a huge opportunity and have reduced carbon emissions at Sonepat by more than 5,000 tonnes between 2014 and 2015.”

Satyaprakash Punia
Utilities and Site Energy Manager, Sonepat, India

£9.6m

Investment to improve carbon and water management at these three *Horlicks* factories.

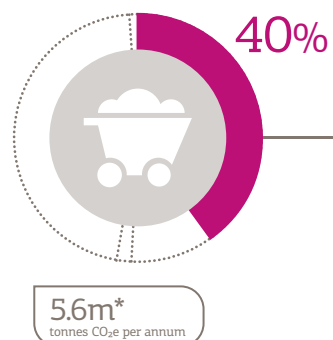


Our planet

Understanding our value chain carbon footprint

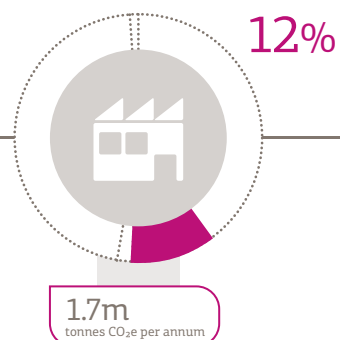
Raw materials

The sourcing of the raw materials GSK buys from other companies.



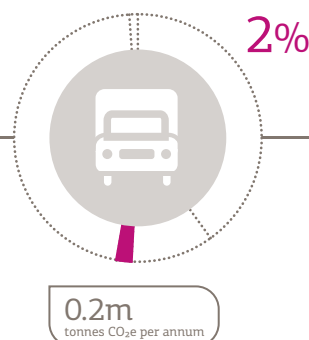
GSK's operations

The impacts of what we do in our labs, factories and offices.



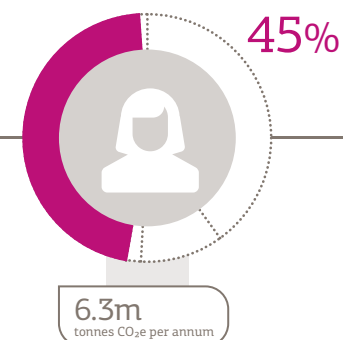
Logistics

Delivering medicines, vaccines and consumer health products across the globe.



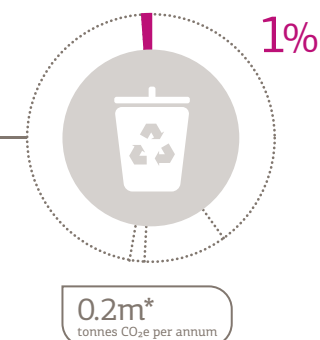
Use of our products

Patients and consumers using our products.



Disposal

The disposal of our products by GSK, patients and consumers.



1.2m
tonnes CO₂e per annum



Energy

0.25m
tonnes CO₂e per annum



HFA and process emissions

0.1m
tonnes CO₂e per annum



Business travel

0.1m
tonnes CO₂e per annum



Sales force

5.3m
tonnes CO₂e per annum



Use of metered dose inhalers

1.0m*
tonnes CO₂e per annum



Use of other products

Total estimated emissions
15m
tonnes of CO₂e per annum

*Estimated.
Data excludes former Novartis sites.



Our planet

Aiming to be carbon neutral

We are working to reduce emissions from our entire value chain while extending access to our products for the people who need them.



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



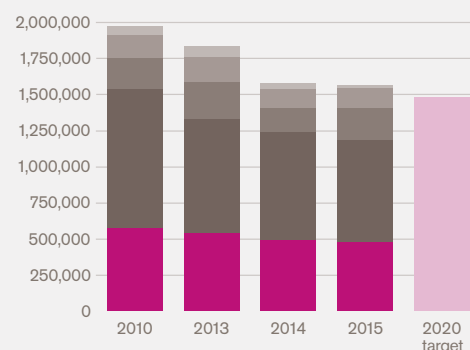
Progress overview: Work to do

Performance in 2015

In 2015, we reduced our operational emissions (Scope 1 and 2) by a further 2% to 1.6 million tonnes of CO₂e. That is 21% less than 2010, with a cumulative saving of over 1 million tonnes of CO₂e over five years. We have achieved these reductions through continued focus on energy efficiency and investment in renewable energy, which now provides around 4% of our total energy use.

We have begun to decouple environmental impacts from business growth and increased access to our medicines. In 2015, the volume of medicines, consumer health products and vaccines we sent out from our factories was 40% higher than 2010. At the same time, our value chain carbon footprint has only grown by 2% (vs. 2010).

Scope 1 and 2 GHG Emission (tonnes CO₂e)



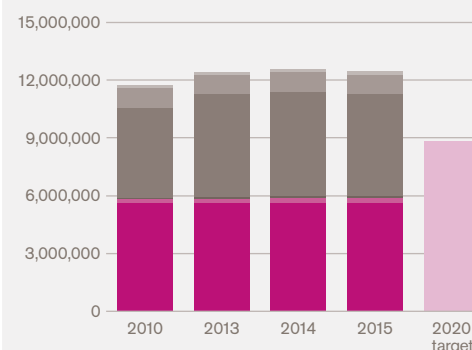
- Gas and other fuel
- Electricity and steam
- Propellant emissions during manufacture of inhalers
- Sales force travel
- Other emissions*

* We are excluding 'biogenic' emissions from this year according to current guidance, which accounts for the decrease in emissions.

We have therefore reduced the value chain carbon footprint of the products we shipped in 2015 by an average of 25% versus 2010.

The continued growth in sales of our *Ventolin* propellant-based inhalers which emit greenhouse gases during the administration of medication to patients is impacting our emissions (scope 3). We continue to research solutions to this issue including changing the way we manufacture, to reduce the amount of propellant used, while maintaining efficacy for patients. Tackling emissions from the use of this medication remains a challenge, which impacts our ability to meet our target to cut absolute emissions across the value chain.

Scope 3 GHG Emission (tonnes CO₂e)



- Purchased materials*
- Product logistics
- Business travel by air
- Propellant emissions during use of inhalers
- Use of other products*
- Disposal of products*

* Estimated data.

Raw materials

Engaging with suppliers is crucial to reduce emissions from raw materials. Our approach, recognised at the 2015 Ethical Corporation Responsible Business Awards, is founded on data collection, collaboration and recognition. We use Ecodesk, an online platform, to gather data on carbon, water and waste from around 180 suppliers representing approximately £775 million of our raw materials.

Around 320 suppliers are using our online **Supplier Exchange Platform** to share best practices and, in 2015, we worked directly with five suppliers to identify ways to reduce their carbon emissions from energy. Our 2015 Supplier Environmental Sustainability Award went to flavourings supplier Firmenich SA for its comprehensive environmental programme and engagement with its own suppliers.

25%

We have reduced the value chain carbon footprint of the products we shipped in 2015 by an average of 25% versus 2010.



Our planet

Aiming to be carbon neutral – continued

Our operations

We are investing in renewable energy infrastructure, converting to low-emission fuels and improving energy efficiency to cut emissions from our own operations. The wind turbine installed at our site in Cork, Ireland, is now generating 28% of the site's electricity and in 2015 it delivered savings of €1 million and 4,100 tonnes of CO₂e.

In 2015, we announced the investment of a further £35 million to enhance the antibiotic manufacturing facility at Quality Road in Singapore, in addition to the £28 million announced in 2012. We have developed and will roll out a process to manufacture the antibiotic amoxicillin using enzyme technology. This will increase production by 50% and reduce the site's carbon emissions by 25%. Moving away from using a chemical process will also eliminate chlorinated solvents and 80% of other organic waste.

Our £7.7 million investment in a combined heat and power (CHP) boiler in Stevenage, UK, is expected to save £1.6 million a year in energy costs and reduce the site's carbon emissions by 10%. It brings our total number of CHP boilers to 20.

Logistics

We are partnering with our logistics providers to reduce emissions from transportation of our products, which account for around 2% of our carbon footprint. For example, we encouraged our suppliers to invest in specialised trailers that can support storage at two different temperatures so products requiring different levels of refrigeration can be transported together. This has enabled us to take more than 1,500 vehicles off the road and cut carbon emissions by 1,000 tonnes CO₂e per year. We are also using a route planning tool that enables our vehicles to reduce journey times and make trips more efficient, further reducing carbon emissions.



1,000

tonnes of CO₂e saved annually

Patient use

We worked with the Carbon Trust to quantify the carbon footprints of our 40 biggest-selling products at different stages of the value chain. Patient use of our metered dose inhalers is the most carbon-intensive activity across our whole portfolio, because the aerosol propellant used to administer the medication is a powerful greenhouse gas. We are continuing to explore ways to reduce these impacts, while extending access to this essential medication.

Disposal

The biggest carbon impact from customer disposal of our products also comes from inhalers because there is often a small amount of propellant (greenhouse gases) left in them after use. Since 2012, we have encouraged UK patients to return more than 500,000 used inhalers to pharmacies where they are sent back to us to be recycled through our Complete the Cycle scheme. We are also working with healthcare trusts across the UK to combine health and environmental messages through projects like 'Don't waste a breath' in the Grampian region and 'Breathe better, waste less' in Brighton, which support patients to get the most out of their inhalers – reducing the need for emergency care and cutting waste.

Biodiversity

Biological materials, including genetic resources, are commonly used in the development of new medicines and vaccines. GSK is not directly involved in any bioprospecting although we do source materials that are derived from natural products. We uphold the Nagoya Protocol, taking care that these biological resources are obtained legitimately and used in the way they are intended.

Deforestation

Deforestation is a major contributor to climate change. We are taking steps to ensure that raw materials such as wood-based packaging materials and palm oil are sourced responsibly.

We have been working with the Rainforest Alliance to map risk in our packaging supply chain. We used this analysis to support our new sourcing standard for packaging, and we regularly assess suppliers to ensure they meet the standard¹. In 2015, 71% of our paper packaging materials used in our own operations were sourced responsibly, an increase of 6% from 2012. We achieved this by sourcing more materials from suppliers and paper mills that are certified by the Forest Stewardship Council. Our 2020 goal is to source at least 90% of our paper packaging for GSK branded products according to the standard.

Palm oil production can have damaging effects in important rainforest areas. In 2015, we purchased GreenPalm certificates covering 100% of the 260 tonnes of palm oil we use to make *Horlicks* in the UK. These certify that we are supporting the production of sustainable palm oil. For every tonne of palm oil we buy, an equivalent mass of sustainable palm oil is produced.

¹ GSK minimum conditions for virgin wood fibre specify the material must be from legal origin and must not be harvested in violation of traditional and civil rights, in high conservation value forests, or from forests being converted to plantations or non-forest use.



Our planet

Reducing our water impact

By better understanding our water use across the value chain, we can focus our efforts where we can make the biggest difference.



Commitment: By 2020, reduce our water impact across the value chain by 20% (vs. 2010).



Progress overview: Progressing well

Performance in 2015

We met our 2015 target to cut water use across our operations by 20% (compared to 2010) a year early. During 2015 we reduced this by a further 5%. Our investment in water-saving initiatives over the past five years has helped us achieve these reductions by targeting sites with the highest water use and those located in regions of water scarcity.

To meet our 2020 commitment, we are working with experts and NGOs to understand how best to reduce our water impact across the entire value chain. We combined data from the WWF Water Risk Filter with four focus areas – water scarcity, local water quality, health and social risks, and regulatory and reputational risks – to identify hotspots of high water impact. Many of the projects below emerged from this assessment.

Raw materials

Around 86% of the water used across our value chain – an estimated 1,200 million m³ a year – is in producing raw materials. Much of this is from agricultural produce such as milk, sugars and eggs.

We partnered with The Energy and Resources Institute (TERI), a sustainable development NGO in India, to assess 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*. In 2014, we piloted the approach with 10 of our direct suppliers and in 2015 we extended this work further down the supply chain to 20 suppliers at a rural community level. 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 this research.

Our operations

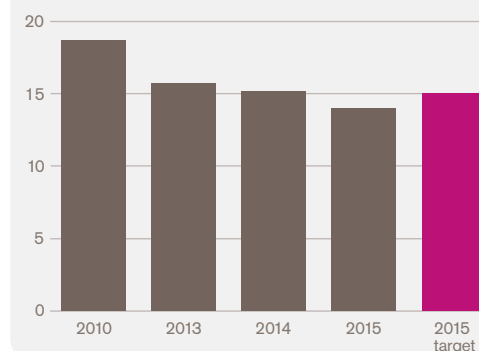
GSK laboratories, manufacturing sites and offices used 14 million m³ of water in 2015 – around 1% of our total value chain water footprint. We are making major investments to reduce this across our sites. For example, we identified several areas at our Nairobi site in Kenya where we can collect and reuse water, and installed a more efficient system to heat water. Between 2013 and 2014 the site's water consumption decreased by 16%.

Consumer use

Consumers and patients need water to use many of our products – making a cup of *Horlicks*, brushing teeth, or to help swallow tablets. We estimate that consumer use accounts for 13% of our water footprint – most from the water used in cleaning teeth. In 2015, we continued to promote 'Turn off the Tap' campaign on the *Sensodyne* UK website and by printing the logo on our *Sensodyne Pronamel* toothpaste, to encourage people not to leave the water running while brushing their teeth.

Consumer use of our products can potentially alter water quality, as well as quantity. The pharmaceutical products they use are not always completely absorbed or broken down by the body, and residues can find their way into the environment – particularly water courses – when medicines are excreted or disposed of. We assess the environmental risk associated with patients' use of our products to help ensure that potential concentrations in the environment do not exceed safe levels. This includes testing the active pharmaceutical ingredients for eco-toxic properties. Since 2014, we have published data summaries of our **environmental risk assessments** for many of our products.

Operational water use (million m³)





Our planet

Reducing our waste

We are changing our manufacturing to halve the amount of operational waste we generate by 2020 and are shifting perceptions to see waste as a potential resource.



Commitment: By 2020, reduce our operational waste by 50% (vs. 2010).



Progress overview: **On track**

Performance in 2015

We have continued to make progress towards our 2020 commitment, cutting our operational waste (hazardous and non-hazardous) by 25% over the last five years.

Our investment in infrastructure and technology has yielded results. In 2015, we produced 134,000 tonnes of waste, 15% less than the previous year. 6,900 tonnes, representing 5% of our total waste, was sent to landfill in 2015, a reduction of 2,600 tonnes compared to 2014 and 60% lower than 2010 (17,000 tonnes).

Our operations

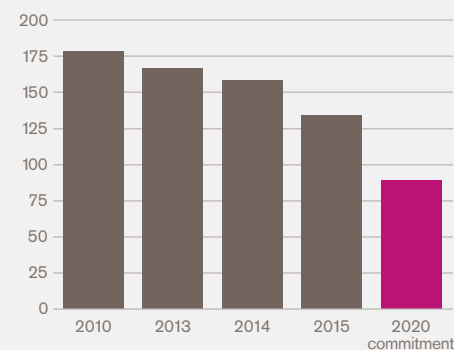
We encourage our sites to think differently about waste and view it as a resource. Instead of being discarded, it can be reused, recycled or used to generate energy. We turned a corner in 2014 when more than half our manufacturing and R&D sites achieved zero waste to landfill and by the end of 2015, 60% of our sites sent no waste to landfill.

We have been sharing best practice to help our sites learn from each other's achievements as they all work towards this goal by 2020. For example, our site in East Durham in the USA, is building on insights shared by our Dungarvan site in Ireland and will install a machine that will recycle fibre drums used for packaging, storage and transport, saving more than US\$300,000 a year.

Many sites are introducing innovative solutions to cut their waste streams. Our facility in Sainte-Foy, Canada, is sending all its egg waste from vaccine production – 1,500 tonnes in 2015 – to be sold as compost, having secured regulatory approval to do so in 2014. Our St Louis site in the USA is also sending manufacturing waste for composting instead of landfill.

In Singapore, our Quality Road site partnered with the National University of Singapore to install an on-site treatment facility for hazardous waste that uses photo-oxidation to break down potentially harmful chemicals and organic substances so they can be safely released into the environment. This process has cut 7,000 tonnes of waste and saved 9,800 tonnes of CO₂e and £680,000 by eliminating the need for incineration by third parties. More than 3,000 tonnes of waste from our Quality Road and Jurong sites, also in Singapore, are used to fuel Jurong's steam boiler, generating 9 million kWh of energy in 2015 and cutting the site's energy costs by 13%.

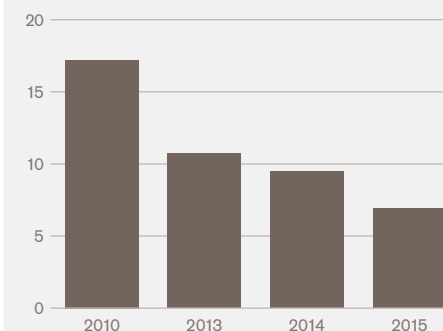
Operational waste generated (thousand tonnes)



Packaging

We also want to reduce waste beyond our own operations and we work with suppliers to do this by buying less material and sharing best practices on sustainability through our Supplier Exchange (see page 50). In 2015, we focused on packaging, asking suppliers to submit ideas to reduce the amount of paper packaging needed for our Consumer Healthcare products.

Operational waste to landfill (thousand tonnes)





Data summary

Health for all		2012	2013	2014	2015	Notes
Better access to medicines and vaccines	Number of doses of <i>Rotarix</i> vaccine donated to GAVI (million, cumulative)				89	
	Value of GSK medicine and vaccines prescribed through our US Patient Assistance programme (million USD)	159	176	156	147	
	Number of patients reached through our US Patient Assistance programme	356,512	316,580	183,000	150,148	
Community investment	Total global community investment (million £)	206	221	201	208	
Strengthening healthcare systems	20% reinvestment in LDCs (million £)	3.8	5.1	6	6.5	
	Healthcare workers our partners have trained (cumulative)	2,000	12,000	25,000	40,000	
	Number of people reached through our 20% reinvestment programme (million, cumulative)	1	3	6.5	11	
Neglected tropical diseases	Albendazole tablets to help LF elimination (million)	589	648	679	644	
	Albendazole tablets to help treat intestinal worms (million)	121	114.5	180.2	258.3	
	Total albendazole tablet donation	710	762	859	902	Total albendazole tablet donation since 1999: 5,960 million
Eradicating polio	Number of doses of oral polio vaccine delivered to Global Polio Eradication Initiative (million)				220	
Access to antiretroviral treatment for HIV	Number of countries where ViiV Healthcare access programmes operate	139	139	139	139	
	Number of royalty-free voluntary licenses available for ViiV Healthcare products	14	16	16	16	

Our behaviour		2012	2013	2014	2015	Notes
Compliance	Employees disciplined for policy violations	2,919	3,128	3,947	3,574	
	Employees who were dismissed or agreed to leave the company voluntarily	312	375	373	387	
	Documented warnings	2,607	2,753	3,131	2,890	
	Total number of marketing and promotional activity violations	123	161	233	237	
	Breaches of external codes	25	36	39	17	
	Number of contacts made to our Speak up channels	1,600	1,865	3,203	3,257	
Clinical trial data (cumulative)	Publicly available trial result summaries	5,000	5,400	5,583	5,800	
	Number of studies with Clinical Study Reports posted to the register	–	–	200	663	
	Number of trials listed for which data are available for request	–	–	1,081	1,727	
	Number of research teams with approved requests for access to GSK trial data	–	–	36	62	



Data summary

Our behaviour		2012	2013	2014	2015	Notes
Clinical research	Clinical quality assurance assessments	293	323	322	265	
	Audits of investigator sites conducting GSK-sponsored trials	190	254	234	175	
	Audits of GSK processes	14	20	19	26	
	Audits of contract research organisations that carry out clinical trials on our behalf	26	34	40	23	
	Audits of GSK local operating companies involved in clinical trial activities	11	13	16	41	
	Investigations of suspected irregularities	47	51	13	29	
	Inspections of GSK sites by regulatory authorities	94	112	73	84	
Anti-counterfeiting	Number of reported cases with confirmed counterfeits	354	494	491	331	
	Number of raids by law enforcement authorities	208	307	234	198	
	Number of arrests by law enforcement authorities	124	272	273	161	
Ensuring quality in manufacturing and supply	Number of regulatory inspections of our pharmaceutical business	72	88	96	86	
	Number of regulatory inspections of our vaccines business	45	40	45	49	
	Number of regulatory inspections of our consumer healthcare business	54	69	46	40	
Our People		2012	2013	2014	2015	Notes
	Number of fatalities	2	0	1	2	
	Reportable incidents with lost time	404	353	281	311	
	Lost time reportable injury and illness rate	0.20	0.17	0.15	0.16	Per 100,000 hours worked.
	Reportable incidents with and without lost time	682	567	499	537	
	Reportable injury and illness rate	0.33	0.27	0.26	0.28	Per 100,000 hours worked.
Talent and leadership development	Total number of coaching assignments	538	1,050	1,390	1,554	
	Number of graduates recruited	277	287	304	444	
	Number of postgraduates recruited	26	47	35	26	
	Number of apprentices recruited	50	58	69	74	
Inclusion and diversity	Percentage of women in management (total)	40	41	42	42	
	Percentage of employees from emerging markets, Asia-Pacific and Japan	42	43	44	43	
Volunteering	Number of employees completing PULSE	91	99	98	78	



Data summary

Our planet	Data	2010 Baseline	2013	2014	2015	Notes
Carbon	Scope 1 and 2 GHG emissions ('000 tonnes CO ₂ e)					
	Gas and other fuel	570	538	490	477	
	Electricity and steam	962	788	745	703	
	Propellant emissions during manufacture of inhalers	214	254	169	222	
	Sales force travel	165	177	131	136	
	Other emissions	62	71	35	27	
	Total	1,974	1,829	1,596	1,565	
	Scope 3 GHG emissions ('000 tonnes CO ₂ e)					
	Purchased materials	5,600	5,600	5,600	5,600	Estimated data.
	Product logistics	169	202	229	236	
	Business travel by air	96	90	94	102	
	Propellant emissions during use of inhalers	4,647	5,302	5,411	5,262	
	Use of other products	1,000	1,000	1,000	1,000	Estimated data.
	Disposal of products	200	200	200	200	Estimated data.
	Total	11,712	12,397	12,534	12,400	
Water	Water use in operations (million cubic metres)	18.7	15.7	15.2	14	
Waste	Total waste generated (thousand tonnes)	178	166	158	134	
	Waste to landfill (thousand tonnes)	17	11	10	7	
Compliance	Internal audits (number)	25	27	19	16	
	Environmental fines (£)	410	2,100	354,303*	500	
Environmental remediation**	Spend (million \$)		5	6.6	4.5	

* A detailed breakdown of 2014 environmental fines is available in the 2014 Responsible Business Supplement. These fines were mostly due to the discovery of a waste tank at our Upper Merrion site that did not comply with local regulations, plus a fine paid by our Hamilton site for failure to submit a risk management plan for storage and use of chloroform.

** 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.



Read more online

We publish more detail on many of the topics in this report on our website



Health for all

- 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
- Tiered pricing for vaccines
- Product donations
- Non-communicable diseases



Our behaviour

- GSK Anti-Bribery and Corruption Handbook
- GSK Anti-Bribery and Corruption guidelines for Third Parties
- Direct to consumer marketing of prescription medicines
- 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
- Code of Conduct
- Clinical trials in the developing world



Our people

- Hazardous chemical management
- GSK and REACH
- Employee volunteering
- GSK future leaders programme
- GSK careers site



Our planet

- Climate change
- Genetically modified micro-organisms
- Ozone depletion and metered-dose inhalers for asthma
- Pharmaceuticals in environment
- Use of ozone depleting substances in ancillary plant and equipment
- Green chemistry: greener processes in our labs
- Detailed environment data table
- Assurance statement
- GSK response to assurance statement



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 its Environment, Health and Safety (EHS) performance data for 2015. 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 collation and management.

Opinion and Recommendations

- Based on the assurance work we carried out and the evidence we were presented with, as per the scope of work, nothing came to our attention to suggest that factual information, performance metrics and data contained within the GSK's 2015 EHS performance data do not;
- 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 in improving submissions and data accuracy during 2015. Further refinement in EHS reporting can be through; inclusion of more complete EHS data from the Commercial Operations business; review of supporting guidance and procedures to fully meet the requirements of the new system; and completion of the revised approach to the detection of anomalies and logging change in consolidated EHS datasets.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, environment, health, safety and social accountability with over 185 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 2016, 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 improvements 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 2016, 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 2015, 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 trade marks either 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.

