

# 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.



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# 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 Mr. Georgi Roussev	Mrs. Helen Tomlinson Mr. Tonislav Popov Mr. Andrew MacMillen (GSK VP & GM CEE)	Mrs. Mariana Cismaru Mrs. Karen Ashworth Mr. Pascal Prigent	Mr. Doru Achihai Mr. Georgi Roussev 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
<b>GSK plc</b>	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.
<b>Employees</b>	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.
<b>Patients, healthcare professionals and patient associations</b>	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.
<b>Customers</b>	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.
<b>Suppliers</b>	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.
<b>The Romanian regulatory authorities and the pharma industry in Romania</b>	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.
<b>The media</b>	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.
<b>Romanian communities and the environment</b>	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.

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# 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%

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# 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 <sup>3</sup>	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 <sub>2</sub> e	4,145	4,355	5%
Scope 2 GHG emissions	G4-EN16	Metric tons CO <sub>2</sub> e	2,446	2,268	-7%
Total GHG emissions		Metric tons CO <sub>2</sub> 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
<b>STRATEGY AND ANALYSIS</b>			
G4-1	CEO statement.	Page 5	
<b>ORGANIZATIONAL PROFILE</b>			
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"> <li>Total number of employees: See G4-10</li> <li>Total gross revenues in 2013: &gt; € 250 million</li> <li>Quantity of products or services provided: Over 175 million units distributed to the market</li> </ul>	
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	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
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.	
<b>STAKEHOLDER ENGAGEMENT</b>			
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	
<b>REPORT PROFILE</b>			
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 <a href="mailto:CR-Romania@gsk.com">CR-Romania@gsk.com</a> or call Marilena Nastase, CSR & Patient Advocacy Executive, on +40 21 302 82 08. Alternatively, you may use the feedback form on our website <a href="http://www.gsk.com/pages/contact">www.gsk.com/pages/contact</a> .	
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 ( <a href="http://www.b-yond.biz">www.b-yond.biz</a> ) who interviewed over 30 managers, reviewed and clarified our data, visited our operations and interviewed external stakeholders. Together with our internal controls, this gives us confidence that our reporting is accurate and robust.	
<b>GOVERNANCE</b>			
G4-34	Governance structure of the organization, including committees of the highest governance body.	Page 48	
<b>ETHICS AND INTEGRITY</b>			
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Page 26	

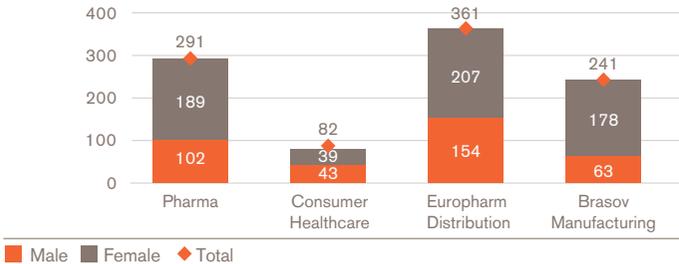
# Specific Standard Disclosures

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
<b>Total employees</b>	<b>1,019</b>	<b>1,022</b>	<b>975</b>

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

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
<b>Total</b>	<b>383</b>	<b>384</b>	<b>362</b>	<b>636</b>	<b>638</b>	<b>613</b>	<b>1,019</b>	<b>1,022</b>	<b>975</b>
<b>% Female Employees</b>							<b>62%</b>	<b>62%</b>	<b>63%</b>

### 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	✓	✓	

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# 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%
<b>Total employees</b>	<b>40</b>	<b>51</b>	<b>11%</b>	<b>8%</b>	<b>9%</b>

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%
<b>Total employees</b>	<b>38%</b>	<b>62%</b>	<b>37%</b>	<b>63%</b>

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
<b>Total</b>	<b>291</b>	<b>82</b>	<b>361</b>	<b>241</b>	<b>975</b>

# Detailed Disclosures

*continued*

Employees by age as a percentage of total employees - 2013	Pharma	Consumer Healthcare	Europarm 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%
<b>Total</b>	<b>30%</b>	<b>8%</b>	<b>37%</b>	<b>25%</b>	<b>100%</b>

**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%
<b>Total gigajoules</b>	<b>58,549</b>	<b>63,935</b>	<b>65,843</b>	<b>3%</b>

<b>Electricity purchased from grid in gigajoules</b>	<b>18,133</b>	<b>17,646</b>	<b>16,362</b>	<b>-7%</b>
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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%
<b>Total energy consumption in gigajoules</b>	<b>76,682</b>	<b>81,580</b>	<b>82,204</b>	<b>1%</b>

**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 <sub>2</sub> 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%
<b>Total gigajoules</b>	<b>6,306</b>	<b>6,591</b>	<b>6,623</b>	<b>0%</b>

**Notes**

- Data includes all GSK Romania facilities.
- Greenhouse gases included in the calculation of CO<sub>2</sub>e are CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.
- 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
<b>Total hazardous and non-hazardous waste</b>	<b>79</b>	<b>213</b>	<b>235</b>	<b>11%</b>

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

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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

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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 Gavrilescu, 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?"