

GSK Romania

Corporate Responsibility Report 2013

*"We have a specific local objective
of contributing to raising the life
expectancy of Romanians"*

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

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Corporate Responsibility Report 2013

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Our approach

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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Our approach

About GSK Romania

1989: Glaxo Company opened an office in Bucharest with a single employee. Not long after, Europharm Holding, 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 GMP pharmaceutical manufacturing plant.

2004: Europharm became a registered distribution company headquartered in Braşov.

The four companies are part of GSK Romania group, ultimately wholly owned subsidiaries of GSK plc., one of the 10 largest pharmaceutical companies in the world, with a turnover of £26.5 billion in 2013, a global commercial presence in 150 markets, 86 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 trials and sales of GSK pharmaceutical products and vaccines in Romania.

GSK Consumer Healthcare

We lead the strategy, communication, medical affairs and sales of GSK Consumer Healthcare brands in Romania and Adriatics.

Europharm Distribution

We employ 361 direct employees in our Europharm Distribution operation, working from our main logistics centre in Chitila and 8 warehouses with 85 delivery vehicles, supplying the Romanian market.

Braşov Manufacturing Plant

We employ 236 people in our GMP plant, manufacturing 16 brands and hundreds of SKUs for GSK and other pharma companies on a contract manufacturing basis.

Meet the General Managers of our four entities in Romania:



Barbara Cygler

Barbara has worked in the pharma sector for 15 years, and was appointed General Manager of GSK Pharma in Romania in April 2014, after 2 years in Romania managing the pharma secondary care division.



Helen Tomlinson

Helen was appointed General Manager of Consumer Healthcare Romania and Adriatics in August 2013, after 7 years in commercial roles in GSK UK, and prior experience in the FMCG industry.



Viorel Vodiță

Viorel has been with Europharm Distribution in a range of management roles since 1993, and was promoted to General Manager Interim in May 2014.



Mariana Cismaru

Mariana has been a key figure in our manufacturing plant in Brasov since 1993. After many years as Production Manager, she was promoted to Site Director and General Manager in 2011.

Message from our General Manager



I continue to see great opportunities to advance our global mission to help people do more, feel better and live longer, with a specific local objective of contributing to raising the life expectancy of Romanians. Romania is a beautiful country with great potential, extensive resources and wonderful people. We remain committed to building collaborative and trusting partnerships with our public stakeholders, in a joint effort of strengthening the healthcare sector in Romania. An adequate financing of the system is crucial for a modern healthcare sector, able to provide high quality services to all citizens. GSK will continue to be proactively involved in a constructive dialogue with the authorities in order to help build the most efficient set of measures to address challenges the Romanian healthcare system is facing short and long term.

Our focus on meeting patient needs continues to guide us. Together with our peers in the pharmaceutical industry we are supporting a wide range of initiatives aimed at partnering with the authorities in the common effort to enhancing access to healthcare for the Romanian patients.

The environment in Romania is a challenging one, with a high degree of volatility. The issues we are trying to solve in the healthcare system are complex and it takes time to solve them. I believe that only through collaborative work between authorities, industry and the society at large, we can achieve significant improvements of the healthcare system.

As industry association and as GSK we invest time and energy in building the needed partnerships to address the key health policy topics which have a direct impact on the pharmaceutical sector, i.e. an improved pricing mechanism for drugs on prescription, a sustainable and predictable clawback tax and a better access for patients to innovative treatments.

In 2013, we consolidated our local successes and further pioneered best healthcare practice in the pharma sector. For example, we announced our implementation, from early 2014, of a new policy eliminating direct payments to healthcare professionals for speaker engagements and conference attendance in order to enforce the highest ethical standards possible. We reorganised our structure in Romania, creating more streamlined and agile teams, ready to deliver even better levels of service to our customers.

We completely transformed our distribution company, Europharm, creating a large distribution centre in Chitila (near Bucharest), closing of the central warehouse from Brasov and revising delivery routes for greater efficiency and improved service, backed up by the introduction of a new enterprise resource planning system.

We have continued to focus on supporting patients affected by HIV/AIDS and further invested in our respiratory treatment offerings. In addition, we have expanded our clinical trial activity as a trusted research leader with a vast network of local healthcare partners who not only advance our research but also gain benefit as they acquire cutting-edge medical knowledge in key therapeutic areas.

In some cases, the last year brought exceptional challenges. Oral solid dose overcapacity across the GSK manufacturing network led to the decision to exit our manufacturing site in Brasov. After 10 months of rigorous efforts, a viable solution for sale of the site was not found and, as a consequence, GSK will regrettably progress the closure of the Brasov site by the end of 2015. As always, we have people uppermost in our minds and are supporting Brasov employees through this transition.

Through all of this, we remain firmly committed to our goals of helping to increase life expectancy in Romania and making a positive contribution to healthcare and other social causes. We continue to work supportively with several patient

associations and in the last year, we contributed more than ever before to local communities, including engaging our employees in thousands of volunteering hours in communities around Romania. Not only this, we have reconfirmed our ongoing investment of €8-10 million by 2018 for research and development in Romania.

I am delighted to continue the transparent disclosure of our activities in Romania with this, our third Corporate Responsibility Report, again written in accordance with the leading global reporting framework, the Global Reporting Initiative (GRI) G4. I would like to thank our entire team in Romania for their contribution to advancing our mission and for helping to develop this report, as well as the external experts with whom we consulted, who generously gave their time to provide perspectives about our business impacts and what is most important to them. I hope you will find interest in this report and welcome your feedback.

Sincerely,

Barbara Cygler
General Manager, GSK Pharma

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:

Focusing on our patients

- Ensuring we understand patient needs and work to provide relevant solutions

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

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, lupus, bacterial and viral infections such as HIV, 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 infection or cervical cancer.

Consumer Healthcare

We offer Romanians a range of consumer healthcare products based on scientific innovation, in two large categories: Oral care (solutions for the whole family, dental sensitivity, dental acid erosion, gums health, denture care) with well-established brands such as: Aquafresh®, Sensodyne®, Sensodyne® Prosmalt™, Parodontax®, Corega®, Corsodyl® and Wellness (respiratory health, cold & flu, analgesics, vitamins and nutritional supplements, anti-smoking and skin care solutions) with known brands such as Coldrex®, ParaSinus®, Cetebe C Immunity Plus®, Panadol®, NiQuitin®.

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

We deliver value for our stakeholders:

- **Healthcare professionals and authorities:** We employ over 200 staff in GSK Pharmaceuticals and Consumer Healthcare who visit physicians, pharmacies, clinics and hospitals and work with local and national government, providing education about medicines and healthcare.

- **Customers:** Our customers are distributors, 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 approximately 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 to provide raw materials for manufacturing and we import finished products from GSK subsidiaries. We engage primarily local suppliers for operational goods and services.



“In terms of corporate responsibility, our internal guidelines are that we shouldn’t be looking for an immediate financial payout. We should invest to aid the well-being of local communities and be true to our mission. Aside from looking at the financial benefit of environmental efficiencies – saving energy and water – we don’t track other financial measurements. Corporate responsibility is so embedded in the way we do business that it is already an inseparable part of our base business performance and standing in society.”

Georgi Roussev
Finance Director, GSK Pharma

Our approach

Our healthprint in 2013

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
1,700
doses of GSK vaccines were delivered
to Romanians to protect their health.

We delivered life-saving
drugs to over
5,500
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
278
employees in 20 community
projects in 14 cities.

Our employees invested
4,200
hours volunteering
in local communities.

GSK invested
€783,636
in the community in
Romania.

We contributed funds to
13
Patient Associations.

We welcomed a new female
General Manager in our
pharma company in early 2014.

63%
of our workforce women and
61%
of our managers women.

We invested
1,536 hours
in employee professional
and leadership training.

We maintained our strong safety record
with just 5 minor work injuries in our
operations.

We increased our recycled waste as a percentage of total waste to

61%
(40% in 2012)

We reduced our water consumption by

9.6%

Our material issues

In 2013, we reviewed the issues of highest priority to GSK in Romania, both in terms of our business strategy and the feedback we received from our stakeholders.

Material issues: GSK Romania 2013

➔ Health for all

1. Access to healthcare
2. Healthcare infrastructure
3. Health and well-being of local communities

Enhance access to healthcare in Romania

Material Aspect: Indirect Economic Impacts
Disclosure G4-EC8

Support robust healthcare infrastructure in Romania

Material Aspect: Local Communities
Disclosure G4-S01

Contribute to improving health and well-being of local communities in Romania

Material Aspects: Indirect Economic Impacts
Disclosure G4-EC8

➔ Our behaviour

1. Compliance
2. Ethical behaviour
3. Patient rights
4. Public policy
5. Quality and safety of medicines

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-S01

Support patients and awareness of patient rights

Material Aspect: Local Communities
Disclosure: G4-S01

Be transparent about public policy positions

Material Aspect: Public Policy
Disclosure: G4-S06

Ensure best product quality through the supply chain

Material Aspect: Customer Health and Safety
Disclosure: G4-PR2

➔ Our people

1. Employee development
2. Safety at work
3. Equal opportunity

Develop and empower employees

Material Aspects: Training and Education
Disclosure: G4-LA11

Ensure a safe working environment for employees

Material Aspect: Occupational Health and Safety
Disclosure G4-LA6

Provide a workplace that offers diversity and equal opportunity

Material Aspect: Diversity and Equal Opportunity
Disclosure G4-LA12

➔ Our planet

1. Energy and emissions
2. Waste
3. Transportation

Minimise energy consumption and greenhouse gas emissions in our supply chain

Material Aspects: Energy, Emissions
Disclosure: G4-EN3, G4-EN15, G4-EN16

Minimise product and packaging waste

Material Aspect: Effluents and Waste
Disclosure: G4-EN23

Reduce environmental impacts of product transportation and logistics

Material Aspect: Transport
Disclosure: G4-EN30

Our material issues

continued

In addition to our ongoing engagement throughout the year, we consulted specifically with 9 external experts from different backgrounds, representing different stakeholder groups, about what they feel is most important to them and their expectations of GSK in Romania. As a result, we reduced the number of material issues to **14 issues** that represent our most material impacts. These issues are categorised in line with GSK's global four-pillar approach and also with material Aspects defined by the Global Reporting Initiative G4 framework. Our approach and activities relating to all these issues are discussed in different sections of this report.

"Defining our material issues has been an important step in helping us to confirm that the way we fulfil our mission of helping people do more, feel better and live longer is in line with Romanian stakeholder expectations. The input we have received this year from a range of local external experts has been illuminating and included insights that help us ensure our approach meets real needs in our local society."

Marilena Năstase

Patient Advocacy & CSR Executive,
GSK Pharma, Romania

Snapshot: healthcare in Romania

Romanians continue to have one of the lowest life expectancy in the European Union, with 77.3 years on average for women, the last position in EU, and 69.8 for men, second lowest after the Baltic countries, according to OECD Health at a Glance 2012 data.

Heart, circulatory and respiratory diseases and cancer are the main causes of death in Romania. The infant mortality rate in Romania (deaths of infants under one year old per 1,000 live births) is double the average European rate.

The healthcare system remains underfinanced at 4-5% of GDP in 2012, half the European average.

Seeking expert feedback

Consultation with our external expert stakeholders provided enlightening feedback which we used to revise our most important corporate responsibility material issues this year.

We consulted with nine leading voices in areas that are relevant to our business. This includes opinion leaders representing a university of medicine, a pharma trade association, a patient association, a Human Resources professional consulting firm, an environmental NGO, an industry peer, and media. Please read full summaries of their insights in the Appendix.

"I look at how companies are contributing to equitable growth. This means investing in the local economy, creating jobs, purchasing locally and attracting new technologies."

Dragoş Dehelean
Founder-Manager
ResponsabilitateSociala.ro

"A collaborative approach to public policy and patient advocacy should be a top priority for any pharmaceutical company in Romania."

Oana Igrişan
Head of Communications
The Romanian Association
of International Medicines
Manufacturers (ARPIM)

"Public funding is insufficient to address all these issues, so the support of industry is needed."

Teia Gavrilăscu
President
ViitorPlus

"Transparency is important and I believe that GSK Romania is doing well by demonstrating an open approach and willingness to engage in the debate."

Dr. Florentina Furtunescu
Associate Professor
University of Medicine and
Pharmacy "Carol Davila"

"Clinical trials are a way to create access to innovative drugs. We would like to be informed of upcoming trials and have the opportunity to suggest patients that could benefit."

Rozalina Lăpădatu
President of the Association
for Patients with
Autoimmune Diseases

"I believe full transparency is critical. Companies should publish lists of those who receive money for different campaigns and events."

Journalist

"Our hope in collaborating with companies such as GSK is that they will help us make the best use of available resources, and that they will contribute in a collaborative way to existing projects."

Cristina Damian
Executive Director
United Way Romania

"Companies should develop talent management processes. Investing in talent is equal to investing in society."

Andrei Ion
Managing Partner
SHL Romania

"I believe that companies have a duty to engage and contribute to the well-being of the local communities in which they operate."

Andreea Nicoleta Deliu
Head of Corporate
Communications and
Community Affairs
BCR Bank

Our commitments

Three years ago, we defined multi-year commitments through to the end of 2014. In 2014, we will define new commitments going forward. In the meantime, we note here the status of activities against our 2012-2014 commitments.

 Commitments 2012 - 2014

 Progress tracker 2013

	Commitments 2012 - 2014	Progress tracker 2013
Health for all	Continue to deliver innovative solutions in pharmaceuticals and OTC with increasing access to innovative products.	Progressing well  4.4 % of pharma /OTC sales in 2013 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.	Progressing well  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.	Progressing well  We completed our pilot programme for collection of used respiratory inhalers in Bucharest from the market in 2013.
	Continue to invest in GSK Orange Day each year and increase participation to over 90% of employees.	Progressing well  Our GSK Orange Day efforts in 2013 were positive and we increased employee volunteering to 75% in pharma and consumer divisions.
	Expand our measurement of community initiatives effectiveness by engaging all our community partners in the LBG methodology.	On track  We continue to work with LBG and significant community partners to improve collection of information.
	Improve our calculation of beneficiaries who are supported by our community programmes.	Progressing well  In 2013, we recorded 37,852 direct beneficiaries of our Pharma and Consumer Healthcare activities.
	Maintain and expand current community programmes and double the number of beneficiaries reached each year.	Progressing well  In 2013, we reached 3.7 times more beneficiaries than recorded in 2012 (10,000).
Our behaviour	Continue to work with professional associations to support healthcare changes which will advance access to drugs and vaccines in Romania.	Progressing well  We maintained our involvement in industry associations and accepted the Vice Presidency of ARPIM in 2013.
	Maintain two Patient Advocacy campaigns per year.	Progressing well  We advanced campaigns for HIV, Lupus, and rare diseases.

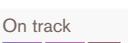
Our approach

Our commitments

continued

 Commitments 2012 - 2014

 Progress tracker 2013

Our people	Commitments 2012 - 2014	Progress tracker 2013	Description
	Expand wellness programmes for employees.	Progressing well 	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.	Progressing well 	We maintained an overall score of 89%.
	Review possibilities to increase workforce diversity to include people with disabilities.	Work to do 	We have not yet commenced activity in this area.
	Expand the Graduate Trainee Programme and monitor its effectiveness.	Progressing well 	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.	Progressing well 	We have included CR messaging in our recruitment programmes.
Our planet	Commitments 2012 - 2014	Progress tracker 2013	Description
	Deliver a total energy saving for all operations in Romania of 5% each year, using 2011 as a baseline.	Work to do 	Absolute energy consumption increased by 1% in 2013.
	Reduce fuel usage for travel in cars by Medical Reps by 5% per kilometre travelled.	Work to do 	We did not monitor this metric in 2013. 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).	On track 	We reduced fuel consumption per ton of product delivered by 1% in 2013.
	Eliminate unnecessary packaging or reduce packaging volumes.	No longer relevant 	We are not able to collate specific data on this metric and cancel our commitment in this area for the time being.
	Effectively measure waste levels in all our operations and create a new baseline in 2012. Reduce overall waste by 15% by end 2014.	Work to do 	Our new baseline for waste in 2012 is 199 tons. However, overall waste increased in 2013 and this is under review.
	Deliver an overall reduction in carbon emissions from GSK operations in Romania of 15% by end 2014 using 2011 as a baseline.	On track 	Absolute emissions remained stable in 2013, but plans are in place to reduce emissions through 2014.
	Measure water consumption in our office HQ and establish a target to reduce.	Progressing well 	We achieved an overall reduction in water consumption of 9.6% in all our operations in 2013.

Health for all

Health for all

Driven by our steadfast focus on the patient, we are bringing health benefits to more people in Romania through our open, flexible and collaborative approach to innovation and access to healthcare.

Global Reporting Initiative Performance Indicators in this section:

Bring innovative products to patients in Romania
Material Aspect: Local Communities
Disclosure G4-SO1

Enhance access to healthcare in Romania
Material Aspect: Local Communities
Disclosure G4-SO1

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-SO1

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Health for all

Innovation

Around the world, GSK remains a leader in healthcare innovation.

To bring new vaccines and medicines to patients faster, GSK is accelerating innovation processes and opening up research findings and resources to others. GSK also brings together partners to explore new delivery models and flexible pricing strategies to increase access to its existing range of products. GSK has been at the forefront of the transformation in our industry's approach to global healthcare over the past decade, and continues to play a leading role in improving treatment options and life-saving vaccines and medicines. Globally, in 2013, GSK invested more than €4 billion in research and development for innovative medicines, vaccines and consumer products and we accounted for

19% of new drug approvals by the U.S. Food and Drug Administration (FDA).

GSK's global leadership in innovation benefits patients in Romania, as far as possible, although the constraints of local drug registrations and delays in updating the Romanian reimbursement list limit access to new medicines in Romania.

Our team in Romania works hard to bring new and innovative drugs and vaccines from GSK's global portfolio to meet the needs of local patients, and works with the industry frameworks to enable greater affordable access to new and existing medicines.



Innovation and education to treat acne

In 2013, we launched a new gel acne treatment product in Romania, taking the opportunity to contribute to educating local dermatologists in ways to assist adolescents who suffer from acne. Acne is a disease which inflicts great emotional stress upon adolescents, influencing their ability to connect with others. In many cases, acne influences the mood, behaviour, relationships and performance of young people, causing anxiety, low self-esteem and self-inflicted isolation. We estimate that 80% of Romanian adolescents (between 14-18 years old) suffer from acne with different degrees of severity. Typical traditional treatment, using antibiotics, is now proving less effective as resistance to antibiotics for treatment of acne is growing.

New gel for acne

Our new antibacterial gel (clindamycin 1% / benzoyl peroxide 3%) is recommended for once-a-day application, providing first line rapid treatment of mild and moderate acne.

Our new antibacterial gel was launched with our "Conference of new beginnings", attended by more than 250 dermatologists. At the conference, dermatologists learnt about the latest findings on the emotional impact of acne among adolescents and different approaches to providing relief from this condition, as well as ways of facilitating physician-patient discussion to provide the best patient outcomes.

Access to healthcare

At the same time, we strive to ensure that doctors and patients are aware of the most advanced and most appropriate treatments available and understand better what serves patient needs best.

Affordability

Around the world, GSK's innovative business models and flexible pricing help people get the vaccines and medicines they need, while building our business by increasing the overall volume of products we sell. The Romanian market characteristics make it a place where access to medication for patients remains a challenging undertaking. With no significant updates of the reimbursement list since 2008, unfortunately Romania lags behind Europe in terms of access to innovation. We work tirelessly in collaboration with industry associations to support initiatives to update the reimbursement list to include new and innovative medicines. For life-saving medicines, we sustain access to healthcare by covering a large part of the treatment costs.

For life-saving medicines, we sustain access to healthcare by covering a large part of the treatment costs. For example, we provide oncology medicines at highly discounted prices in order to provide relief to patients in Romania. We cover a large part of the cost of each treatment for patients with metastatic breast cancer, lupus and idiopathic thrombocytopenic purpura. We acquire viremia tests and other specific investigations necessary

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.

for a correct assessment of the HIV patient, monitoring the evolution of the disease, as well as establishing a correct therapy model.

Availability

Around the world, GSK is harnessing the combined capabilities of our Consumer Healthcare and Pharmaceutical divisions, increasing engagement in the markets we serve, and expanding its portfolios and product registrations in developing countries.

In GSK Romania, we work to ensure our vaccines and medicines are available to the broadest population possible, in the quantities and at the time they are needed. Our Direct Delivery to Pharmacies initiative, for example, has resulted in significantly improved availability in pharmacies in Romania, improving service to many thousands of patients.

Direct Delivery to Pharmacies

Last year, in the context of a global initiative to increase the availability of our medicines to the pharmacies where our patients need them, we initiated a direct delivery service. Using Europharm Distribution as our distribution specialist, we initiated, in 2013, a pilot programme with a small number of selected medicines, reorganising our entire logistics operations in order to accommodate new delivery schedules, routes and processes to more than 600 participating pharmacies. This pilot succeeded in achieving much higher availability of medicines at pharmacies, and we maintained this new service model during 2013.

Results from a survey we commissioned in 2013 show that the number of pharmacies reporting out of stock in June 2013 was 38%, a major improvement from over 70% out of stock levels recorded in August 2012, before the programme started. The number of unfulfilled prescription requests for the same period reduced by 47%. Pharmacies which reported zero out-of-stock situations reduced to 23% in June 2013 from 50% in August 2012.

The National Competition Council, as part of a broader analysis of direct distribution models in Romania, is reviewing our Direct to Pharmacy model to assess if such a programme presents any concerns from Competition Law perspective. We are fully cooperative with the Council and open to discuss all aspects of the Direct to Pharmacy Model.

Awareness

We work hard in Romania to help healthcare professionals and patients improve their awareness and understanding of medicines and treatments that are available to meet their needs. Our objective is to ensure that physicians have the best information so that they can prescribe the most appropriate treatments. This often requires raising levels of awareness and supporting healthcare infrastructure systems with our expertise and resources.

Raising awareness for HIV/AIDS

We continue to support growing number of patients suffering from HIV/AIDS in

Romania. There are currently around 12,000 Romanians affected by this disease, and around 9,000 of these currently receive treatment. Budgetary constraints and inadequate monitoring procedures continue to prevent HIV/AIDS patients receiving the best and most effective treatment.

Although historically, more than half of the number of HIV/AIDS patients in Romania was young people who were infected as children in the late 1980s through poor quality healthcare systems, today, we are seeing a new emerging class of HIV/AIDS patient – intravenous drug users. These patients face additional challenges as some of physicians sometimes view them as partially responsible for their own condition, unlike young people who were infected in hospitals through no fault of their own. This means that the new HIV/AIDS patient is less likely to gain access to treatment and that HIV/AIDS continues to affect more people, placing an increasing burden on the healthcare budget.

Research to support HIV patients

GSK has nearly 30 years of experience in research and development of antiretroviral therapy, and the AZT molecule developed by GSK was the very first product in the world registered for the treatment of HIV in 1987. We continue to advance research to support HIV patients through our dedicated joint venture company with Pfizer, ViV Healthcare.

Access to healthcare

continued

International Day for HIV/AIDS patients

In 2013, GSK Romania engaged once again in supporting the International Day for HIV/AIDS patients in Romania to raise awareness for the needs and rights of patients. At the same time, we collaborated with the National Union of Organisations of Persons Affected by HIV/AIDS in Romania (UNOPA) to launch an innovative pilot peer education programme for HIV/AIDS patients under the name of Project Support+. In this pilot project, six HIV/AIDS patients are trained to assist fellow patients, helping to identify the problems they face and issues they have in adhering to treatment as well as providing practical and emotional support. The six HIV patient advocates were set to work in three regional HIV/AIDS centres for a trial period of six months, following a model that has worked successfully in other European countries.

Collaboration with UNOPA

GSK Romania collaborates with UNOPA to support people affected by the HIV virus across many platforms including two websites intended to support HIV patients in their daily challenge of living with HIV. For more info, see: www.iamademana.ro and www.viatacuhiv.ro.

Funding for HIV testing

At GSK Romania, we believe that it is important for doctors to be aware of the risks and take a proactive approach in preventing the spread of HIV by helping infected patients. However, the lack of continuity in medicine supply due to budget constraints and issues of poor monitoring

remain. Due to budget pressures, hospitals give preference to purchasing medicines, rather than essential tests for patients to evaluate progress and determine ongoing medication. Appropriate testing is critical to ensure effective treatment and GSK Romania has consistently donated funding to support HIV testing. In 2013, we provided around €100,000 for HIV tests for around 400 patients.

HIV patient education

We continue to support the education of patients to help them live with HIV. In 2013, we prepared booklets for HIV patients containing lifestyle and dietary recommendations, explained in clear, simple language for all to understand. We printed more than 2,000 brochures in 2013 for doctors to provide to their HIV patients, and we are constantly asked to provide more.

A new HIV test database

One of the most significant opportunities to improve the welfare of HIV patients is in the area of monitoring. The current system requires doctors to send patient tests to nine HIV testing centres which route the tests to a central laboratory in Bucharest. We became aware of opportunities to improve the way tests are monitored throughout the process to deliver improved accuracy of testing processes, the time taken to complete tests and the provision of timely information back to physicians.

GSK Romania decided to help address these challenges, and, in collaboration with the central HIV testing laboratory, we initiated a

pilot online communication programme for HIV testing in the Constanta area where there is a high concentration of HIV patients. The programme invited around 30 local doctors to input patient data at the time they submitted HIV tests to the laboratories. The HIV test was then progressed, accompanied by electronic records, enabling the doctor to receive a real-time view of progress and receive the results online as soon as the test was completed. If the test went astray, the doctor raised an immediate alert in the online system.

We financed the development of this online HIV test communication programme and provided training and support for doctors using the programme.

So far, doctors in Constanta are extolling the benefits and we hope to support expansion of this system nationally in the coming years. Through this new system, we are able to contribute to better communication throughout the healthcare system for HIV patients, and therefore better tools for physicians to provide timely and appropriate treatment.

Raising awareness for respiratory treatment

Treating asthma and COPD patients in Romania presents many challenges. There is an acute lack of awareness of the severity and potential complications of both diseases on the part of patients and physicians. Often patients do not adhere to treatment in a consistent way, tending to drop treatment when they are feeling better and revert to treatment only when symptoms flare up once again. We believe we can help

physicians as they work with patients for improved understanding, diagnosis, treatment and monitoring.

Access to treatment for asthma and COPD patients is hindered by lack of affordability, as even the few drugs that are on the reimbursement list require an outlay by patients who often cannot afford the most minimal expense, even after considerable subsidies which GSK Romania offers for certain treatments. Lack of access to adequate equipment for testing patients often leads to poor diagnosis and untreated conditions. With almost 2 million patients in Romania, and probably more that have not been diagnosed, the healthcare cost burden of inadequacies in treating respiratory diseases is significant. As always, we seek ways of contributing to improving awareness, prevention and early detection to help patients and to improve the efficiency of healthcare. In 2013, therefore, we partnered to improve awareness, attitudes and adequate responses to respiratory diseases.

Launching patient journals

Working in collaboration with the Romanian Society of Pneumology (SRP) and the Romanian Society of Allergology and Clinical Immunology (SRAIC), we launched a tool to assist physicians and asthma patients: The Asthma Patient Journal.

The Asthma Patient Journal contains practical information about the disease, allergies, and prevalence, presented in simple language in a way that patients can easily understand. In addition to information, the journal contains

Health for all

Access to healthcare

continued

tools to help patients monitor their own condition and communicate with their physicians. The contents of the Journal were finalised and approved by experts at the Romanian Society of Pneumology. The Journal is designed to be accessible both to parents and to their children, with a special section offering greater appeal and accessibility for the under 20s. Also, the format of the Journal is expandable, so that we can add pages as we continue to develop new materials relevant to understanding asthma and patient needs.

The Asthma Patient Journal was launched at a press conference in mid-2013 and in the first phase, 5,000 journals were printed, of which 1,000 were specifically modified to appeal to younger asthma patients. The Journal was well received and feedback was positive. Physicians requested more copies to distribute to their patients and a further quantity of 13,000 Journals were printed and supplied to them.

Following the success of the Asthma Patient Journal, in early 2014, we supported the launch of a similarly informative booklet covering COPD and we have distributed 2,500 copies.

Our asthma and COPD journals are supported with a dedicated website [www.jurnalulpacientului.ro] including mobile formats for access using smartphones and tablets. In its first month, the website was visited by more than 2,000 unique users. These online tools assist patients in maintaining electronic records of treatment and personal progress, including treatment



Health for all

Access to healthcare

continued

Asthma in Romania	COPD in Romania (Chronic Obstructive Pulmonary Disease)
<ul style="list-style-type: none"> ▪ Approx. 800,000 patients. ▪ Onset in childhood. ▪ Low treatment compliance due to a low level of consciousness of the severity of the disease. ▪ 75% of asthma cases are diagnosed. 	<ul style="list-style-type: none"> ▪ Approx. 1 million patients. ▪ Onset usually after age 40. ▪ Smoking is the main risk factor. ▪ Most often diagnosed in late stages of the disease, due to patients ignoring or underestimating severity of symptoms. Only 50% of cases of COPD are diagnosed. ▪ Low rate of adherence to therapy. ▪ Frequent contributor to cause of death.
<p>Only one third of patients are treated</p>	

reminders directly to email. In addition, we launched a Facebook page to provide a networking platform for patients to interact with each other and share experiences.

Making connections to enhance awareness

One of the advantages we bring as a healthcare company with a broad portfolio is the opportunity to reach more patients and consumers by making connections between our products in innovative ways. In Romania, we have been establishing a new focus of activity at the interface between pharmaceutical products and consumer healthcare products, to increase awareness of patients of the different ways they can benefit, as well as ensuring we make best use of all internal resources and expertise.

In 2012, we started this programme to unify and harness strengths and expertise from

Pharma and Consumer Healthcare teams and identified more than 50 potential opportunities to make connections between different pharma and consumer products. During the past 12 months, we have advanced patient and consumer education for varicella vaccines, using our mass market consumer healthcare channels, and we have promoted our full prescription-based dermatology portfolio in targeted pharmacies alongside our consumer healthcare product range. In total, we advanced 8 pharma-consumer healthcare collaborative efforts, using the full range of expertise and skill of our 140 representatives in more than 123,000 market calls to pharmacies and other consumer outlets.

The GSK dermatology portfolio is a good example of collaboration which can increase



Health for all

Access to healthcare

continued

“We tried to find a way to contribute to supporting doctors in their goal to improve their communication with their patients. Together with the Romanian Pneumology Association, we found that patients needed more general information in simpler and more straightforward language. A need for greater monitoring was also identified, to help patients take monitoring more seriously. Providing a booklet which contains all relevant information for patients and helps them take a more active role in managing their own progress has been a valuable contribution to helping asthma and COPD patients in Romania feel better, do more and live longer.”

Andrei Toma
Respiratory Customer Activation Manager,
GSK Pharma

awareness and accessibility for products in national chain pharmacies as well as local independent pharmacies. We have promoted our prescription dermatology products on pharmacy shelves with non-prescription skin care solutions. This has increased awareness of options for patients and assisted pharmacists in managing product categories more effectively.

The Pharma-Consumer Healthcare collaboration has created exciting new opportunities for pharmacists and patients, increased our presence in the market, helped build a stronger, more successful business in Romania and expanded our product reach for patients and consumers helping them to do more, feel better and live longer.

Raising awareness for prevention
Around the world, GSK works with partners to research new vaccines and treatments for a range of diseases and aims to make existing vaccines available and affordable. More than 2,600 people work globally in the area of vaccine research and development. We have 30 vaccine markets around the world and more than 15 new vaccines in development.

In Romania, we can support vaccination schedules for all identified diseases and continue to invest efforts in raising awareness of the importance of prevention through immunisation.



Improve Awareness

In order to improve awareness and education, we developed a guide in 2013 for mothers, explaining the issues related to different diseases that can affect children, specifically using local health profiles and health statistics in Romania. Following our engagement with physicians and feedback from mothers, we adapted the guide and republished it in 2014.

Our aim is to ensure that parents have all the answers they need in order to be able to make informed decisions about their children's vaccinations.

In the past two years, we have distributed more than 73,000 vaccination guides to doctors and parents.

Health for all

Healthcare infrastructure

GSK works globally with partners to explore new healthcare delivery models and supports initiatives to strengthen healthcare infrastructure in many countries.

In Romania, we support strengthening in the healthcare system in many different ways, to provide better health for all. One such initiative is a critical intervention which we supported in the context of our leadership of the Healthcare Taskforce of the Foreign Investors' Council (FIC), one of the most reputable business associations in Romania, to help encourage Romanian doctors to stay in Romania.

My profession - doctor in Romania

 **Best European Campaign**

In 2013, we were delighted when the "My Profession: doctor in Romania" campaign was named the "Best European Campaign Initiated by an Association" at the European Excellence Awards 2014, the leading Awards in PR and communications across Europe. The award recognises the most exceptional examples of communication in Europe and the efficient and effective reach of campaign messages.

Launched in 2013, our "My profession: doctor in Romania" campaign aimed to build widespread recognition for the role of doctors in Romania and practical support through new legislation, encouraging doctors to stay in the country for the benefit of Romanian patients. The migration of doctors in recent years has reached alarming proportions. Latest statistics (Eurostat 2011) show that Romania has 2.4 doctors per 1,000 citizens, one of the lowest rates in Europe and well below the average of 3.6 doctors. Romania has lost one third of its doctors since 2011 – from 21,400 doctors to 14,400. This is unsustainable for the Romanian healthcare system and a severe loss for Romanian patients.

Doctors leave Romania in search of more favourable working conditions, higher wages and greater respect for their profession. Our campaign with FIC supports the objective of the Romanian Ministry of Health to increase the number of doctors from 2.4 to 2.6 per 1000 inhabitants in Romania through the widest outreach possible.

The "My profession: doctor in Romania" campaign created positive examples of doctors that decide to stay or return to Romania. In 2013, the campaign spread quickly through the media via TV, print, social media and other online communications and conferences, reaching more than 25 million members of the public. The campaign gave people the opportunity to show their appreciation for doctors through the campaign website or Facebook page application, recommending doctors for "medals of honour", recognising their contribution. Through the campaign, 600 doctors were awarded with medals, giving them a sense of pride in their profession in their country.

We will continue our campaign in collaboration with FIC and other organisations in order to continue to build on these initial successes and encourage more Romanian doctors to stay in Romania.

Dental students helping consumers
We continue with our in-store educational strategy that we started 3 years ago with the positioning of dental students in modern trade retailers, such as Auchan, to help consumers make the best choices.



My Profession: doctor in Romania – campaign reach in 2013

- 21 million people via TV reports.
- 2 million people via online press and social media.
- 1 million people via print media.
- 11,000 doctors and medical staff received brochures about the campaign.
- 22,000 medical staff reached through direct contact or partnerships.
- 60,000 page views on www.deprofiesiemedic.ro
- 1,100 hours spent by users on www.deprofiesiemedic.ro
- 21 bloggers wrote articles and engaged in discussion with readers.
- 6,566 Facebook fans.
- 4,600 Facebook app users.
- 600 medals were awarded to doctors.
- 260 medals were awarded to doctors recommended by people on Facebook.

Health for all

Healthcare infrastructure

continued



“GSK is the only consumer healthcare company employing dental students for this purpose. Not only does this provide a way to help consumers understand the complexity of products on the market and make the best choices to meet their needs, we see this as an investment in developing great dentists who listen to their patients and truly engage with them.”

Andi Dumitrescu
Mass Market Business Unit Manager,
GSK Consumer Healthcare

Students at main dental colleges, our dentists of the future, interact with consumers to understand their needs and respond to their questions. In 2013, we expanded this programme and employed 50 students every month, doubling that number in promotional months throughout the year. Throughout our Smiling Romania campaign, for example, we engaged 120 students to help consumers in stores.

The dental students are provided with training and are rewarded for their time and efforts, unrelated to our sales or promotion of GSK products. We guide students to recommend products using their own knowledge and judgement, irrespective of the product manufacturer. Both dental students and their college professors confirm that this is a highly valuable experience for students and contributes to improving the quality of their training.

“This experience improved my ability to interact with different types of people as well as to work in teams toward a common goal. The “Smiling Romania” campaign helped us better communicate with people in-store because it was not only about promoting products, but about offering important information for maintaining oral health as well.”

Andra Chițu
dental student



Health for all

Health and well-being in our local communities

We 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 2013, we donated €783,636 for local communities in Romania, to help them do more, feel better and live longer. In addition, our employees donated €33,526 to support causes important to them and also volunteered more than 4,200 hours of activity in the community.

In Romania, we maintain long-term relationships with non-profit organisations and associations to support their work over time, building collaborative and trusting relationships and identifying opportunities to share resources and expertise for the benefit of local communities in need. Our main long-term partners in Romania are:

- Save the Children Romania
- OvidiuRo
- HOSPICE Casa Sperantei
- United Way Romania
- Platform for Better Oral Health in Europe (Smiling Romania)

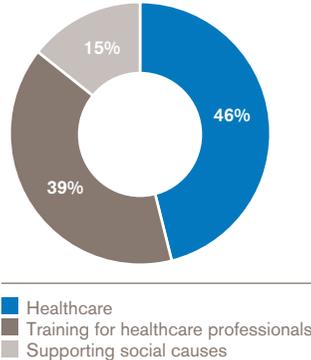
We support projects in healthcare and education in underprivileged communities. In addition, annually, we participate in GSK's global Orange Day initiative and engage our employees in local community activities all around Romania.

We partner with Save the Children Romania to address one of the most critical health issues in the country: the Romanian infant mortality rate, which is the highest among

EU countries and double the European average. Our programme is part of an international project which aims to save the lives of 500,000 children annually by 2015. Together with the Save the Children Romania, we run health education campaigns among pregnant women and mothers with children up to 5 years old. At the same time, we help train medical staff to provide support. To date, more than 4,000 people have received assistance including children and new and future mothers.

In 2013, GSK launched 'Orange United' at a global level to engage all employees across GSK to help achieve the global goal of helping to save one million lives with Save the Children. In the first year, GSK employees raised £700,000 through inventive and creative fundraising activities. Global fundraising efforts were matched by the company. Our efforts in Romania contributed to GSK's global achievement.

Community investment by type in 2013



Continuing to smile in Romania
In 2013/2014, we continued to make breakthroughs in raising awareness for oral healthcare with our Smiling Romania campaign, now in its third year. Developed as part of our commitment to the Platform for Better Oral Health in Europe, we have reached more than 250,000 children since 2012, helping them understand the importance of brushing teeth and adopting new oral hygiene habits. Since 2012, we have donated more than 35,000 toothbrush kits, visited multiple cities in Romania with our New-For-Old Toothbrush Caravan, launched school contests, supported hundreds of free dental

Oral healthcare practices in Romania

- 80% of Romanians suffer from oral health problems.
- 71% of Romanians have cavities.
- On average, Romanians change their tooth brush once every 1.5 years (instead of the recommended every 3 months).
- Only half of Romanians visit the dentist, and only 29% had a dental check-up in the last year.
- 9% of Romanians have never visited the dentist.



Health for all

Health and well-being in our local communities

continued

consultations, engaged with tens of thousands of kids in social media campaigns, executed a flash-mob Aquafresh dance in Bucharest central train station and even awarded a trip to Disneyland for the best tooth brushing video.

Our third annual campaign, in early 2014 (timed to coincide with the revised date of World Oral Health Day on 20th March) included new and creative elements to attract and engage even more children than ever before. We launched the campaign in March 2014 with a media event attended by 45 journalists and the most popular TV and radio news stations in order to ensure the broadest possible reach all around the country.

Online app for better brushing

Our 2014 campaign included a fun new application for download to smartphones and mobile devices, in both android and IOS formats. The app, "Brushing with Nurdle" helps children brush their teeth to a catchy song and create a correct, daily oral hygiene routine. Our app became one of the top three free apps in the Health and Fitness category in iTunes by mid-2014, and reached number one in the same category in Google Play for Android. The app was downloaded more than 50,000 times and rated highly by almost 2,000 users.

Adapting our campaigns to reach adults and children wherever they are, using the media channels accessible to them, is an important part of expanding our reach and ensuring that our message on prevention in health gets through.



"In last 12 months we saw that there was improvement of toothbrush use and replacement in rural areas in Romania, going from once every 20 years to once every 10 years. This is a great improvement but there is still a long way to go to reach the European average of replacement every 3 months. Smiling Romania is both a fun and a very, very important campaign. Our aim is to help Romanians take care of their teeth and oral health, preventing dental and gum problems now and in the future. Children are most vulnerable and we aim to help them create good oral care habits early on. The generations growing up now can change the statistics of oral health in Romania for years to come."

Helen Tomlinson
General Manager, GSK Consumer Healthcare, Romania and Adriatics

National Brushing Championship

The campaign flagship event was our National Brushing Championship, promoted in schools, dental clinics, pharmacies and drug stores all over the country, reaching thousands of outlets. Children and schools were encouraged to upload videos of tooth brushing activities to Facebook and compete for the prize of a trip to Disneyland and funding for schools. The campaign engaged more than 200,000 kids and we received more than 700 videos (638 from individuals and 79 from schools). Our jury selected a youngster from Iasi to receive a Smiling Romania diploma and take the exciting trip to Disneyland. Ten schools received cash prizes of €500 each and a further 100 applicants received toothbrush kits and an Aquafresh calendar. The campaign was supported by a range of campaign materials including store displays, email blasts, posters, flyers and newsletters, and was widely reported in all forms of media. In



2014, Smiling Romania created a real brushing buzz in Romania, which delivered our message on correct oral hygiene habits.



Our winning Smiling Romania campaign

We were honoured to receive an award for our Smiling Romania campaign in 2013. In Romania, we were awarded the Golden Award for Excellence for a "Social Responsibility and Dialogue Campaign" in the 11th edition of the Romania PR Awards. We were also nominated for Best Campaign in the health category by the European Excellence Awards, 2013, the leading Award in PR and communications across Europe.

Health for all

Health and well-being in our local communities

continued

Sharing time with children

In 2013, our Europharm Distribution team found time, among the busy schedule of thousands of daily deliveries to pharmacies and hospitals all around the country, to undertake a six-month volunteering programme to engage with disadvantaged children in

“Thanks to Europharm Distribution volunteers, we offered attractive, high quality educational programmes for children from poor families. Their involvement in after-school activities created special, joyful moments, inspiring the children to go to school and learn well.”

Gabriela Alexandrescu
Executive President, Save the Children Romania



after-school activities. 140 Europharm employees volunteered in 20 sessions throughout the period, touching the lives of 410 children in 11 educational centres run by Save the Children Romania. Our volunteers provided homework assistance, visited museums with the children, took part in cooking workshops and even decorated Christmas trees and prepared greeting cards during the festive season.

HOSPICE Casa Sperantei

We have maintained a partnership with HOSPICE Casa Sperantei for over 12 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. We have been supporting HOSPICE Casa Sperantei in extending access to palliative care at a national level, given that, currently, only 5% of the Romanian patients diagnosed with terminal cancer benefit from such services. Donations made by GSK Romania have now reached over €1 million, raising the quality of life for patients during terminal stages of their diseases through pain relief treatment and psychological support for them and their families.

GSK Orange Day 2013

Annual GSK Orange Day was introduced globally by GSK in 2009 to enable GSK

employees throughout the world to volunteer to support social and environmental causes in local communities. Orange Day gives employees the chance to take one fully paid work-day to volunteer in a community project, organisation or cause which is aligned with GSK values and which captures their abilities, expertise and energy.

In Romania, we organise GSK Orange Day at a national level over a two week period every year. During this time, employees engage in a range of activities throughout Romania. In the 2013 Orange Day, 278 employees from Pharma and Consumer Healthcare volunteered in 20 projects in 14

cities, making a difference in the lives of more than 7,700 people from disadvantaged communities. We engaged 17 social and community organisations in our Orange Day efforts, including our regular partners such as Save the Children, United Way and HOSPICE Casa Sperantei as well as new, local partners.

For the second year, our approach to Orange Day was to ask for suggestions from our employees about their volunteering preferences and ensure a wide range of relevant events from which employees could select.

Again this year, Orange Day participants gave positive feedback and 93% felt they had made a valuable contribution to the community. Not only this, participants confirmed that the opportunity to volunteer in the community also delivered additional personal benefits.

Volunteering in Orange Day contributed to my sense of:	Agree
Self-confidence	83%
Well-being and happiness (outside of work)	93%
Empathy and attention to the needs of different people	97%
A broader understanding of social and community needs	97%

Health for all

Health and well-being in our local communities

continued



All around Romania on Orange Day 2013 – selected projects



- **Chitila:** Teams of GSK volunteers renovated the living units of 37 boys resident in “The Door” orphanage and organised a series of outdoor games and sport events to have fun with the young boys for a full day.
- **Tarsa:** GSK volunteers returned to “St. Archbishop Nicolae” orphanage where we also volunteered in 2012. We replaced the old fence and gate together with the children of the orphanage.
- **Targu Jiu:** Ten GSK volunteers renovated the outpatient waiting room of the Emergency County Hospital, helping to build a ramp access for persons with disabilities, replacing damaged windows and doors and painting the waiting room.
- **Constanta:** Volunteers engaged in an

event to share information about the ‘three H diseases’ (HIV, Hepatitis B, Hepatitis C) for patients, delivering lectures to 55 people about the diseases, symptoms, transmission routes and methods of diagnosis.

- **Timisoara:** 15 GSK volunteers helped renovate areas of the Parent and Children Society (SCOP) centre, cleaning up the courtyard and installing tables and benches. We also made a presentation about oral hygiene and handed out toothpaste and toothbrushes to children attending the centre.
- **Targu Mures:** A group of GSK volunteers organised and accompanied 12 children from a local children’s home on a day trip visiting salt mines and a resort with attractions and outdoor events.

- **Bucharest:** We coordinated a full day visit to the Botanical Gardens for a group of children supported by the Joyo Foundation, which provides support for children and families in need.
- **Giurgiu:** A group of 18 volunteers helped to build a children’s playground in Adunatii Copaceni for Hospice Casa Sperantei summer camp, which hosts children with incurable diseases and involves them in entertaining activities.
- **Bucharest:** GSK volunteers designed and constructed playrooms in the Lady Balasa Center for Children with Disabilities, where over 100 deaf and mute children are accommodated. We assembled tables and seats, provided toys, a kitchenette area, a medical kit and an indoor basketball hoop, games, puzzles and other toys.
- **Baia Mare:** 6 GSK volunteers held an event with the Hope and Home for Children Foundation of Romania, getting involved in landscaping and renovations for group homes supported by the foundation, painting walls, refreshing gardens, repairing fences and other parts of the houses and yards as needed.

Our behaviour

Our behaviour

For GSK, how we do things is just as important as what we do. Our values-based culture is designed to ensure we put patients and customers first.



- Global Reporting Initiative Performance Indicators in this section:
- 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-SO6
 - Ensure compliance with all laws and regulations
Material Aspect: Compliance
Disclosure G4-SO8
 - Maintain the highest ethical standards of behaviour and marketing
Material Aspect: Marketing Communications
Disclosure G4-PR7

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Our behaviour

Our values and principles

There is no greater priority for GSK than the ethical conduct of our people. No matter where we operate in the world, in our interactions with patients, prescribers, payers and governments, we must always live our values.

Our four core values – transparency, respect for people, integrity, and patient focus – guide us in everything we do. Our people, our partners and our suppliers are expected to adhere to the strict codes of ethical conduct that support these values.

Ethical behaviour is a critical determinant for 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 healthcare 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 patients in knowing their rights. Similarly, we believe in transparency and clarity in relation to our products and that patients have a right to be informed about the medicines they consume.

We comply with all product labelling and information regulations.



Our behaviour

Transparent research practices

In 2013, GSK became the first company to launch a global online system enabling external researchers to request access to detailed anonymised patient-level data from clinical trial results.

In Romania, we remain committed to supporting the development of innovative pharmaceuticals through our ongoing

investment in clinical trials as part of our global research programme.

In 2013, we advanced 23 clinical trials, involving more than 800 patients in more than 90 different centres with more than 600 supporting qualified investigator physicians. The trials covered therapeutic areas including epidemiology, cardiology, urology,

infectious diseases, oncology, rheumatology and respiratory. 2013 was one of our most productive years for clinical research, and we maintained our place as one of the top three countries in GSK Europe for performing clinical research. Our commitment is to invest €8 - €10 million by 2018 in clinical research in Romania. Between 2011 and 2013, we invested €9 million.

"GSK is by far one of the most innovative companies in the pathology of chronic obstructive pulmonary diseases such as bronchial asthma and BPOC. The existing products have saved many lives and have spectacularly improved the quality of medical assistance provided by the doctors who use them.

The Romanian participation in clinical studies for obstructive respiratory pathology was very important. Its pursuit constitutes a real benefit for all partners: patients, doctors, the medical system and the country's economy."

Stefan Mihăicuță

Executive Committee and Educational Committee of European Sleep Research Society
Senior Lecturer of Pulmonology, "Victor Babeș" University of Medicine and Pharmacy



Transparency is key in addressing ethical concerns and we are open about our research practices. Globally, GSK reports the results of clinical research that evaluates our medicines and vaccines, whether the outcomes are perceived to be positive or negative.

"I have collaborated with GSK since 2000 as a main investigator in clinical studies research activity for the respiratory domain, mainly on asthma and BPOC. Throughout these years, I noticed real progress at GSK in the growth of quality and complexity of studies and specific procedures. From this point of view and based on the diverse experience I accumulated in clinical research throughout this period, I can honestly say that GSK runs research and study activities at the highest level in Romania.

I would also like to stress the importance of patients' access to clinical development programmes - clinical studies with therapeutic benefits. Taking into account the difficulties sometimes present in the healthcare budget in our country, the therapeutic assistance we offer our patients through these free programmes constitutes a beneficial alternative that must not be ignored by those responsible for the healthcare system."

Antigona Trofor

Ph.D. M.D. "Grigore T. Popa" University of Medicine and Pharmacy

Transparent research practices

continued

During 2013, we were audited several times by GSK central audit staff and by regulatory authorities, as required by internal and external standards. No critical findings were identified in these audits.

“Our clinical trial programme is supported by our highly qualified GSK staff including medical doctors, pharmacists, biologists and more. We have strong knowledge of the therapeutic areas which are the subject of our clinical trials. We do our best to attract trials to Romania, in competition with other GSK subsidiaries, because we know that this activity is so important to advance healthcare in this country, given limitations in access to innovative medicines and critical patient needs. Whenever a trial is available, we are always willing to collaborate. In 2009, we ran just two trials with 453 patients. Our position in 2013, with more than 800 patients, demonstrates the result of our strong commitment to supporting medical research in Romania.”

Cristina Bitirez
Clinical Research Manager GSK Pharma

Advantages of clinical research for Romania

Beyond the obvious advantage of contributing to scientific innovation for the benefit of patients worldwide, there are specific benefits that we bring to Romania by placing such great emphasis on attracting research to this country.

First, we offer patients the possibility of receiving the most advanced treatment available, at no cost. Their participation is voluntary, and they receive no payment. However, in many cases, this provides significant relief for patients. In 2013, more than 800 patients received such treatment, and during the past ten years, we estimate that more than 5,000 patients have gained access to the most innovative medicines available anywhere in the world.

Second, investigators – physicians who support clinical trials – also benefit by learning the most advanced test and diagnosis techniques, using new equipment and new protocols. Through their involvement in trials, physicians continue their education at the highest level. More than 600 physicians have benefited in this way in the past few years, and we recruit more investigators each year to support our growing clinical trial activities.

Third, hospitals which host clinical trial testing also gain the benefit of additional income for supporting clinical trials and testing, and their staff learns through exposure to new medical methods.

“The clinical studies conducted in Romania by GSK are advantageous for patients, as well as for the doctors involved in the medical scientific research. Besides the elucidation of therapy related issues through the development of clinical studies, patients benefit freely from latest generation medicine, high-level safety measures enforced through the application of international norms under good medical practice and investments that are made for patients’ health care.

As a doctor and researcher, my collaboration with the team that supports the department for clinical research in GSK Romania represents a continuous challenge, a model of professionalism, of respecting the principles of medical ethics and access to a research activity which is governed by international standards and unconditional support for patients enrolled in studies.”

Roxana Nemes
MD at “Marius Nasta”, Institute of Pulmonology

“The clinical studies represent an opportunity for patients who benefit from complex investigations and new treatments (that are not available in pharmacies in Romania at the time). There have been numerous situations when I observed the benefits for patients of enrolment in a clinical study (for example, improvement in the quality of life and in respiratory functions).

The clinical studies also offer investigators in my team the opportunity to benefit from valuable experience in running research activity according to international standards. This leads to continuous improvement, as clinical study activities are always increasingly detailed and complex. They also benefit from meeting and sharing experiences with colleagues from other teams.”

Agripina Rascu
Assoc. Professor, Associate Professor
University of Medicine and Pharmacy “Carol Davila”

Our behaviour

Working with healthcare professionals

At the end of 2013, GSK announced a global two-year process that will change how we work with healthcare professionals (HCPs) – becoming the first in the sector to move towards ending the practice of paying doctors to speak on our behalf.



“We want to replace payments for speaking at conferences with a better alternative that will enable us to continue to contribute to medical education and dissemination of relevant information in a way which helps us to maintain trust with all our stakeholders. We are working intensively to try to find the best solution. As the first company in the GSK global network to take this advanced approach, we are pioneering new practice which we hope will set a good example in the industry.”

Dana Constantinescu
Medical Director, GSK Pharma

In other words, globally, GSK will cease paying healthcare professionals to speak on GSK’s behalf, about GSK products (or related treatments), to audiences who can prescribe or influence prescribing. GSK will also stop providing financial support directly to individual healthcare professionals to attend medical conferences. On the other hand, GSK will continue to provide appropriate fees for services to healthcare professionals for GSK-sponsored clinical research, advisory activities and market research and will continue to fund education for healthcare professionals through unsolicited, independent educational grant routes. At the same time, GSK will increase development of alternative approaches, including the use of digital technologies, to continue to provide appropriate information about our products.

GSK Romania, recognising our specific local challenges, we decided to implement these measures starting immediately, in early 2014, as individual sales targets for our medical representatives were already eliminated from 2013. We view this change as a natural evolution of our existing ethical practices in our local market and a measure of our commitment to meeting stakeholder expectations. Acting in accordance with the highest ethical standards helps us to become a trusted partner in our local healthcare environment.

In 2012, we sponsored 211 doctors who participated at 40 conferences and in 2013, we sponsored the participation of 170 Romanian doctors at national and international congresses.

As mentioned, we also remain committed to continued investment in the education and professional development of HCPs, and are currently working in partnership with a global GSK team to define ways in which we can

support doctors without creating or implying conflict of interest.

We hope that, in the long term, our approach will become prevailing practice in Romania.



Etiqa Platform

We publish our “Ethical Platform” (Platforma Etiqa) on our GSK Romania website as a source of information for stakeholders about how we support the medical education of health professionals. We offer grants for independent medical education programmes organised by medical associations, providing physicians with access to quality medical skills to help

them better treat their patients. Etiqa Platform is GSK’s transparent system for approving sponsorship applications which are submitted electronically. Grants are awarded according to the criteria published on the platform. This is an important tool which helps us maintain ethical standards governing our support for medical education in a transparent way.

Our behaviour

Sales and Marketing

Our mandate as a pharmaceutical company is to put the needs of patients first. Focus on the patient, one of our core values, is at the heart of our sales and marketing approach.

At a European level, GSK extended the 'Patient First' programme for phased implementation in Europe by 2015. This requires sales team incentives to be based on scientific knowledge and behaviours which support ethical, patient-focused business practices, instead of sales volumes.

In GSK Romania, we had already adopted this approach ahead of GSK Europe, pioneering the highest ethical standards in the pharma sector in Romania. In 2013, we

decided to eliminate individual sales volume targets for our medical representatives. From early 2014, our sales employees who interact with prescribing healthcare professionals are rewarded for the way they reflect GSK values and their focus on putting the patient first through their actions and behaviours, and not on individual sales objectives.

Our new Customer Engagement Framework
Supporting our focus on customers and patients, having moved away from sales

volume targets, we spent most of 2013 delivering training to our sales teams in the new global GSK Customer Engagement Framework and reinforcing new ways of working. GSK Romania was one of the first countries in Europe to adopt this new framework. New customer engagement means shifting our approach from a brand-centric approach towards a customer-centric approach and changing the way our sales teams engage with physicians by focusing on real patient needs rather than discussing and promoting specific GSK brands.

Training our people in the Customer Engagement Framework

During 2013, we invested significant efforts in training our sales people in the principles and practice of the new Customer Engagement Framework. All sales personnel attended a two-day learning session and follow-up workshops to practice dialogue skills. A new set of customer-interface tools were presented to sales staff to help them follow correct process in their interactions with physicians. Also, sales representatives were provided with iPads, pre-loaded with sets of patient profiles that can assist sales representatives in developing a conversation with doctors around patient needs rather than types of medicine. The key approach is to understand the different types of patients and specific needs that doctors meet each day in their practice, and identify ways in which GSK can provide support. Sometimes, this will be by offering a GSK branded medicine and sometimes, our sales representatives might offer different kinds of support, such as learning and education programmes for

"Our new Customer Engagement Framework has made all our sales team think very differently about the interactions with physicians and about what they need to do to ensure the patient receives the best treatment. We want to avoid promoting the wrong products to patients. Measuring the sales of prescriptions does not necessarily mean that patients received the most relevant treatment. Changing the dialogue with physicians will lead to a much better outcome for patients, and, we hope, will continue to provide opportunities for GSK to maintain a successful and healthy business."

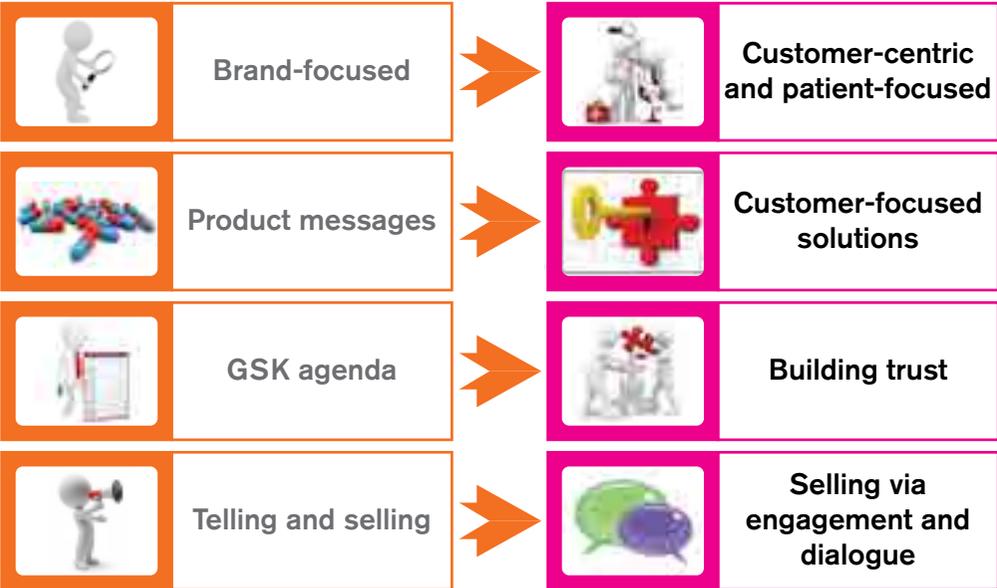
Adrian Ciulei
Commercial Excellence Manager, GSK Pharma



Shifting the organisation to increase focus on customers and patients

From...

...To



Our behaviour

Sales and Marketing

continued

doctors to help them communicate more effectively with their patients. Whatever the solution we offer, the focus is on ensuring patient needs are understood and addressed.

In 2013, we conducted a survey among physicians to understand their perspective and reaction towards the new approach which GSK medical representatives are using in communication with them, and assess their response to our focus on patient profiles and corresponding medical solutions. After consultations with many physicians, we received both validation for our patient profile approach and suggestions as to how to make them even more relevant.

Working collaboratively with pharmacists

Pharmacies, and pharmacists are critical players in the healthcare value chain, and their impact and influence is significant. Local pharmacists are often a first point of contact for informal consultation by patients. There are now over 7,000 pharmacies in Romania, of which around 74% are independent pharmacies, and the remainder belong to national or local pharmacy chains. In 2013, we expanded our team of representatives who visit pharmacies around the country in order to provide even better service and understand their product availability and information needs more fully. This year, we also continued our programme of providing workshops to help pharmacists improve their ability to communicate with patients and give them appropriate advice, including referring them to their physicians where relevant.



“This year, instead of using external trainers to provide workshops for pharmacists, we have equipped our own representatives to provide this training. In this way, we not only contribute to improving the capabilities of pharmacists, we also continue to build our positive relationships with them.”

Petru Grădinariu
Pharmacy Business Unit Manager, GSK Pharma



Our behaviour

Our supply chain

Efficient and responsible supply is critical to enable us to get high-quality products to patients and consumers in the right place at the right time.

During 2013, we completed two major efficiency projects in our logistics and distribution supply chain operations at Europharm Distribution to improve our quality, service and resource efficiency.

New Logistic Center in Chitila

During 2013, we completed our distribution efficiency programme and commissioned our new central warehouse operation at Chitila in the Bucharest region, closing down our local warehouse in Brasov and relocating our warehouse in Bucharest city. This was a complex move, requiring reorganisation of all stock and stock-management controls as well as revising our entire shipment and delivery schedules for our thousands of customers throughout the country. We took the opportunity to eliminate inefficiencies in our delivery system.

The implementation of this comprehensive efficiency program brought us benefits in several areas: increasing the competitiveness of Europharm Distribution, as logistics provider, by creating a logistic center in the Bucharest, area where such services demands are high; improving the agility and efficiency of the logistic infrastructure by eliminating redundant logistics operations for 55% of the available stock and, consequently, the costs of these operations and ensure business sustainability by eliminating extra and unnecessary logistics costs

New Enterprise Resource Planning programme

During 2013, alongside the restructure of our distribution operations, we introduced our

new ERP system, Charisma. Charisma can handle more efficient the stock management and significantly improves our ability to provide our customers with first-class, rapid, accurate and reliable service.

In addition, Charisma has reduced our administrative workload and enabled us to



“Our new warehouse in Chitila was planned with environmental considerations including LED lighting which decreases electricity consumption by 30%. We also introduced a new waste management system with segregation of waste and a recycling contract to reduce waste to landfill.”

Nerina Dobrotă
Business Development Manager, Europharm Distribution

become more resource-efficient. We converted 18 different applications and databases to one single application for each of our three business operating entities (Pharma, Consumer Healthcare and Europharm), as separate systems are required by law for each legal entity. Automating certain processes that were handled manually in the former system, we have saved months of man-hours per year, and are now able to use this resource to support improving customer relations and other value-adding work, rather than repetitive administrative tasks.

Charisma enables us to take orders and process invoices much more efficiently. With more than 6,000 delivery outlets and more than 100,000 invoices per month, this is a major advantage, saving both

administrative time and paper resources for order processing.

“The implementation of Charisma took more than 14 months of intensive work which we managed to achieve during a time of physical restructuring with no significant disruption to customer deliveries. Europharm Distribution is now in a much stronger position to support GSK Romania’s ongoing business and provide efficient and reliable service to all our customers.”

Doru Achihai
Finance Manager, Europharm Distribution



Our behaviour

Public policy

Globally, GSK contributes to the debate on global health challenges and other issues by advocating for a policy environment that protects the interests of patients around the world, while supporting our business.

We follow a clear set of criteria to ensure the public policy groups we work with are aligned with our values and priorities.

In Romania, GSK continues to be active in 4 industry associations that assist us in advancing policy that supports a robust healthcare infrastructure and more accessible and affordable medicines for patients. We believe in collaboration and engagement, and we work through our partnerships with these important associations to contribute our expertise, resources and insights to improving the healthcare framework in Romania.

“We view our work with industry associations as critical to helping to make positive change in Romania for the benefit of patients. We work towards one overarching objective: to drive greater consensus among the health main stakeholders to support a robust plan to improve health outcomes in a sustainable manner.”

Violeta Pătru
Corporate Affairs Manager, GSK Pharma

<p>ARPIM The Romanian Association of International Medicines Producers</p> <p>ARPIM is the innovative pharma industry association in Romania. GSK holds a Board position in ARPIM. In 2013, we had the vice-presidency of ARPIM.</p> <p>For more information, see: www.arpim.ro</p>	<p>FIC The Foreign Investors Council</p> <p>FIC represents the interest of foreign investors operating in the Romanian market, with a mission to stimulate Romania's economic development. FIC has over 130 members whose combined investment in Romania represents €35 billion. GSK is a member of the FIC Board of Directors and chairs the dedicated Healthcare Taskforce.</p> <p>For more information, see: www.fic.ro</p>
<p>LAWG Local American Working Group</p> <p>LAWG represents the interests of PhRMA, the Pharmaceutical Research and Manufacturers of America, an association of bio-pharmaceutical research companies. LAWG's mission is to support public policies which advance the introduction of important new medicines for Romanian patients. GSK is an active member.</p> <p>For more information, see: www.lawg.ro</p>	<p>AMCHAM ROMANIA American Chamber of Commerce in Romania</p> <p>AmCham is a non-profit and non-political organisation that promotes the commercial and economic interests of the U.S., international and local business community in Romania. GSK is actively involved as leader of the dedicated Healthcare Working Group.</p> <p>For more information, see: www.amcham.ro</p>

Our behaviour

Patient advocacy

We believe we have a significant responsibility, as a large and leading healthcare company in Romania, to help patients understand their rights and gain access to available treatments.

Often, patient groups have little support and minimal resources, and require assistance in making their needs heard and in understanding how to cope with the diseases that patients live with. GSK Romania has been a partner to a range of patient groups for many years, focusing our

contribution in areas where patients are most challenged. This includes helping patients with diseases such as lupus, HIV, Parkinson's and more. For example, we support awareness and educational campaigns, designed to enlist the support of the general public, healthcare profes-



nals and authorities, and provide different forms of learning platforms and information.

As always, we maintain our patient advocacy relationships and interventions within a strictly ethical and transparent framework that does not promote our medicines but focuses squarely on the best interests of patients.

First e-learning platform for patient associations

In 2013, in partnership with the National Alliance for Rare Diseases, the Ministry of Health and the Ministry of Labour, we launched the first e-learning platform for patient organisations dedicated to patients with chronic diseases in Romania. The site, www.aspac.ro, is designed to support

communication between patient organisations and professionalisation of the skills and capabilities of leaders of patient organisations. The site provides online courses in project management, disease management, volunteer coordination, fundraising, legislative frameworks and media communication.

Individuals successfully completing courses are awarded diplomas and in some cases may obtain certification by the Ministry of Labour for completion of certain modules. In addition, the website platform provides an online forum for knowledge-sharing and experience exchange between patient associations, as well as information resources which can be supplemented by participating associations.

Our people

Our people are essential to our success. We focus on building their individual capabilities and aim to support and empower them to be the best they can be.



Global Reporting Initiative Performance Indicators in this section:

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

Develop and empower employees
Material Aspect: Training and Education
Disclosure G4-LA11

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Our people

Advancing a culture of excellence

We invest in developing a culture of excellence in everything we do at GSK Romania

The priority for the Human Resources team is to understand how to best support the business agenda and help address the challenges that managers face every day.

In order to provide the best support to our colleagues, we continue to develop the skills and capabilities of our Human Resources team. During the last year, more than half of the HR team changed roles, taking on different or additional responsibilities and gaining new opportunities to have a positive impact on the ongoing achievements of the organisation. Once in place, the team focused on identifying the priorities and needs, and engaged with managers across the organisation in meetings, workshops, field visits and weekly teleconferences to discuss performance and team capabilities.

Our employees once again took part in the global HR Services survey to measure the quality of service provided by Human Resources departments to our colleagues across the business. For the third consecutive year, our GSK Romania HR team achieved the highest score among all GSK companies around the world.

 **The highest rate of satisfaction**

In the global GSK 2013 HR Services Survey, employees were asked to rate their overall satisfaction with the quality of support they receive from the HR department. The average score of 481 respondents in Romania was 4.44 (out of 5) – the highest score of any GSK country unit.

Operational Excellence at Europharm Distribution

We continue to maintain our Operational Excellence focus in our Europharm Distribution operations and engage our employees in developing new ideas to help us become more efficient. In 2013, we trained a further 34 employees in process mapping to assist in the development of structured reviews of existing processes and identification of opportunities for improvement. During 2013, 20 employee suggestions to improve our operational excellence were implemented and a further 17 are in progress.

“In some cases, ideas may only involve minor changes, but the greater significance is the development of a culture of continuous improvement. The frequency of the submission of ideas demonstrates that Europharm employees are always seeking better ways of doing business and serving our customers.”

Ionuț Bârligă
Operational Excellence Manager, Europharm Distribution



Improved system for delivery authorisations

Two of our team members developed an idea to improve our service to customers. In our highly regulated pharma industry, we are able to deliver only to customers that have valid permits for specific products. Our online ordering system automatically blocks deliveries when permits have expired without prior warning, and this meant we could not deliver our customers'

orders. With a simple change to the system, we have been able to start advising customers of renewal requirements 30 days in advance, thereby avoiding service disruption and saving significant time on the part of our pharmacist at Europharm who would often intervene to speed up the emergency renewal of expired permits.

Our people

Talent and leadership development

Our employees are engaged in our mission to help people do more, feel better and live longer in Romania.

At the end of 2013, we continued to be a significant employer in Romania, counting 975 full time employees, a slight reduction versus our 2013 headcount of 1,022. We continue to attract and retain the most talented people by investing in training and development which is tailored to individual needs and builds on employee strengths. In 2013, we placed emphasis on talent and leadership development to ensure that we have the best skills available to lead GSK Romania, and greater mobility of managers between our different corporate entities in order to ensure broader opportunities for individuals and succession planning for key roles.

Our development programs for employees include development at the work place (70%), development relationships such as coaching, mentoring, work shadowing, networking and peer learning (20%), as well as formal programs such as training, workshops, e-learning and individual reading (10%).

Developing our people

In 2013, we held our first General Manager Exchange Meeting as part of the process of developing key talent. 20 high potential participants from our four business entities in Romania were invited attend a meeting where our four local General Managers shared their vision and insights about our business, trends and developments. Following this, participants engaged in a two day workshop to develop their leadership and strategy skills, with all four General Managers remaining throughout the entire programme to get to know the participants better, observe and evaluate different contributions. Part of the programme involved engaging with external organisations such as



Save the Children Romania and creating business plan proposals.

Following the session, individuals received personal feedback from our General Managers to assist them in advancing their professional development plans.

Investing in first line leaders

The transformation and future success of GSK is closely linked to the confidence, capability and capacity of all our leaders. The First Line Leader (FLL) programme is being delivered globally to all GSK business units and provides first line leaders with access to leadership development through a six month learning journey that includes classroom and online learning, manager support and activity based learning. Skills covered include how to identify personality styles, delegate work,

coach effectively and motivate a team to success. Each participant is able to tailor their development plan to reflect both their individual and business needs. For the first time in Romania in 2013, we rolled out the FLL programme to 70 people managers from our Romanian operations.

Recruiting and developing young talent

In 2013, we also continued our traineeship programme in all our business entities. 15 students were hired as trainees for programs of six or twelve months, in different departments to learn various parts of the business.

Trainees who were hired in 2012 and have completed a full year in GSK Romania starting in January 2013 have now taken up challenging positions in different divisions and functions:

GSK Romania entity	No. of trainees	Current roles
Pharma	4	Medical Rep. (3) Internal Auditor (1)
Consumer Healthcare	3	Demand forecast analyst Quality specialist Marketing assistant
Europharm Distribution	2	Sales representative Sales administration
Manufacturing	3	Quality processes Accounting



“First Line Leader – FLL - is an important investment in our ability to maintain a successful business and make a valuable contribution in Romania. Developing management capabilities at an early stage in a manager’s career is critical to building consistent achievement over time and helping managers deliver overall positive performance.”

Eliza Pirăianu,
HR Services Manager, GSK Romania

Performance, reward and recognition

For GSK, how people achieve results is just as important as what they achieve. Incentivising behaviour that is consistent with our values is a priority in the way we evaluate, recognise and reward performance.

Introducing a new performance management system

In 2013, in line with a global GSK initiative, we introduced the new GSK global performance management system to ensure our employees understand what is expected of them and to help them set clear objectives to deliver our strategy. This creates a clear link between our values and how our employees are rewarded. As part of this system, we introduced a new rating scale to enable clearer feedback on employee performance and help to differentiate our best performers.

The performance system includes a new global bonus structure where 60% of an employee bonus payment is aligned to the achievement of individual objectives, and 40% is based on business area results. This greater emphasis on individual performance helps employees understand how they personally contribute to the delivery of our strategy in line with our values, and how this links to their reward.

In Romania, we conducted several workshops for our managers to help them understand the principles of the new

performance system and how to put these into practice. In particular, managers needed intensive coaching in the application of the performance rating system, in order to differentiate performance effectively, so that we drive performance improvement in accordance with individual needs. In addition, our Human Resources team spent many hours coaching managers so that they can make a stronger contribution to overall performance management using our new global system. After completion of all management training, we held a special workshop for all employees dedicated to explaining the new performance system as part of our year-end meetings.

year with an objective of increasing the capabilities of people managers. Using this first analysis from early 2013, we reverted to most of the managers in GSK Romania with specific feedback about the quality of their PDPs and coached them in ways to improve performance discussions with their employees.

Four key elements of our new performance management system

1. Leadership Expectations:

The new Leadership Expectations clarify what we expect from all our leaders.

2. Managing Performance Proactively:

Everyone is expected to discuss and agree annual ASmart (aligned, specific, measurable, actionable, realistic, time-bound) objectives aligned to the delivery of our strategy and values.

3. Performance Rating Scale:

Our new five point performance rating scale helps to differentiate our best performers and provide clear feedback about performance.

4. Bonus Plan:

60% of bonus is awarded for achievement of personal objectives. 40% is awarded on the results of business area.



Improving the quality of Performance Development Planning

During 2013, we undertook a new initiative to proactively assess and improve the quality of our performance objectives setting process and development conversations between managers and their direct reports. We conducted a quality audit of all the Performance Development Plans (PDPs) and rated the way performance objectives were set in each case respecting the ASmart (Aligned, Specific, Measurable, Actionable, Realistic, Time-Bound) principles. This required intensive reviews by our Human Resources team, working through hundreds of PDP documents, delivering an analysis which was presented to our executive management. Using 2013 as a baseline year, we will continue to analyze PDPs each

"This engagement was not only valuable as a contribution to improving overall performance management, but also as way of building trust, developing capabilities and teamwork across the organisation while ensuring the Human Resources team's understanding of the challenges and detailed business objectives within each division."

Cristina Mănescu
HR Business Leader, Europharm Distribution

Our people

Equal opportunity and gender diversity

We want all of our people to feel valued, thrive as individuals and as part of the GSK community, whatever their background. We aim to create an inclusive workplace to attract and retain the most talented people from all backgrounds and cultures.

Women in our workforce

We continue to maintain a strong presence of women in our overall workforce (63%) and an equal level of representation of women in management. 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 a global level in 2013 is 41%. The women of GSK Romania perform a range of business roles – commercial, legal, financial, operational and human resources. Three of our four General Managers in Romania are women.



Less than one year after being appointed as General Manager, Consumer Healthcare, Romania and Adriatics, Helen Tomlinson was recognised as an important business figure by one of the top magazines in Romania. Helen was listed in the “Top 100 Young Managers” list, in the top Romanian business publication, Business Magazine. This is the third edition of the list, which recognises young managers and entrepreneurs working in Romania who demonstrate a proven track record and make a positive impact on the Romanian economy.

Mentoring opportunities for women

In 2013, we joined leading companies in Romania in an initiative led by Oracle to advance the capabilities of women leaders and create a strong network. The programme, “Women Leadership - Companies Cross Mentoring Programme” is a pilot that is running for six months, and provides an opportunity for women managers to be mentored by senior women leaders in peer companies. In GSK Romania, 2 women managers are participating as mentees, and our Pharma General Manager, Barbara Cygler, participates as a mentor to a female manager from another company. We see this programme as a welcome opportunity to further strengthen our women leaders and also gain insight into best practices in other companies, as well as share our own practices and values.



“The women mentoring programme is a fantastic initiative and we are pleased to play a role. We were also involved in the design phase of this initiative, helping to determine objectives and criteria for matching mentors and mentees. I believe that it is very important to provide women with support, role models and performance aspirations that they can use as a benchmark. In many industry sectors, women do not reach senior management levels, and we hope that this programme, and our contribution, can help open up more opportunities for women’s advancement in Romania.”

Luana Crivăţ
HR Director, GSK Romania

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. A key feature of our compensation policy enables employees to tailor their benefits package to meet their individual diverse needs through our Flexible Benefits Plan. The Benefits Plan includes two 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 employees to use the allocated funds to access upgraded medical care packages, educational services and sports related activities in order to maintain the state of well-being for both themselves and their families. With this plan, employees can select the benefits which are of most relevance to them and their personal family circumstances.

In 2013, we added additional options to the Flexible Benefits Plan, including dental services and specific holiday expenses.

Our people

Supporting employees *in times of change*

As always, we treat employees fairly and provide appropriate support to meet individual needs in times of change.

In 2013, we announced our decision to cease operating our oral solid dose manufacturing site in Brasov due to manufacturing overcapacity in the current GSK network.

Since this initial announcement, we have been diligently exploring opportunities to sell the Brasov site to a third party buyer. Unfortunately, GSK was unable to come to agreement with any of the interested parties on a viable solution that would have secured employment for as many of Brasov's 236 employees as possible, while also making business sense for GSK. Therefore, we will regrettably progress the closure of the Brasov site and anticipate completion by the end of 2015.

We sincerely regret the impact of this decision in terms of job losses. Our management team in Brasov and our entire leadership and Human Resources professionals in Bucharest are doing all we can to help staff through this transition.

As always, we will treat employees fairly, with respect and dignity, and provide the appropriate support to meet individual circumstances and needs. This includes providing severance packages, outplacement support, counselling, retraining where possible, connections to other potential employers and other forms of assistance where needed.



"The review of potential options for the Brasov site has been a long process but it was critical to consider all the different factors in order to make a considered and well-informed decision. Employees at the Brasov site have made a significant contribution to the success of GSK in Romania over many years. This closure is absolutely no reflection on the staff at the Brasov site or their performance. I take great pride in the maturity of our factory employees and their

steadfastness in continuing to maintain the highest efficiency, quality and safety standards as we support the business until the site closure. Their commitment has not wavered despite uncertainty about their future. We continue to invest in training and development, both to ensure we continue to meet our short-term objectives until closure and also to provide employees with additional knowledge and skills as they seek alternative employment. We have increased the frequency of internal communications to ensure

that everyone has the chance to know the status of the programme and can ask questions. I personally take breakfast every Monday morning in the factory dining room and am available to talk with employees from all levels in the organisation and answer their questions. I am confident that we are providing the best assistance possible to all employees through this transition."

Mariana Cismaru
Brasov Site Director

Our people

Health, safety and well-being

As a progressive healthcare company, helping our employees stay healthy, resilient and productive is a priority and brings our mission to life for our people.

We wish to help employees enhance their own health and well-being so that they can also do more, feel better and live longer.

Access to healthcare for employees

We continue to promote our Partnership for Prevention (P4P) programme which we launched last year for our employees in Romania. With this programme, our focus is on raising our employees' awareness of preventive health care for themselves and their families while facilitating access to critical services to help them proactively manage their own healthcare, and ensure early detection of possible diseases and health conditions. P4P offers a range of up to forty preventive healthcare services at little or no cost to employees, tailored to meet employee preferences and individual needs, ranging from a complete vaccine programme for children through free breast cancer screening in the office for female employees to screening for early detection of various cancer types. After one year of running the programme, uptake has reached an average of two employees or their families using P4P services every day. For some women who took advantage of the breast-cancer screening opportunity, it was the very first time they had undertaken such an examination.

Safety in the workplace

We maintain a safe workplace with a goal of zero harm to any employee. We conduct regular safety assessments at our different sites and ensure safety risks are identified and appropriately addressed. All newly-hired employees undergo occupational



health and safety training and are required to pass a test, ensuring they have understood. Training refreshers for all employees are conducted every half year. Ergonomic assessments have been conducted at most of our workstations and other health and safety audits are conducted at regular intervals. Professional drivers in our Europharm Distribution operations and other staff that travel around the country in sales and marketing roles undergo training in safe driving practices.

We maintain a positive performance with regard to work injuries, and in 2013, we recorded just 5 minor injuries (3 while driving) across our entire operations throughout the year.

We commend our employees for this positive result and continue to encourage uncompromising attention to safety in all work situations.

P4P - Services available to employees

- Adult Immunisations – Many adults are behind on their immunisations, and P4P helps keep employees on track to prevent risk of sickness.
- 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.
- 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 planet

We are working hard to reduce our environmental footprint, even as we grow our business to extend the benefits of GSK products to more patients and consumers around the world.



Global Reporting Initiative Performance Indicators in this section:

- Minimise energy consumption and greenhouse gas emissions in our supply chain
Material Aspects: Energy, Emissions
Disclosure G4-EN3, G4-EN15, G4-EN16
- Minimise product and packaging waste
Material aspects: Effluents and Waste
Disclosure G4-EN23
- Comply with environmental legislation
Material Aspect: Compliance
Disclosure G4-EN29
- Reduce environmental impacts of product transportation and logistics
Material Aspect: Transport
Disclosure G4-EN30

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Our planet

Our environmental impacts

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 medical waste, are issues which affect our health as individuals and as communities, and influence healthcare needs and priorities. We consider the environment in our decision-making processes and aim to minimise our impacts where possible. We comply with environmental legislation in Romania and confirm there have been no environmental compliance violations in our business for the past year, and also recent years. Environmental officers in each of our business divisions maintain awareness, education and monitoring of our environmental performance.

Overall, the direct environmental impacts of our operations are modest compared to the potential for reducing impacts through the use of our products in the market. Respiratory inhalers, for example, are a significant cause of carbon emissions, and in 2013, we undertook a first-ever initiative in the Romanian market to engage customers in making inhaler usage more environmentally friendly.

Engaging patients to reduce emissions
In 2013, we launched the first programme of its kind in Romania in the pharmaceutical industry – the collection of used oral respiratory inhalers from the market and their environmentally safe disposal. We aim to provide a convenient way for patients to recycle their inhalers, to help reduce waste and greenhouse gas emissions, and move towards a more environmentally sustainable approach to treating respiratory disease.

Since the start of the pilot programme in Romania, we have collected and safely disposed of more than 6,900 used inhalers in Bucharest, reducing the greenhouse gas emission impact of these inhalers by almost 100 tons of CO₂e. Following this successful pilot, we are considering expanding the programme at a national level.

Called “Complete the Cycle”, our programme for inhaler collection and disposal is part of a GSK initiative. Globally, GSK estimates that more than half a million tons of greenhouse gas emissions can be avoided through the safe disposal of respiratory inhalers. Always an early adopter, GSK Romania is the fourth country in the GSK network to implement “Complete the Cycle”. While in other countries, collected inhalers are recycled, with plastics separated for remanufacturing and remaining aerosol propellant captured for reuse, in Romania, current legislation does not allow recycling. Therefore, instead, we are ensuring disposal of used inhalers by controlled incineration in the short-term, while working to drive a change in national legislation to enable recycling of used inhalers in the future. Even so, controlled incineration reduces the greenhouse gas emissions of used inhalers by more than 99% versus disposal via landfill. So, until we can change legislation in Romania, “Complete the Cycle”, offers an important environmental benefit. We estimate a potential 11,000 tons of CO₂e emissions can be avoided each year if every patient in Romania returns their inhalers for safe disposal.

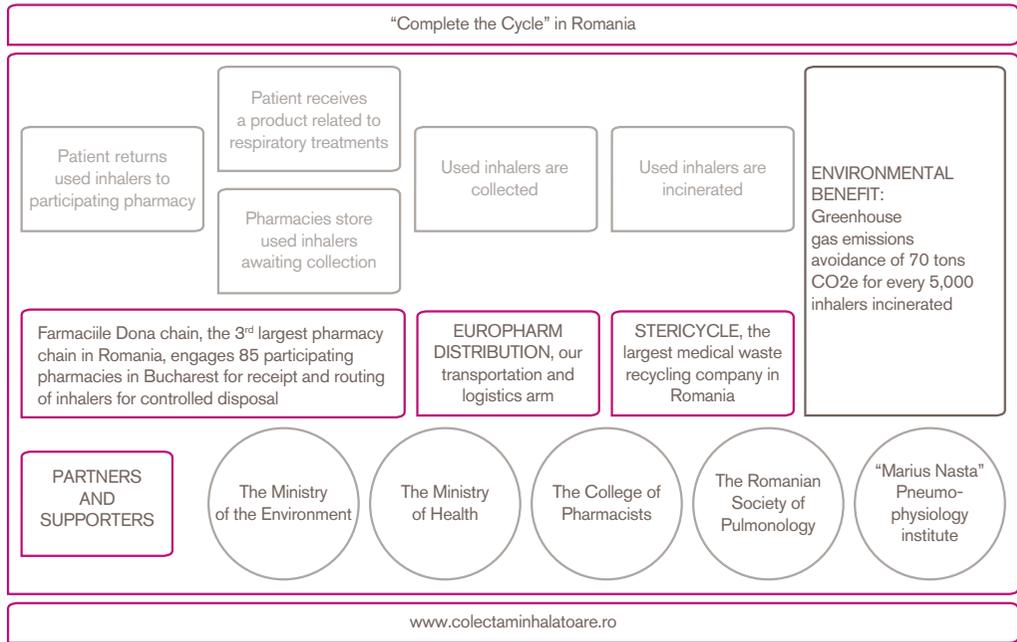
Objectives and benefits of Complete the Cycle

There are more than 1 million asthma patients and 1 million chronic respiratory disease patients in Romania, so the potential scope of this project is to reach 2 million patients. Prior to the launch of this project, used inhalers were disposed of in general household garbage. Working with our pharmacy chain partner, Dona Pharmacies, we understood that more than 50% of the inhaler sales of all types are in Bucharest. We therefore decided on a modest pilot programme in Bucharest with

a target of 5,000 inhalers in the first six months, received through 85 participating pharmacies and collected by our recycling partner in this programme. In fact, we exceeded our target by more than 25%, recycling almost 7,000 inhalers.

Our short term objectives for Complete the Cycle are:

- Reduce waste generated by used inhalers and improve the environmental impacts of medical waste by reducing greenhouse gas emissions through controlled incineration.



Our environmental impacts

continued

- Educate and inform the patients about use of inhalers – a UK project by GSK revealed that one third of inhaler propellants are not totally used when the inhaler is thrown away. Patients can improve environmental impacts and healthcare expenses by using inhalers to full capacity.
- Educate and inform the patients about responsible medical waste collection.
- Help to create a cleaner environment to protect the health of the population, which is a key factor in the prevention of respiratory diseases.

Longer term, our objective is to engage with all relevant groups including government ministries, healthcare companies, civil society and media to create a national strategy and policy for healthy and environmentally

responsible disposal of medical waste. Complete the Cycle was launched in Romania in 2013 at an event attended by senior government officials and healthcare leaders in Romania. The official inhaler campaign website was launched at this time. Please visit: www.colectaminhalatoare.ro

Recycling packaging waste
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 almost all categories, we exceed the minimum legal requirement for recovery and safe disposal of packaging waste. We use an accredited third party waste disposal and recycling company for this activity.

Post consumer packaging waste	Legal minimum packaging waste to be recovered	Packaging waste recovered in 2012	Packaging waste recovered in 2013
Glass	60%	86%	74%
Plastic	22.50%	47%	49%
Paper and cardboard	60%	78%	79%
Metal	50%	55%	50%
Wood	15%	15%	15%
Total tons recovered		315	454



Our planet

Measuring direct environmental impacts

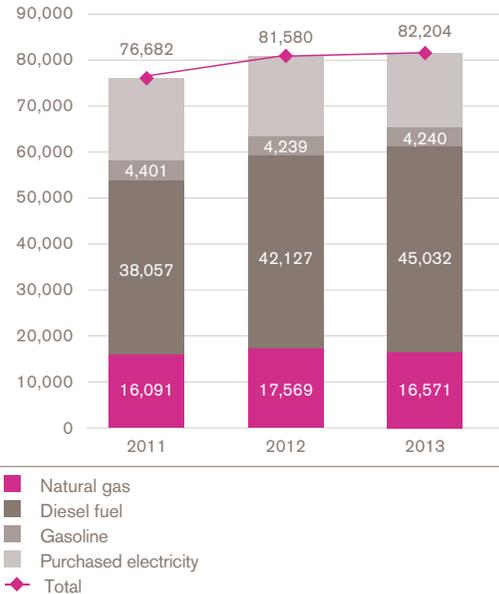
In Romania, we continue to drive efficiencies in our operations and reduce our energy consumption and resulting greenhouse gas emissions where possible.

The main opportunities for us to reduce energy consumption and emissions in our direct operations are through fuel consumption for distribution deliveries and road travel for our medical representatives and sales teams.

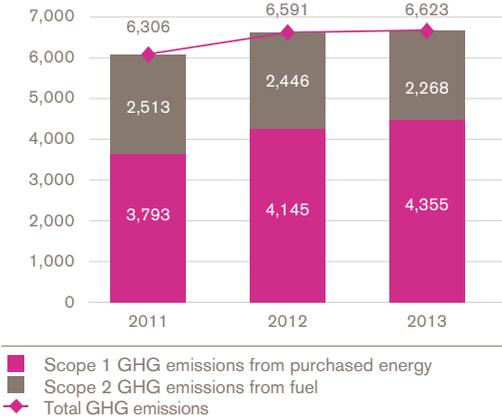
Energy and emissions

In 2013, we kept our energy consumption and greenhouse gas emissions stable versus 2012. We continue to seek efficiencies across our operations. Restructuring of our logistics and distribution operations in 2013 is likely to generate environmental benefits in 2014.

Energy consumption in gigajoules by source (2011-2013)



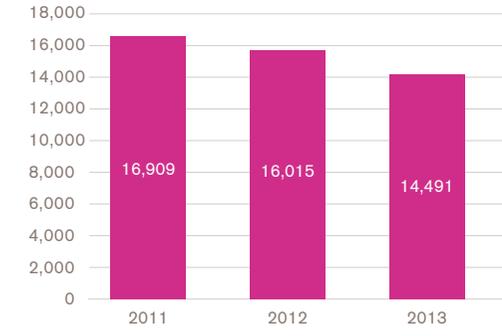
GHG emissions in tons CO2e (2011-2013)



Water consumption

In 2012, we reduced our total water consumption by 5%, the result of consistent attention to water conservation across all our operations, including office-based facilities through improved controls of water-use for hygiene and sanitary facilities.

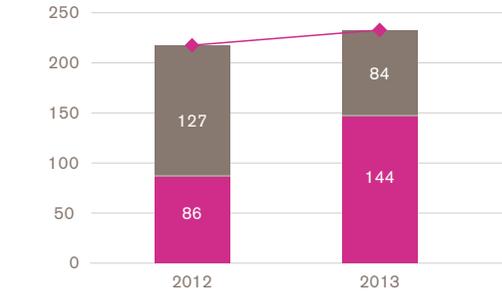
Total water consumption in m3 (2011-2013)



Waste

Although our overall waste levels slightly increased in 2013, we made a concerted effort to recycle more, and achieved a 61%

Total hazardous and non-hazardous waste by disposal method in tons (2012-2013)



Recycle and reused waste as a percentage of total waste 2012-2013



recycling rate, significantly higher than the 40% we recycled in 2012. Less than 3% of our total waste is classified as hazardous.

Delivery transportation efficiency

We aim for continuous improvement in our product delivery operations and train all our delivery drivers in fuel-efficient driving. In 2013, we increased our product transportation efficiency by 1.5% from 71 litres of diesel fuel for each ton of product distributed to our customers to 70 litres.

Engaging employees in environmental initiatives

Educating our employees in environmental preservation and resource efficiency is a priority for GSK. In our "Act Green" initiative, we encourage employees to play their part in daily environmental actions around our offices and other facilities.

In 2012, we launched "Act Green" with the support of an environmental NGO to encourage and implement eco-responsible practices among our employees. Employees took part in

interactive courses to learn about recycling, waste avoidance, water conservation and energy reduction practices in our daily work. Posters were placed around our offices to remind employees to adopt eco-habits.

We placed segregated waste bins in several locations in our offices and employees place their paper, cardboard and metal waste in the relevant bins for recycling. We donate money earned from recycled

materials for reforestation in Romania, and this funded the planting of 412 trees over a two year period.

In our first two years of "Act Green", we segregated and sent more than 10 tons of waste materials for recycling.

**"Act Green" Romania:
recycling results
April 2012 - April 2014**

Paper and cardboard	10,025 kg
Plastics (PET)	66 kg
Aluminium	15 kg

Governance and engagement

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



In this section	
Governance	48
Compliance and risk management	49
Stakeholder engagement	51
Performance data summary	52
About our reporting	54
GRI Content Index	55
Appendix: Expert stakeholder perspectives	62

Governance

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 certain number of administrators as required by local law. The Boards are comprised of senior managers from GSK in Romania and from GSK's European operations.

- GSK Romania: 4 entities**
- GlaxoSmithKline (GSK) S.R.L., accountable for pharma operations.
 - GlaxoSmithKline Consumer Healthcare S.R.L., accountable for Consumer Healthcare operations.
 - Europharm S.A., accountable for manufacturing operations in Braşov.
 - Europharm Holding S.A., accountable for logistics and distribution operations.

The Executive Management Team of each company ensures that all GSK Romania's operations are aligned with GSK's global

standards, policies, programmes and strategies. Our Directors include individuals who have appropriate experience and business understanding, including matters relating to corporate responsibility and GSK's overall mission to help people do more, feel better and live longer. Each Board has a Director with financial expertise.

GSK Romania's local Executive Management is comprised of four General Managers, who 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 Legal.

Administrators of GSK Companies in Romania

GlaxoSmithKline (GSK) S.R.L.	GlaxoSmithKline Consumer Healthcare S.R.L.	Europharm S.A.	Europharm Holding S.A.
Mrs. Barbara Cygler	Mrs. Helen Tomlinson	Mrs. Mariana Cismaru	Mr. Doru Achihai
Mr. Georgi Roussev	Mr. Tonislav Popov	Mrs. Karen Ashworth	Mr. Georgi Roussev
	Mr. Andrew MacMillen (GSK VP & GM CEE)	Mr. Pascal Prigent	Mr. Harry van de Laar

Data available at 01.10.14



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.



"We have a well-developed programme in place to ensure risk management is fully embedded in the business. We strongly believe that Enterprise Risk Management must be part of the culture, led in practice from the highest levels of the organisation through to all employees. Enterprise Risk Management, when designed and implemented comprehensively and systematically, can change future outcomes. When practiced fully, Enterprise Risk Management not only helps to protect businesses from setbacks, it enables better overall business performance."

Mădălina Țițirigă
Compliance Officer, GSK Pharma

This is supported by written standards and policies regarding our business practices and a comprehensive employee training programme, designed to embed robust risk management and compliance culture. Considering compliance and risk management in our decision-making processes is, for us, business as usual. Moreover, our business is subject to multiple internal and external audits every year and we therefore receive independent assurance of our strong internal control framework.

Our Compliance Officer maintains oversight of our Compliance and Risk Management framework and works closely with our network of 21 Compliance Champions from our medical representative team and 12 Compliance Champions in our office-based operations. Their role of the Compliance Champions is to support awareness and risk education, identify potential issues and assist with implementing resolutions. We continue to reinforce the training and understanding of compliance and risk matters through workshops, case-study analyses and brainstorming sessions. In early 2014, we appointed a full-time Internal Auditor, reporting to our Compliance Officer, to raise the level of independent assurance, strengthen our internal controls and ensure risks are managed properly.

Legal training
Early this year, all of our commercial colleagues were trained in matters relating to Competition Law. In line with Pharma Europe Competition Compliance Programme. We consider this training to be an essential



"The legal department acts as a control point for all of our commercial and marketing activity. There are many areas that carry potential risk, and we ensure we maintain proactive intervention in all processes in order to avoid potential legal risks in Romania."

Cristina Alexandrescu
Legal Affairs Director, GSK Romania

step in creating awareness and ensuring that each individual in our business takes responsibility for her or his own compliant actions. In some cases, we implemented practices that go beyond GSK's minimum global requirements.

Product registration compliance
In 2013, we performed a comprehensive review of our product registration files submitted to the Romanian government, in order to ensure we are fully compliant at all times. For all products, we submit up-to-date registrations with the National Medicine and Medical Devices Agency. Every time a small detail changes, for example, change of manufacturing location, product registrations must be updated. In 2013, we assessed more than 80% of our products marketed in Romania and verified that we are compliant with all registration requirements.

Continuous assessment of compliance and risk management in Europharm Distribution
As a rather unique company in the GSK landscape, Europharm Distribution has been part of GSK group for over 10 years. All this time, Europharm has been focused on directing its compliance practices to meet legal requirements and the highest ethical standards, as well as maintaining transparency in its operations.

We continuously review our compliance and risk management practices at Europharm Distribution so as to ensure robust internal controls and monitoring are effectively maintained and support the long-term

Compliance and risk management

continued



“Our regulatory environment is complex and our business is dynamic. Product sourcing changes from time to time and product formulations may change too. We take the utmost care to ensure all our product registrations are updated as required by legislation. Our system of verification ensures we are compliant.”

Diana Buru
Sr. Regulatory Affairs Manager & Area Quality Manager, GSK Consumer Healthcare

sustainability of Europharm Distribution’s business.

Currently, our review at Europharm Distribution is supported by a European team of GSK experts and our goal is to secure independent assurance that Europharm Distribution implements best-in-class control, oversight and quality frameworks and is fully compliant in all respects, meeting the high operating standards expected by all stakeholders.

“Our long-term objective is to be best in class for quality control, compliance and adherence to all internal and external standards and regulations. This will ensure we serve our customers well while protecting our business from risk. We aim to be fully aligned with the highest standards required by the pharma industry, not just the distribution sector. We are in a process of change and I expect we will see the benefits in the coming months and years.”

Viorel Vodiță
General Manager, Europharm Distribution



Stakeholder engagement

A key ingredient in understanding our stakeholder needs and expectations is maintaining open and constructive dialogue. In preparation for this report, we conducted a review of what is most important to stakeholders.

We engaged with a range of experts in discussion on different aspects of responsible business behaviour in the pharma sector. The insights and expectations of these stakeholders are included in this report (See Appendix).

“Maintaining a positive reputation is important for us as it is an indication of the trust our stakeholders have in the way we do business. When our stakeholders trust that we are acting with their interests in mind, we are able to develop meaningful dialogue with them and work together collaboratively to improve healthcare outcomes. Open communication and transparency are the key to making this happen. That’s why we always take a positive approach to engaging with authorities, the media, industry and patient associations who share our interest in helping people do more, feel better and live longer.”

Andraia Cucu
Communication Manager, GSK

Stakeholder group	Nature of engagement	Key expectations of GSK Romania
GSK plc	Our parent company sets the frameworks within which we operate, approves our strategy and monitors our performance. We engage with colleagues around the world on a daily basis.	Alignment of our strategy and practices with GSK’s mission and values to deliver health for all, while ensuring sustainable growth in our business in Romania. Adherence to ethical standards is critical.
Employees	We engage our employees through regular internal communications and at least twice a year in performance development planning and engagement surveys.	Employees are interested in being kept informed, doing meaningful work, receiving recognition and opportunities for personal development.
Patients, healthcare professionals and patient associations	Patients are at the heart of our thinking and we engage with them through market research and patient advocacy via patient associations and via healthcare professionals on a daily basis.	Patients want effective, quality medicines, and access to affordable treatment. Patient associations and HCPs want support for improved access and affordability of healthcare, and knowledge sharing.
Customers	We serve many customers through Europharm Distribution and GSK Consumer Healthcare and meet regularly to understand their needs	Our customers want best value and reliable, high quality service and product availability.
Suppliers	We rely on a wide range of suppliers for our activities in Romania, and we use local suppliers where we can. We meet with supplies as needed to discuss service and ongoing needs.	Our suppliers are interested in fair opportunity and fair dealings, with opportunity for long-term supply.
The Romanian regulatory authorities and the pharma industry in Romania	We engage with authorities, often through industry associations where we are members, to support improvements in the healthcare system for the benefit of patients in Romania. We meet frequently at different levels across a wide range of subjects.	Authorities expect us to be compliant and collaborative on regulatory initiatives and our industry associations welcome support and resources to advance issues of shared concern.
The media	We build positive relations with the media to demonstrate our collaborative and transparent approach and help raise awareness of healthcare issues.	Media professionals want us to be responsive to their information needs.
Romanian communities and the environment	We engage with many NGOs which serve underrepresented populations to identify needs and channel our support. We manage our environmental impacts and engage with environmental groups as needed.	NGOs look for long-term partnership and resources to support their missions and social and environmental initiatives.

Performance

data summary

Employees by gender and contract	G4	Unit	2012		2013		
			Male	Female	Male	Female	
Permanent contract employees		Percentage	N/A	N/A	36%	61%	
Temporary contract employees	G4-10	Percentage	N/A	N/A	1%	2%	
Management employees by gender	G4-LA12	Percentage	39%	61%	39%	61%	
Non-management employees by gender	G4-LA12	Percentage	37%	63%	37%	63%	
All employees by gender	G4-LA12	Percentage	38%	62%	37%	63%	

Employees by age	G4	Unit	2012	2013	Change (%) in 2013
Employees below age 30	G4-LA12	Percentage	19%	16%	-16%
Employees between 30-50	G4-LA12	Percentage	75%	76%	1%
Employees over age 50	G4-LA12	Percentage	6%	8%	33%

Total employees, new hires and turnover	G4	Unit	2012	2013	Change (%) in 2013
Total employees	G4-10	Headcount, year end	1,022	975	-5%
Employee new hires	G4-LA1	Headcount	151	91	-40%
Employee leavers	G4-LA1	Headcount	179	136	-24%
Employee turnover	G4-LA1	Leavers % of end-year headcount	18%	14%	-20%

Health and safety	G4	Unit	2012	2013	Change (%) in 2013
Number of injuries	G4-LA6	Injuries	1%	5%	400%
Injury rate	G4-LA6	Rate per 100 employees	0.10	0.51	423%
Number of lost days due to injury	G4-LA6	Days	20	28	40%
Lost day rate	G4-LA6	Rate per 100 employees	1.96%	2.87	47%
Number of fatalities	G4-LA6	Number	0	0	=

Training and development	G4	Unit	2012	2013	Change (%) in 2013
Employee training hours total	G4-LA9	Hours	3,040.0	1,536%	-49%
Employee training hours average/person/year	G4-LA9	Hours	3.0	1.6	-47%
Employee performance reviews	G4-LA11	% of employees	99.7%	99.5%	-0.2%

Performance data summary

continued

Community investment	G4	Unit	2012	2013	Change (%) in 2013
Total value of community investment	G4-S01	Euro	650,880	817,162	26%
Value of employee donations (included in total investment)	G4-S01	Euro	13,317	33,526	152%
Employee volunteers	G4-S01	Headcount	598	716	20%
Volunteered hours	G4-S01	Hours	5,456	4,234	-22%

Environmental performance	G4	Unit	2012	2013	Change (%) in 2013
Total water withdrawal	G4-EN8	m ³	16,015	14,491	-10%
Non-renewable fuel consumption	G4-EN3	GJ	63,935	65,843	3%
Electricity purchased from grid	G4-EN3	GJ	17,646	16,362	-7%
Total energy consumption	G4-EN3	GJ	81,581	82,205	1%
Scope 1 GHG emissions	G4-EN15	Metric tons CO ₂ e	4,145	4,355	5%
Scope 2 GHG emissions	G4-EN16	Metric tons CO ₂ e	2,446	2,268	-7%
Total GHG emissions		Metric tons CO ₂ e	6,591	6,623	0.5%
Waste to recycle/reuse	G4-EN23	Metric tons	86	144	67%
Waste to incineration	G4-EN23	Metric tons	127	84	-34%
Waste to landfill	G4-EN23	Metric tons	0	7	
Total waste	G4-EN23	Metric tons	213	235	10%
Percentage of waste recycled or reused	G4-EN23	Percentage	40%	61%	52%
Product distribution delivery efficiency	G4-EN30	Litres diesel/ton of product distributed	71	70	-1%

About *our reporting*

This is our third annual Corporate Responsibility Report for GSK in Romania. Our last report covered 2012.

This report covers our activities during 2013 and the early part of 2014. All quantitative data relates to the calendar year 2013 unless otherwise stated.

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.

Additionally, this report is written in accordance with 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. As an early adopter of this framework with our last report for 2012, we demonstrate our commitment to transparency and to the expectations of the many different stakeholders and experts that created G4. We were the first pharma company in the world to publish a CR Report in accordance with the G4 framework, and we are one of the first companies in the world to do so for a second time.

We have tried to meet the requirements of the G4 framework in good faith. 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 has 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 Content index

G4	General Standard Disclosures	Response / Page / Link	External Assurance
STRATEGY AND ANALYSIS			
G4-1	CEO statement.	Page 5	
ORGANIZATIONAL PROFILE			
G4-3	Name of reporting organization.	Page 48	
G4-4	Products.	Page 6	
G4-5	HQ location.	Page 4	
G4-6	Countries of operation.	Page 4	
G4-7	Legal form.	Page 48	
G4-8	Markets served.	Page 4	
G4-9	G4-LA12	<ul style="list-style-type: none"> ▪ Total number of employees: See G4-10 ▪ Total gross revenues in 2013: > € 250 million ▪ Quantity of products or services provided: Over 175 million units distributed to the market 	
G4-10	Employees by employment contract and gender, permanent employees by employment type and gender, total workforce by employees and supervised workers and by gender.	Page 57	
G4-11	Percentage of total employees covered by collective bargaining agreements.	None (0%) of GSK Romania employees are covered by collective bargaining agreements.	
G4-12	The organization's supply chain.	Page 4	
G4-13	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.	Page 49	
G4-15	Externally developed economic, environmental and social charters, principles.	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	Memberships of associations maintained at the organizational level.	Page 33	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents.	Page 48	
G4-18	Process for defining the report content and the Aspect Boundaries.	Page 9	
G4-19	Material Aspects identified in the process for defining report content.	Page 8	
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	All material Aspects selected in this report apply equally to our all of our operations and entities in Romania as listed in G4-17.	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Please see page 58 for a table which shows whether the impacts occur internally or externally for each material Aspect.	

G4	General Standard Disclosures	Response / Page / Link	External Assurance
G4-22	Effect of any restatements of information provided in previous reports.	Prior year water consumption has been restated. See page 60, G4-EN8	
G4-22	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There is no significant change from previous reporting in the scope and Aspect Boundaries of this report.	
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups engaged by the organization.	Page 51	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	The basis for selection of stakeholders is management judgement based on interaction and feedback from all stakeholder groups during the year.	
G4-26	Approach to stakeholder engagement.	Page 51	
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	page 51 and Appendix, page 62	
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year).	Calendar year 2013 for all quantitative data. Stories from early 2014 where relevant	
G4-29	Date of most recent previous report.	2012	
G4-30	Reporting cycle (such as annual, biennial).	Annual	
G4-31	Provide the contact point for questions regarding the report or its contents.	We welcome feedback on this report and on our CR and sustainability performance. Please write to us at CR-Romania@gsk.com or call Marilena Nastase, CSR & Patient Advocacy Executive, on +40 21 302 82 08. Alternatively, you may use the feedback form on our website www.gsk.com/pages/contact .	
G4-32	Report the 'in accordance' option the organization has chosen and GRI Content Index.	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.	
G4-33	Current practice with regard to seeking external assurance for the report.	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 (www.b-yond.biz) who interviewed over 30 managers, reviewed and clarified our data, visited our operations and interviewed external stakeholders. Together with our internal controls, this gives us confidence that our reporting is accurate and robust.	
GOVERNANCE			
G4-34	Governance structure of the organization, including committees of the highest governance body.	Page 48	
ETHICS AND INTEGRITY			
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Page 26	

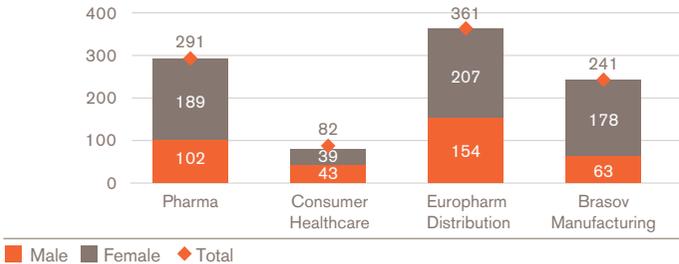
Specific Standard Disclosures

STRATEGY AND ANALYSIS					
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-SO1	DMA: Page 21 100% of our four company operations in 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 Benchmarking Group
Enhance access to healthcare in Romania					
Work collaboratively to strengthen healthcare infrastructure and access to medicines in Romania					
Invest in local communities in Romania	Indirect Economic Impacts	G4-EC8	DMA: Page 24 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.		
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 50 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 33 We do not engage in any party political oriented activities and have made zero political donations.		
Ensure compliance with all laws and regulations	Compliance	G4-S08	DMA: Page 49 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 30 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 34 Our Pharma Company advances patient rights through advocacy activities. Pharma represents one of our four operations in Romania, i.e. 25%.		
Develop and empower employees	Training and Education	G4-LA11	DMA: Page 37 99.5% of employees in Romania received a full performance review in 2013.	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	Page 39	Age split of management is not available at this time.	
Ensure a safe working environment for employees	Occupational Health and Safety	G4-LA6	Page 41	Absenteeism data is not provided.	
Ensure a safe working environment for employees	Energy, Emissions	G4-EN3 G4-EN15 G4-EN16	Page 42-43		
Minimise product and packaging waste	Effluents and Waste	G4-EN23	Page 42-43		
Comply with environmental legislation	Compliance	G4-EN29	Page 42-43		
Reduce environmental impacts of product transportation and logistics	Transport	G4-EN30	Page 45		

Detailed Disclosures

G4-10 Employees

Total employees by gender at end of 2013



Number of employees by gender	2011	2012	2013
Male	383	384	362
Female	636	638	613
Total employees	1,019	1,022	975

Nuner of employees by contract	G4		
	Male	Female	Total
Permanent contract	353	590	943
Temporary contract	9	23	32
Total employees	362	613	975

GSK Romania permanent employees by gender	Female Employees			Male Employees			Total		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Pharma	118	114	102	201	199	189	319	313	291
Consumer Healthcare	37	42	43	30	34	39	67	76	82
Europharm Distribution	154	154	154	209	209	207	363	363	361
Brasov Manufacturing	74	74	63	196	196	178	270	270	241
Total	383	384	362	636	638	613	1,019	1,022	975
% Female Employees							62%	62%	63%

Notes

Employees in GSK Romania are almost exclusively hired on permanent full-time contracts. Four employees in 2013 worked on a part-time basis. 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.



Detailed Disclosures

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	Bringing innovative products to patients in Romania	Local Communities		✓	These Aspects impacts all Romanians, aiming to provide improved healthcare for all.
Social	Enhance access to healthcare in Romania	Local Communities		✓	
Economic	Invest in local communities 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 strengthen healthcare infrastructure and access to medicines in Romania	Local Communities		✓	This Aspect impacts all Romanians, aiming to provide better 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 high quality 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 authorities, 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 authorities , 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.	Local Communities		✓	This Aspect impacts patients, specially those with chronic diseases for which GSK provides treatment, so that they can realise all their rights to treatment and other quality-of-life elements.
Labor practices	Develop and empower employees	Training and Education	✓		
Labor practices	Provide a workplace that offers diversity and equal opportunity	Diversity and Equal Opportunity	✓		
Labor practices	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 of 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 serve 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	✓	✓	

Detailed Disclosures

continued

G4-LA1 Employee turnover

New hires by age in 2013	2013		Rate of new hires in 2013 (males)	Rate of new hires in 2013 (females)	Total new hire rate (%)
	Male	Female			
Below age 30	15	27	4%	4%	4%
Age 30-50	21	24	6%	4%	5%
Over age 50	4	0	1%	0%	0%
Total employees	40	51	11%	8%	9%

Employee turnover in 2013	2013		Rate of turnover in 2013 (males)	Rate of turnover in 2013 (females)	Total turnover rate (%)
	Male	Female			
Total employees	67	69	19%	11%	14%



Notes

- 100% of employees are based in Romania
- Data for employee turnover by age group is not currently available.

G4-LA6: Occupational Health and Safety

Injury frequency rate	2011	2012	2013
Total number of injuries	0	1	5
Injury frequency rate	0	0.10	0.51

Lost day rate	2011	2012	2013
Total number of lost days due to injuries	0	20	28
Lost day rate	0	1.96	2.87



Notes

- Injury rate and lost day rate are calculated per 100 employees (200,000 working hours per year).
- Injuries were minor, with 3 of the five injuries occurring while driving.
- There were no fatalities in 2013 or in prior years.
- Absenteeism data is not available at this time.

G4-LA9 Employee training

Average hours of training per year per employee	2012	2013
Average hours of training	3.0	1.6



Notes

- Data is currently unavailable for training hours by gender and employee category.

G4-LA12 Employees by gender and age

Employee diversity: gender	2012		2013	
	Male	Female	Male	Female
Management	39%	61%	39%	61%
Non-management	37%	63%	37%	63%
Total employees	38%	62%	37%	63%

Employee diversity: age group	2012	2013
Below age 30	19%	16%
Age 30-50	75%	76%
Over age 50	6%	8%

Employees by age - 2013	Pharma	Consumer Healthcare	Europharm Distribution	Brasov Site	Total
Female under 30	30	13	36	13	92
Female 30-50	157	26	159	126	468
Female over 50	2	0	12	39	53
Male under 30	19	9	28	7	63
Male 30-50	82	34	114	44	274
Male over 50	1	0	12	12	25
Total	291	82	361	241	975

Detailed Disclosures

continued

Employees by age as a percentage of total employees - 2013	Pharma	Consumer Healthcare	Europharm Distribution	Brasov Site	Total
Female under 30	3%	1%	4%	1%	9%
Female 30-50	16%	3%	16%	13%	48%
Female over 50	0%	0%	1%	4%	5%
Male under 30	2%	1%	3%	1%	6%
Male 30-50	8%	3%	12%	5%	28%
Male over 50	0%	0%	1%	1%	3%
Total	30%	8%	37%	25%	100%

Notes

- Employees are categorised into management and non-management categories. We do not record minority group membership or other indicators of diversity, due to legal restrictions governing collection of this data in Romania.

G4-EN3: Energy consumption

Fuel consumption from non-renewable sources in gigajoules	2011	2012	2013	Change from 2012 (%)
Natural gas	16,091	17,569	16,571	-6%
Diesel fuel	38,057	42,127	45,032	7%
Gasoline	4,401	4,239	4,240	0%
Total gigajoules	58,549	63,935	65,843	3%

Electricity purchased from grid in gigajoules	18,133	17,646	16,362	-7%
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Total energy consumption in gigajoules	2011	2012	2013	Change from 2012 (%)
Fuel consumption from non-renewable sources	58,549	63,935	65,843	3%
Electricity purchased from grid	18,133	17,646	16,362	-7%
Total energy consumption in gigajoules	76,682	81,580	82,204	1%

Notes

- Data includes all GSK Romania facilities.
- We do not purchase or sell heating, cooling or steam.

G4-EN8: Water withdrawal

Water withdrawal in m3	2011	2012	2013	Change from 2012 (%)
Total water withdrawal	16,909	16,015	14,491	-10%

Notes

- Data includes all GSK Romania facilities.
- Data for 2011 and 2012 is restated to include Consumer Healthcare data as water withdrawal is reported for the first time. Restatement includes 2011 and 2012 data.

G4-EN15: Greenhouse gas emissions (Scope 1) G4-EN16: Greenhouse gas emissions (Scope 2)

Greenhouse gas emissions in tons CO ₂ e	2011	2012	2013	Change from 2012 (%)
Scope 1 direct energy	3,793	4,145	4,355	5%
Scope 2 indirect energy	2,513	2,446	2,268	-7%
Total gigajoules	6,306	6,591	6,623	0%

Notes

- Data includes all GSK Romania facilities.
- Greenhouse gases included in the calculation of CO₂e are CO₂, CH₄ and N₂O.
- Scope 1 emissions use DEFRA 2013 GHG conversion factors. Scope 2 emissions use IEA factors.
- Scope 2 emissions for 2011 and 2012 have been restated using updated IEA emissions factors.

Detailed Disclosures

continued

G4-EN23: Waste

Total amount of hazardous and non-hazardous waste by disposal method in tons	2011	2012	2013	Change from 2012 (%)
Recycle/reuse	43	86	144	68%
Incineration	36	127	84	-34%
Landfill	0	0	7	n/a
Total hazardous and non-hazardous waste	79	213	235	11%

Hazardous waste in tons	2011	2012	2013	Change from 2012 (%)
Total hazardous waste	6.50	5.64	6.40	13%

Notes

- Data for 2011 does not include the Consumer Healthcare or Pharma as data collection began in 2012.
- Waste for 2012 has been restated to include previously unreported data.

G4-EN30: Environmental impacts of product transportation

Transportation delivery efficiency	2012	2013	Change from 2012 (%)
Product transportation - litres of diesel consumed per ton of product distributed	71	70	-1%

Notes

- This data covers Europharm Distribution only. Europharm Distribution serves GSK Romania product distribution activities.



Appendix: Expert stakeholder perspectives

Creating value in Romania

Dragoş Dehelean, Founder-Manager of ResponsabilitateSociala.ro, a leading CSR news and events company in Romania.

“As a small entrepreneur, I am interested in how the activities of large corporations affect our economy here in Romania. Overall, we are looking to develop a thriving economy where there is more equitable distribution of wealth. Romania has been achieving economic growth, but this has benefited only certain classes in society. The “ordinary“ people are not yet experiencing improved well-being. Poverty is the greatest barrier to access to health.

For me, I look at how companies are contributing to equitable growth. This means investing in the local economy, for example, creating jobs, purchasing locally, attracting new technologies and further investment. I would like to see companies being more transparent about the economic and social value they are creating.

I believe that GSK does much good work in Romania – possibly the best of all the pharma companies. Their work in local communities, helping children understand the importance of oral hygiene, for example, is best practice and encourages other companies to do similar things. However, it is possible to gain more economic leverage from such activities by supporting the creation of social enterprises that bring greater economic and social development at

the same time. I think all companies should consider how their investment in local communities makes long-term lasting change on multiple levels, rather than just addressing specific issues.

Finally, as a leading local pharma company, I expect GSK to contribute to enhancing our social capital here in Romania. Social capital refers to the trust we have in each other and our trust in institutions. I see many instances of corruption and malpractice in the healthcare system and elsewhere. Collaboration is difficult when there is a lack of trust. GSK and similar companies should do more to help build trust at a public level.“

Advancing health for all

Dr. Florentina Furtunescu, Associate Professor at University of Medicine and Pharmacy Carol Davila.

“I have a long background in healthcare in Romania as a public healthcare specialist, having worked in the Ministry of Health and as a researcher in public health issues for more than ten years. I can define three areas of priority for pharmaceutical companies operating in Romania, especially those that are part of global organisations.

First, enhancing access to medicines is critical. Romania is a large country, with more than 15 million people earning less than the average income of €300 – €400 per month. Health expenditure is very low compared to everywhere else in Europe.

We need to find ways of helping more people to receive satisfactory healthcare, especially those with little or no financial means. I believe that pharmaceutical companies can do much to help to achieve this goal.

Second, collaboration within the industry is important. We must make best use of our resources and information which is available. Collaboration across the industry creates synergies and mobilises large groups of stakeholders.

The third priority area for pharmaceutical companies, I believe, is about investment in local communities. We must ensure that local communities become more aware and have the means to take a greater share of the responsibility for their health. This needs investment in awareness, education, infrastructure and support for local communities. Pharma companies have resources and know-how to make a useful contribution.

I have observed in my interactions with GSK in Romania over the years that the company is careful to respect ethical standards of behaviour and do business in the right way. GSK aims to make a positive impact on public health and collaborates well with a range of different groups. Transparency is important and I believe that GSK Romania is doing well by demonstrating an open approach and willingness to engage in the debate.“

Supporting communities

Cristina Damian, Executive Director, United Way Romania.

“In the last couple of years in Romania, we have performed an extensive survey of local community needs, based on conversations with local leaders, educators, parents and community activists, to understand their key areas of concern. We can structure our findings into three broad areas: income, education and health.

In the area of health, one of our key discoveries is that, quite simply, poor people do not go to the doctor. This can be quite problematic, as prevention, early detection and early treatment become impossible. An example is the fact that pregnant women don't visit the doctor until they are just ready to give birth. There are no pre-screens, no ante-natal care support, and no identification of issues that could prevent problems in childbirth. Companies in the healthcare sector can assist by working with a range of groups to increase awareness of the need to consult with a physician and by helping physicians to communicate in an encouraging way with patients who are not comfortable visiting doctors.

Our hope in collaborating with companies such as GSK is that they will help us make the best use of resources available, and that they will contribute in a collaborative way to existing projects. We like to see individual employees getting involved and contributing their expertise. We encourage further

Appendix: Expert stakeholder perspectives

continued

support for employees to identify causes that they are passionate about – after all, they are also part of the local community – and help them get involved. We are sure this will benefit the company and its employees, as well as the community. Companies should also try to work more strategically and form longer-term commitments with strategic partners in the community. Multi-year commitments help us plan our resources and undertake more meaningful work.”

Collaboration is the only way

Oana Igrışan, Head of Communications, The Romanian Association of International Medicines Manufacturers (ARPIM)

“For ARPIM, industry collaboration is crucial. Our aspiration is to continue to be a powerful voice representing the industry for the benefit of patients, addressing real patient needs. There are many small patient associations in Romania which are not well known. We take on the role of helping these associations to help them reach the patients needing their support. We provide support, information and assistance in developing appropriate communications platforms as part of our broader public policy efforts. When the industry works together, we can make a real difference.

Access to medicine is a key priority in Romania. As an association representing the industry and our member companies, we have engaged over the years in many

projects which focus on patient access to medicines, including innovative drugs. While some progress has been made – there are 17 new molecules in the reimbursement list – there remains much more to be done. No single company is capable of driving such change alone. A collaborative approach to public policy and patient advocacy should be a top priority for any pharmaceutical company in Romania.

I will point out that GSK has been very committed to supporting ARPIM projects over the years, and to contributing to social causes. GSK is one of the main supporters of the HOSPICE Casa Sperantei, which provides palliative care for terminally sick patients. Palliative care is not funded by any public budget in Romania – all support must come from donated funding.

At ARPIM, we also place great importance on doing business in an ethical way, and we have our own Code of Conduct for our members. It is very important that a company has strict policies governing potential conflicts of interest. GSK, along with the other innovative pharma companies in ARPIM, has committed to a Code of Conduct and this is a good example for other companies to follow.”

Supporting patients

Rozalina Lapadatu, President of the Association for Patients with Autoimmune Diseases.

“Our association’s main objective is to help people with chronic disease. There has been no revision of the reimbursement list since 2007. So many new drugs, even if they are available in the Romanian market are not accessible for Romanians, as they are not subsidised by the state. Upgrading the healthcare system is a benefit to the entire economy; it doesn’t just affect single patients. There are ripple effects on families, caregivers, communities and our whole society. No matter how hard we have tried to convince the healthcare authorities about the relative economic advantages of adding new drugs, backed by valid data, we did not yet didn’t find a way to achieve the desired changes.

In this context, the involvement and engagement of companies in the private sector is really important. We would also like to have more of our patients participate in clinical trials. Clinical trials are a way to create access to innovative drugs. We would like to be informed of upcoming trials and have the opportunity to suggest patients that could benefit.

I believe that pharma companies should use their leverage to help influence government policy and improve the healthcare system overall. Global companies can bring their experience to Romania, and help to drive a different approach. Individually, in the meantime, providing more discounts for expensive drugs which are not on the reimbursement list would be a big help for our patients as well.”

Investing in talent development Andrei Ion, Managing Partner, SHL Romania

“I have more than 11 years’ experience in the field of organisational consulting, and over the years, I have developed specific insights into how organisations can become more effective while increasing employee capabilities and at the same time, making a contribution to society.

One of the first things that I would like to see in companies in Romania is an investment in employee well-being. By this, I mean programmes which increase employee awareness of physical and psychological well-being in the workplace and help employees feel better at work and in general. There are very few companies which invest in this today in Romania. I believe this is a vital element in any corporate responsibility approach for employees.

The second area which I believe is critical is organisational health psychology. This means ensuring there is a right fit between people, job satisfaction and organisational needs. This combination is meaningful for employees and for the company. Maintaining such a holistic approach ensures a good overall contribution at different levels.

Thirdly, developing people is important, but this does not mean simply providing training courses. We believe that the most effective form of learning takes place within a

Appendix: Expert stakeholder perspectives

continued

structured framework that is supported by in-house managers and experts, who maintain a developmental relationship with managers, working with them and providing feedback over time to increase their capabilities. Learning is far more effective when it is acquired in the reality of the organisation and the day-to-day challenges.

Finally, companies should develop talent management processes. Managers want to know how to improve their abilities and be able to take on more stretching roles. Companies should employ individualised assessment methods and development plans so that employees can find professional fulfilment. Ultimately, investing in talent is equal to investing in society."

Committing to the environment Teia Gavrilesco, President of ViitorPlus

"ViitorPlus is a local NGO, established eight years ago. We aim to advance sustainable development in areas which are specifically relevant to Romania, such as reforestation, land degraded by agriculture, and waste management. Romania lost half of its forests in the last century, and 20% of arable land is now unavailable for agriculture. Romania recycles only 1% of municipal waste. Public funding is insufficient to address all these issues, so the support of industry is needed.

There are several ways in which companies

can show they are serious about sustainability. For example, we maintain a green office programme, where we help companies to engage employees around green practices at work. This works well at GSK in the Bucharest office. We also maintain a social enterprise that collects waste from small businesses in Bucharest, employing people with special needs to collect and distribute waste for recycling. This initiative provides both an environmental solution and a social benefit. We offer a team development programme for companies where employees work together to build a solar panel. The panel is then donated to buildings which serve the community. Employees learn new skills while making a lasting contribution to society. Another way of involving employees includes educating purchasing staff to integrate green criteria into purchasing decisions."

Transparency is essential Romanian Journalist

"Transparency is an issue in the pharma sector. It's a problem when pharma companies pay doctors to promote their products. This can lead to ethical problems. It's clear that pharma companies should be able to communicate to doctors about their products, but at the same time, I believe full transparency is critical. Companies should publish lists of those who receive money for different campaigns and events.

Generally, as a journalist, I have a positive attitude towards the pharma sector. There are many multinationals in this sector, and they are used to communicating with the media and understand the need to supply information about their activities. This is not the case in general in Romania. Local companies don't always understand our role and the importance, or urgency, of our requests. I have found GSK to be responsive to media requests for information, and always relatively quick to reply. This not only makes my job easier, it helps me keep the public informed about matters which are of interest to them.

An example from the pharma sector which has been problematic in this respect is accessing relevant information about clinical trials. I tried to find out how many clinical trials are conducted here in Romania. I wasn't able to obtain comprehensive information about companies performing clinical trials and drugs being trialled. This is also an ethical matter. I have heard stories of patients being exploited in the name of drug development. As a journalist, it is part of my role to draw attention to such things and ensure the truth is told.

I believe that pharmaceutical companies should put pressure on the government to include new drugs in the reimbursement list. On the other hand, the government has a responsibility to ensure that the drugs on the list are relevant for patients and truly worth the national investment. In this area too, we need to ensure complete transparency of activities in all interactions."

Communication is critical Andreea Nicoleta Deliu, Head of Corporate Communications and Community Affairs, BCR Bank

"I believe that companies have a duty to engage and contribute to the well-being of the local communities in which they operate. At BCR Bank, we try to do this in a strategic way. Businesses operate in the community and draw resources from the community. We contribute to well-being in a direct way by hiring and developing people, generating income, paying salaries and purchasing goods and services. But, we should do more than that. We need to consider the entire context of the community, not just those we affect in a direct way. The community is our future, our clients in ten or more years' time. We need to invest now so that our community can reap the benefits in the future.

We all have limited resources. Therefore, companies should aim to focus their investment where they can make the biggest difference. Companies can bring expertise, not just money, to our community. Multinational companies working in Romania bring an additional advantage. They teach us leading global practices and new ways of doing things which can be shared with the community to empower and improve social development. They should encourage employees that receive expertise through their jobs in the company to share that expertise within the community for even greater benefit?"