

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, 2016 to March 31, 2017															
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Food Processing Sector <table border="1"> <thead> <tr> <th>Product</th> <th>ITC (HS) Code</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>Malt Based Foods</td> <td>19019090</td> <td>219.1</td> </tr> <tr> <td>Protein Rich Food</td> <td>19019090</td> <td>219.6</td> </tr> <tr> <td>Cereal Based Beverage</td> <td>19019090</td> <td>218.0</td> </tr> <tr> <td>Nutritional Food Powder</td> <td>21069099</td> <td>218.0</td> </tr> </tbody> </table>	Product	ITC (HS) Code	NIC Code	Malt Based Foods	19019090	219.1	Protein Rich Food	19019090	219.6	Cereal Based Beverage	19019090	218.0	Nutritional Food Powder	21069099	218.0
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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:	- Gurugram, 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)	42,08,56,54,335
Total profit after taxes (INR)	6,56,67,78,017
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3% of PAT
List of activities in which expenditure in 4 above has been incurred	a) Support eradication of Lymphatic Filariasis. b) Sakshi – Awareness activities on importance of good nutrition with children, parents and teachers in Sakshi's non-formal education centers in Gurugram, Haryana. So far, the program has reached 250 children. c) The Akshay Patra Foundation – Provision of mid-day meal to school children in government schools reaching out to 50,000 children in Hubli, Karnataka. d) SHARP – Awareness building on need of micronutrients of school children in government schools. The program is aiming to reach 150,000 children across four states. e) CII Foundation – Capacity building of small and medium food based operators on safe handling and management of food and food products.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies? – No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) – Not Applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] – No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- Details of the Director responsible for implementation of the BR policy/policies
 - DIN Number : 07602670
 - Name : Mr. Anup Dhingra
 - Designation : Director- Operations



b) Details of the BR head:

S.No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Ms. Shanu Saksena
3.	Designation	Company Secretary & Area Ethics and Compliance Officer, ISC
4.	Telephone number	+91 124 4336500
5.	e-mail id	investor.2.co@gsk.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online - www.gsk-ch.in/policies.aspx	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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 20, 2016, November 15, 2016, and March 3, 2017 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

1. 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.

2. 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.

Twenty One stakeholder's complaints were received during the financial year relating to ethics, transparency and accountability and Fifteen of them have been resolved satisfactorily by the management and Six are 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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - a. Horlicks and its variants
 - b. Boost and its variants
2. 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 2016-17

S.No	Parameter	Unit	Total
1.	Water Consumption (absolute)	KL	9,94,455
2.	Carbon Emissions	Absolute CO2 (Kg)	6,39,44,345

ii. Raw Material Consumption in 2016-17 (April 2016 to March 2017)

S.No	Description of Raw Material	Unit	Total
1.	Milk Powder	MT	10,866
2.	Liquid Milk	MT	30,595
3.	Malt and Malt Extract	MT	76,626
4.	Flour (Wheat)	MT	29,782

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

In our endeavor towards supporting a clean & sustainable environment, various energy reduction initiatives have been progressed. These include increased usage of Agri-waste based bio-mass fuel (briquettes/pellets) for steam generation, solar rooftop PV panels to generate renewable energy, improvement in efficiency of backup power (higher efficiency UPS), energy efficient LED lights, electronically commuted (direct drive motors) for ventilation system and improvement in the plant reliability.

Water conservation initiatives included recycling of waste water, steam condensate recovery improvement, process optimization in various process streams and improvement in CIP system. We have implemented projects with enhanced water recovery (97% recovery) from water treatment system as compared to conventional water treatment, further ground water recharge through rain water harvesting and natural percolation pits.

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.

Yes, the Company has been increasing sourcing and usage of bio fuel (waste bio mass) with replacement of coal over the years at all three sites. Also, we consume agro based commodities such as wheat, barley and milk used to manufacture Horlicks. Around 93% of the water used across our Horlicks India value chain goes in producing agro based commodities. We piloted the approach with few major direct aforesaid agro based commodities suppliers at a rural community level. We have identified projects to address water conservation, rainwater harvesting, groundwater recharge and rehabilitation of water bodies, and are implementing at one location as pilot which will support in sustainable sourcing.

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.

Yes, 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	3807
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1451
3.	Please indicate the Number of permanent women employees.	174
4.	Please indicate the Number of permanent employees with disabilities	2



S.No.	Particulars	Details
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 : 89%, Rajahmundry : 91%

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 : 82%
- Permanent Women Employees : 59%
- Casual/Temporary/Contractual Employees : 92%
- 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 mapped its internal and external stakeholders. We have signed MoUs with partners with clear roles and responsibilities for project implementation as well as defined terms and conditions.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?
Yes, the Company implements its CSR programme through its NGO partners viz. The Akshay Patra Foundation, SHARP, Sakshi and CII Foundation. These NGOs identified 150,000 children from disadvantaged vulnerable & marginalized stakeholders based on the need of the programme and accordingly provides services to these stakeholders.
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.
Yes, the company has taken the following special initiatives:
"Mission Health" is to fight micronutrient deficiencies/hidden hunger in India by focusing on 0-10 years of children's life. Our awareness building, nutrition supplementation and capacity building programmes are reaching out to children from socio-economically weaker section.

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?
Yes, 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?
No complaints received.

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 covers the company and 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.
CO2 emissions are monitored by all the units and we have taken long term targets for reduction of the same. Key initiatives taken during the year are solar power generation & increase use of Agri waste bio-mass in the existing Steam generation system to reduce the carbon emissions thus contributing towards reducing the impact of global warming.
At Rajahmundry site, construction of a biomass based combined heat and power plant has been initiated, which will reduce CO2 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, the Company has not explored any project related to Clean Development Mechanism.
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.
Yes, all sites are implementing various initiatives as highlighted below:
 1. Steam
 - All the sites have increased usage of Agri-waste bio-mass (briquettes/pellets) for steam generation. This has offset 50,441 Tons of CO2 by replacing coal with 72% of biomass thus significantly reducing carbon foot print by 44% which reinforces our resolve towards a clean & sustainable environment.

- Condensate recovery initiative for improved steam efficiency.
 - Boiler efficiency enhancement project (automatic monitoring and control of combustion efficiency).
2. Electricity-
- 441KW roof top solar PV plant for renewable energy at Sonapat.
 - Replacement with highly energy efficient battery backup system (UPS) at Sonapat.
 - Electronically commuted (EC) direct drive fans installation in Ventilation systems and Air Treatment units.
 - Replaced water-ring vacuum pump with dry vacuum pump to save water and energy. Solar based Sun pipes for FG warehouse illumination.
 - Insulation losses reduction through Hot & cold insulation improvement.
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. Association of Food Scientists and Technologists, Karnataka
 - 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 supports inclusive growth and equitable development through following
- A. Corporate Social Responsibility
The company through its Mission Health programme is supporting sustainable community development projects for eradicating micronutrient deficiencies. These projects are primarily implemented in partnership with government schools students who come from socio-economically backward communities.
 - B. Community development directly through the Company
These programmes are aimed at improving awareness of the community about the malnutrition and improving their knowledge, aptitude, behavior and practice towards healthy living.
 - 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.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?
The initiatives are taken through in-house team and external NGO:
1. Majority of the activities are undertaken through implementation partner NGOs viz. World Health Organization (WHO), The Akshay Patra Foundation, Sakshi, School Health Annual Report Programme (SHARP), Business and Community Foundation (BCF) and Care India Solution for Sustainable Development and Charities Aid Foundation (CAF).
 2. Many initiatives are also taken directly by our employees and sites for community development, in and around the site locations like Nabha, Sonapat, Rajhamundry and Gurugram.
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 measure impact, each project has defined output, outcome and impact indicators. The projects are conceived for a longer duration, ideally for 3 years which is generally the period by which an impact of the project can be documented.
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.19 Crores and 79 Lakhs 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?
Community development initiatives are designed and developed after careful need assessment of the community. Community is involved in project development and projects implementation. This helps to have community ownership of the project and ensures that community not only participate but adopt our projects.

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, 2017?
As on March 31, 2017, 99% 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 behavior 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 5 complaints received by the Company from Advertising Standards Council of India (ASCI) and the Company has complied with all changes. There is 1 consumer case filed alleging unfair trade practice which is pending adjudication.
4. Did your Company carry out any consumer survey/consumer satisfaction trends?
Yes, 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: Gurugram
Dated: May 11, 2017

Anup Dhingra
(DIN: 07602670)
Director- Operations