GlaxoSmithKline Consumer Healthcare India (GSKCH)

Policy on Corporate Social Responsibility

Effective Date: 12 February 2018

1. Our mission

We at GlaxoSmithKline Consumer Healthcare Ltd. (GSKCH) are on a mission to help people to do more, feel better, live longer.

Today there are millions of people without access to basic healthcare, thousands of diseases without adequate treatments and millions of people who suffer from everyday ailments. We intend to make a difference in the lives of the communities through our corporate social responsibility projects.

As a business, we have responsibilities to society, and society has expectations of us. Our goal is to meet those responsibilities and expectations — and, where possible, create good practices for others to follow.

2. Our company

GSK Consumer Healthcare Ltd is the category leader in Indian health food drinks industry. Our flagship product Horlicks leads the market, while Boost is among the top three health food drink brands that India prefers. Our manufacturing plants are in Nabha, Rajahmundry and Sonepat. In India we have an engaged workforce of over 4300 employees. GSK also markets and distributes a range of everyday health products such as Eno, Crocin, Iodex and Sensodyne. Our marketing and distribution network comprises over 850 distributors and a direct coverage of over 3.3 million retail outlets.

GlaxoSmithKline Consumer Healthcare India Ltd is a listed entity managed by a Board of Directors including prominent independent directors. GSK Consumer Healthcare Ltd is an associate of GlaxoSmithKline plc. of U.K, one of world’s largest consumer healthcare companies. We have a heritage that goes back over 160 years. Our purpose is to help more people around the world to do more, feel better and live longer with everyday healthcare products. Our goal is to build a global, growing business - we call a Fast Moving Consumer Healthcare (FMCH) company - dedicated to everyday healthcare with all of the scientific expertise and quality guarantees that demands, working at the speed and with the genuine consumer understanding the modern world expects.
GSK Consumer Healthcare globally owns some of the world's best loved healthcare brands, successful in over 100 countries. These include Sensodyne, Voltaren, Theraflu, Paradontax, Panadol, Polident, Otrivin, Horlicks and Physiogel.

3. Our CSR Focus

Corporate Social Responsibility ("CSR"), to our Company is a sustainable investment in the community that we are a part of and is more than philanthropy. This is a conscious and committed effort to contribute in every possible way we can. We believe that through effective CSR outreach, we have the extraordinary opportunity to redefine the way in which a company can help enable change in the world.

Our CSR focus is inspired by our Global CR under the following heads - Our People, Health for All, Our Planet & Our Behaviour.

Health for All

As a key player in the healthcare area, our primary contribution is to develop, market and distribute products based on high science to improve the quality of life of our consumers.

Our social outreachs include sustainable partnership with various community projects through established NGOS to advance awareness on and provide access to nutrition, hygiene and healthcare.

Our Planet

We remain committed to minimizing our environmental impact across our value chain and lifecycle. In case of disaster, our company is ready to respond quickly and provide relief to affected population in a relevant way.

Our People

We believe in encouraging our employees to volunteer for community work and participate in our CSR projects so that they can contribute to society and needy community.

Our Behavior

As a company, we believe in the philosophy of compassionate care and our Our Board of Directors, Management and our employees subscribe to it. Our values of Transparency, Respect, Integrity and Consumer first guide us and our partners in our various outreach.

4. CSR Mission

GSK-CH India's CSR mission is called "Mission Health" which is to help people to do more, feel better, live longer. Mission Health will improve access to health, education and sustainable livelihood opportunities for vulnerable sections of society.
CSR Activities

To achieve our Mission Health, our CSR Activities will focus on the following areas:

1. **Nutrition** – Improving micro-nutrient status of children and mothers by creating awareness, better access to micronutrients, nutritional assessment and linkages with government nutrition programmes

2. **Health**: Create awareness, build skills and implement programmes on hygiene, sanitation, safe food and water leading to good health

3. **Ensuring Environmental Sustainability, ecological balance etc** – Implement programmes leading to conservation of natural resources through Natural Resource Management (NRM) activities like watershed, water harvesting etc.

4. **Improving Employment enhancing vocational skills and income generation activities for women**: Conduct skill development programmes for vulnerable and marginalized communities to improve livelihoods leading to better health

In addition to this we will also participate in

5. **Disaster Support** – to provide relief to disaster affected communities

6. **Volunteering** – to create a culture of shared value for our employees by encouraging them to participate in community work and skill based volunteering

7. **Any other** in line with schedule VII of CSR Rules under Companies Act

The objective in each of the interventions is to create a sense of ownership and to ensure that projects and programmes in each of these spheres are sustained.

5. **CSR Budget**

   - A specific budget will be allocated every year and approved by the Board of Directors for CSR activities which will be around 2% of net profit (calculated as average of last 3 years’ net profit)
   - Add on to the allocated budget any income arising from previous years’ activities if any and any surplus arising out of these activities

6. **Our CSR Committee**

To drive and oversee all its social development initiatives GSK Consumer Healthcare, India has constituted the CSR (Corporate Social Responsibility) Committee. The committee functions as per GSKCH's vision, mission, CSR policy and strategy; guided by the global CSR objectives and guidelines. The committee comprises of Independent Directors, members of India Leadership team and will be supported by senior leaders of GSK. The members are so chosen as to provide thought leadership, guidance, advice and policies to drive the sustainability agenda of the organization.

**Role of this Committee:**

- Defining a CSR Policy
- Constitution of the CSR Committee
• Approval of the CSR Policy & Activity plan

• Monitoring and Disclosure of:
  o Activities
  o Spend

7. CSR Working Group

The CSR Committee will be supported by an CSR working group including members from different functions directly involved in the different initiatives being undertaken by the company. CSR working group comprises of CSR-Lead, Head-Communications, Executive Vice President-Regulatory Affairs and supported by other cross function team members. This team will also engage regularly with other external experts including representatives of the NGOs with which GSK-CH will work.

Role of GSKCH CSR working group would be to:

• Formulate and recommend a CSR Policy to the CSR Committee

• Recommend activities and expenditure for each project

• Implement the CSR Policy and monitor the programmes every quarter to ensure that the allocated fund is rightly spent for the intended purpose

8. Management of CSR activities

The initiatives are largely driven through collaborative partnerships with carefully identified and selected credible Non-Government, non-profit organizations with long track record of good work in respective fields. Projects are finalized in a participatory manner in consultation with the NGOs and if possible with experts from the locations. This helps widen the Company's reach and leverage upon the collective expertise, wisdom, and experience that these partnerships bring to the table.

In addition to the above, the CSR outreach of the company will also include direct engagement in select projects as identified and approved by the Committee.

The Company may also engage with well-established and recognized national platforms established by apex industry bodies like CII, FICCI, etc. given their commitment to inclusive growth.

In addition to this as part of CSR projects, we also intend to collaborate with bi-lateral and multilateral agencies like UN bodies, WHO, USAID, GIZ etc. We will also interact and collaborate with various government departments to compliment and link with government programmes to ensure sustainability of CSR initiatives.

Process of engagement

1. Finalisation of project proposals from NGOs in the beginning of the year, basis the type of intervention, probable impact, details of a baseline study of the locations, health indicators, literacy levels, sustainable livelihood processes, state of infrastructure etc.

2. Finalisation of direct contact programmes led by GSK in collaboration with relevant NGOs basis social and environmental priorities in the areas of awareness building in health and nutrition issues, Women empowerment, livelihood generation, environmental sustainability etc.

3. Direct support to any national disaster basis the gravity of the impact on the community
4. Community development programmes in Sonepat, Nabha and Rajamundry basis the need of the community in those areas.

9. Project monitoring

We have instituted a pre-defined monitoring schedule for all projects under CSR. NGO partners would submit quarterly reports on the program progress and the financial utilization of the grant amount. On-ground monitoring of the projects would be undertaken through monitoring visits to project sites at least once every six months. GSKCH may also appoint an external third party to undertake the programmatic and financial monitoring of the projects and to conduct impact assessment of CSR projects.

10. Information Dissemination

The Company's engagement in this domain shall be disseminated through its website, annual reports, in-house journals and through other internal communication systems.

While here in the policy the specific areas that GSKCH India will engage in and the processes which it will follow are outlined, before end of each year, the specific projects and budget for the next year will be proposed by the CSR Committee to the Board and duly approved.

Administration

Approval: GSKCH Board of Directors
Sponsor: CSR Committee of the Board
Author: Joydeep Sen; CSR-Lead
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