

## United Nations Global Compact Communication on Progress

GSK is a signatory to the UN Global Compact (UNGC). The Compact challenges business to operate according to ten principles covering bribery and corruption, human rights, labour and the environment. This report provides information on our self-assessment of compliance with the 21 criterion for an Advanced Level Communication on Progress (COP). All information in this COP is compiled from our 2012 Corporate Responsibility Report, 2012 Annual Report and Accounts, and the [gsk.com](http://gsk.com) website.

The 21 advanced criterion relate to the UNGC Ten Principles.

### Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

### Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## Statement of support from Sir Andrew Witty, Chief Executive Officer, GlaxoSmithKline

"I am pleased to confirm our continued support for this important initiative. The ten principles of the UN Global Compact are reflected in GSK's policies, standards and compliance programmes. They are also very aligned with GSK's values of transparency, respect for people, acting with integrity and focussing on the patient."

Sir Andrew Witty,

Chief Executive Office, GSK

August 2013

Implementing the Ten Principles into Strategies and Operations	
Criterion 1: Mainstreaming into corporate functions and business units	
Best practices	Our implementation
Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives	Governance - pg 72
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	Commitments - pg 8 Strengthening healthcare systems - pg 22 Putting values at the heart of rewards – pg 60
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	Governance - pg 72
Criterion 2: Describes value implementation	
Best practices	Our implementation
Communicate policies and expectations to suppliers and other relevant business partners	Manufacturing and supply chain – our supplier standards - pg 45
Implement monitoring and assurance mechanisms (e.g., audits/screenings) for compliance within the company's sphere of influence	Manufacturing and supply chain – our supplier standards - pg 45

<b>Criterion 3: Robust commitments, strategies or policies in the area of human rights</b>	
Best practices	Our implementation
Commitment to comply with all applicable laws and respect internationally recognised human rights, wherever the company operates	Human rights - pg 36
<b>Criterion 4: Describes effective management systems to integrate the human rights principles</b>	
Best practices	Our implementation
On-going due diligence process that includes an assessment of actual and potential human rights impacts	Human rights - pg 36
Allocation of responsibilities and accountability for addressing human rights impacts	Human rights - pg 36
<b>Criterion 5: Describes effective monitoring and evaluation mechanisms of human rights integration</b>	
Best practices	Our implementation
Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	Human rights - pg 36
<b>Criterion 6: Describes robust commitments, strategies or policies in the area of labour</b>	
Best practices	Our implementation
Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	Human rights - pg 36
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<a href="#">Human rights statement</a>
<b>Criterion 7: Describes effective management systems to integrate the labour practices</b>	
Best practices	Our implementation
Grievance mechanisms, communication channels and other procedures	Compliance - pg 37

(e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organisation of workers	Employee survey - pg 57
<b>Criterion 8: Describes effective monitoring and evaluation mechanisms of labour principles integration</b>	
Best practices	Our implementation
System to track and measure performance based on standardised performance metrics	<a href="http://www.gsk.com/careers/why-gsk/developing-our-people.html">http://www.gsk.com/careers/why-gsk/developing-our-people.html</a>
Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards.	Supply chain performance – pg 45
Process to positively engage with the suppliers to address the challenges through schemes to improve workplace practices	Our supplier standards – PSCI – pg 45
<b>Criterion 9: Describes robust commitments, strategies or policies in the area of environmental stewardship</b>	
Best practices	Our implementation
Reflection on the relevance of environmental stewardship for the company	Our planet - pg 62
Written company policy on environmental stewardship	Downloads - pg 69
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	Our supplier standards - pg 45
Specific commitments and goals for specified years	Our commitments - pg 63 Performance data summary – pg 70
<b>Criterion 10: Describes effective management systems to integrate the environmental principles</b>	
Best practices	Our implementation
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	Carbon - pg 64
Allocation of responsibilities and accountability within the organisation	Governance - pg 72

Internal awareness-raising and training on environmental stewardship for management and employees	Engagement - pg 69
<b>Criterion 11: Describes effective monitoring and evaluation mechanisms for environmental stewardship</b>	
Best practices	Our implementation
System to track and measure performance based on standardised performance metrics	Performance data summary - pg 70
Leadership review of monitoring and improvement results	Governance – pg 72 Annual Report – pg 107-8
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	Supply chain performance in 2012 - pg 45
<b>Criterion 12: Describes robust commitments, strategies or policies in the area of anti-corruption</b>	
Best practices	Our implementation
Publicly stated formal policy of zero-tolerance of corruption	Bribery and corruption - pg 35
Policy on anti-corruption regarding business partners	Bribery and corruption - pg 35
<b>Criterion 13: Describes effective management systems to integrate the anti-corruption principle</b>	
Best practices	Our implementation
Support by the organisation's leadership for anti-corruption	Bribery and corruption - pg 35
Internal checks and balances to ensure consistency with the anti-corruption commitment	Bribery and corruption - pg 35
Management responsibility and accountability for implementation of the anti-corruption commitment or policy	Bribery and corruption - pg 35
Communications (whistle blowing) channels and follow-up mechanisms for reporting concerns or seeking advice	Bribery and corruption - pg 35 Compliance – pg 37
<b>Criterion 14: Describes effective monitoring and evaluation mechanisms for the integration of</b>	

anti-corruption	
Best practices	Our implementation
Leadership review of monitoring and improvement results	Bribery and corruption - pg 35
Criterion 15: Describes core business contributions	
Best practices	Our implementation
Align core business strategy with one or more relevant UN goals/issues	How we create value – pg 4 Commitments – pg 8 Health for All – pg 10 Improving healthcare: a global challenge – pg 13
Develop relevant products and services or design business models that contribute to UN goals/issues	Strengthening healthcare systems - pg 22
Criterion 16: Describes strategic social investments and philanthropy	
Best practices	Our implementation
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	Health and wellbeing in our communities - pg 27
Criterion 17: Describes advocacy and public policy engagement	
Best practices	Our implementation
Publicly advocate the importance of action in relation to one or more UN goals/issues	Health for All - pg 10 Post-2015 Development Agenda - pg 12 Improving healthcare: a global challenge - pg 13
Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	Neglected Tropical Diseases – our commitment - pg 24  <a href="#">Tackling diseases of the developing world</a>  <a href="#">GSK participates in</a>

	<a href="#">UNAIDS and Lancet Commission</a>
<b>Criterion 18: Describes partnerships and collective action</b>	
Best practices	Our implementation
Develop and implement partnership projects with public or private organisations on core business, social investments and/or advocacy	Collaboration with others - pg 16
Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain	Partnering with GAVI - pg 19 <a href="#">Tackling diseases of the developing world</a>
<b>Criterion 19: Describes CEO commitment and leadership</b>	
Best practices	Our implementation
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	UNGC COP CEO statement
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards	CEO statement – pg 6
<b>Criterion 20: Describes Board adoption and oversight</b>	
Best practices	Our implementation
Board of Directors (or equivalent) assumes responsibility and oversight of long-term corporate sustainability strategy and performance	Q&A with the Chairman and CEO - pg 6 Governance – pg 72
Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability	Governance - pg 72
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	Governance - pg 72
<b>Criterion 21: Describes stakeholder engagement</b>	

Best practices	Our implementation
Publicly recognises responsibility for the company's impacts on internal and external stakeholders	Stakeholder engagement - pg 73
Define sustainability strategies, goals and policies in consultation with key stakeholders	Commitments – pg 8
Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle blowers'	Compliance - pg 37 Employee survey - pg 57