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

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 Brașov site into a world-class standard GMP pharmaceutical manufacturing plant.

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

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.

### About GSK

#### Romania

**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.

**Brașov 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 in a range of management roles since 1993, and was appointed 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.
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 healthcare system is crucial for a modern healthcare system is facing short and long term.

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 let 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 regretfully 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

- **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.

**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 TM, 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®.

“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 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.
- GSK Orange Day in Romania engaged 278 employees in 20 community projects in 14 cities.
- We delivered life-saving drugs to over 5,500 hospitals and pharmacies every month.
- The drugs we produced in Brașov reached patients from over 80 countries around the globe.
- We supplied innovative medicines and vaccines in 13 therapeutical areas.
- Our employees invested 4,200 hours volunteering in local communities.
- We contributed funds to 13 Patient Associations.
- GSK invested €783,636 in the community in Romania.
- We maintained our strong safety record with just 5 minor work injuries in our operations.
- We invested 1,536 hours in employee professional and leadership training.
- We increased our recycled waste as a percentage of total waste to 61% (40% in 2012).
- We reduced our water consumption by 9.6%.
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.
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.

"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."

Dragoș 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 Igrișan
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 Gavrilescu
President
ViitorPlus

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

Journalist

"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”

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

Andrei Ion
Managing Partner
SHL Romania

"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

"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

"Our information issues continued

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.

Marilena Năstase
Patient Advocacy & CSR Executive,
GSK Pharma, Romania
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.

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

### Commitments 2012 - 2014

**Our people**

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Progress tracker 2013</th>
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</thead>
<tbody>
<tr>
<td>Expand wellness programmes for employees.</td>
<td>Progressing well We introduced our Partnership for Prevention programme to advance health and well-being.</td>
</tr>
<tr>
<td>Maintain high levels of satisfaction (over 90%) with HR's Shared Service programme.</td>
<td>Progressing well We maintained an overall score of 89%.</td>
</tr>
<tr>
<td>Review possibilities to increase workforce diversity to include people with disabilities.</td>
<td>Work to do We have not yet commenced activity in this area.</td>
</tr>
<tr>
<td>Expand the Graduate Trainee Programme and monitor its effectiveness.</td>
<td>Progressing well We have maintained our Trainee Programme and sought feedback from graduates regarding its effectiveness.</td>
</tr>
<tr>
<td>Emphasise Corporate Responsibility themes in the GSK Employer Brand for recruitment processes.</td>
<td>Progressing well We have included CR messaging in our recruitment programmes.</td>
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**Our planet**

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<thead>
<tr>
<th>Commitment</th>
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<tbody>
<tr>
<td>Deliver a total energy saving for all operations in Romania of 5% each year, using 2011 as a baseline.</td>
<td>Work to do Absolute energy consumption increased by 1% in 2013.</td>
</tr>
<tr>
<td>Reduce fuel usage for travel in cars by Medical Reps by 5% per kilometre travelled.</td>
<td>Work to do We did not monitor this metric in 2013. We are reviewing this target for 2014.</td>
</tr>
<tr>
<td>Reduce fuel consumption in Europharm Distribution delivery operations by 15% per ton of product delivered by end 2014 (using 2011 as a baseline).</td>
<td>On track We reduced fuel consumption per ton of product delivered by 1% in 2013.</td>
</tr>
<tr>
<td>Eliminate unnecessary packaging or reduce packaging volumes.</td>
<td>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.</td>
</tr>
<tr>
<td>Effectively measure waste levels in all our operations and create a new baseline in 2012. Reduce overall waste by 15% by end 2014.</td>
<td>Work to do Our new baseline for waste in 2012 is 199 tons. However, overall waste increased in 2013 and this is under review.</td>
</tr>
<tr>
<td>Deliver an overall reduction in carbon emissions from GSK operations in Romania of 15% by end 2014 using 2011 as a baseline.</td>
<td>On track Absolute emissions remained stable in 2013, but plans are in place to reduce emissions through 2014.</td>
</tr>
<tr>
<td>Measure water consumption in our office HQ and establish a target to reduce.</td>
<td>Progressing well We achieved an overall reduction in water consumption of 9.6% in all our operations in 2013.</td>
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