

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, 2017 to March 31, 2018															
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<p>Food Processing Sector</p> <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)	<p>a. Malt Based Food</p> <p>b. Protein Rich Food</p> <p>c. Cereal Based Beverage</p> <p>d. Nutritional Food Powder</p>															
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:	<p>No International Location</p> <p>Gurugram, Chennai, Mumbai, Kolkata, Nabha, Rajahmundry, Sonapat</p>															
10.	Markets served by the Company– Local/State/ National/International	PAN India, Sri Lanka, Bangladesh, Nepal, Middle East, Myanmar, Pakistan, Kenya, Mauritius and Malaysia.															

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Activity	Details
Paid up Capital (INR)	42,05,55,380
Total Turnover (INR)	41,575,468,192
Total profit after taxes (INR)	7,001,022,528
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.83% of PAT
List of activities in which expenditure in 4 above has been incurred	<p>1) Nutrition Programme:</p> <p>a) School & community nutrition programme</p> <p>b) Mid-day meal programme</p> <p>c) Skill building on nutrition</p> <p>2) Allied against Dengue- This programme is being implemented in 5 districts of UP. Programme is building capacities of Doctors, pharmacist and health care providers on early testing and treatment of Dengue.</p> <p>3) Community Development Projects- We are working very closely with district administration to improve access to health services, clean drinking water, proper sanitation and hygiene.</p> <p>4) Disaster relief- We have provided relief and rehabilitation to families affected by floods in Assam and Bihar. Save the Children helped in identifying the needy communities and provided them with dry ration, water, clothes, torches and plastic sheets.</p>

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**

a) 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? If 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 August 11, 2017 to conduct a half yearly monitoring and has worked on the submission of the report to 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://india-consumer.gsk.com/en-in/investor-relations/business-responsibility-report/>

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.

Five (5) stakeholder's complaints were received during the financial year relating to ethics, transparency and accountability and Four (4) of them has been resolved satisfactorily by the management and One (1) 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

1. 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
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 2017-18

S.No	Parameter	Unit	Total
1.	Water Consumption (absolute)	KL	9,13,549
2.	Carbon Emissions	Absolute CO ₂ (Kg)	63,218

ii. Raw Material Consumption in 2017-18

S.No	Description of Raw Material	Unit	Total
1.	Milk Powder	MT	10,732
2.	Liquid Milk	MT	32,739
3.	Malt and Malt Extract	MT	80,274
4.	Flour (Wheat)	MT	30,774
	Total	MT	1,54,519

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, Desiccant based dehumidification, electronically commuted (direct drive motors) for ventilation system, boiler efficiency enhancement and improvement in the plant reliability. At one of the site construction of a biomass based combined heat and power plant is almost completed, which will reduce CO₂ emission substantially

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 for ETP treated water recycling & enhancement of Ground water recharge through development of a pond in community at one of the site.

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 of coal over the years thus enhancing sustainability of our sourcing for fuels. 67% Biomass sourced & blended in financial year out of total fuel consumed for steam generation.

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 in 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	4044
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1930
3.	Please indicate the Number of permanent women employees.	173
4.	Please indicate the Number of permanent employees with disabilities	4
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 : 86%, Rajahmundry : 85%

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	0	0	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 : 87%
- Permanent Women Employees : 71%
- Casual/Temporary/Contractual Employees : 95%
- 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 marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders. All the programmes are designed after community need assessment and in alignment with the Government of India's National Health policy and National Nutrition Mission.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Companies CSR programme has women, children, migrants and other backward communities as major stakeholders. Nutrition and Dengue programmes are implemented in 7 districts in Bihar, UP, MP, Karnataka, AP, Punjab and Haryana which have been identified by Government of India as districts with vulnerable population and needs urgent attention.

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.

"Mission Health" our CSR programme is focused on provision of mid-day meal in schools, creating awareness among mother & children on nutrition, capacity building on food safety, access to clean water, hygiene & sanitation and prevention of Dengue. Through these programme, we reach 1,50,000 children. Our Dengue prevention programme will reach 1,00,000 people.

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?

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 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 have 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.

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.

Key initiatives taken at sites are highlighted below.

1. **Steam**

- All the sites have increased usage of Agri-waste bio-mass (briquettes/pellets) for steam generation. This has offset 51706 Tons of CO₂ emission thus significantly reducing carbon foot print in generating steam and reinforces our resolve towards a clean & sustainable environment.
- Boiler efficiency enhancement project (automatic monitoring and control of combustion efficiency) at two sites

2. **Electricity**

- Desiccant based dehumidification in spray dryer at one of the sites.
- At one of the sites, construction of a biomass based combined heat and power plant is under commissioning, which will reduce CO₂ emission substantially.
- Electronically commuted (EC) direct drive fans installation in Ventilation systems and Air Handling units substantially reduced the energy consumption at two balanced sites.
- Replaced water-ring vacuum pumps with dry vacuum pumps (oil lubricated), to minimize the ground water usage at two sites.

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. Protein Foods and Nutrition Development Association of India (PFNDAI), Mumbai
- d. Corporate Law Group (CLG), Delhi- CLG is not a trade association, it is a law firm
- e. Association of Food Scientists and Technologists (AFSTI), Delhi and Mumbai Chapter
- f. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- g. Ayurvedic Drug Manufacturer's Association (ADMA), Mumbai
- h. Indian Pharmaceutical Association (IPA)

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 technical & scientific issues related to food, OTC and Ayurveda industry, Governance and Administration, 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 Mission Health; our CSR programme. To implement our CSR programme, we have partnered with organizations such as Akshaya Patra, Save the Children, JSI Foundation, SHARP, Sakshi, CII Foundation and WHO to focus on high impact projects.

Following programmes have been implemented:

i. **Nutrition programme:**

- a) **School & community nutrition programme:** This year, we will have built skills & knowledge of teachers and students on importance of nutrition and WASH. We are also strengthening the nutrition programme by linking with the government initiatives like National Nutrition programme, National Anemia Control programme, and the National De-worming programme. The programmes are implemented all the 4 states (Bihar, UP, MP and Karnataka) and reaching to 1,50,000 children in 1000 government schools.
- b) **Mid-day meal programme:** We have supported 50,000 children in government schools in Hubli; Karnataka. Fortified meals have been provided to children through the mid-day meal programme. In addition to this, we have also provided milk to these 50,000 children for 5 days/week. Additionally, periodic growth monitoring of these children was also conducted to assess the impact of the mid-day meal and the milk provided to these children.
- c) **Skill building on nutrition:** Through our partnership with CII Foundation we have imparted the food safety training to mid-day meal providers in the schools which are implementing Consumer Healthcare supported nutrition programme.

ii. **Allied against Dengue-** This programme is being implemented in 5 districts of UP. Programme is building capacities of Doctors, pharmacist and health care providers on early testing and treatment of Dengue. Community outreach and working closely with the district administration is paramount to ensuring that the programme can sensitise communities about prevention of dengue.



- iii. **Community development Projects**– In Nabha, Rajahmundry and Sonipat community mobilization, sensitisations and awareness is a priority. Our project helps in improving the water, sanitation, hygiene and health services for community. We are working very closely with district administration to improve access to health services, clean drinking water, proper sanitation and hygiene. We are also helping to create awareness among community members on cleanliness and hygiene practices which also helps in improving the nutrition status among mother and children.
- iv. **Disaster relief**- We have provided relief and rehabilitation to families affected by flood in Assam and Bihar. Save the Children helped in identifying the needy communities and provided them with dry ration, water, clothes, torches and plastic sheets.

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

Monitoring is an ongoing process. It is done both by the internal team, external third party as well as NGOs implementing projects:

1. **MoUs signed with partners have an in-built monitoring plan, all partners shall:**
 - submit a quarterly program progress report and provide program updates as required.
 - submit half yearly financial utilization reports and an annual financial utilization report (audited by its statutory auditors).
 - must cooperate for a review / audit or spot check (program / finance) by the Company or an external third party appointed by the Company.
 - not alter or modify any of its activities as per the submitted plan, any deviation would require prior written approval from the Company.
- Formats for providing program and financial reports have been provided to the partners as part of the MoUs to ensure standardization of reporting.
- We have engaged Ernst and Young to conduct third party monitoring of all projects and partners.

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 83 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?

Projects are carefully selected based on community need. Our NGO partners and stakeholders focus on empowerment of the communities to ensure community ownership and sustainability. Our projects are designed keeping communities at centre, partnering with implementing NGOs and in active collaboration with government departments.

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, 2018?

As on March 31, 2018, 99% of the product quality complaints logged in the year 2017-18, have been 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 7 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?

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, 2018

Anup Dhingra
(DIN: 07602670)
Director- Operations