



# Valuing your Trust

Do more, feel better, live longer



This report is in accordance with  
GRI G4 Guidelines at CORE level.

Our approach

Our approach



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# Our approach

At GSK, our mission is to improve the quality of human life by enabling people to do more, feel better and live longer. This report describes the progress we are making in Romania and how we are operating our business responsibly.



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# About GSK Romania

## About GSK Romania

**1989:** Glaxo Company opened an office in Bucharest with a single employee. Not long after, Europharm, a pharmaceutical products distributor was established in Braşov.

**1995:** SmithKlineBeecham formed a registered company in Romania and became a major shareholder in Europharm.

**2000:** GSK was formed, including the Europharm distribution arm.

**2002:** GSK invested over € 10 million, turning the Braşov site into a world-class standard Global Manufacturing Practices (GMP) pharmaceutical manufacturing plant.

**2004:** Europharm became a registered distribution company headquartered in Bucharest.

Today, GSK Romania is one of the largest and most diverse pharmaceutical companies in the country.

We maintain our commitment to the Romanian market for the long term.

GSK Romania is a wholly owned subsidiary of GSK plc., one of the 10 largest pharmaceutical companies in the world, with a turnover of over £26 billion in 2012, operating in 115 countries with over 70 manufacturing sites and almost 100,000 employees. GSK plc. is headquartered in the United Kingdom.



**Our business and supply chain in Romania is made up of four entities:**

### GSK Pharma

We lead the strategy, public policy, market presence, medical affairs, clinical affairs, clinical trials and sales of GSK pharmaceutical products and vaccines in Romania.

### GSK Consumer Healthcare

We lead the strategy, public policy, market presence, market presence, medical affairs and sales of GSK Consume Healthcare brands in Romania and other countries in Central Europe.

### Europharm Distribution

We employed 363 people in our Europharm Distribution operation, working from 11 warehouses with 93 delivery vehicles, supplying the Romanian Market.

### Braşov Site

We employed 243 people in our GMP plant, manufacturing 16 brands and hundreds of SKUs for GSK and other pharma companies on a contract manufacturing basis.

# How we create value

In Romania, we are focused on creating value by playing a leading role in supporting the transformation of the healthcare sector. We continue to do this in Romania by:



Our responsible business approach is integrated into the way we do business every day at GSK, and is consistently reflected in our Romanian business, across Europe and globally. We are committed to creating innovative products that improve people's health and wellbeing and striving to make them as widely accessible as possible. We are continuously making progress towards achieving this by partnering with all players in healthcare systems, from patient groups to payers to governments. Looking forward, this way of working should be accelerated if we want to ensure equitable access to the best healthcare for all.

George Katzourakis, SVP Head of Europe Area GSK

## Focusing on our Customers

- Ensuring we understand patient needs and work to provide relevant solutions
- Helping healthcare authorities and doctors to shape the system for the benefit of patients

## Becoming a Preferred Partner

- Operating our business in a responsible and sustainable manner
- Working to build trust with all our stakeholders
- Partnering within the healthcare sector for better solutions
- Advancing healthcare knowledge and education

## Daring to Innovate

- Finding innovative ways to increase patient access to our medicines and healthcare products
- Expanding our reach to new patients to deliver greater benefits better solutions

## Our GSK values guide our work and we expect all our employees to:

- Commit to transparency
- Show respect for people
- Demonstrate the highest integrity in our conduct
- Be patient-focused

## We deliver value for our stakeholders:

- **Healthcare professionals and regulators:** We employ over 200 staff in GSK Pharmaceuticals and Consumer Healthcare who visit physicians, pharmacies, clinics, hospitals and support local and national government, providing education about medicines and healthcare.
- **Customers:** Our direct customers are pharmacies, hospitals and clinics all over Romania.
- **Patients:** We reach millions of patients in Romania, helping them to do more, feel better and live longer. We work with patient

associations to support the development of a strong patient voice in the healthcare system.

- **Employees:** We provide an empowering and responsible place of work for over 1,000 local employees, offering personal and professional development. We also welcome GSK employees from other countries and create opportunities for our employees to work abroad.
- **Suppliers:** We work with global suppliers, we import finished products from GSK subsidiaries, and we engage primarily local suppliers for operational goods and services.

## Our main products include:

### Prescription Medicines

Our prescription medicines include treatments for a wide range of conditions such as respiratory and urology diseases, cancer, heart disease, epilepsy, bacterial and viral infections such as HIV and lupus, and skin conditions like psoriasis.

### Vaccines

We have the most complex paediatric vaccines portfolio, with over 10 brand vaccines that prevent life threatening and crippling illnesses such as poliomyelitis, hepatitis, pneumonia, meningitis, rotavirus or cervical cancer.

### Consumer Healthcare

We bring dental health and wellness products for respiratory health and pain management to millions of Romanians. Many of our brands, such as Sensodyne, Aquafresh, Panadol and Coldrex are familiar around the world as well as in Romania.

## Our approach

## Our healthprint in 2012

GSK products reached  
**20 million**  
consumers and patients in Romania

We are passionate  
about our objective  
to contribute to increasing the  
life expectancy of Romanians.

We live by our  
Code of Conduct.  
All GSK employees are thoroughly  
trained in business ethics.

Our values drive our behaviour:  
Transparency  
Respect  
Integrity  
Patient-focus

Every day, almost  
**3,000**  
doses of GSK vaccines were delivered to  
Romanians to protect their health.

We delivered life-saving  
drugs to over  
**4,500**  
hospitals and pharmacies every month.

The drugs we produced in Braşov  
reached patients from over  
**80 countries**  
around the globe.

We supplied innovative  
medicines and vaccines in  
**13**  
therapeutical areas.

GSK Orange Day in Romania  
engaged  
**over 230**  
employees in over 32  
different community projects  
in 18 cities.

Our employees invested  
**9,316**  
hours volunteering  
in our local communities in  
2012.

GSK invested  
**€604,460**  
in the community in  
Romania in 2012.

In 2012, we contributed funds  
to  
**13**  
Patient Associations.

We paid more than  
**€46 million**  
in taxes to the national  
government in the last 2 years.

**3**  
of the General Managers  
of our four business entities in Romania  
were led by women.

**62%**  
of our workforce were women and 61%  
of our managers were women.

We invested  
**3,400 hours**  
in employee professional and leadership  
training.

We maintained our strong safety record  
with just 1 minor work injury in our  
operations in 2012.

We realised an energy saving of  
**350,000 kwh**  
in our factory in Braşov through HVAC systems improvements.

We reduced our water consumption by  
**5%**  
in 2012.

# Messages from our Romanian management team



*P. Prigent*

**Pascal Prigent**  
General Manager GSK  
Romania



*M. Mares*

**Margareta Mares**  
General Manager  
Europharm Distribution



*M. Cismaru*

**Mariana Cismaru**  
General Manager Site



*H. Tomlinson*

**Helen Tomlinson**  
General Manager GSK  
Consumer Healthcare

## Q What did GSK achieve in Romania in 2012?

**Pascal Prigent:** In Romania, we are focused on creating value by playing a leading role in supporting the transformation of the healthcare sector. It has been an intensive year because it was as much about transformation as it was about delivering business as usual. We participated in European reorganization as part of our alignment with GSK Europe, we implemented a totally new distribution model for some of our medicines, we reorganised our logistics operations, and announced our intention to terminate operations from our Braşov manufacturing facility. These changes have been challenging for our people in differing degrees, and market conditions have not become any easier. Despite this, we delivered our targeted results and remain committed to continuing to consolidate the trust we have built with all our stakeholders.

**Margareta Mares:** 2012 has been a great platform to prepare for 2013! It has been a year of change and consolidation, building upon the foundations we have laid in previous years and setting ourselves up to be the most efficient, service-oriented and customer-centric pharma distribution operation in Romania. We are in the process of constructing our new logistics centre which will come on stream at the end of 2013. This has taken up a considerable amount of resource and management time. Business-wise, we maintained our presence and increased our activity in 2012, so we feel optimistic for the future.

**Mariana Cismaru:** We had another year of very strong performance in 2012, increasing our efficiencies, improving our environmental performance and continuing to supply our markets with first-class quality medicines. We are pleased to have delivered strong performance in 2012, supporting GSK's objective of improving access to healthcare for patients in Romania.

**Helen Tomlinson:** Having joined the business mid way through 2013, I am delighted that Consumer Healthcare Romania made good progress in 2012, gaining market share in our key market segments and raising awareness for consumer health and wellness, particularly in the area of oral health and dental care. GSK invested heavily behind the *Zâmbeşte Româniea* campaign communicating the simple steps to improve oral health by adopting a simple routine, for example brushing your teeth twice a day.

We see more people realising the importance of good oral care. However, we are aware that there is still a big need in this area. In 2013, we also made changes to our traditional trade distribution model to increase access to therapeutic oral healthcare for rural communities. We believe our contribution to advancing awareness is a critical step in changing consumer habits and reducing health risks for many Romanians.

## Q Your mission relates to transformation of the healthcare sector in Romania for the benefit of patients. How have you progressed in 2012?

**Pascal:** Transformation is a long-range objective and of course we cannot do it alone. We are happy to contribute our resources, skills and global experience to bring innovative drugs to the local market, advocate for improved access to medicines and invest in local awareness and capability. However, transformation is about partnership. One of the exciting collaborations which we undertook this year, for example, is the FIC programme to stop the brain-drain and bring physicians back to Romania, which we have been leading through the Healthcare Taskforce. We have also progressed on several other fronts, including patient advocacy and collaboration with industry associations.

**Margareta:** As a distribution and logistics operation, we do not consider ourselves the leading player in healthcare infrastructure transformation in Romania, but nonetheless, we are a critical partner. The new direct distribution model, which is proving to substantially increase availability of medicines, was made possible because of the expertise and facilities we were able to invest in this change. Access is not just about pricing, or awareness. It's about getting medicines to where they need to be at the right time, and that is what we excel at doing.

## Our approach

## Messages from our Romanian management team continued

**Q** In 2013, you announced your intention to exit the Braşov manufacturing plant, which has been a feature of your operations since your beginnings in Romania. Why is this necessary and what are the benefits and challenges associated with this change?

**Pascal:** The decision to exit Braşov was made to ensure we can continue to deliver innovative healthcare solutions worldwide, including in Romania. In any global business, there are considerations which sometimes override local needs. Employees at the Braşov site have made significant contributions to the success of GSK over many years. This decision is absolutely no reflection on the staff at the Braşov site or their performance. The decision reflects the current overcapacity in the GMS oral solid dose network resulting from patent expiries and loss of significant tablet volumes coupled with lack of new products to replenish the lost volumes as new products are mostly for rare diseases and oncology with lower volume.

GSK is exploring a range of opportunities, from selling the Braşov site to a third party buyer to the closure of the site. We are looking at those alternatives with the best interests of our employees in mind and we hope to finalise our plans by the end of Q1 2014.

**Mariana:** We have come to understand the business rationale of the decision of GSK to exit from our Braşov site. We understand that,

as a global company, GSK must use its resources in the most efficient and appropriate way to serve all patients in all markets. Transfer of production out of Braşov will enable GSK to continue to match its resources to meet market needs.

**Q** Valuing Trust remains a theme of this report. Why did you retain this theme and what does it mean for you?

**Pascal:** Trust isn't something that happens in one year only. We didn't feel the need to change the title of our report because we have not changed our focus and commitment. Building trust is at the core of what we do. Trustworthy behaviour enables us to engage with our stakeholders in constructive dialogue.

**Helen:** The trust of our consumers is an essential building block to progress. We cannot advance wellness offerings without the trust of our business partners in the healthcare network and retail market, and above all, our consumers. I think "Valuing Trust" is absolutely relevant and a continuing reflection of how we strive to behave here in GSK Romania.

**Q** What have you chosen not to include in this report?

**Pascal:** There is nothing that we have deliberately excluded from this report. This year, with the adoption of the new framework of the Global Reporting Initiative (GRI)'s latest guidelines, the G4 Framework, we have focused our reporting more on the things that

matter most, and we have not included information that we felt was not material or expected by our stakeholders. However, nothing at all was vetoed!

**Margareta:** We have not chosen to exclude anything from our information in the CR Report. For us at Europharm, it is a big privilege to be a part of such a transparent report. It differentiates us in the market, and also, the reporting process helps us consider how we are performing as a corporate citizen. We received fabulous feedback from our customers last year, and we know they are waiting to see this report.

**Q** Looking ahead, what are the key challenges for GSK in Romania in the coming years?

**Pascal:** A key challenge will be to consolidate and expand our direct distribution model which has proven both feasible and successful in the last 12 months. Another will be, of course, to make a successful exit from Braşov – success includes the way in which we support our people and help them find positive alternative employment. Similarly, we must ensure that we work from a basis of compliance and ethical values in all that we do.

Valuing trust means that we expect of every single employee at GSK Romania to behave impeccably from an ethical standpoint, and ensure that the way we engage with all business partners and stakeholders avoids any potential conflict of interest. Meeting these

challenges will help us deliver our goal of improved access to healthcare for our patients in Romania.

**Helen:** A key challenge for the consumer healthcare business will be to capitalise on the awareness we have driven through *Zâmbeşte România* by encouraging the Romanian consumers to adopt a good oral health regime; brushing teeth twice a day, brushing for 2 minutes and changing their toothbrushes every six months.

The second challenge will be engaging with consumers through social media to drive further awareness of our brands and build trust across the whole consumer healthcare portfolio of oral care, healthcare and skin care. Finally, we will continue to drive access of our consumer brands within rural communities to enable Romanian consumers to do more, feel better and live longer.

# The healthcare landscape in Romania

We are encouraged by recent developments, but much remains to be improved in order to realize the vision of a strong and sustainable healthcare system in Romania.

## Critical health issues in Romania

Healthcare reform in Romania has advanced somewhat slowly since our last report from 2011. Still, Romanians continue to have the lowest life expectancy in the European Union, with 78.2 years on average for women and 71 years for men, according to Eurostat, 2011. Furthermore, life expectancy is around 3 – 5 years lower than the European Union average. The main causes of death in Romania are heart diseases, cancer, circulatory disease and respiratory disease. In 2011, all these diseases occurred at higher rates in Romania than average rates in the EU, in some cases more

than double. At the same time, the infant mortality rate (number of deaths of infants under one year old in a given year per 1,000 live births in the same year) in Romania is double compared with the average European one.

The healthcare system remains chronically underfinanced at a mere 4% of GDP in 2012, well below the European average which is more than double this figure. The critical issues relate to low levels of health insurance contributions, inefficient use of funds, migration of trained physicians out of Romania and delays to the update of the

reimbursement list which block access to innovative and effective medicines. These continue to prevent Romanians from obtaining the healthcare they deserve.

The ongoing under-resourcing of healthcare places the national economy at a long-term disadvantage and hinders economic growth. A report by the Romanian Academy's Institute for Economic Forecasting from February 2012 indicates that Romania's GDP would increase by 6% if the country had a labour force with a health status similar to the EU average. Instead, Romania is losing around EUR 18.6 billion (15% of 2010 GDP) of economic output over the medium to long term, as a result of the poor health of its population.

Furthermore, the update of the reimbursed drugs list with the treatments that have been waiting reimbursement for over 5 years might generate an economic impact of approximately 0.5% of GDP in the long run. According to the Romanian Academy's Institute for Economic Forecasting study from October 2013, this positive impact could be generated by the increase of public participation in economic activity, due to the reduction of the degree of disability (and therefore higher productivity) in a higher number of patients compared to the effects of maintaining the treatments that are currently available.

We continue to work to highlight to the Romanian authorities the short and long term value of innovative drugs. Such medicines bring long-term cost-effective value to patients, even if they can be more



## Our approach

## The healthcare landscape in Romania continued

expensive in the initial stages. They can help reduce the overall cost of treatment by diminishing the need to use additional drugs (co-prescription), for example with a cleaner side effect profile. They can help reduce hospitalization cost. The fear that reimbursing new innovative drugs is going to cost too much to the healthcare system is not supported by comprehensive study. As a company committed to ongoing service to patients in Romania, we strongly believe that the value of innovation must be recognized at the same level as the rest of the European Union and must gain a fair opportunity to prove its overall positive value in improving healthcare as a whole.

### Hopeful developments in local healthcare

We welcome the openness to dialogue expressed by the health authorities and appreciate their commitment to advance balanced and positive solutions to reform the healthcare

### CLAW-BACK TAX

In 2011, a new claw-back tax was introduced, with the aim of containing costs and arrears in the pharmaceutical industry. According to the current clawback mechanism, pharmaceutical manufacturers must pay a contribution expressed as the difference between the fixed budget allocated to drugs and their final sales of reimbursed drugs. The claw-back ranged from 15% to 25% of reimbursed sales, and could be even higher in the future, as it depends on budget, highlighting the lack of predictability in estimating future amounts due.



system of the country. This provides a refreshing opportunity for the pharmaceutical industry to present recommendations for improving the healthcare system. We support the stated objectives of the Ministry of Health with regard to amending the pricing legislation, reduce shortages of medicines on the Romanian market and improve the claw-back tax mechanism to make it more sustainable for all pharmaceutical producers.

We observe a certain resolve to address the issues of financing the public health system, by broadening the base of social contributions and introducing a revised package of medical services. We understand that this is a difficult decision, but it seems

to be the only sustainable way forward. We are hopeful for a constructive solution in this area. Similarly, we believe positive developments are in place for a more effective and modern national immunization programme, which we also welcome.

In March 2013, the Ministry of Health signed a protocol of collaboration with The Romanian Association of International Medicines Producers (ARPIM) to work together to address areas of concern including a fairer claw-back taxation mechanism, a more sustainable pricing system, shorter payment terms for medicines and updating of the reimbursement list. We are hopeful that this dialogue will support beneficial changes for

the Romanian population and through our membership in ARPIM, we hope to contribute to constructive dialogue and outcomes.

In June 2013, new Health Technology Assessment (HTA) legislation was finally adopted after three years of intensive research, engagement, planning and recommendations. We reported last year on our activity with a broad range of healthcare partners to drive better decisions in healthcare treatment through the use of the HTA analysis best-practice approach. The pharmaceutical industry was required, in a short period of time, to re-submit files for over 160 treatments awaiting approval for over 5 years. GSK Romania prepared and re-submitted 14 files for lifesaving drugs for cancer, haematology, cardiac, rheumatologic and neurological diseases.

We now await the final decisions of the Ministry of Health, which we hope will enable patients to access new treatments starting early 2014.

### HTA

HTA is a multidisciplinary field of policy analysis which studies the medical, social, ethical, and economic implications of development, diffusion, and use of health technology, including medicines, medical equipment and devices, programmes and management systems. Developing an HTA requires consideration of many factors including healthcare policy, local demographics, Romanian health issues and public health priorities, treatment patterns, cultural influences and more.

(Source: INAHTA)

# Our material issues

We use the definition of the Global Reporting Initiative (GRI) to identify the issues which are most material to our business in Romania.

In order to determine the issues relevant to GSK Romania, we made a broad scan of corporate responsibility and sustainability topics in our industry, as well as the specific topics relevant to our business, including the feedback we received from our stakeholders during our interactions with them over the past year. We used an internal process to select the most relevant issues out of a total 66 topics we identified. This resulted in a list of 17 issues which we felt best reflect our corporate responsibility impacts and stakeholder interests.

Using this list as a basis for discussion, we organised an external stakeholder meeting in Bucharest to validate the significance of these issues and shape our reporting process. A group of 13 external stakeholders attended, including key opinion formers, experts and leading voices in healthcare in Romania, representing different stakeholder groups from government, academia, trade associations, social and environmental organisations and the media, together with our

Material issues reflect an organization's significant economic, environmental and social impacts and/or substantively influence the assessments and decisions of stakeholders. (GRI, G4)

General Manager, Pascal Prigent and members of our management team in GSK Romania. We presented this group of experts with the list of material issues we had identified and invited them to discuss the issues, offer perspectives on their importance and impact on stakeholders, and make suggestions and recommendations. The outcome of this meeting was that our stakeholders confirmed that our 17 issues represent a fair and balanced set of issues that reflect our key impacts in society in Romania. No other significant supplementary issues were tabled.

The discussion yielded interesting points, for example, the degree to which it is the role of a pharma company to advance healthcare, versus the role of the government, and the expectations of GSK as a fair and decent employer, especially with those who leave the company. Stakeholders also confirmed that, when it

comes to corporate responsibility, GSK Romania is seen as a leader in the pharma sector, as our engagement and impacts are noticeable. Our efforts to be transparent and publish a Corporate Responsibility Report, for example, are appreciated and help create a positive reputation for GSK Romania. Some participants expressed the desire to hold such a dialogue meeting more frequently, and invite individuals who are more openly critical of our business activities, so that we may have a more provoking discussion and gain more challenging insights. We will certainly consider this next time around!

This is the first time we have engaged with external stakeholders in a formal, structured way regarding our corporate responsibility strategy and performance, and, we believe, this is the first stakeholder panel of this type ever

held by a local company in Romania on the subject of corporate responsibility. The process provided us with important insights and demonstrated our commitment to building trust through transparency and dialogue. We thank all who participated.

“An external stakeholder panel is a very positive activity. I feel it's important that we become more externally focused. Getting feedback is refreshing: it brings a different perspective that matters. It's very helpful to know how others see us and how we can use that insight to improve, because our internal view may not always be relevant.”

Pascal Prigent, GM GSK Romania

## Our material issues:

Health for all	Our behaviour	Our people	Our planet
1. Bring inovative products to patients in Romania.	1. Ensure best product quality through the supply chain.	1. Develop and empower employees.	1. Minimise energy consumption and greenhouse gas emissions in our supply chain.
2. Enhance access to healthcare in Romania.	2. Ensure product safety and clear labelling.	2. Provide a workplace that offers diversity and equal opportunity.	2. Minimise product and packaging waste.
3. Invest in local communities in Romania.	3. Be transparent about public policy positions.	3. Ensure a safe working enviroment for employees.	3. Comply with enviromental legislation.
4. Work collaboratively to improve healthcare infrastructure and access to medicine in Romania.	4. Ensure compliance with all laws and regulations.		4. Reduce enviromental impacts of product transportation and logistics.
	5. Mentain the highwst ethical standards of behaviour and marketing.		
	6. Support patients and awareness of patient rights.		

# Commitments moving forward

In 2012, we established a set of objectives to improve our performance in areas of corporate responsibility for the period 2013-2014. In many cases, we were able to demonstrate progress against these objectives in 2012.

However, 2012 was a year of significant change, restructuring and consolidation in our activities in Romania, and, as a result, we found that some of the objectives we envisaged in 2011 are no longer the most relevant for us in Romania, for example, some of our environmental objectives. Given the substantial change in our structure which continues to take place through 2013-2014 with our new logistics infrastructure and planned exit of Braşov factory, the targets we set in 2011 may need revision. We will develop new targets during 2013/2014 and report on progress in our next report. In the meantime, we note here our current performance against the targets we established in 2011.

Area	Commitments 2011 - 2014	Status 2012
Health for all	Continue to deliver innovative solutions in pharmaceuticals and OTC from sales driven by innovation.	4.6 % of sales in 2012 were derived from products which were new to the market in the past three years.
	Support oral health and increase awareness of oral hygiene habits.	We maintained and expanded our involvement in the "Smiling Romania" campaign.
	Implement a programme to collect and safely dispose of unused drugs by end 2013.	Planned to launch a programme to collect all used inhalers from the market in 2013.
	Continue to invest in GSK Orange Day each year and increase participation to over 90% of employees.	Our GSK Orange Day results in 2012 were the best ever recorded, and in 2012, we achieved 70% employee volunteering participation
	Expand our measurement of community initiatives effectiveness by engaging all our community partners in the London Benchmarking Group (LBG) methodology.	We continue to work with LBG to advance our use of this methodology.
	Improve our calculation of beneficiaries who are supported by our community programmes.	We continue to work with LBG to advance our use of this methodology.
	Maintain and expand current community programmes and double the number of beneficiaries reached each year.	We expanded our community programmes and are working to develop more reliable data on the number of beneficiaries reached in 2012.
Our behaviour	Continue to work with industry associations to support healthcare changes which will advance access to drugs and vaccines in Romania.	We maintain our involvement in industry associations and accepted the Vice Presidency of ARPIM in 2013.
	Maintain two important patient advocacy campaigns per year.	We advanced campaigns for HIV and Lupus patients associations.
Our people	Expand wellness programmes for employees.	We introduced our Partnership for Prevention programme to advance health and well-being.
	Maintain high levels of satisfaction (over 90%) with HR's Shared Service programme.	Our scores were above 95% in key internal service areas in our 2012 survey, satisfaction improved by 2% overall.
	Review possibilities to increase workforce diversity (e.g. to include people with disabilities.)	We have not yet commenced activity in this area.
	Expand the <i>Traineeship Programme</i> and monitor its effectiveness.	We have maintained our Trainee Programme and sought feedback from graduates regarding its effectiveness.
	Emphasise Corporate Responsibility themes in the GSK Employer Brand for recruitment processes.	We have included CR messaging in our employment process.
Our planet	Deliver a total energy saving for all operations in Romania of 5% each year, using 2011 as a baseline.	Absolute energy consumption increased by 6% in 2012, but plans are in place to continue reducing consumption through 2013/2014.
	Reduce fuel usage for travel in cars by Medical Reps by 5% per kilometre travelled.	We did not monitor this metric in 2012. We are reviewing this target for 2014.
	Reduce fuel consumption in Europharm Distribution delivery operations by 15% per ton of product delivered by end 2014 (using 2011 as a baseline).	This target is under review due to significant changes in logistics infrastructure and routes starting in 2012.
	Eliminate unnecessary packaging or reduce packaging volumes.	We do not have specific data on this metric for 2012, and are currently collating our information. We will plan to report in 2013/2014.
	Effectively measure waste levels in all our operations and create a new baseline in 2012. Reduce overall waste by 15% by end 2014.	Our new baseline for waste in 2012 is 199 tons. All waste is now measured.
	Deliver an overall reduction in carbon emissions from GSK operations in Romania of 15% by end 2014 using 2011 as a baseline.	Absolute emissions increased by 5% in 2012, but plans are in place to reduce emissions through 2013/2014.
	Measure water consumption in our office HQ and establish a target to reduce.	We achieved an overall reduction in water consumption of 5% in all our operations in 2012.

# Health for all



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# Health for all

We want to make our products accessible and affordable for the people who need them while generating the returns we need to invest in R&D and ensure the sustainability of our business.

There are many ways in which we support health for all. Access is important both for low-income patients who need specific high-cost prescription medicines, and also for patients who need medicines of a certain kind that may not be available in Romania. We consistently strive to ensure the availability of our medicines and enhanced access to medicines through a complex distribution and logistics network which reaches patients in all corners of Romania. Recognising an opportunity to increase the availability of our medicines in Romania, in January 2013, we piloted a direct distribution model for a sample range of key medicines.



Bring innovative products to patients in Romania

Material Aspect: Local communities [Disclosure G4-S01]

Enhance access to healthcare in Romania

Material Aspect: Local Communities [Disclosure G4-S01]

Invest in local communities in Romania

Material Aspect: Indirect Economic Impacts [Disclosure G4-EC8]

Work collaboratively to improve healthcare infrastructure and access to medicines in Romania

Material Aspect: Local Communities [Disclosure G4-S01]

# Getting medicines to where they are needed, at the right time

The availability of medicines is influenced by many factors, in addition to the local presence of pharmacies and other healthcare institutions, and their stock management systems.

Availability is also influenced by a distributor's ability to deliver medicines in the right quantity and at the right time, which is why our Europharm Distribution operation plays such a critical role in our presence in Romania, and our ability to serve the market and our patients, effectively.

In 2012, we decided to trial a direct distribution model, designed to deliver medicines directly to pharmacies, as a way to improve the availability of medicines. We were concerned that continuity of supply was being endangered by the out of stock situations that were becoming more and more frequent. We piloted this system for a selected number of medicines and reorganised our logistics operations in order to accommodate new delivery schedules, routes and processes.

So far, after almost a year of operation, this model is proving to be of value. We commissioned independent research on the comparative availability of one of our most significant products, which is used to treat



“ Our new direct distribution model is a way of ensuring that patients get the medicines they need. Our research shows that availability of the

medicines involved are more reliable as a consequence of the trade model we adopted. By having fewer out of stocks, both pharmacies and patients clearly benefit from the model. ”

Corina Gudan, Planning & Reporting Manager GSK Pharma

respiratory disorders, between August 2012 and June 2013. A total of 652 independent pharmacies in both urban and rural areas took part in the research, and 341 participated in face to face interviews with our research vendor. The results, obtained in mid-2013, produced the following conclusions:

- 70% of pharmacies experienced at least one out-of-stock situation in 2012, and 66% of these pharmacies stated supplier failure as being the prime reason. In 2013, the percentage of pharmacies reporting out-of-stock dropped to 38%.
- During the year of direct distribution, the percentage of pharmacies that did not experience a single out-of-stock during a 12 month period rose significantly from 23% in 2012 to 50%.
- The total number of reported out-of-stock situations reduced by 27% in 2013 compared to 2012 and the number of unfulfilled requests from pharmacies in the same period reduced by 47%. This is mostly due to a drop of partial out-of-stock cases.

Clearly, direct distribution is providing benefit for patients in Romania. As we extend this system to include more medicines, we will be able to do so even more efficiently and improve overall patients' access to medicines in this country.

## Putting patients first

Continuing our endeavours to increase access to medicines, and recognizing that patients in Romania may experience difficulties in

accessing the treatment they need in some therapeutic areas, we felt we could do even more. In mid-2012, we launched a pilot project called *Patient Comes First*.

Through this project, we will try to ensure that pharmacists have a direct point of contact at GSK so they can provide us with insights and details about issues they face related to limited access to treatment. The project consists of a hotline where pharmacists facing emergency situations related to their patients' needs for treatment will be able to provide details, and place orders.

After receiving specific information from pharmacists, our team analyses requests case by case, and makes every effort to identify stock available to support patients' needs in a timely manner.

*Patient Comes First* has been implemented initially over a six month period for one of our significant respiratory portfolio products, and is coordinated by a logistics team with the support of Europharm Distribution, our group distributor.



“ Due to the success of the initiative, in 2013, we extended it to other three products in our portfolio. In future, we will consider expanding this

initiative to other medicines with the goal of ensuring the patient comes first in access to treatment. ”

Ovidiu Bradu, Business Unit Director Primary Care GSK Pharma

# Working with pharmacies to enhance patient care

Pharmacies, and pharmacists, are critical players in the healthcare value chain, and their impact and influence is often underestimated. There are over 6,000 pharmacies in Romania.

The proximity of pharmacies to patients in their local communities often makes them a first point of contact for informal consultation by patients. In many cases, patients look to pharmacists to provide emergency treatment. The level of trust that pharmacists command with patients is usually extremely high, and the recommendations of the pharmacists are often respected by patients. This is why it is critically important that pharmacists receive support from pharmaceutical manufacturers such as us.

This support encompasses three broad elements: first, we should ensure first-class service and logistics so as to ensure that pharmacists always have required medicines in stock; second, we should support a system in which pharmacists can maintain a profitable operation, and third, we must ensure pharmacists are up-to-date and informed on developments in medicines and the relative benefits of different types of treatments, so that they can provide initial advice to patients from a basis of knowledge and reliable information.

“

We feel that pharmacists deserve more attention and support. They represent a trusted link with patients, and carry a large responsibility to support patients in the right way, as far as they can. That's why we reorganised our business to ensure we can provide the right level of service and support to both national pharmacy chains and local pharmacies.

Petru Gradinăriu, Pharmacy Business Unit Manager GSK Pharma

In GSK Romania, we maintain a team of 20 representatives who work with national pharmacy chains and individual private pharmacies around the country, including two new Key Account Manager roles, established in 2012, dedicated to working with national pharmacy chains and providing the specific support they need. We have established relationships with the six national pharmacy chains which cover over 1,400 outlets around the country.

Among other initiatives, in 2012, we conducted a series of workshops to help pharmacists understand the ways in which they can build trusting relationships with patients and assist them in managing their healthcare needs, complementing the work of local physicians. Over 60 participants in each workshop confirmed gaining important insights which we hope will contribute to improved overall patient care in Romania.



# Retaining doctors in Romania

One of the most serious challenges for healthcare in Romania, which stifles the development of a robust healthcare infrastructure, is the migration of healthcare professionals out of Romania at a massive rate.

According to a survey conducted among medical students from the University of Medicine "Carol Davila" in Bucharest in June 2011, 64% of the students stated they intend to leave the country because of financial difficulties, lack of respect for their profession and few career opportunities for research and development at the local level. An additional study conducted among newly qualified doctors, confirmed similar results. (Source: ISRA Centre).

## Valuing our Doctors

Over 14,000 doctors have left Romania to work abroad since 2007.

# 14,000

In 2012 alone, over 1,600 doctors chose to practice in foreign hospitals and clinics, and the rate of migration of medical staff is 9%, compared to the European average of 2.5% (according to the Romanian College of Physicians).

# 1,600

Romania has 2.4 doctors/1,000 inhabitants (Eurostat, 2011), compared to the European average which is 3.6 doctors/1,000 inhabitants.

# 2.4/1,000

Public spending on training the 13,000 doctors that have left Romania is estimated to amount to over € 3.5 billion.

# 13,000



## Health for all

## Retaining doctors in Romania continued

“

We can all be proud of our school of medicine in Romania and of our Romanian doctors who work miracles in our hospitals every day, despite all the challenges facing our healthcare system. Physicians should be encouraged and supported by society because they deserve our respect. As the Minister of Health and also as economist, I believe the money we spend on healthcare is not simply an expense – it is an investment in human capital and in the future of Romania. From an economic perspective, the consequences of labour migration, especially health professionals,

reduce our growth potential in the medium and the long term. We are currently debating an extraordinarily important decision for Romania to place clinical hospitals under the supervision of medical schools in order to integrate the processes governing medical training, working frameworks and the delivery of medical services. I think such a change could bring an improvement in medical services for patients and increase the confidence that physicians have in the Romanian Healthcare system, as well as their satisfaction.”

Eugen Nicolăescu, Minister of Health

Such migration is both a drain on the healthcare budget and a disadvantage for local Romanians who need access to healthcare. In a country which has the highest infant mortality rate in Europe, this trend of doctors leaving Romania is highly damaging. As a leading healthcare company in Romania committed to supporting healthcare development and access for all in this country, we feel an obligation to support efforts to ensure that healthcare professionals in Romania are valued, supported and empowered to serve the national interest.

In partnership with the Ministry of Health, the Foreign Investors Council (FIC) announced its objective of supporting an increase in the number of doctors from 2.4 to 2.6 per 1,000 inhabitants in Romania – a modest increase when compared to the rest of Europe but nevertheless, an important and challenging aspiration.

FIC, a well-known non-profit organisation in Romania, which aims to promote sustainable economic growth by improving Romania's investment landscape and transparent dialogue between the business community and policy makers, launched a campaign to contribute to halting the migration of doctors. GSK Romania is playing a leading role. GSK's GM, Pascal Prigent, is the President of the FIC Healthcare Taskforce and under the umbrella of the campaign, as an FIC member, GSK embraced the cause and led the development and launch of the supporting campaign *My profession: Doctor in Romania*. This campaign aims to focus public attention on the issues and provide positive examples of doctors



Pascal Prigent, GM of GSK Romania, together with the partners of the campaign at the launch of the *My profession: Doctor in Romania* campaign in April 2013.



that decided to stay or return to Romania. *My profession: Doctor in Romania* has a short-term goal of raising awareness of the problem of doctor migration, and a long-term goal of

“

I see this campaign as creating value in multiple ways. GSK Romania is determined to produce value for society by addressing the lack of healthcare professionals in the country and ensure the proper level of care for Romanian patients, so that people can be more active, more productive and contribute to the growth of the economy.”

Pascal Prigent, GM GSK Romania

creating a coalition of private companies and regulatory bodies to reform the human resources management system in healthcare (including recruitment and professional development) and generate ideas for large scale reform of the healthcare system in order to improve the retention of medical staff.

The first part of the widely-publicised campaign includes a dedicated online platform ([www.deprofesiemedic.ro](http://www.deprofesiemedic.ro)), which has already attracted over several thousand visitors, and other social media interactive platforms, such as a Facebook page. In the coming months, the FIC, through the Healthcare Taskforce, will run a series of additional projects for doctors, encouraging them to stay in Romania.

# Raising awareness for better healthcare

As a pharma company offering both prescription medicines and consumer healthcare products, in 2012, we were constantly seeking opportunities to raise awareness for better healthcare, both at the level of patients and at the level of physicians.

For example, in 2012, one of the opportunities we identified is to leverage our respective strengths for the benefit of patients in Romania. Our objective was to advance awareness amongst Romanian patients of treatment opportunities or complementary products in both prescription and non-prescription healthcare areas. We launched a series of campaigns which included information packs and messages to consumers about treatment opportunities delivered on consumer healthcare product packaging. For example, children's toothpaste packs contain important messages to help consumers understand the risks and complications of the varicella virus and this, we hope, encourages them to be proactive.

## *Let's protect childhood together*

Another important project we advanced this year relates to one of the most distressing statistics in Romania: the highest infant mortality rate in European Union, mainly due to preventable causes, such as deaths from household accidents, as well as due to the increasing number of mortality cases resulting from deadly infectious diseases (Activity Report, CSNCBT, 2011).

We all understand the need to protect our children and ensure they receive the best healthcare solutions available. However, in some cases, this is not always forthcoming, because of the lack of awareness in the healthcare system of children's needs and requirements, or the lack of proactive behaviour by parents, for different reasons. We know that early diagnosis can ensure

relevant treatment which can cure, improve, and even save the lives of children.

As a result, we were pleased to enter into a partnership in June 2012 with the Romanian Paediatric Society to launch a prevention campaign focused on 3 pillars: nutrition, safety and vaccination. These are three areas in which we feel that a significant improvement can be achieved. We know, for example, that vaccination prevents many different types of sickness, but parents often default on taking their children to receive vaccinations, even those which are offered free by the state, and the parents consider they lack trustworthy information about vaccination (Cult Market Research, July 2012).

The Romanian Paediatric Society has taken on the role of change agent, aiming to educate current and future parents about health protection and facilitate access to trustworthy and reliable information. This activity is intended to provide real support for families raising children, and contribute to the more widespread adoption of a preventive approach which will result in a reduction in child mortality rates and an improvement in the quality of life in Romanian society.

As part of the campaign, our partnership with the Romanian Paediatric Society created an online platform, developed using the opinions and advice of specialists, [www.protejamcopilaria.ro](http://www.protejamcopilaria.ro), meeting parents' need for trustworthy sources of information and doctors' recommendations. Online platforms represent an important tool for mothers seeking information and advice. (Cult Market Research, July 2012).



The website contains a wealth of information about child healthcare and prevention, falling into three categories: pregnancy, birth and child development until age 5. One year after its launch, more than 170,000 unique viewers visited the website, with over 50% of users returning a second time.

To maximise exposure to the online platform, we used popular social media platforms, including a Facebook campaign which has over 15,000 fans (more than some of the most popular baby magazines pages). The Facebook page is a perfect space for mothers to ask questions about their children's safety issues and receive answers from professionals.

One year after the launch of the campaign, we measured significant success in reaching mothers in Romania. We noted more than 1,000 press, TV and radio articles about the campaign. Also during this first year, the campaign conducted 12 workshops attended by more than 1,200 parents, and a special workshop format was developed and implemented in 14 kindergartens, where

## Raising awareness for better healthcare continued



paediatricians and nutritionists discussed the importance of prevention with more than 400 parents.

Due to the fact that an important element of this campaign was the focus on the need to support new mothers in their first experiences of motherhood, we financed the creation of a pilot programme, incorporating visits from trained nurses to new mothers in order to discuss the three pillars of the campaign – nutrition, safety and vaccination. Between December 2012 and March 2013, more than 300 mothers received visits from nine nurses.

The feedback was excellent and many mothers requested a second visit.

Similarly, GSK supported specialists of Romanian Paediatric Society in launching the first guide for healthcare professionals focused on the prevention on infectious diseases, a highly needed support document, as there are no official published guidelines in Romania about the ways to prevent infectious diseases. As part of this project, GSK financed the creation and publication of the guide and its distribution to 7,000 doctors. GSK also created complementary patient

information booklets to provide additional support for doctors in their discussions with parents seeking information about preventable diseases, their potential risks and vaccination options. These booklets were distributed to general practitioners, maternity wards in hospitals and pharmacies, and through these channels then handed out to patients.

Internally, for our Medical Representatives, we created an iPad application based on the use of different patient profiles, because we know that doctors do not treat diseases, they treat patients. For each patient, doctors must consider every aspect of the patient's life: social circumstances, lifestyle, symptoms and medical history in order to recommend the best prevention or treatment option. The iPad app contains several scenarios which are presented to the doctor on the Medical Representative's iPad, focusing first on the patient (how he or she is feeling), then the sickness (and possible complications), and then the solutions that we can provide. Our objective in working with

doctors in this way is to have a patient-focused discussion that can help identify the best solutions for the types of patients they meet every day.

### Promoting oral health in our communities

The most important initiatives advanced by our Consumer Healthcare in 2012 were focused on improving awareness and practices related to oral health and dental care to advance the health and well-being of our patients and consumers in Romania. We visit around 4,500 dentists in all parts of Romania every three months, helping them to understand how to advise patients to take a preventive approach to oral health.

In 2012, we began a programme of employing dental students in the top 50 retail supermarkets around the country, over the weekends when most Romanians go out to shop. The students are there to support consumers in selecting dental care products in line with their needs and preferences. The students are training to be dentists, so this provides them with an opportunity to engage with patients and gain insight into the market, while being paid for their work. They are rewarded only for their engagement with consumers, and with no connection to sales of our products. The objective is simply to help consumers by raising awareness. We believe this is a unique type of programme in the Romanian market, and it aligns with our commitment to improving access to healthcare in Romania.

“

Children are one of the most vulnerable populations in our society, and Romania is struggling with some of the worst healthcare statistics in Europe relating to children. By working with doctors and supporting educational campaigns, we aim to contribute to a better quality of life for them and their parents.

”

**Dana Constantinescu**, Medical and Regulatory Director GSK Pharma

## Health for all

## Raising awareness for better healthcare continued

## Promoting oral health

Romania has the lowest estimated percentage of GNP spent on oral health (0.18% ) among European countries (The State of Oral Health in Europe Report, 2012).

# 0,18%

Research shows that Romanians in rural areas buy one tube of toothpaste every six years.

# 1/6 years

Bleeding gums, the main problem which brings Romanians to visit dentists, can be prevented by a good brushing and oral care regime.

The online *Zâmbește România* campaign: [www.zambesteromania.ro](http://www.zambesteromania.ro)



Another example of our commitment to advancing healthcare is our ongoing *Zâmbește România* campaign, a programme, in support of European, and Romanian, objectives to improve oral health and dental care. The *Zâmbește România* campaign is part of the *Platform for Better Oral Health in Europe* and the

European *Smiling Europe* initiative, and is intended to raise public awareness of oral diseases and promote clear and actionable solutions to improve oral health across Europe.

In 2012, as part of *Zâmbește România* we donated and distributed over 5,000 dental care kits in over 35 schools and kindergartens. Our *Zâmbește România* Facebook page received over 40,000 "likes" and at one point, became the fourth most trending cause on Facebook in



*Zâmbește România* is a long term investment. Each year, we discuss how we can best invest our resources to educate young kids and help them be aware of the benefits of good oral health. This is also a national interest. Preventing healthcare problems in the future will reduce the burden on the state healthcare budget.

**Andi Dumitrescu**, Business Unit Manager Mass Market, GSK Consumer Healthcare

Romania, showing a high degree of engagement with the cause. Other successful activations included a YouTube video on Aquafresh with over 76.000 views in just two weeks, and a dancing event at Gara de Nord station in Bucharest, where Aquafresh dancers engaged travellers and reached thousands of Romanians with a message to take care of oral health.

*Zâmbește România* celebrated World Oral Health Day with an event in the Romanian Parliament, where over 50 political decision



makers joined the call of the campaign. The activities continued with the mobile caravan in which local people were invited to bring us their old toothbrushes, in exchange for which they received a complete oral care kit and advice on healthy oral care. Almost 7,000 people brought a toothbrush to the caravan in 6 cities, and 7,000 tubes of toothpaste and almost 10,000 toothbrushes were distributed.

Indirect costs arise from the social burdens of poor oral health and its interaction with systemic diseases and conditions including diabetes, heart and circulatory diseases. There is strong evidence that the benefits of preventing tooth decay exceed the costs of treatment.

**The State of Oral Health in Europe**, 2012, a report commissioned by The Platform for Better Oral Health in Europe, a forum of European organisations working toward the promotion of oral health.

# Health and well-being in our communities

We fund and support local programmes where we can leverage our core capabilities and make a significant contribution to the health and well-being of communities. Our support includes product and financial donations as well as employee volunteering.

In 2012, our total investment in communities in Romania was €604,460. This amount includes financial resources, donations of goods, time and management resources.

We work with the London Benchmarking Group (LBG) in Romania to help monitor and analyse our community investment performance. Each year, LBG produces a report summarising our activities. This helps us to know that we are on track with our overall community investment and also with allocation of funds to causes we believe are strategically important - healthcare and health education. We aim to ensure a spread of investment and support throughout the country. At present, the LBG report covers our pharma operations only. However, our total investment of Euro 604,460 includes community investment from all our four entities in Romania.

LGB also calculated that our pharma activities reached at least 10,000 beneficiaries, who received our support directly, and that 70% of employees in Pharma donated on average three days each for volunteering efforts in the community throughout the year – that's more than 5,000 volunteer hours in 2012.

In contributing to the advancement of social causes, we engage with many community partners throughout the year. We maintain a number of multi-year partnerships and we invest passion, energy and resources in different projects. In addition, we hold our annual GSK Orange Day events, which provide opportunities for a wider range of engagement.

## Partnering with HOSPICE Casa Sperantei

We have maintained a partnership with HOSPICE Casa Sperantei for over 11 years to provide palliative support for terminally ill patients in Romania. Palliative care refers to raising the quality of life of patients in terminal stages of their disease, with treatment of pain relief and psychological support for them and their families. The amount of donations made by GSK has now reached over € 1 million. Only 5% of the patients diagnosed with terminal cancer benefit from palliative care services in Romania, and therefore, our support is needed.



## Health for all

## Health and well-being in our communities continued



## Partnering with Save the Children in Romania

Within the *Every Child Matters* project, since 2010, we fight together with the charity Save the Children to reduce infant mortality in Romania. Romania is currently struggling with a mortality rate double that of Europe and 6 out of 10 cases of infant deaths occur from preventable causes (source: Save the Children). In the first two years, the programme outreach to over 2,200 Romanians, comprised of mothers, pregnant women and infants from nine Romanian counties with the highest mortality rate. Moreover, from the beginning of the project there were registered zero fatalities in the communities where the project was implemented.




## Partnering with OvidiuRo in Romania



We support OvidiuRo to help increase access to health services and health education for young kids in the poorest communities. OvidiuRo integrates a health component to the *Every Child in Kindergarten* education programme in 18 communities. This is a regional initiative, supported by GSK's global funding programme, European Community Partnerships, which provides support for public health initiatives and local community projects in Europe. The main reason children are absent from school is sickness, illustrating the need for this programme. Over 1,000 impoverished children in Romania are supported through this project.



## Partnering with Habitat for Humanity

At Europharm Distribution, we maintain a long-standing relationship with Habitat for Humanity in Romania, a non-profit organisation whose mission is to eradicate poor life conditions for families in Romania. In 2009, Europharm Distribution launched our first strategic community project *We Build Together for a Healthy Life* in partnership with Habitat for Humanity Romania and we have remained active partners each year. In 2012, 63 Europharm Distribution employees volunteered to build a house in five days within Big Build 2012 Campaign initiated by Habitat for Humanity Romania, celebrating International Housing Day. Our team helped to build one of the eight houses raised in Preajba village, Dolj County, and once complete, a family with two children was able to move into its own house.



“

We are very glad that this enthusiastic team of Europharm Distribution employees joined us this year to support the fourth edition of our Big Build event. This event gathers the business environment, public authorities and hundreds of Romanian and international volunteers in order to draw the attention on decent human living conditions. Thanks to the 63 volunteers, one of the 8 families in Preajba, Dolj County, will have a decent, warm and safe home for the winter and Habitat for Humanity Romania has registered progress in its mission to eradicate poor life conditions in our country.

”  
**Gabriela Grigori**, Resource Development and Communication Director, Habitat for Humanity

Health for all

Health and well-being in our communities continued

**GSK Orange Day in Romania**

GSK Orange Day was introduced globally by GSK in January 2009, and has enabled thousands of GSK employees throughout the world to have a positive impact in local communities through engaging in important social and environmental causes

The initiative allows employees to take one fully paid work-day to volunteer for a chosen community project, organisation or cause which is aligned with GSK values and which captures their abilities, motivation and energy.

In GSK Romania, we organise GSK Orange Day at a national level over a two week period.

This is a period in which every employee has the opportunity to devote one day in the benefit of local communities. In 2012, for the first time, we took a different approach to our organisation of Orange Day in Romania, in order to encourage even more employees to take part so that we can have a more positive impact on the quality of life of more Romanians. Instead of centrally selecting a range of community projects, we offered employees in our Pharma and Consumer Healthcare companies the chance to choose freely which community groups they would like to support, which accounted for the success of this project. We issued a *Call to Action* to our employees and their enthusiastic response enabled us to support 32 projects, in 18 cities, with 24 non-profit partners, with 233 GSK volunteers (including

members of the management team), directly benefiting around 1,400 individuals and many more who gained indirect benefit from our activities.

Most of the community activities performed by our employees were aimed at supporting health education for children, which is in line with our strategic objectives for community involvement.

**GSK Orange Day in Timisoara**

In Timisoara, GSK volunteers joined forces with Centre for Educational Integration of School and Prevention of School Dropouts Society for Children and Parents to bring some light into the lives of 14 children. These children spend most of their time indoors and often isolated, and it is important for them to socialise and discover the world around them. GSK volunteers organised a coach trip to visit the Museum of Folk Art Collection in Buzias where the children discovered costumes of the region,



“During the hours spent together, we taught children to love their heritage and believe that doors can be opened for them if they want. They, in turn, reminded us how easy it can be to enjoy the simple things in life.”

Mădălina Ion, Project Leader, GSK Consumer Healthcare

and then enjoyed an afternoon at the swimming pool where we taught the children the basics of how to swim. Each child received a gift and special celebration was held for three of the children who had birthdays during the prior month.

**GSK Orange Day in Cluj-Napoca**

GSK volunteers spent the day with the 22 beneficiaries of the Estuary Foundation of Cluj-Napoca which provides counselling and occupational therapy services for people with mental health problems (schizophrenia, depression etc.). The day started in the park, where volunteers and beneficiaries took pictures and after lunch, we held discussions on nutrition and cardiovascular health, and participated in a handicrafts workshop.



“For us, this day was like a life lesson.”

Vasi Dagher, beneficiary

**GSK Orange Day in Craiova**

In Craiova, GSK volunteers organized a day for children from School No. 38 (located in a disadvantaged neighbourhood of the city). We started the day with singing and dancing, and then engaged the children in discussion about the importance of oral hygiene and gave out gifts (toothpaste and toothbrushes, colouring pencils and drawing books). The day continued with a fun lunch and a visit to the Natural Science Museum of Oltenia.

“We ended the day with the feeling that this was a drop of joy in an ocean of trouble, but with the desire to continue with a stronger personal involvement in helping our new friends. The lack of things which are insignificant for us (a notebook, a pencil) is often a barrier between them and their desire to learn and go to school. We felt we made a difference.”

Aifer Baca, Project Leader, GSK Pharma

Orange Day 2012	Projects	GSK Volunteers	Direct beneficiaries
Brasov	1	7	22
Bucharest	10	94	216
Cluj	4	17	132
Constanta	1	7	60
Timisoara	1	9	15
Others	15	99	954
<b>Total</b>	<b>32</b>	<b>233</b>	<b>1,399</b>

Our behaviour

# Our behaviour



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# Our behaviour

How we deliver success is just as important as what we achieve. We put the interests of patients and consumers first and are driven by our values – transparency, respect, integrity, patient-focus – in everything we do.

Ethical behaviour is a critical determinant of our success. It is not only the right thing to do from a moral perspective, it also means good business, because it creates and builds trust with our patients and other stakeholders. Ethical behaviour includes our approach to product quality and the way we manufacture and distribute our pharma and consumer health products. It also means transparent, clear and responsible communications with patients and consumers about our products, their use and their effects on health and well-being. In addition, we have an important role to play in supporting our key stakeholders, our patients, in knowing their rights and creating awareness to support them in their endeavours to gain treatment or recognition for their needs. Similarly, we believe in transparency and clarity in relation to our products and believe that patients have a right to be informed about the medicines they consume. We ensure we comply with all product labelling and information regulations.



Ensure best product quality through the supply chain

Material Aspect: Customer health and Safety [Disclosure G4-PR2]

Ensure product safety and clear labelling

Material Aspect: Product and Service Labelling [Disclosure G4-PR4]

Be transparent about public policy positions

Material Aspect: Public Policy [Disclosure G4-S06]

Ensure compliance with all laws and regulations

Material Aspect: Compliance [Disclosure G4-S08]

Maintain the highest ethical standards of behaviour and marketing

Material Aspect: Marketing Communications [Disclosure G4-PR7]

Support patients and awareness of patient rights

Material Aspect: Local Communities [Disclosure G4-S01]

# Insisting on ethical standards and principles

Ethical conduct is a priority for GSK. Failure to uphold high ethical standards can erode trust in our company and our products, damage our reputation, and result in serious financial or legal consequences.

As we reported last year, in Romania, we fully embrace GSK's global *Code of Conduct* which is embedded into our culture and the way we work and ensures that we comply with all laws and regulations applicable in all parts of our business, including all legislation developed by the National Drug Agency in Romania. The GSK global Code of Conduct is supported by a GSK Employee Guide to Business Conduct which is available in Romanian for our local employees. In accordance with Romanian legislation, we also have a locally developed Code of Conduct, which is aligned with our global Code. Suspected breaches of conduct may be reported to GSK's Confidential Reporting Line – the details are published internally and all employees are made aware of this as part of their training.

## Ethical Compass

Our Guide to Business Conduct includes an "ethical compass" that helps employees deal with ethical problems. Employees are encouraged to consider the following questions in all situations:

- Is it legal and ethical?
- Is it consistent with GSK policy and the Code of Conduct?
- Am I being honest, fair, and trustworthy?
- Is it consistent with GSK's values?
- Who could be affected - customers, patients, research subjects or colleagues?
- Could I explain it to family and friends?
- How would it be reported on the news?

“Valuing the trust of our stakeholders is an ongoing aspiration. We do many things that support this, but it doesn't mean that we never make a mistake. When we do, we correct it, and try to ensure that the same mistake does not recur.”

Pascal Prigent, GM GSK Romania

As part of our approach to ethical conduct, our internal guidelines go beyond the regulations of the pharma industry as defined by the The Romanian Association of International Medicines Producers (ARPIM) and European Federation of Pharmaceutical Industries and Associations (EFPIA). We strive to ensure that GSK Romania demonstrates the highest ethical standards. This includes prohibiting the distribution of gifts to healthcare professionals, and the prohibition of using expensive and unnecessarily luxurious venues to host meetings when a more modest setting would be adequate.

Against this background, we were understandably disappointed when, during 2012, a breach of our Code of Conduct by some of our employees occurred in Romania, which reinforced the need to be vigilant at all times. The breach occurred at a scientific event followed by a dinner. Entertainment was provided during the dinner, which is against a code of conduct. The incident was reported to GSK and we immediately followed up and took the necessary measures to prevent recurrence.

## Our transparent approach to ethical business

We publish our *Ethical Platform* on our Romanian website – [www.gsk.ro](http://www.gsk.ro) so that our stakeholders can understand our approach and know what to expect from GSK. This is an important tool in ensuring transparent partnerships and high ethical standards for employees, suppliers and business partners.

Our *Ethical Platform* includes details of policies and procedures which we have put in place in the last few years that support building trust with our stakeholders, clearly separating the commercial aspects and marketing or promotional aspects of our work from the activities designed to advance medical science and knowledge by facilitating access to the latest scientific information and supporting medical infrastructure in Romania.

*Ethical Platform* includes details of the way we work with medical specialists and healthcare organisations and the way in which we provide support for medical education and patient associations. Our ethical approach also includes a values-based approach to sales and marketing practices in Romania, driven by the interests of consumers and patients. This applies to the sales of our consumer products and to the marketing of our prescription medicines and vaccines to healthcare professionals, hospitals and governments.

Our company believes that the good relations with physicians are essential for medical progress and for the good of the patient. We

## Our behaviour

## Insisting on ethical standards and principles continued

must not forget that a physician has to learn constantly about the treatments and medical innovations. The relationship between doctors and a pharma company, however, is clearly regulated both by internal policies and procedures adopted by GSK, and under the laws in Romania and the regulations of Romanian Association of International Medicines Manufacturers (ARPIM) and of the European Federation of Pharmaceutical Industries and Associations (EFPIA).

At the same time, we must recognize that due to budgetary constraints, especially in a country like Romania facing challenges

regarding allocation of resources, institutions are not always able to afford to fund their representatives participate in in events and conferences. We believe that participation in quality international congresses is important to maintain a high level of education and information for doctors in Romania. For the leaders of the medical community, the exposure to the latest research in the field is very important, and also the opportunity to share knowledge with colleagues from the international medical world. Therefore, we continue to support the participation of physicians in international congresses and in

2012, GSK Romania provided funding support for 211 doctors to attend to 40 international conferences in different therapeutic areas.

Starting in April 2012, we initiated the implementation of a different working model designed to eliminate potential conflict of interests. Sponsorship applications must be submitted electronically via email, they are totally unsolicited and they are assessed against transparent, publicly available and well defined criteria that can be accessed through our online Ethical Platform. In order to ensure against conflicts of interest we follow a rigorous process that is managed through our medical function, without any involvement of our commercial department.

In Romania, our Medical Representatives are compensated based on the awareness levels of physicians about our medicines, and not on the number of prescriptions that are written. Their compensation is also determined based on their values-based behaviour as well as on the total volume of actual sales. Medical Representatives are not informed of internal sales targets and, therefore, this does not influence their sales behaviour. In this way, we focus on rewarding an ethical approach to doing business, which we believe is in the best interests of a sustainable society and a sustainable business in Romania and elsewhere.

## Ethical Sourcing:

As part of our commitment to GSK values, GSK has publicly undertaken to protect human rights within its sphere of influence. This

includes ensuring upholding human rights in our supply chain.

In order to ensure that our suppliers commit to protecting human rights, our supplier contracts include a human rights clause developed globally by our parent company, GSK plc. This clause is based on the UN Declaration of Human Rights and the Conventions of the International Labour Organization and consists of:

- Assurance that the supplier does not engage in unacceptable practices (e.g. use of forced labour, discrimination etc.)
- Assurance that the supplier complies with important principles (e.g. providing a safe and healthy workplace, complying with applicable laws on working hours etc.)
- A supplier commitment to encourage compliance with human rights and ethical standards throughout its own supply chain.



“The steps that GSK takes to protect human rights within its sphere of influence make an important contribution to demonstrating GSK values.

Ensuring that all supply contracts contain GSK's human rights clause is an important part of the role that we as lawyers can play in supporting GSK's values and reputation.”

Cristina Alexandrescu, Head of Legal GSK Romania

## Our behaviour

# A new way of supporting physicians

One of the most significant challenges which is critical for patients receiving the best available treatment is the need for improved awareness, knowledge and a proactive approach by general practitioners.

In many cases, a lack of awareness or understanding of the broader issues often hinders early diagnosis and detection, and prevents patients from receiving the right care. An additional difficulty is that there is reluctance on behalf of patients to talk about certain diseases which may cause embarrassment.

There are specific challenges in the Romanian market which prevent detection and prevention of certain diseases, and chronic diseases such as asthma, COPD and BPH are highly under-diagnosed. Often, patients visit their General Practitioner (GP) for other conditions and these chronic diseases are discovered almost randomly. The symptoms are not proactively investigated by GPs (with the same degree of priority as, for example, cardiology problems) and late visits of patients means that they are referred to specialists only after their symptoms show medium to severe advancement of the disease.

GPs themselves feel they lack the best tools to diagnose and help these patients, and in some

## Prevalent Diseases in Romania

**COPD:** Chronic obstructive pulmonary disease (COPD) is one of the most common lung diseases. It makes it difficult to breathe. There are two main forms of COPD: Chronic bronchitis, which involves a long-term cough with mucus; Emphysema, which involves destruction of the lungs over time.

**BPH:** Benign prostatic hyperplasia (BPH) is a common urological condition caused by enlargement of the prostate gland which may irritate or disrupt correct functioning of the bladder and cause serious discomfort.

cases, this hinders GP-patient communication and therefore treatment.

In Romania, we decided to create a special team dedicated simply to helping physicians help their patients. We call this team our Disease Care Consultants (DCC), and it is a team of 14 full-time trained medical representatives. The role of the DCC team is to drive patient-focused discussions with GPs in order to better help them identify and refer patients to specialists, monitor treatments and increase the compliance to treatment for chronic patients in respiratory and urology areas.

The DCC team objective is to increase the level of service we offer to GPs in order to

## Disease Care Consultant Team Objectives

- Enhance disease management at GP level for BPH (prostate disease), COPD (lung disease) and asthma patients
- Increase patient identification
- Increase patient referrals to specialists
- Increase patient monitoring to drive higher compliance to treatments
- Contribute to building GSK leadership in respiratory and urology areas
- Improve GP's satisfaction with GSK and trust in GSK



Our behaviour

A new way of supporting physicians continued

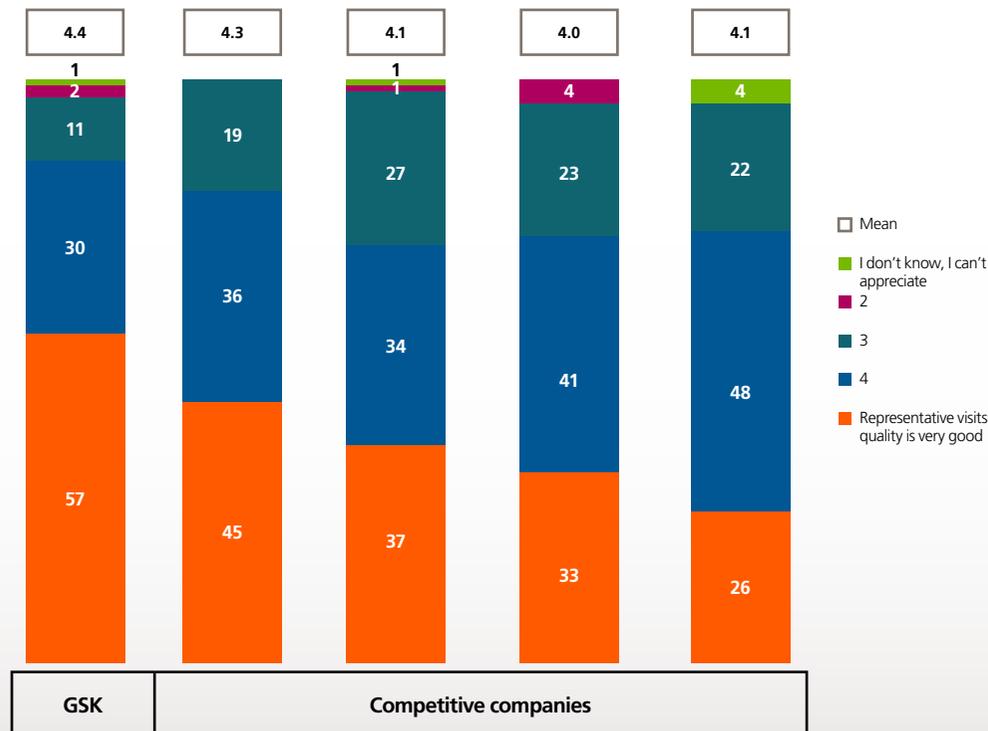
improve their and their patients' satisfaction with GSK. In this way, we believe that we can contribute to helping them improve their practical disease knowledge and abilities which, we hope will contribute improving the quality of life for patients in Romania.

In the first phase of the DCC programme, in the last quarter of 2012, our team visited more than 1,800 GPs. Our DCCs worked with physicians to understand their approaches

and capabilities with regard to respiratory and urology areas and their attitudes and approaches regarding BPH. Approximately 150 GPs participated in meetings with specialists, organised all over the country, in order to increase their knowledge and to network with the urologists and pneumologists in their areas.

We also commissioned external research in order to understand the impact of our activities

GP evaluation of the quality of visits by medical representatives



“ Our DCC programme is an exciting development and we are truly encouraged by the initial results. At first, GPs were expecting us to visit and talk about our products. We were unsure whether GPs would believe our intention was beyond this. It took some time for them to understand that our primary interest was to help them to increase their awareness and ability to identify the disease in order to refer to specialists. With BPH, for example, it is a sort of taboo disease which people are embarrassed to discuss. Helping the GP address this with patients is a major breakthrough. We are the only pharma company in Romania to take this approach. I feel confident it will improve the quality of life for COPD, BPH and asthma patients, areas where GSK has an important heritage. ”

Barbara Cygler, Business Unit Specialty Care GSK Pharma

with GPs, and 217 GPs were interviewed. The results (see chart) showed that the visits of our representatives are perceived as higher quality than those of other companies in the pharma sector, and that our calls to GPs are perceived as adding value to their work.

Supporting the professional development of physicians

In 2011, we supported the launch of the first ever free e-learning medical programme for

general practitioners in Romania ([www.formaremedicala.ro](http://www.formaremedicala.ro)). The online programme consists of educational courses covering respiratory, dermatology, urology and vaccination healthcare fields, offering credits for those who pass examinations which count towards certification by the Romanian College of Physicians. The e-learning project was initiated by the Romanian National Society of Family Medicine and the content was created by general practitioners and specialist physicians with extensive practical experience. The programme has been used by more than 4,000 doctors since its launch. Feedback to date indicates that doctors value this opportunity to learn and develop their expertise. We continue to support the ongoing expansion of this platform so that patients in Romania will benefit from the latest updates in the management of their diseases through their physicians.

“ We are looking at how to improve the user interface to make it even easier. e-learning is an effective way to ensure knowledge reaches doctors, as they can log-in at any time, without having to travel and at no charge, and even earn credits toward certification. We believe this is a very positive investment in improving healthcare infrastructure. ”

Laura Munteanu, Medical Affairs Manager GSK Pharma

## Our behaviour

# Advancing value through clinical trials

We remain committed to supporting the development of innovative pharmaceuticals through our ongoing investment in clinical trials as part of our global programme at GSK. In 2012, we advanced 15 clinical trials, involving more than 1,000 patients in more than 90 different centres.

The trials covered several therapeutic areas including epidemiology, cardiology, urology, infectious diseases, oncology, rheumatology and respiratory.

All our trials are conducted in line with the highest international protocols and GSK's stringent standards and are subject to regular audits. There were no major or critical findings at audits and inspections conducted in 2012.

Our investment in clinical trials, amounting to over € 8 million in the past five years in Romania, brings shared value to local health-care. We provide educational programmes for Romanian physicians and the most advanced medical equipment in order for them to perform trials in line with our protocols. Local physicians therefore gain experience with some of the most innovative advances in medicine, which helps to improve their general capabilities. In addition, patients treated during clinical trials gain access to innovative treatments otherwise unavailable to them in Romania, and often experience an improvement in their medical condition and in the quality of their lives.

**Clinical Trials:** In Romania, we run clinical trials phase 2, 3, and 4 on respiratory, oncology, cardiology, urology, rheumatology, infectious diseases.

**Phase 2:** These are studies that gather preliminary data on effectiveness (whether the drug is effective in people who have a certain disease or condition).

**Phase 3:** These are studies that gather more information about safety and effectiveness with different populations and dosages and by using different drug combinations.

**Phase 4:** These are studies occurring after a drug has been approved by regulatory authorities and gather additional information about a drug's safety, efficacy, or optimal use.



## Our behaviour

# Meeting the highest quality and customer service standards

Our entire supply chain is designed to ensure that our customers receive the right products in the right quality, of the right quantity and at the right time.

We must ensure that both the quality of our products and the quality of our logistics operations meet customers' needs and expectations. This is critical for our business success as it is for the patients who need their medication without interruption.

Product quality is assured through adherence to our global quality standards. Our manufacturing facility in Braşov is a world-class GMP (Good Manufacturing Practice) facility, and is certified to ISO quality standard 14001 and OSHAS Safety standard 18001, and meets all European Union quality requirements.

In 2012, our Braşov site surveyed 27 of its largest customers from around the world including countries such as New Zealand, Hong Kong, Poland, Thailand, Russia and more. 63% of customers responded with an overall 80% satisfaction rate and 93% satisfaction rate with on time deliveries and 83% satisfaction rate with full quantity deliveries.

In Europharm Distribution, all distribution, storage, handling, transport and logistics

“

Customer service is critical for our business, and to meet our customers' needs, we must be flexible and solution-oriented. We need to be open to frequent, often daily, changes in our routing plans so that we can ensure our customers are satisfied with every single delivery.

”

**Valeria Ghiţoi**, Logistic Manager Europharm Distribution

services are in accordance with the rules of good distribution practice, pharmaceutical legislation and regulations. All audits carried out in 2012 by the National Agency of Medicines and Medical Devices, external suppliers or ISO 9001 certification auditors, found our practices to be compliant and conforming to the different standards required.

Similarly, customer satisfaction rates with Europharm Distribution remain strong with an average of 86% overall satisfaction in 2012. Improvements in customer satisfaction versus 2011 were noted as improved emergency delivery facilities and call centre response times for customer queries. An opportunity for improvement is in the area of online ordering.



## Our behaviour

# Maintaining our commitment to patient advocacy

Our work with patients associations is conducted appropriately, ethically and transparently

“ In Romania, we focus our patient advocacy contribution on those causes which represent the most significant challenges for patients in Romania. We target to help patients realise their right to healthcare and raise awareness for healthcare issues which have a significant impact on the quality of life for our local communities in Romania. ”

Marilena Năstase, Patient Advocacy & CSR Executive

## Supporting patients affected by HIV

In Romania, there are more than 11,000 individuals affected by HIV and more than half of them are young people aged between 20 and 29 years old, who were infected between 1987 and 1991 because of the low-quality healthcare system and incidents of medical malpractice at that time. HIV patients need help and support because most of them require treatment for many years and

## HIV

Human Immunodeficiency Virus attacks the immune system and, over time, lowers the number of healthy immune cells (CD4 cells) that fight infections. HIV is transmitted through bodily fluids such as blood, semen, breast milk, and vaginal fluids. These fluids can be passed between people in a variety of ways, including having unprotected sex or sharing needles. HIV can also be passed from mother to child during childbirth or through breast-feeding. Globally, 34 million people were living with HIV at end 2011. (WHO)

living with HIV remains a constant challenge and consideration in all life activities. On the one hand, HIV patients can lead relatively normal lives, enjoying loving relationships, family, and friends and be productive in their chosen career. On the other hand, HIV patients must maintain frequent visits to the doctor, take regular medication, or participate in medical examinations. Sometimes the apparent normalcy of life with HIV may

cause patients to overlook the need to maintain this medical regime, in order to successfully grow old with HIV. In many cases, we have observed an interruption of treatment where patients forget to take their daily medicines.

During 2012, a new programme launched by the National Union of Organisations of People Affected by HIV / AIDS (UNOPA),



## Our behaviour

## Maintaining our commitment to patient advocacy continued

with the support of GSK Romania, targets these individuals, in an attempt to help them maintain their anti-retroviral (ARV) treatment in a consistent way. *Life with HIV* ([www.viatacuhiv.ro](http://www.viatacuhiv.ro)) consists of an integrated communication platform that was created to alert patients about treatment frequency and provides two free services for the HIV positive community in Romania, aiming to prevent them from missing any doses of medication.

The first service connects online user preferences to mobile reminders, and patients subscribe to a text-messaging service to

receive daily text reminder on their cell phone to take their ARV medication. The message can be configured by the user. For example, a Romanian HIV positive patient, Diana, receives her reminder every morning at 9 am with the text message: "You are beautiful!"

The second service included in the *Life with HIV* programme is the first Helpline dedicated to people living with HIV/AIDS in Romania. People can call UNOPA to ask for help and tell their stories.



## Lupus: Our support for patients

Lupus patients in Romania usually go through several diagnosis phases before finding out that they have lupus. There are few local resources for people struggling with the disease, and lupus awareness is alarmingly low in Romania.

Given the complexity of the disease and the fact that few people are diagnosed in Romania, information about lupus and patients' needs rarely reach the public agenda and general media. *World Lupus Day* is the only time of the year that stakeholders appear to be willing to listen and engage. The Association of Patients with Autoimmune Diseases (APAA) knew that making the most impact had to be done within this 24 hour window.

In this context, with GSK support, APAA chose not to make use of testimonials or talk about lupus. The strategy was about experiencing the impact of the disease. The decision was to

## Lupus

Lupus (Systemic Lupus Erythematosus) is a debilitating autoimmune disease where the body's immune system becomes hyperactive and attacks normal, healthy tissue. This results in symptoms such as inflammation, swelling, and damage to joints, skin, kidneys, blood, the heart, and lungs. It is an incurable disease that can lead to death if not controlled in its early stages.

There are over 9,000 documented cases of lupus patients in Romania.

transform social media into a "Lupus patient" during *World Lupus Day*. For 24 hours, Romanians active on social media would access their favorite websites and find them almost impossible to read, because they had all succumbed to lupus disease. A special HTML script was created which generated random symptoms as the users read articles on certain websites. Symptoms varied from hair loss, nausea, eyesight loss to convulsions and blood clots. After every symptom, the campaign messages explained the details of the disease and invited people to the campaign website.

Prior to the campaign, phone inquiries addressed to the Association of Patients with Autoimmune Diseases (APAA) by 50% reached 50 calls per day. During the campaign, the APAA received over 900 phone inquiries regarding lupus and 34 top-rated bloggers agreed to have their website infected with lupus and write about the disease. On *World Lupus Day*, over 10,000 people visited the campaign website, over 200,000 people experienced the symptoms on blogs and social media was buzzing with over 5,000 shares on Facebook and Twitter, in addition to printed press coverage.

This creative campaign was one of the most successful awareness campaigns made by a patient association, building on the experiential aspects of understanding disease and the real suffering of patients, and through this campaign, we hope to have contributed to raising support for our lupus patients in Romania.

## Our behaviour

# Our public policy

Through our public policy and advocacy work, we aim to make a valuable contribution to the debate on issues that impact public health and our business. In doing so, we strive to take a responsible approach, to be guided by our values and to protect the interests of patients.

Healthcare is central to our mission at GSK in Romania. Healthcare is also a matter of public policy, and is high on the agenda of the Romanian authorities. We welcome the Romanian Government's efforts to reform the healthcare sector by issuing legislation to improve the functioning of the system and to ensure its sustainability. As part of a leading global healthcare organisation, we regularly form professional opinions and take informed positions on many aspects of healthcare regulation and policy changes.

We do not participate in any form of political activity. We do not support political parties or individual politicians in any way and we do not fund any political campaigns. We are



“Romania is a very dynamic market to operate in, with a fast changing external environment. Our global expertise, scientific and technological capabilities helped GSK make a significant difference in improving the Romanian healthcare environment to benefit patients, by becoming an active contributor to the healthcare policy agenda, towards a sustainable environment.”

Violeta Pătru, Corporate Affairs Manager GSK Pharma

available as a trusted resource for regulators and policy makers; we provide information on healthcare data, statistics, research and trends, upon request and participate in industry

## We are currently members of:

### ARPIM (The Romanian Association of International Medicines Producers)

ARPIM is the innovative pharma industry association in Romania. GSK holds a Board position in ARPIM. Pascal Prigent, General Manager in GSK is Vice-President of ARPIM since 2013.

For more information, see: [www.arpim.ro](http://www.arpim.ro)

### FIC (The Foreign Investors Council):

FIC represents the interest of foreign investors operating in the Romanian market, with a mission to stimulate Romanian economic development. FIC has over 130 members whose combined investment in Romania represents 35 billion € approximately two thirds of Romania's total foreign direct investment since 1990 and approximately 200,000 jobs for Romanian people. GSK holds a Board position in FIC and chairs the dedicated Healthcare Taskforce.

For more information see: [www.fic.ro](http://www.fic.ro)

### LAWG (Local American Working Group):

LAWG represents the interests of the Pharmaceutical Research and Manufacturers of America (PhRMA), the largest association of biopharmaceutical research companies. For more information, see: [www.lawg.ro](http://www.lawg.ro)

### AmCham Romania (American Chamber of Commerce in Romania):

AmCham is a non-profit and non-political organization that promotes the commercial and economic interests of U.S., international and local business community in Romania. GSK is actively involved in the Healthcare dedicated working group.

For more information, see: [www.amcham.ro](http://www.amcham.ro)

advisory consultations if so invited, along with other companies operating in our sector.

In our efforts to improve the local business environment and improve the health status of

the Romanian citizens, we participate in trade associations, actively contributing to developing the sector or industry perspective and working with regulators on behalf of the sector.

# Measuring trust

In 2010, we reported on our ground-breaking research from Ipsos Mori using our global Trust Equity Tracker (TET) tool, which we deployed for the first time in Romania, in order to provide ourselves with a realistic picture on our image and reputation in the local market.

The TET model used a basis set of underlying indicators of trust at three main levels:

- **Operating Responsibly:** Values, respecting people, responsible workplace, compliance, ethics, product safety and quality and sustainable supply chain management.
- **Marketplace Accountability:** Engaging with stakeholders, medical and scientific excellence, pricing and distribution and accessibility.
- **Community Investment:** Supporting the community and developing the market in a sustainable way.

In 2012, we conducted similar research with GfK Romania research institute, in order to assess the measure of change in perception and gain current insights. 156 respondents in the research this year included: media, key opinion leaders in the healthcare sector, government representatives, NGOs, local municipality staff, patient associations, bloggers, international organisations and

## Main drivers of stakeholder satisfaction and positive reputation (2013 survey results)

1. Transparent, clear and honest communication
2. Trust worthy company's representatives
3. Offers valuable information that is useful for stakeholders
4. Being an ethical company
5. Trustworthy company products



Our behaviour

Measuring Trust continued

Rank satisfaction driver	All companies	GSK
1 <sup>st</sup> Communicates in a transparent way clear and honest	Very strong impact	Very strong impact
2 <sup>nd</sup> I trust this company's representatives	Strong impact	Very strong impact
3 <sup>rd</sup> Offered me valuable information for the progress of my activities	Medium impact	Medium impact
4 <sup>th</sup> It is an ethical company	Very strong impact	Very strong impact
5 <sup>th</sup> I trust this company's products	Very strong impact	Strong impact

think-tanks operating in Romania and other companies involved in corporate responsibility activities. The research was conducted using face-to-face interviews and online interviews in late 2012 and early 2013.

In relation to those aspects of our behaviour in the market which drive trust, satisfaction and positive reputation, we are pleased to note our very strong impact in three of the top drivers which are based on the level of trust that stakeholders place in our communications, representatives and ethical business.

We continue to use this valuable feedback from our market to improve the ways in which we provide stakeholders with information about our activities, the healthcare market and about our products.

Measuring Transparency

We make every attempt to communicate effectively about our business activities in Romania and ensure that our local stakeholders are informed and have the opportunity to interact with us on any matter. The media is an important stakeholder and we do our best to engage the media both as a channel for dissemination of our news and as a critical voice in the local healthcare market. In order to understand the effectiveness of our communications, in early 2013, we engaged journalists from central and local media in five cities around Romania, and 25 journalists responded to a short survey. This is the second time we have undertaken such as survey, the first one was in 2012.

The findings of the 2013 survey indicate that media perception of our communications has improved and 48% of respondents confirmed that our communications are proactive and

all confirmed that we are prompt in our responses (compared to last year, when 10% of respondents indicated that our responses are often late).

The most interesting topics for journalists remain information provided by doctors on different diseases and information about the public healthcare system, as well and educational campaigns.

Also, we were encouraged this year that 48% of journalists said they find our gsk.ro website to be a useful tool for them (versus 29% last year). 36% of respondents said that GSK Romania is more transparent than our peer companies.

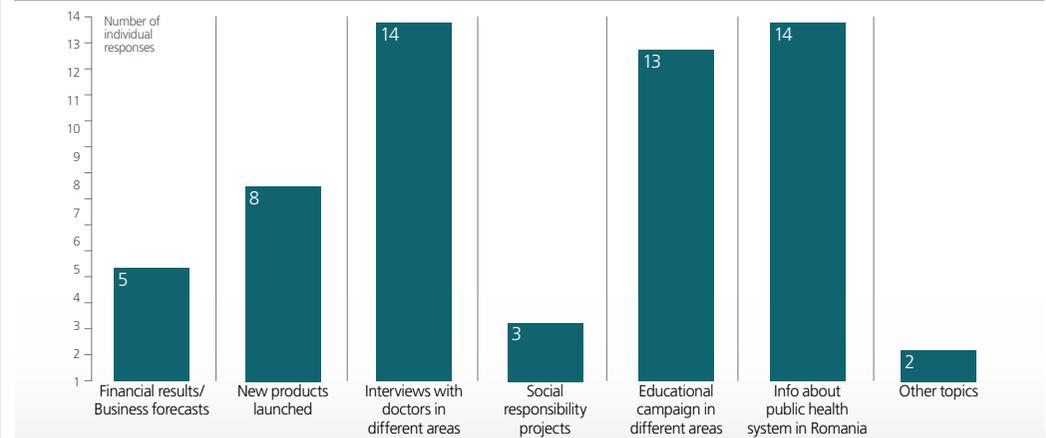
We will continue to use these insights in order to engage more effectively with the media, taking into account their preferences and how they prefer to receive information from GSK.



The results of our recent surveys show that we are on the right track and the objectives set several years ago are working. Our aim is to engage the media in a two-way dialogue, rather than just sending out press releases and information. We believe that this partnership approach should be a normal way of working with our stakeholders. This is the only way to operate when our aim is to build trust. It also enables us to hear early on what our important stakeholders think about us, and understand their expectations and challenges, because this gives us an opportunity to adapt and improve.

Andreia Cucu, Communication Manager GSK Romania

Main topics of media interest from pharma market



Our people

# Our people



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# Our people

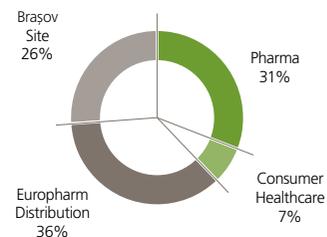
We need our people to develop their skills, appreciate different perspectives and be highly motivated, engaged and resilient.

In Romania, at the end of 2012, we continued to be a significant employer in Romania, counting 1,022 full time employees, a similar number of employees to the 1,019 employees employed at end 2011. Our female employees make up 62% of our overall workforce.

At GSK Romania, all our employees are engaged in our mission to contribute to improving the quality of people's lives and increasing life expectancy in Romania. Our global drive to help people do more, feel better and live longer is meaningful to our Romanian employees, who can see the positive impacts of our business among their families, friends and local communities.

We create a caring and empowering workplace for our people, in which they can both contribute towards our shared objectives and realise personal growth and development. We respect all employment laws and regulations at local level and at global level, where relevant.

Full time permanent employees in 2012



Providing a caring and empowering workplace is expressed in terms of the organisational opportunities offered to GSK employees, and our investment in the personal and professional development of our entire team, the open culture we encourage and our attention to health and safety. We report in detail about these aspects of our employment approach in the following pages.

Develop and empower employees.

Material Aspect: Training and Education

[Disclosure G4-LA11]

Provide a workplace that offers diversity and equal opportunity.

Material Aspect: Diversity and Equal Opportunity

[Disclosure G4-LA12]

Ensure a safe working environment for employees.

Material Aspect: Occupational Health and Safety

[Disclosure G4-LA6]

# Providing an outstanding service to our employees

Following the changes made to our Human Resources infrastructure in 2011, including the move to a shared services model in Romania, we measured employee satisfaction with HR services 2011 and achieved a results of 4.38 (on a scale of 1-5) versus 4.2 just six months earlier. This measurement was part of a GSK survey “HR Customer Experience Survey” conducted globally, and Romania achieved the highest result among the top 19 GSK subsidiaries in the world.

In 2012, the survey was repeated and we were pleased to note that Romanian employees provided the highest response rate (87%) of all the 19 countries surveyed, and our internal service score not only remained the highest of all GSK local operating companies, it increased by 2% to 4.48 (on a scale of 1-5). The highest score from any other country operation was 4.04 in 2012. The strongest responses which achieved over 95% satisfaction in Romania included knowing where to go for Human Resources support, receiving support in a reasonable timeframe, and resolution of Human Resources issues to a high degree of satisfaction. Opportunities to improve service to employees were in the areas of handling of non-queries.

## Developing and empowering employees

We are committed to being an employer of choice, recruiting and retaining the most talented people and developing their skills. We invest in employees at every level, from early careers to senior management.

We understand that the improved ability of employees to contribute is essential to our business success. Individual development needs are identified for all employees in an annual Performance and Development Planning (PDP) review with their managers, and this review is revisited throughout the year with each individual. Our development programmes include on-the-job development (70%), developmental relationships like coaching, mentoring, work shadowing, networking and

peer learning opportunities (20%) and formal development like trainings, workshops, e-learning, books (10%). This development structure has proven effective as most of an individual's development needs are addressed experientially, rather than through theoretical classroom training whose relevance is often general and not specific to individual roles.

In GSK Romania, we take a proactive approach to leadership and talent management. Every quarter, our General Managers of our four GSK companies review succession planning for potential senior manager and specialist roles, enabling our entire leadership to be familiar with our ongoing talent pipeline in Romania and providing a platform to identify and shape new opportunities for individuals.

We continue to maintain our popular and effective *Traineeship programme* that was developed over seven years ago. All recruits enter into a trainee pool in the initial stage, and participate in a three-day training and assessment programme. At the end of three days, trainees are assigned to one of the GSK Romania entities, where they continue their training and development for a period of 6 or 12 months.

## Employee Development

- In 2012, 60 employees received promotions into new roles and several structured coaching relationships were maintained.
- Overall in 2012, we invested 3,040 hours in formal structured professional and leadership training in which 597 employees participated.

## Traineeship program

- In 2012, 21 new Graduate Trainees were recruited to GSK Romania.
- Overall, around 40 employees of GSK Romania in 2012 were recruited through the *Traineeship Programme*.

During this time, trainees build their capabilities by learning about different aspects of our business, whilst working on projects which deliver a tangible business output. After the traineeship period, successful and high potential trainees have the opportunity to continue their career in GSK. In GSK Pharma, for example, trainees are eligible for commercial roles, depending on the business needs.



“At GSK, talent development is an integral part of business strategy, and this programme helps us identify and integrate future professionals.

In the first round of trainees in 2007, the number of applicants was 28 and last year we reached 800. This indicates that young people are attracted by the opportunity to start a career in a company like GSK. Over the 6 years of the programme to date, we have provided trainees with a stimulating work environment, and opportunities to advance in a meaningful career.”

**Iulia Dobrițoiu**, HR Director & Commercial Excellence  
Lead GSK România

## Our people

## Providing an outstanding service to our employees continued

## Caring for employees in times of change

Developing and empowering employees also applies to the way in which we care for employees as they leave our business. We will support our employees at our Braşov plant, following the difficult decision to cease local production of pharmaceuticals as a consequence of declining solid dose volumes and underutilised capacity.

In early 2013, 243 employees were part of our Braşov manufacturing plant, many of whom have a record of long service. The decision to close the Braşov site brings many changes for individuals and as always, change is not simple. However, there are some aspects to take into consideration related to this change for employees at Braşov: one the one hand, they have gained invaluable professional skills, knowledge and experience during their time working with GSK, that enhance their ability to seek alternative employment if they choose to do so, and on the other hand, they have confidence in our commitment as GSK to support employees through this transition, and help them to achieve the best possible personal outcome.

In managing this change, we are fully conscious of the need to support each individual in a way which matches her or his needs. We will provide special training and support for our leadership team at the plant, to help them address the concerns of employees during this transitional period. We are providing extra guidance for managers as their

role is doubly challenging: they must both support their operational teams while facing uncertainty about their own roles at a personal level, which can be stressful. We will therefore offer to Braşov managers a specially designed “resilience training” programme. In addition, we have instigated weekly meetings of the site leadership team in order to provide a platform for sharing experiences, solutions and ensuring that all communications are aligned and clear for employees.

Our Human Resources plans include a range of support processes and assistance packages, designed to ensure that each member of our Braşov team has the opportunity to face future changes with confidence. The programmes include:

- Three months advance notice for individuals throughout the phased closure of the factory

“My role is to see that all our employees at Braşov are settled into a new future, while ensuring the factory continues to perform in line with expectations. Until then, it’s business as usual, we are maintaining our work commitment, our culture and values and the productivity, quality and safety of our operations. There will be opportunity in every development. We are maintaining all the social aspects of our working life – the Christmas party, volunteering activities, and other celebrations – as we continue to perform our work.”

**Mariana Cismaru**, General Manager Braşov Site

operations, as production is transferred to other sites (the legal minimum is 20 days);

- A highly competitive redundancy package for those who leave the company;
- Outplacement and Employee Assistance Programs to assist employees with finding new jobs, offer retraining in new roles and provide support for personal transitions;
- Outreach to other companies in the area to assist in identifying suitable alternative employment opportunities;
- Where possible, offers of roles in Bucharest with a relocation package if required; and
- Ongoing, open and transparent communications at Town Hall meetings, team meetings and other forums, about developments in the sale or exit plans, with the opportunity to ask questions and discuss implications at all times.

“

The decision was not an easy one, especially since the Braşov site has been operating for almost 20 years and has been such a significant contributor for us. As part of our corporate strategy, we have to constantly reassess our operations and look for ways to improve efficiency. That includes ensuring that our production capacities match de market needs. This is how we drive performance, secure a sustainable future and create access to more positive outcomes for patients. We will do all we can to help employees through this period. As always, GSK will treat employees fairly and will provide the appropriate support for those leaving GSK.”

**Pascal Prigent**, GM GSK Romania

# Diversity and equal opportunity

GSK Romania strives to be inclusive, accessible and attractive as an employer to people from all backgrounds.

Being an inclusive employer enables us to better understand and respond to the needs of patients and healthcare workers in Romania and helps us attract, retain and motivate a workforce that reflects the many communities in which we operate and with whom we work.

## Welcoming women in management in GSK Romania

We continue to maintain a strong presence of women in our overall workforce (62%) and an equal level of representation of women at management level. As we reported last year, this is significantly higher than management rates for women in the world, and in Romania at 34% (Mercer, 2010). By comparison, the global average of women in all levels of management reported by GSK at global level in 2012 is 40%. The women of GSK Romania are in all types of roles – commercial, legal, financial, operational and human resources and in 2012, we increased the proportion of women in our Romanian management team to 75% - three of our four General Managers being women.

## An innovative approach to employee benefits

At GSK Romania, we create equal opportunity through a structured compensation programme which rewards performance and potential with competitive benefits packages within the local market. However, a key feature of our compensation policy which enables employees to tailor their benefits package to meet individual diverse needs is our Flexible Benefits Plan. The Benefits Plan includes two

GSK Pharma management team



types of benefits: Fixed Benefits and Flexible Benefits.

The Fixed Benefits plan includes standard medical care packages funded by GSK, life insurance and free vaccines in a prevention programme developed for GSK employees. The Flexible Benefits plan allows the employee to use the allocated funds to access upgraded medical care packages and life insurance, for

the employee and the extended family members (i.e. parents), educational services (for the employee and the children) and resilience activities (sports, personal development, hobby training, etc.) in order to maintain the state of well-being for both the employee and the family. With this plan, employees can select the benefits which are of most relevance to them and their personal family

# Employee health, safety and well-being

We help employees remain healthy and resilient through better management of health and safety and programmes designed to improve the working environment.

We do everything possible to maintain a safe workplace in all our operations for all our employees with a goal of zero harm to any employee. All newly-hired employees undergo Occupational Health and Safety Training and are required to pass a test, ensuring they have understood. Training refreshers are conducted every half year. Ergonomic assessments have been conducted in most of our workstations and other health and safety audits are conducted at regular intervals. In addition, we also wish to help employees enhance their own health and well-being, and we undertake to do this through our Partnership for Prevention programme.

## Occupational Health and Safety

We are pleased to note our continuing good record on safety performance with, in 2012, just one work injury causing twenty lost workdays. This injury occurred in our Europharm Distribution operation where a warehouse employee's arm became caught in a closing door, and caused swelling and sprain. Following investigation, the cause of this injury was identified as negligence, and corrective action included communications to all employees about the need for vigilance at all times. Whilst even one injury is too much, we nevertheless feel that we have a strong culture of safe working which protects our employees most of the time, both on our premises and out in traffic.

During 2012, we continued with quarterly occupational health and safety Steering Committee meetings, regular on-the-job



training for all employees including dedicated training for drivers in Europharm Distribution operations and our *Living Safety* program at Braşov with additional personal safety training for all employees, averaging five hours per quarter per employee dedicated safety training.

A selection of environment, health and safety training programmes implemented in 2012 includes:

- EHS management and general risk assessment principles
- Risk of chemical substances and chemical risk assessment
- Noise awareness
- Accidents reporting and investigation of near misses
- Ergonomic awareness
- Manual handling awareness
- First aid training
- Working at height
- Fire safety, fire safety emergency response team training and fire drills
- Tired eye syndrome training

## Our people

## Employee health, safety and well-being continued

- Spillage emergency response team training.

Overall, in 2012, we invested 9,458 hours of formal safety training, plus several hundred hours of on-the-job training.

### Helping employees make healthy choices

The health of our employees is as important to us in GSK as the health of our patients. We want to help employees be more aware of their own health risks and opportunities to lead a healthy lifestyle.

Last year, we reinforced our ongoing efforts to support the health and wellbeing of our employees by launching a new preventive healthcare programme for GSK employees and their families, called *Partnership for Prevention (P4P)*.

Preventive measures are critical at any stage of life, helping to prevent illness or detect disease earlier. The services on offer have all been chosen because they demonstrate high value in preventing ill health and are aligned to the World Health Organisation's recommendations.

Romania was one of the first countries to implement the programme, which has provided GSK employees and their families with access to up to forty preventive healthcare services, at little to no cost to themselves. The services are tailored to meet employee preferences. For example, women can request to have health screenings perfor-

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As our employees manage their own health risks, we gain benefits from a business perspective as well. At present, around 10% of our employees in Romania are using our Partnership for Prevention programme in Romania on a monthly basis, and around 90 individual services are accessed and used every month. This is a promising start for the first year of operation, and we hope to encourage more of our employees to be more proactive in managing their own health risks.

Luana Crivăt, HR Manager GSK Pharma

”

med by a female doctor and vice versa for men.

For GSK Romania employees, the programme has significantly reduced the financial barriers to accessing preventive health services for themselves and their families.

Many employees in Romania are already accessing the services on a monthly basis and we are looking forward to more employees enrolling in *P4P* in the coming months. We hope that as awareness of the programme continues to grow, increasing numbers of employees and their families will proactively make use of the services. Healthier and happier employees will enable a better focus on the patients we serve.

### P4P - Services available to employees

- Adult Immunisations – Many adults are behind on their immunisations, and P4P helps keep employees on track to prevent sickness risk
- Cancer screenings – Early cancer detection is proven to save lives.
- HIV screenings – Enables doctors to detect and possibly treat this life-threatening virus.
- Childhood Immunisations – Immunisations for children prevent at least a dozen different diseases before they start.
- Routine Physical Exam – Regular check-ups identify health issues early and allow preventive treatment.
- Women's Health – Screenings for breast and cervical cancer for early detection and treatment if required.
- Diabetes Screening
- Cholesterol Screening
- Hypertension Screening
- Smoking Cessation
- Physical Activity

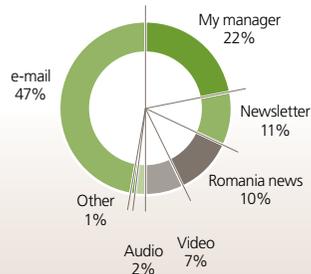


Our people

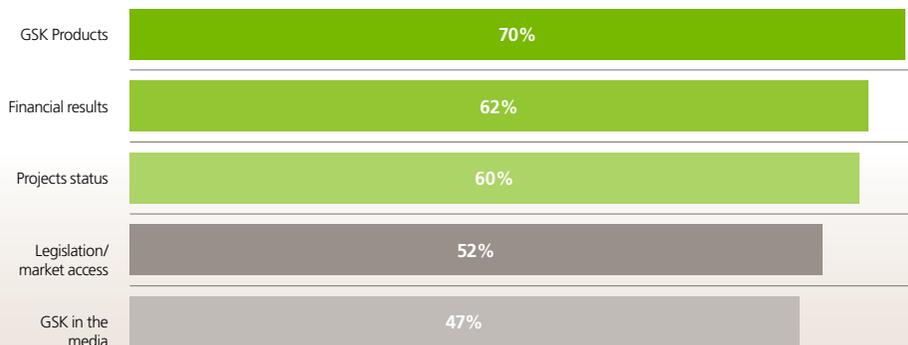
# Keeping employees informed

Internal communication is about creating a cohesive team, informing and engaging employees and enhancing organisational culture. When employees are well informed, they understand our goals and how they can support meeting them. Our objective is to ensure that employees have up-to-date information about the company's latest initiatives and developments. In this way, employees can ask questions, provide feedback and offer suggestions.

In GSK Romania, we maintain a wide range of **Communication Channels: Employee preferences**



**Most interesting topics of news for our employees**

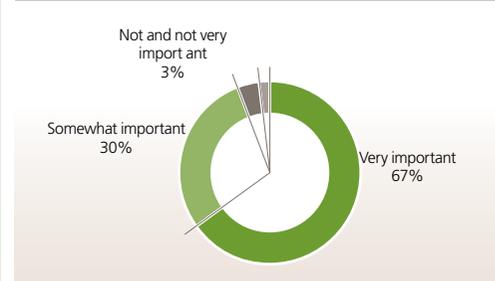


interactive communication channels that provide consistent and continuous opportunities for communications between management and employees. These channels include: interactive company intranet, dedicated email mailbox for management and employee feedback, use of text messages, newsletters and more.

In 2012, we conducted the first internal communications survey among our employees. More than 51% of employees in our Pharma Company responded, and the insights we gained are helping us to improve our internal communications.

The overall perception of our employees regarding current communications channels is positive, and most respondents gave encouraging feedback regarding the clarity, frequency and content of overall communication in GSK Romania. In particular, employees requested that monthly information updates should continue, and include more information about ongoing projects and

**How important is for you to work in a company that invests in the community?**



external meetings related to pharma industry and in addition, communicate more about our corporate responsibility activities and projects, and encourage employees in volunteer activities. In fact, in this same survey, we also asked employees about the value of community investment and 97% confirmed that it is important for them to work for a company that invests in the local community.

## Operational Excellence (OPEX)

In 2011, we introduced our *Operational Excellence (OPEX)* programme in Europharm Distribution operations in order to drive operational efficiencies and engage employees in continuous improvement. Following the introduction of the programme, we have progressed activities in 2012 which are designed to advance an operational excellence culture and also to create a new channel for improvement ideas.

In 2012, we established an OPEX Council, formed with members of all departments, to drive synergies and help to ensure consistent use and familiarity with improvement tools

and processes. We held a workshop to train council members and charged each with the task of embedding the OPEX culture within each department through communications, further training and encouragement of participation by all employees.

One of the first initiatives to be generated was the Ideas Laboratory which invites improvement suggestions from employees. OPEX Council members receive the ideas and are responsible for progressing them up to the decision phase. We provided different communication channels for the submission of ideas including mailboxes in all our warehouses to ensure access by all Europharm employees. Over 90 ideas were submitted in the first months of the initiative, and around 20 have been implemented to date.



“It is critical to evaluate every idea, as this empowers the people. Even small things can make a difference. For example, one idea from 2012 was to combine paperwork from different stock pallets to speed up handling efficiency. This can be seen as “just a small change”, but it increases the speed of operations, simplifies the process by removing redundant activities and, just as importantly, it motivates people to come up with more ideas when they see the idea of a colleague is implemented.”

**Ionuț Bărliga**, Operational Excellence Manager, Europharm Distribution

Our planet

# Our planet



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Measuring environmental impacts: energy, emissions, water, waste	51

# Our planet

We are growing our business to bring innovative medicines to more people in Romania and we are committed to reducing our environmental impact as we do so.

By reducing our footprint, using resources more efficiently, and working with others to tackle these challenges, we can reduce costs, build competitiveness and create trust in our business, while contributing to the sustainability of our planet for current and future generations. Climate change, water scarcity, resource consumption, and pollution caused by waste, including pharmaceutical waste, are issues which affect our health as individuals and as communities, and influence healthcare needs and priorities. We believe in a proactive approach, and ensure that environmental impacts are considered in our risk management process as well as in all decisions which affect our operations, people our ability to supply our patients.

As a minimum, we comply with all environmental legislation in Romania and are pleased to note that there have been no environmental compliance violations in our business for the past year, and also preceding years. But this is only a base line. As a global business, GSK has set ambitious goals to reduce carbon footprint, water consumption and waste generation across our value chain and, in Romania, we support these goals and have achieved improvements and efficiencies in our operations.

The most material issues relating to our environmental impact on the planet in our Romanian operations concern our use of energy resources for manufacturing, logistics, distribution and all of our other support activities, and our resulting impact on climate change through carbon emissions. Similarly, minimising product waste through efficient use of materials and demand planning, together with sustainable disposal of waste through reuse and recycling where possible, are critical priorities, given requirements for robust drug packaging, as well as the potential unsafe disposal of unwanted medicines which can cause pollution in our environment.

Each of our four entities in Romania maintains an Environmental Officer who is charged with implementing environmental policy and monitoring our performance and impacts. All environmental issues are considered as needed in our risk management discussions which take place on a weekly basis.

Minimise energy consumption and greenhouse gas emissions in our supply chain.

Material Aspects: Energy emissions [Disclosures G4-EN3, G4-EN15, G4-EN16]

Minimise product and packaging waste

Material Aspect: Effluents and Waste [Disclosure G4-EN29]

Comply with environmental legislation

Material Aspect: Compliance [Disclosure G4-EN29]

Reduce environmental impacts of product transportation and logistics. Material Aspect: Transport [Disclosure G4-EN30]

# A range of environmental initiatives

During 2012, we progressed several environmental initiatives, ranging from energy efficiencies, to waste reduction and collection and raising environmental awareness in local communities.

## Post-consumer packaging recycling

In 2012, in accordance with environmental law in Romania which requires importing companies to collect and recycle at least 60% of packaging waste, we commenced a system to collect and recycle post-consumer packaging recovered from our products. In the last quarter of 2012, we collected 381 tons of packaging materials including glass, plastic, metal, wood and paper and cardboard. All of these materials were routed for recycling via our logistics operations. We meet Romanian law in several waste categories, and in some categories, we were able to exceed the 60% target.

## Recycling in Pharma and Consumer Healthcare operations

We have continued with our *Act Green* programme to raise environmental awareness in our office operations and with our staff in our pharma and consumer health operations. Special bins are placed in different locations in our offices to encourage employees to recycle paper, aluminium and plastic. We recycle printer cartridges and use the cash generated to donate to UNICEF. We also recycle cardboard and paper and donate cash generated for planting trees. In 2012, this amounted to over 11 tons of paper waste – largely due to a major exercise to empty storage space in the warehouse of outdated printed marketing materials. This year, we also expanded our environmental training and reached most of our colleagues out in the field.

## Saving energy at Brasov plant

In 2012, we invested around € 150,000 to optimise our heating, ventilation, and air conditioning (HVAC) functionality, and improve our chilling water systems, lighting segregation and thermal insulation. We realised a total energy saving of 350,000 kwh through these improvements.

70% of energy consumption in the factory is required for HVAC and chiller systems for temperature and humidity control in different production and warehouses areas, as temperature control in drug manufacture is critical. However, we constantly seek to improve energy efficiency, and in 2012, we replaced two HVAC systems with lower

energy consumption units. We also pre-set HVAC units with automatic stoppages dependent upon temperature and humidity conditions, and we switched-off HVAC units during weekends in production areas where possible. A new Site Weekend Shut Down Plan was introduced, with nominated staff patrolling the factory during weekend period and shutting off unnecessary utilities and equipment.

# 350,000 kwh saved

## HVAC unit with low energy consumption



# Reducing the environmental impacts of transportation and logistics

## We are constantly looking to reduce the impacts of our transportation and logistics operations.

Our transportation and logistics systems generate environmental impacts in the following ways:

- Distribution and logistics of finished products to wholesale and retail points of sale, as well as inter-warehouse distribution for stock replenishment through our Europharm Distribution company. In 2012, we operated 11 warehouses in cities around Bucharest, 93 delivery trucks and travelled over 5.5 million kilometres throughout the year to approximately 4,500 outlets every month.
- Transportation of our medical representatives as they travel the country to visit physicians, pharmacists, hospitals and other customers in our pharma and consumer healthcare operations. Our medical and sales representatives spend a good deal of their time travelling to customers by car.
- Transportation of employees to and from work. Around 200 employees work in our main headquarters in Bucharest. Our offices are situated in a central position with ease of access to public transport.

In 2012, as part of the continuing streamlining and efficiency development of our operations, we spent much of the year progressing our plans to create a new and more efficient logistics infrastructure. Our existing

Chitila warehouse will be extended and will become the primary logistics centre, serving both primary and direct distribution and also the distribution for the south-east of the country. By December 2013, we will open Chitila Logistic Centre and we expect that the more efficient operations will reduce our environmental impact. Our logistics reorganisation programme will be commenced in practice, after many months of planning, with the closure of our satellite warehouses in Bucharest and Braşov by the end of 2013. Overall, we expect environmental benefits in energy consumption and reduction of waste as a result of these changes, starting in 2014.

In terms of car transportation for our medical and sales representatives, we have made



**Nerina Dobrotă**, Business Development Manager  
Europharm Distribution

changes to cars in our fleet, to include vehicles fitted with new motion sensors, which stop the car engine when the vehicle is not in motion, when stopped at traffic lights, for example, and reignite the engine when the driver touches the accelerator. We have also delivered training to company vehicle drivers about fuel efficient driving. We believe these

developments will help to reduce our fuel consumption in the coming years.

## Helping families to save energy

In addition to improving our own impacts, we also take part in community activities to support environmental awareness and action.



For example, in 2012, employees from our Europharm Distribution team participated in a Habitat for Humanity

programme which reached out to 300 families around the country, helping them raise awareness of energy consumption and providing tools to increase energy efficiency. Energy costs can be a significant portion of household income in Romania, and making best use of energy resources can be a major help, especially for low-income families.

In 2012, eight volunteers from Europharm

As a volunteer in the *Energy Efficiency Programme*, I felt that I was able both to learn a good deal and at the same time, help others. I taught the participating families how to insulate their houses and how to be more efficient from an energy point of view.

**Virgil Rus**, Europharm Distribution

Distribution were qualified as trainers in the Habitat for Humanity *Energy Efficiency Programme*, designed to teach families about efficient use of appliances and the thermal efficiency of their houses, types of insulating materials and technologies and provide other practical energy advice, including managing the household budget. Our volunteers, together with Habitat for Humanity staff, delivered energy efficiency workshops to 300 families about energetic efficiency in their homes. These families are now able to enjoy the benefits of both saving money and contributing to saving our plant's resources.

## Cutting costs for Blană family

At first, I participated in the training as a friend had asked me to join her, not because I thought it would be particularly useful. Afterwards, I realised what a good decision I had made. I never thought that such simple things could save money in my family. I learned that even the phone charger that I used to keep it always plugged in was consuming energy. Now, I only plug in the phone charger when I need to. I also learned that if I isolate my attic, I will save wood over the winter. For me, the training was really useful. I will use the money I save to buy more clothes for my kids. **Blană Family from Beiuş, Bihor County**

Our planet

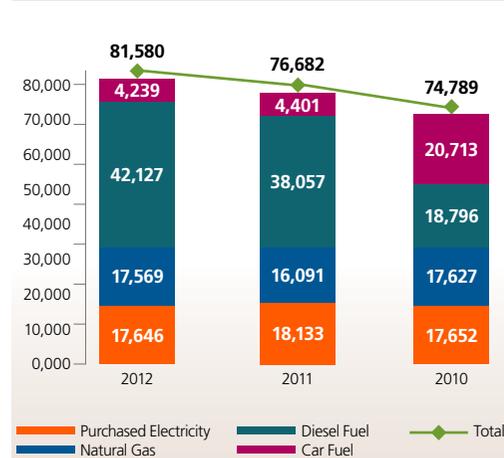
# Measuring environmental impacts: energy, emissions, water, waste

Our long-term goal globally at GSK is for our value chain to be carbon neutral by 2050. In Romania, we measure and track our carbon footprint to help us identify opportunities to reduce our impacts. Similarly, we aim to minimise waste and water use to reduce our environmental footprint, improve efficiency and save money, while protecting limited natural resources.

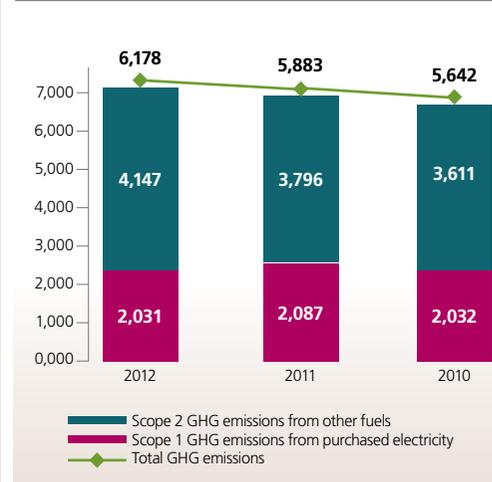
**Energy Performance:** Our overall energy consumption in 2012 increased by 6% versus 2011. In the same period, our business revenue growth increased by 20%. This relative improvement in energy consumption versus growth reflects our continued efforts to reduce environmental impacts. Specifically, in our Braşov manufacturing plant, we achieved a reduction of 3.17% absolute energy consumption in 2012, reflecting changes made to HVAC systems mentioned above.

**Greenhouse Gas Emissions Performance:** Driven by our energy consumption, our GHG emissions increased by 5% in 2012 versus 2011. This reflects business growth, but a change in mix of energy sources and different fuels such as diesel fuel and gasoline slightly improved our emissions performance relative to energy consumption.

Energy consumption 2010-2012 in gigajoules by source



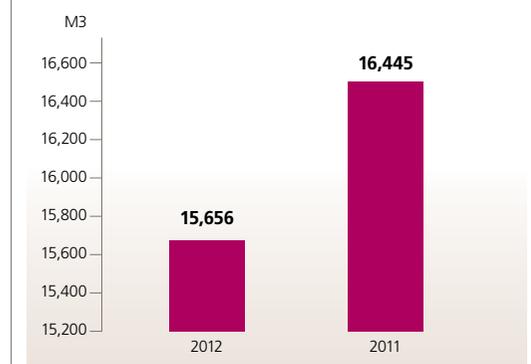
GHG emissions 2010-2012 in tons CO<sub>2</sub>



In 2011, we started to measure our environmental performance per ton of product delivered. In practice, given the major restructuring changes of our distribution operations in 2012-2013, we now feel that this is not the best approach to measuring our relative performance. Also, given the planned changes in our manufacturing operations starting in 2013, we felt it was best to revisit our environmental strategy, and establish new targets for 2014 and beyond, based on our new operational structure. In our next report, we will advise of these changes and new intensity measures.

**Water Performance:** In 2012, we reduced our total water consumption by 5%, the result of consistent attention to water conservation efforts. This reduction was primarily achieved in our Braşov factory operation.

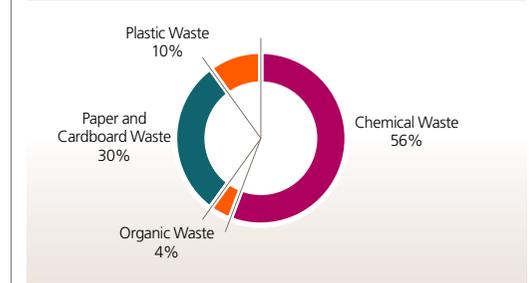
Water Consumption



**Waste Performance:** For the first time, we measured waste across all of our operations in Romania, and non-hazardous chemical waste is the most significant part of our overall volume, at 56%. Our waste is recycled or reused, or incinerated. None is sent to landfill.

In total, we generated 199.5 tons of non-hazardous waste in 2012 across all our operations. 43% was recycled, and 57% was incinerated. In addition, we also responsibly and safely disposed of a minor amount (less than 7 tons) of hazardous waste.

Waste Consumption



# Governance and engagement

Good governance and transparent reporting are part of our commitment to be open about our business activities. We also engage stakeholders directly to understand and prioritise the issues that are most important to them.

## GSK in Romania – operating structure

GSK in Romania is comprised of four business divisions operating under four separate legal entities, each of which are wholly owned subsidiaries of GSK plc. Each of the four entities maintains an independent Board of Directors as required by local law. The Boards are comprised of GSK Senior Managers from GSK in Romania and from GSK’s European operations.

GSK Romania: four entities
<ul style="list-style-type: none"> <li>GlaxoSmithKline (GSK) S.R.L., accountable for Pharma operations.</li> </ul>
<ul style="list-style-type: none"> <li>GlaxoSmithKline Consumer Healthcare S.R.L accountable for Consumer Healthcare operations.</li> </ul>
<ul style="list-style-type: none"> <li>Europharm Holding S.A., accountable for Logistics and Distribution operations.</li> </ul>
<ul style="list-style-type: none"> <li>Europharm S.A., accountable for manufacturing operations in Bra ov.</li> </ul>

The Board of each company ensures that all GSK Romania’s operations are aligned with GSK plc. global standards, policies, programmes and strategies. Our Directors include individuals who have the appropriate experience and business understanding, including matters relating to Corporate Responsibility and GSK’s overall mission to help people feel better, do more and live longer. Each Board has a Director with financial expertise.

GSK Romania’s local executive management is comprised of four General Managers who are also Directors of their respective entities, and retain individual accountability whilst working together collaboratively as needed.

The Executive Management discusses areas of strategy, policy, standards and performance which are of shared relevance, and benefit from shared services in certain areas, such as Human Resources and Corporate Affairs.

GlaxoSmithKline (GSK) S.R.L	GlaxoSmithKline Consumer Healthcare S.R.L	Europharm S.A.	Europharm Holding S.A.
<ul style="list-style-type: none"> <li>Mr. Pascal Prigent</li> <li>Mr. Csaba Juhasz</li> </ul>	<ul style="list-style-type: none"> <li>Mrs. Helen Tomlinson</li> <li>Mr. Tonislav Popov</li> <li>Mr. Andrew MacMillen (GSK VP &amp; GM CEE)</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Pascal Prigent</li> <li>Mrs. Mariana Cismaru</li> <li>Mr. Csaba Juhasz</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Doru Achihai</li> <li>Mr. Csaba Juhasz</li> <li>Mr. Pascal Prigent</li> </ul>



# Compliance and risk management

We conduct our business with honesty and integrity and in compliance with all applicable legal and regulatory requirements to ensure our continued growth and success.

This is supported by written standards and policies regarding our business practices and a comprehensive employee training programme, designed to embed a robust risk management culture and practice.

GSK Romania maintains a dedicated Compliance Officer who has oversight of compliance and risk management. In order to ensure the most effective compliance programme, in 2012, we changed the reporting structure so that the Compliance Officer reports directly to the General Manager and not to our legal counsel as previously.



“ I joined GSK Romania as Compliance Officer earlier this year. My background in compliance is in the banking sector, another highly

regulated industry which has developed the compliance and risk function extensively over the past few years. In the current context of an increasingly dynamic and regulated business environment, a compliance and risk management program is vitally important for any company. It supports the achievement of company objectives and increases the company's resilience in the face of risks. The more we can make the management of compliance and risk a part of our culture, the greater value we can gain as a business. ”

**Mădălina Țițirigă**, Compliance Officer GSK Pharma

We also expanded our compliance infrastructure within GSK Pharma by creating a network of 21 Compliance Champions from our Medical Representative team. With a higher level of compliance expertise, their role is to support the embedding of the risk management culture in our commercial departments, working as a first line of defence in identifying potential compliance issues and

ensuring that concerns are duly reported and addressed. Following a reported breach of the *Code of Conduct* in the pharma operations as described earlier in this report, we further strengthened our control environment by enhancing monitoring processes and holding communications events to reinforce compliance requirements to all our employees.



# Stakeholder engagement

A key ingredient in earning trust is maintaining open and constructive dialogue. In advancing trust, we consider all our stakeholders and engage with them in dialogue.

For the purposes of preparing this report, we conducted a round table meeting to ask for the views of external stakeholders about our corporate responsibility priorities and material issues. You can read about this in the section on material issues earlier in this report.

The key concerns raised by our stakeholders regarding pharmaceutical industry in general, and GSK in particular, include access and affordability of medicines, medical ethics, quality, safety and our role in supporting a more robust healthcare infrastructure in Romania. In addition, stakeholders expect us to be an ethical, responsible and fair employer and be accountable for our impacts on the environment.

In general, we engage primarily with the following groups:

- GSK plc: Our parent company sets the frameworks within which we operate, approves our strategy and monitors our performance. We engage with colleagues from our London headquarters, Europe region and others from around the world almost daily. GSK plc is interested that we align our strategy and practices with GSK's global approach and deliver health for all, while ensuring long-term

sustainable growth in our business in Romania. Above all, GSK demands integrity and adherence to all ethical standards of business. This entire report addresses GSK plc's expectations.

- Employees: We engage our employees at a collective level through our regular internal communications frameworks and on an individual basis, at least twice a year within performance development planning and engagement surveys. Employees are interested in being kept informed, taking an active role in advancing the business and opportunities for further development and personal growth. We address this in the "Our people" section of this report.
- Patients and consumers: Patients and end-users of our products are at the heart of our thinking and we engage with them through market research and patient advocacy frequently throughout the year. Patients want effective, good quality medicines, and access to affordable medicines. The section in this report "Health for all" responds to patient and consumer expectations in these areas.
- Customers: We serve many customers through Europharm Distribution and Consumer Healthcare. We work closely with other distributors, pharmacies and hospitals to understand their needs, with meetings at least annually for key customers. Our customers want best value, reliable, quality service. We address this in the section in this report "Our behaviour".
- Healthcare professionals: We meet with hundreds of professionals each day to share information about our products and hear their

feedback. We rely on a cadre of healthcare professionals who understand our offering and we engage them in clinical trials. In general, healthcare professionals are interested in receiving support and knowledge to help them deliver the best treatment to their patients. We address this in the "Our behaviour" section of this report.

- Suppliers: We rely on a wide range of suppliers for our activities in Romania, and we use local suppliers where we can. Our suppliers are interested in fair opportunity and engagement in long-term relations. We note our approach to ethical sourcing and suppliers in our section about "Our behaviour" in this report.
- The Romanian regulatory authorities: We feel it is vital for us to engage as a trusted advisor and support the work of the Romanian authorities, offering information and data when requested, to help the formulation of ensure healthcare decisions. Regulators expect us to be transparent, provide knowledge based on science and expertise, and operate within the law. We address this in the sections on public policy and compliance in this report.
- NGOs and patient associations: We respect the expert interventions of NGOs and other civil society groups, which challenge us to be more attentive to stakeholder needs. We meet frequently for open discussion with community organisations to discuss ways in which we can provide support. We describe in this report the way we collaborate with NGOs to advance healthcare in Romania.
- Media: We focus on continuing to build long term relations with the media, to differentiate

GSK from the rest of the industry and assume the role of a proactive opinion leader and advocate on pharma issues that affect Romanians. The media want us to provide timely information, reliable and honest, and be open about issues affecting our business and patients in Romania. This is addressed in the section on measuring transparency in this report.

- The pharma industry in Romania: As major pharma player, we bear a responsibility to drive sustainable practices within the sector and to lead by example. Through our membership of Trade Associations, we are able to play a role in shaping industry activities. These Trade Associations expect us to partner with them in a collaborative manner and share our expertise. We address this in the section on public policy in this report.
- Our local communities: We invest in the local communities in many ways, supporting isolated communities and underrepresented populations, and increase access of Romanians to education in healthcare and medicines. NGOs expect us to maintain long-term partnerships and invest resources to support their causes. We address this in the section on "Health for all" in this report.
- The environment: In line with our aim to manage our business sustainably, we make efforts to monitor, control and reduce our environmental impacts in our local businesses. We engage with environmental groups and advisors as required from time to time in order to learn from them and gain insights about how to improve. We address this in the section on "Our planet" in this report.

# About our reporting

This is our second Corporate Responsibility Report for GSK in Romania. The first was published in 2012 and covered our activities in 2011. This report covers our activities during 2012 and the early part of 2013. All quantitative data relates to the calendar year 2012 unless otherwise stated.

This time, we decided to adopt two new frameworks to ensure our report is aligned with stakeholder expectations around the world, while providing information about our performance which is of particular interest to our stakeholders in Romania.

The first framework is the structure and content guidance of our parent company, GSK plc. This report is organised and designed in a structure which aligns with GSK's global reporting, and creates consistency and alignment of globally relevant key messages. Whilst GSK does not require use of this framework, we believe it is relevant and helpful for our operations in Romania.

The second framework is the Global Reporting Initiative (GRI) G4 Sustainability Reporting Framework which was published in May 2013, and is considered to be the leading sustainability reporting framework for companies around the world. By becoming an early adopter of this framework, we are aiming to demonstrate our commitment to transparency and to the expectations of the many different stakeholders and experts that created G4. We have tried to meet the requirements of the G4 framework in good faith. In doing so we decided on content for this report using the GRI reporting principles of Materiality (the issues which have the greatest impact on our long-term business growth and which are of most importance to stakeholders), Stakeholder Inclusiveness (responding to stakeholder expectations and interests), Sustainability Context (presenting our performance in the wider context of

sustainability issues) and Completeness (inclusion of all the information which reflects significant economic impacts in order to enable stakeholders to assess our performance).

This report was been edited by members of the GSK team in Romania, and was prepared with

the support of an external Corporate Responsibility expert, Elaine Cohen, of Beyond Business Ltd. The report was approved by GSK Romania Senior Management Team. We thank all those who contributed to GSK Romania's Corporate Responsibility performance and to this report.



# GRI Index



# GRI Content Index

G4	General Standard Disclosure	Response / Page / Link	External Assurance with Page Reference/Link
<b>STRATEGY AND ANALYSIS</b>			
G4-1	CEO statement	Our approach: A discussion with our leadership in Romania /7	
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of reporting organization	Governance /51	
G4-4	Products	Our approach: How we create value /5	
G4-5	HQ location	Our approach: About GSK Romania /4	
G4-6	Countries of operation	Our approach: About GSK Romania /4	
G4-7	Legal form	Governance /51	
G4-8	Our approach:	Our approach: /4	
G4-9	Report the scale of the organization, including: Total number of employees; Total number of operations; Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization broken down in terms of debt and equity (for private sector organization); Quantity of products or services provided.	<ul style="list-style-type: none"> <li>• <b>Total number of employees:</b> See G4-10</li> <li>• <b>Total gross revenues in 2012:</b> Euros 833 million</li> <li>• <b>Quantity of products or services provided:</b> Over 177 million units distributed to the market</li> </ul>	
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	See data table below.	

G4-11	Report the percentage of total employees covered by collective bargaining agreements.	None of GSK Romania employees are covered by collective bargaining agreements.	
G4-12	Describe the organization's supply chain.	Our approach: About GSK Romania /4	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There have been no significant changes in the organisation's size and structure in the reporting period.	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Compliance and Risk Management /52	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	We observe the standards of The Romanian Association of International Medicines Producers (ARPIM) and the European Federation of Pharmaceutical Industries and Associations (EFPIA). We also support the United Nations Global Compact which our parent company GSK participates in.	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:	Our behaviour: Our public policy approach /35	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Governance /51	
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	<ul style="list-style-type: none"> <li>• About our reporting /54</li> <li>• Our Material issues /11</li> </ul>	
G4-19	List all the material Aspects identified in the process for defining report content.	Our Material issues /11	

GRI Content Index continued

G4-20	<p>a. For each material Aspect, report the Aspect Boundary within the organization, as follows: Report whether the Aspect is material within the organization. If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: The list of entities or groups of entities included in G4-17 for which the Aspect is not material or The list of entities or groups of entities included in G4-17 for which the Aspects is material: Report any specific limitation regarding the Aspect Boundary within the organization</p>	<p>All material Aspects selected in this report apply equally to our all of our operations and entities in Romania as listed in G4-17.</p> <p>Please see below for a table which shows whether the impacts occur internally or externally for each material Aspect.</p>	
G4-21	<p>a. For each material Aspect, report the Aspect Boundary outside the organization, as follows: Report whether the Aspect is material outside of the organization. If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified. Report any specific limitation regarding the Aspect Boundary outside the organization</p>	<p>All material Aspects selected in this report apply equally to our all of our operations and entities in Romania as listed in G4-17.</p> <p>Please see below for a table which shows whether the impacts occur internally or externally for each material Aspect.</p>	
G4-22	<p>Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.</p>	<p>No data has been restated in this report.</p>	
G4-23	<p>Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.</p>	<p>There is no significant change from previous reporting in the scope and Aspect Boundaries of this report.</p>	
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	<p>Provide a list of stakeholder groups engaged by the organization.</p>	<p>Stakeholder engagement /53</p>	
G4-25	<p>Report the basis for identification and selection of stakeholders with whom to engage.</p>	<p>The basis for selection of stakeholders is management judgement based on interaction and feedback from all stakeholder groups during the year.</p>	
G4-26	<p>Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p>	<p>Stakeholder engagement /53</p>	
G4-27	<p>Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.</p>	<p>The key topics that stakeholders raised are reflected in the material issues we have chosen to report this year. See the section on Stakeholder engagement. /53</p>	
<b>REPORT PROFILE</b>			
G4-28	<p>Reporting period (such as fiscal or calendar year) for information provided.</p>	<p>Calendar year 2012 for all quantitative data. Stories from early 2013 where relevant</p>	
G4-29	<p>Date of most recent previous report (if any).</p>	<p>2012</p>	
G4-30	<p>Reporting cycle (such as annual, biennial).</p>	<p>Annual</p>	
G4-31	<p>Provide the contact point for questions regarding the report or its contents.</p>	<p>We welcome feedback on this report and on our CSR and sustainability performance. Please write to us at <b>CR-Romania@gsk.com</b> or call Marilena Hluscu, CSR &amp; Patient Advocacy Executive, on +40 21 302 82 08. Alternatively, you may use the feedback form on our website <a href="http://www.gsk.com/pages/contact">www.gsk.com/pages/contact</a>.</p>	
G4-32	<p>a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below. c. Report the reference to the External Assurance Report, if the report has been externally assured.</p>	<p>This report has been written in accordance with G4 CORE option. The GRI content index is on these pages. Our community investment activities in our Pharma and Consumer Healthcare companies have been externally assured by the London Benchmarking Group in Romania. / 122</p>	

GRI Content Index continued

G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	<p>We do not seek external assurance for our report. Our report is prepared with the help of an independent external consultant, Elaine Cohen from Beyond Business Ltd (<a href="http://www.b-yond.biz">www.b-yond.biz</a>) who interviewed over 30 managers, reviewed and clarified our data, visited our operations and facilitated our stakeholder engagement panel. Together with our internal controls, this gives us confidence that our reporting is accurate and robust.</p>
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**GOVERNANCE**

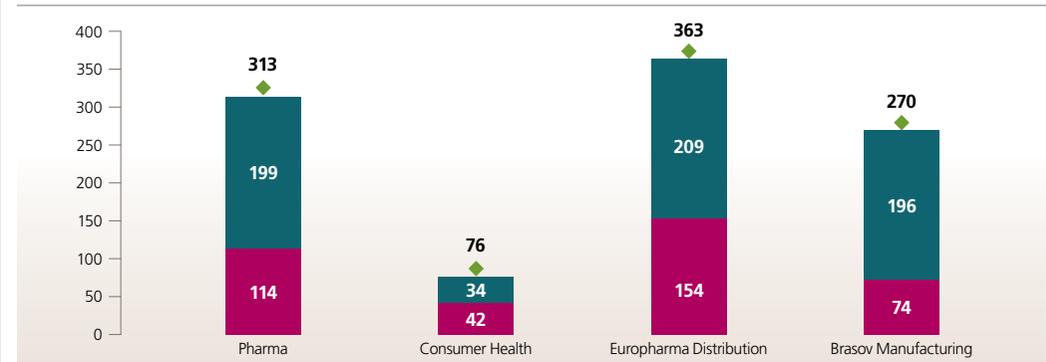
G4-34	<p>Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.</p>	<p>Governance /51</p>
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**ETHICS AND INTEGRITY**

G4-56	<p>Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.</p>	<p>Our approach: How we create value /5 Our behaviour: Ethical Standards and Principles /27</p>
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**G4-10**

Full Time Permanent Employees by Gender at the end 2012



GSK Romania permanent employees by gender	Female Employees			Male Employees			Total		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
<b>Pharma</b>	203	201	199	113	118	114	316	319	313
<b>Consumer Healthcare</b>	32	30	34	38	37	42	70	67	76
<b>Europharm Distribution</b>	220	209	209	175	154	154	395	363	363
<b>Brasov Manufacturing</b>	201	196	196	64	74	74	265	270	270
<b>Total</b>	<b>656</b>	<b>636</b>	<b>638</b>	<b>390</b>	<b>383</b>	<b>384</b>	<b>1,046</b>	<b>1,019</b>	<b>1,022</b>
<b>% Female Employees</b>							<b>63</b>	<b>62</b>	<b>62</b>

**Notes to G4-10 Data compilation:** Employees in GSK Romania are almost exclusively hired on permanent full-time contracts. We employ occasional third-party employees to manage peaks, but this is rare and we do not record year-end data on the numbers of such employees in our operations. There are no significant seasonal variations in our workforce numbers.

## GRI Content Index continued

## G4-20 and G4-21

G4 Category	GSK Romania Material Issue	G4 Material Aspect	Material within the organisation	Material external to the organisation	Relevant outside the organization
Social	CEO statement	Local Communities		✓	This Aspects impacts all Romanians, aiming to provide improved healthcare for all.
Social	Bringing innovative products to patients in Romania	Local Communities		✓	
Economic	Enhance access to healthcare in Romania	Indirect Economic Impacts		✓	This Aspect impacts all Romanians, aiming to provide healthcare and empower local communities through support and knowledge.
Social	Work collaboratively to improve healthcare infrastructure and access to medicines in Romania	Local Communities		✓	This Aspect impacts all Romanians, aiming to provide improved healthcare and empower local communities through support and knowledge.
Product responsibility	Ensure best product quality through the supply chain	Customer Health and Safety		✓	This Aspect impacts all Romanians, aiming to provide improved healthcare for all, as well as our supply chain partners including hospitals and pharmacists, to ensure they have stocks available to supply to patients when required.
Product responsibility	Ensure product safety and clear labelling	Product and Service Labelling		✓	This Aspect impacts patients, so that they can understand treatments and make informed choices.
Social	Be transparent about public policy positions	Public Policy		✓	This Aspect impacts regulators, so that they know where GSK stands on important policy issues and can use this information in decision-making on health matters.
Social	Ensure compliance with all laws and regulations	Compliance		✓	This Aspect impacts regulators, who are charged with ensuring compliance, and also, all Romanians, who could be adversely affected by any non-compliance.
Social	Maintain the highest ethical standards of behaviour and marketing.	Marketing Communications		✓	This Aspect impacts all Romanians, so that vulnerable groups are not exploited unfairly.
Social	Supports patients and awareness of patients rights.	Responsibility		✓	This Aspects impacts patients, specially those with diseases for which GSK provides treatment, so that they can realise all their rights to treatment and other quality-of-life elements.
Labor practice	Develop and empower employees	Training and Education	✓		
Labor practice	Provides a workplace that offers diversity and equal opportunity	Diversity and Equal Opportunity	✓		
Labor practice	Ensure a safe working environment for employees	Occupation health and Safety	✓		
Environment	Minimise energy consumption and greenhouse gas emissions in our supply chain	Energy, Emissions	✓	✓	All these environmental aspects are important for the people or Romania at national level, as consumption of resources and resulting carbon emissions are a key element in addressing climate change, and help to create a more sustainable planet for all. In addition, these Aspects are also relevant internally as resources conservation helps us become more efficient and improve out long term business success, enabling us to server more patients.
Environment	Minimise product and packaging waste	Effluents and Waste	✓	✓	
Environment	Comply with environmental legislation	Compliance	✓	✓	
Environment	Reduce environmental impacts of product transportation and logistics	Transport	✓	✓	

GRI Content Index continued

G4-20 and G4-21

Material Topic	Material Aspects as listed in G4-19	DMA and Indicators	Page / Link	Omissions	External Assurance
Bring innovative products to patients in Romania	Local Communities	G4-EC8	DMA: Page: 22 100% of our four company operations in Romania have implemented community engagement programmes. Specific impacts are reported in the Health for All section of this report.		Our community investment activities and impacts are calculated by the London Business Group
Enhance access to healthcare in Romania					
Work collaboratively to improve healthcare infrastructure and access to medicines in Romania					
Invest in local communities in Romania	Indirect Economic Impacts	G4-EC8	DMA: Page: 22 Our most significant indirect economic impact is the advancement of a robust healthcare infrastructure in Romania, which supports long term GDP growth. This is reported in the Health for all section in this report and the section on the Healthcare Landscape in Romania.		
Ensure best product quality through the supply chain	Customer Health and Safety	G4-PR2	DMA: Page: 32 We have not been subject to any incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period.		
Ensure product safety and clear labelling	Product and Service Labelling	G4-PR4	DMA: Page: 26 We have not been subject to any incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling.		
Be transparent about public policy positions	Public Policy	G4-SO6	DMA: Page: 35 We made no political donations whatsoever.		

Ensure compliance with all laws and regulations	Compliance	G4-S08	DMA: Page: 52 We paid no significant fines and were not subject to any significant non-monetary sanctions.		
Maintain the highest ethical standards of behaviour and marketing	Marketing Communications	G4-PR7	DMA: Page: 52 We have not been subject to any incidents of non-compliance with regulations and voluntary codes concerning marketing communications.		
Support patients and awareness of patient rights	Local Communities	G4-SO1	DMA: Page: 33 Our Pharma Company advances patient rights through advocacy activities. This is reported in the section of this report on Our behaviour, patient advocacy. Pharma represents one of our four operations in Romania, i.e. 25%.		
Develop and empower employees	Training and Education	G4-LA11	DMA: Page: 39 See following pages.	Gender of employees receiving a performance review is not available at this time.	
Provide a workplace that offers diversity and equal opportunity	Diversity and Equal Opportunity	G4-LA12	DMA: Page: 42 See following pages.	Age split of management is not available at this time.	
Ensure a safe working environment for employees	Occupational Health and Safety	G4-LA6	DMA: Page: 43 See following pages.		
Minimise energy consumption and greenhouse gas emissions in our supply chain	Energy, Emissions	G4-EN3 G4-EN15 G4-EN16	DMA: Page: 50 Measuring environmental impacts: energy, emissions, water, waste.		
Minimise product and packaging waste	Effluents and Waste	G4-EN23	DMA: Page: 50 Measuring environmental impacts: energy, emissions, water, waste.		

## GRI Content Index continued

Comply with environmental legislation	Compliance	G4-EN29	DMA: Page: 52 We paid no significant fines and were not subject to any significant non-monetary sanctions relating to our environmental performance.		
Reduce environmental impacts of product transportation and logistics	Transport	G4-EN30	DMA: Page: 49 Our Planet: Reducing the environmental impacts of transportation and logistics.		

## G4-LA11

The percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

1,019 employees received a formal performance and career development review in 2012. This represents 99.7% of our total workforce. We do not record the gender of employees receiving a performance review in 2012 as each year, 100% of employees participate – exceptions are very small numbers of individuals who may have been on long term leave for different reasons.

## G4-LA12

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

Managers 2012	Pharma	Consumer Healthcare	Europarm Distribution	Braşov Site	Total
<b>Female</b>	36	5	34	15	90
<b>Male</b>	25	10	17	5	57
<b>Total</b>	<b>61</b>	<b>15</b>	<b>51</b>	<b>20</b>	<b>147</b>

Employes 2012 - by number	Pharma	Consumer Healthcare	Europarm Distribution	Braşov Site	Total
<b>Female under 30</b>	41	12	32	28	113
<b>Female 30-50</b>	158	22	166	137	483
<b>Female over 50</b>	0	0	11	31	42
<b>Male under 30</b>	20	10	33	16	79
<b>Male 30-50</b>	92	32	113	49	286
<b>Male over 50</b>	2	0	8	9	19
<b>Total</b>	<b>313</b>	<b>76</b>	<b>363</b>	<b>270</b>	<b>1,022</b>

Employes 2012 - by percentage of total employees	Pharma	Consumer Healthcare	Europarm Distribution	Braşov Site	Total
<b>Female under 30</b>	4	1	3	3	11
<b>Female 30-50</b>	15	2	16	13	47
<b>Female over 50</b>	0	0	1	3	4
<b>Male under 30</b>	2	1	3	2	8
<b>Male 30-50</b>	9	3	11	5	28
<b>Male over 50</b>	0	0	1	1	2
<b>Total</b>	<b>31</b>	<b>7</b>	<b>36</b>	<b>26</b>	<b>100</b>

## GRI Content Index continued

**Notes to calculations:** Employees are categorised into management and non-management categories. The breakdown of our management governance bodies by gender is not available at this time. We will report this detail in our next report. We do not record minority group membership or other indicators of diversity, due to legal restrictions relating to solicitation of this data in Romania.

### G4-LA6

**Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.**

In 2012, we recorded one work injury with 20 lost workdays in our Europharm Distribution operation, when a male warehouse employee caught his arm in a closing door. This represents an accident rate of 0.098 per 100 full time employees per year, and a lost day rate of 1.96. We recorded zero incidents of occupational disease and zero fatalities.

Absenteeism levels are low at a total 350 days approximately, which is a rate of 0.14.