

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Activity	Details		
1.	Corporate Identity Number (CIN) of the Company	L24231PB1958PLC002257		
2.	Name of the Company	GlaxoSmithKline Consumer Healthcare Limited		
3.	Registered address	Patiala Road, Nabha – 147 201 (Punjab)		
4.	Website	www.gsk-ch.in		
5.	E-mail id	investor.2.co@gsk.com		
6.	Financial Year reported	April 1, 2015 to March 31, 2016		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Food Processing Sector		
		<i>Product</i>	<i>ITC (HS) Code</i>	<i>NIC Code</i>
		Malt Based Foods	19019090	219.1
		Protein Rich Food	19019090	219.6
		Cereal Based Beverage	19019090	218.0
	Nutritional Food Powder	21069099	218.0	
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	a. Malt Based Food b. Protein Rich Food c. Cereal Based Beverage d. Nutritional Food Powder		
9.	Total number of locations where business activity is undertaken by the Company: i. Number of International Locations: (Provide details of major 5) ii. Number of National Locations:	-		
		Gurgaon, Chennai, Mumbai, Kolkata, Nabha, Rajahmundry, Sonapat		
10.	Markets served by the Company– Local/State/National/International	PAN India, Sri Lanka, Bangladesh, Nepal, Middle East, Myanmar, Pakistan, Kenya and Mauritius.		

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Activity	Details
Paid up Capital (INR)	42,05,55,380
Total Turnover (INR)	41,06,60,53,361
Total profit after taxes (INR)	6,86,91,47,251
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.58% of PAT
List of activities in which expenditure in 4 above has been incurred	a) Disaster relief support to the victims of 2015 Chennai Floods b) Support eradication of Lymphatic Filariasis c) Community Partnership Projects in the sphere of children's education and healthcare, support to the homeless, education and empowerment of tribal children, sustaining healthcare and livelihoods of the tribal community across the country. d) Activity towards addressing major health issue "Kalazar" in Bihar e) Supporting Vridha Sewa Abhiyan in Delhi f) Promoting maternal and child nutrition in Tamil Nadu g) Improving nutrition status among severely malnourished children in West Bengal



2a. If answer to S. No. 1 against any principle, is 'No', please explain why: NOT APPLICABLE

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company has set up a cross functional team consisting members from Commercial, Legal, Human Resources, Finance, Environment Health & Safety, Quality, Regulatory, Communications and External Affairs to monitor and ensure compliance with the mandated BR Reporting.

This internal cross functional team has met on September 14, 2015, December 15, 2015, January 25, 2016 & March 7, 2016 and has updated the Director responsible.

This report is presented to the Board for their review and approval every year.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes the Business Responsibility Report annually and the same can be viewed at the Company's website i.e. <http://gsk-ch.in/BusinessResRpt.aspx>

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, The Anti Bribery and Corruption Policy covers the Company and all its Third Party Vendors.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Six stakeholder's complaints were received during the financial year relating to ethics, transparency and accountability and five have been resolved satisfactorily by the management and one is in the process of being resolved.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Horlicks and its variants
- Boost and its variants

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Water & Energy Consumption in 2015-16

S.No	Parameter	Unit	Total
1.	Water Consumption (absolute)	KL	10,62,877
2.	Carbon Emissions	Absolute CO <sub>2</sub> (Kg)	6,71,80,426

ii. Raw Material Consumption in 2015-16 (April 2015 to March 2016)

S.No	Description of Raw Material	Unit	Total
1.	Milk Powder	MT	12,466
2.	Liquid Milk	MT	35,045
3.	Malt and Malt Extract	MT	78,701
4.	Flour (Wheat)	MT	31,764

- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

In our endeavor towards supporting a clean & sustainable environment all the sites have significantly increased the usage of Agro-waste biomass fuel (briquettes/pellets) for steam generation, replaced refrigerant based chiller with vapor absorption system, replaced conventional lighting system with energy efficient LED lights at all the sites, and have moreover replaced chillers with energy efficient chillers and energy efficient blowers/ motor.

Sites have taken various initiatives for water conservation like recharge of rain water through rain water harvesting, ground water recharging through natural percolation, reduce water consumption through usage of floor cleaning machines instead of manual cleaning, recycling of water from various process streams to reduce water consumption, water rationalisation and optimisation in CIP circuits and project under implementation for enhanced water recovery from water treatment system etc.

iv. Reduction during usage by consumers (energy, water) has been achieved since the previous year?  
Not applicable.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has been increasing sourcing and usage of bio fuel (waste bio mass) with replacement over coal over the years thus enhancing sustainability of our sourcing for fuels. The same trend has continued in 2015. A project has been undertaken to review the supply base of raw materials, which is expected to be completed in 2016 and would help in developing the road map in this direction.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company sources significant share of our milk requirements in Punjab from farmers from nearby villages. Further, to improve their capability and productivity of dairy operations we provide active support in the area of animal health care, breed improvement and guidance on good animal husbandry practices & clean milk production.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

All three sites has well defined system to recycle waste and recycling of products waste is more than 10%, details of the waste utilisation is as follows:

Process:

Husk (Barley) : Sold as cattle feed.

Product waste : Bio composting used as manure

Ash from ESP : Reused in manufacture of ash based bricks, mud based bricks and for road construction.

**Principle 3: Businesses should promote the wellbeing of all employees**

S.No.	Particulars	Details
1.	Please indicate the Total number of employees	3731
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1589
3.	Please indicate the Number of permanent women employees.	149
4.	Please indicate the Number of permanent employees with disabilities	3
5.	Do you have an employee association that is recognised by management	Yes. Rajahmundry : 1 Nabha : 1
6.	What percentage of your permanent employees is members of this recognised employee association?	Nabha : 93%, Rajahmundry : 90%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed	No. of complaints closed	No. of complaints pending
1.	Child labour/forced labour/involuntary labour	0	0	0
2.	Sexual harassment	1	1	0
3.	Discriminatory Employment	0	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees : 94%
- Permanent Women Employees : 73%
- Casual/Temporary/Contractual Employees : 90%
- Employees with Disabilities : 100%

**Principle 4: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1. Has the Company mapped its internal and external stakeholders? Yes/No  
Yes, the Company has the system of contracts / PO's with the external and internal stakeholders with defined terms and conditions, service levels and compensation.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?  
The Company has a process for identifying the Micro, Small and Medium Enterprises and ensuring compliance under the MSME Act, 2006.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.
  - The Company sponsors education for about 20 girl students studying in classes 10<sup>th</sup> to 12<sup>th</sup> in Government Senior Secondary School, Nabha by providing scholarships. The girls are selected on a merit-cum means basis.
  - The Company procures liquid milk from 400 villages in Nabha & Rajahmundry milkshed area. The Company drives a structured dairy development programme in its milkshed through animal health care, breed improvement, farm management and clean milk production.

Key activities:

- Free Veterinary Service
- Deworming Camps – Free deworming of animals
- Multipurpose camps – Veterinary treatment & awareness lectures
- Subsidy on Veterinary Medicines
- Subsidy on Feed Supplements - Mineral Mixture & Calcium Preparations

In the year 2015, we further expanded our access to smaller villages by increasing the number of Village Level Entrepreneurs (VLEs) to 1000. This team of 1000 women spread across states of Tamil Nadu, West Bengal and Bihar helped us reach out directly to 100,000 consumer's doorstep in villages which are typically classified as 'low infrastructure' village. Fondly called as Horlicks Didi/Akka in their respective villages they have helped us expand the message of health and nutrition, while also being able to contribute to their household income through this programme. These VLEs have diligently gone through the arduous journey where they were hesitant and mired with self doubt to a place where they now earn respect and seen as mentors not only within their family but in the larger village community too. During this journey we have helped them with various capacity building measures including sessions on Direct 2 home, Stock keeping, product knowledge and confidence building. It is a unique model where we select a woman from the village to partner with us in expanding our reach, while also enabling and equipping her to generate income within her village itself. We believe this is truly a win win proposition for us and the villages we serve through these entrepreneurs.

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
The policy of the Company on human rights covers the Company and all its Third Party Vendors.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
None.

**Principle 6: Businesses should respect, promote, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
Yes, it extends to contract manufacturing sites.
2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
Yes, all the three primary manufacturing sites have Site Energy Policy which addresses global environmental issues such as climate change, global warming, etc. and site energy initiatives are being considered in line with that.  
CO<sub>2</sub> emissions are monitored by all the units and we have taken long term targets for reduction of the same. One of the key initiatives taken during the year is increase in blending of waste bio-mass with coal in the existing boilers to reduce the carbon emissions thus contributing towards reducing the impact of global warming.  
At one of the site a project of biomass based combined heat and power plant has been initiated, which will reduce CO<sub>2</sub> emission substantially.
3. Does the Company identify and assess potential environmental risks? Y/N  
Yes, proactive approach is followed in identification of the potential environmental risk, 5x5 matrix is used for the identification of the potential environmental risks. Proper SOP's/controls are in place for the key environmental risks.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
No.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

All sites have taken various initiatives highlighted as below.

1. Steam

All the sites have increased the agri-waste bio-mass (briquettes/pellets) blending with coal for steam generation resulting in reduction of about 48500 Tons of CO<sub>2</sub> thus significantly reducing carbon foot print in generating steam and endeavoring towards a clean & sustainable environment.

One of the sites has improved condensate recovery for improved steam efficiency

2. Electricity

Several energy conservation initiatives carried out during the year.

- Conventional lights being replaced with energy efficient LED lights.
- Replacement of old inefficient motors with energy efficient motors at all the sites.
- VFD for Multiple Effect Evaporators
- Installed VAM for Air Conditioning.
- Replacement of old screw based vapour compression chillers with energy efficient centrifugal chillers.
- Energy efficient DC supply based Ceiling fans.

Also, at one of the site 500kW Solar Roof Top captive power plant is being progressed and feasibility of biogas plant is under exploration.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. Stack Emissions, Water Analysis, Ambient Air Quality Reports are well within the limits as defined by CPCB/SPCB.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as in end of the financial year.

There is no show cause notice pending by the end of financial year.

**Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is the member of the following trade and chamber associations:

- a. Federation of Indian Chambers of Commerce and Industry (FICCI), Delhi
- b. Confederation of Indian Industries (CII), Delhi
- c. All India Food Processor's Association (AIFPA), Delhi
- d. Protein Foods and Nutrition Development Association of India (PFNDAI), Mumbai

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes, in the areas of advocacy on issues related to food and FMCG industry, Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water and Food Security and Sustainable Business Principles.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company strives to improve the quality of life and partnering with the society to improve, rebuild and create awareness about important social issues in 4 different ways:

A. Corporate Funding

The Company supported numerous Community Partnership Projects in the sphere of children's education and healthcare, support to the homeless, education and empowerment of tribal children, sustaining healthcare and livelihoods of the tribal community across the country.

B. Community development directly through the Company

- a. Improve people's health & well-being and to provide education for the under privileged in and around the factories located at Rajahmundry, Nabha and Sonapat.
- b. The Nabha Foundation Healthcare and nutritional support to women and children.
- c. Scholarship to underprivileged girl children and meals to tribal children and honorarium to teaching and support staff.

C. Relief and Rehabilitation in times of natural calamity and emergencies

Supply of nutritional products and OTC medicines particularly in times of need and calamities. Our products are also supplied to various schools and to pregnant mothers in localities in villages in and around our factories.

This year, during flood situations in Tamil Nadu and earthquake in Nepal, we donated substantial amount of our nutritional products and medicines.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The initiatives are taken in both ways:

1. Majority of the activities are assessed and monitored by external NGOs like Business and Community Foundation (BCF), Save the Children, Care India Solution for Sustainable Development and Charities Aid Foundation (CAF) and World Health Organization (WHO).
2. Many initiatives are also taken directly by our employees and sites in community development, in and around the site locations like Nabha, Sonapat, Rajhamundry and Delhi.

3. Have you done any impact assessment of your initiative?

Yes. It is an ongoing process – Each project is selected on basis of its sustainable impact and is regularly monitored. In order to ensure sustainable impact, majority of the corporate funding projects are long term ones where assessment is done by the NGOs (BCF & CAF) through which the funds are disbursed and accordingly the scope and beneficiary identifications evolve.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?  
The Company has contributed approximately Rs.10 Crores and 92 Lacs towards various CSR projects.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?  
Our CSR responsibilities arise from our mission statement – “To improve the quality of human life by enabling people to do more feel better and live longer”. All the projects are carefully selected in consultation with our NGO partners, private foundations and academic institutions to ensure long term sustainability and empowering of the people whom we strive to help. Most of our projects are aimed towards health benefits and specific projects like Lymphatic Filariasis AIDS, Kalazar etc. are monitored to measure the decrease in the number of cases reported as compared to before intervention. Similarly, on educational and support to women, efforts are towards informal education where the goal is to bring education more closely to the children in slums and particularly for the disabled and physically challenged. Impact is assessed by monitoring decreasing number of dropouts, increasing enrolment and finally increasing number of students motivated to join formal education. To preserve non- renewable sources of energy and give a better environment to the future generation, the Company increased the use of agro-waste bio-mass fuel for steam generation at all manufacturing sites.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of 12 months period ended March 31, 2016?  
The Company has established an outsourced Knowledge Centre with Genpact, wherein the Customer/Consumer Feedback is received by Trained Agent and then passed on to stakeholders with the Company through CRS (Consumer Relations System) for necessary actions, as required. Care line Feedback at Genpact is received from consumers through dedicated toll free phone line (0008004420168), email (consumer.2.co@gsk.com) or through snail mail (PO Box No.15, Gurgaon). This information is available on all the products manufactured and sold by the Company. The feedback received through all these sources is routed to the concerned functions through an internal software application – “Customer Delight System”. The Company has detailed procedures to carry out necessary investigations in case warranted by the feedback. All the customer feedbacks are used to drive improvements within the system. These improvement actions are documented in the form of Corrective and Preventive actions and are reviewed periodically in management meetings.  
As on March 31, 2016, 97% of the complaints were closed. Rest of the complaints are under investigation.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)?  
Yes. Consumer is provided with instructions on serve sizes and the basic knowledge about the science working behind the various formulations and ingredients added in our product including general known functions of the nutrients. Storage Instructions and cautionary notes, if any, are also provided, if it is important to ensure the safety of consumer at the time of consumption.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words, or so.  
There have been 2 complaints received by the Company from Advertising Standards Council of India (ASCI) and the Company has complied with all changes.
4. Did your Company carry out any consumer survey/consumer satisfaction trends?  
The Company undertakes a number of surveys throughout the year with our consumers. These include surveys on consumer satisfaction with product formulation, packaging, and advertising. We also carry out extensive usage & attitude surveys for the categories we operate in. Details for which are available on request.

Place : Gurgaon  
Dated : May 17, 2016

Jaiboy John Phillips  
(DIN: 01417171)  
*Director- Operations*