

GSK and Marketing Practices

GlaxoSmithKline (GSK) is committed to ethical, responsible, principled and patient-centered promotional practices. Our interactions with healthcare professionals are intended to benefit patients and enhance the practice of medicine.

In order to be truly successful in that endeavour, our practices conform to high ethical, medical and scientific standards that are determined by law and regulation, promoted by industry associations and embraced by the company. All GSK marketing and promotion is based on valid scientific evidence, is consistent with national prescribing information documentation and complies with all applicable laws and regulations established at national levels.

Corporate responsibility, including ethical marketing practices, is an essential part of our business. Sound business practices require us to operate in a manner that is responsible to all stakeholders, including our shareholders and society at large. That responsibility, along with a commitment to integrity, runs through the entire organisation.

GSK Follows Recognized Marketing Codes

Health authorities regulate product approval, labelling, information provided to the patient and product claims. In some countries, health authorities also regulate promotional materials and the provision of samples.

Above and beyond the regulatory requirements of governments, GSK has in place mechanisms to govern its sales and marketing activities at a number of levels. For example, our Corporate Policy on Pharmaceutical Marketing and Promotion Activity applies to all employees, suppliers, contractors, and agents everywhere in the world.

GSK also abides by industry guidelines and codes established by national industry associations as well as the key guidelines from major international industry associations. These codes and guidelines supplement government regulation and provide guidance and self-discipline for ethical marketing practices through the industry's own high standards and ethical principles.

As a multinational company, GSK sells products in more than 150 countries. The company is structured into four main commercial regions – the United States, Europe, Emerging Markets & Asia Pacific, and Japan - reflecting the size of some markets while recognizing the similarities amongst others. We abide by laws and industry codes for each of the four regions and have also adopted our own marketing codes for each region:

- In the United States, we abide by the PhRMA Code on Interactions with Healthcare Professionals and the PhRMA Guiding Principles on Direct-to-Consumer Advertisements of Prescription Medicines. GSK also has in place a set of “Commercial Practices Policies” that were developed to provide clear rules on how GSK employees should conduct themselves in their job.
- In Europe, GSK observes individual country laws, regulations and industry codes, including the European Federation of Pharmaceutical Industries and Associations (EFPIA) Code of Practice and has its own GSK European Promotion of Medicines Code of Practice.

- Across our Emerging Markets & Asia Pacific Region, GSK has an international Pharmaceuticals Promotion & Marketing Code designed to ensure a consistent framework for in-country sales and marketing activity. The code is based on the International Federation of Pharmaceutical Industries and Associations (IFPMA) Code of Pharmaceutical Marketing Practices and applies to all countries in the Region. In addition, individual country businesses frequently have codes that reflect the specific laws and regulations of the countries in which they operate.
- In Japan, GSK has a separate and distinct Code that is based on both the Japanese Pharmaceutical Manufacturer's Association (JPMA) Marketing Code and the IFPMA Code.

Any variations in these codes relate to differences in market structure, national healthcare systems and underlying laws and regulations than to a difference in GSK's ethical approach to marketing behaviour.

Marketing Code Training and Implementation

New GSK representatives are trained by GSK on the medicines they promote, the diseases the medicines are designed to treat and appropriate marketing practices. The training provides a thorough understanding of their obligations and responsibilities under our marketing codes. We use the most appropriate training technique for the representatives and products being covered. These include self-study based on company developed materials, one-on-one in the field sessions with managers, web-based learning and in-house training courses.

GSK also provides our marketing codes to employees when they are appointed to a position that requires an understanding of the policies, in particular sales, marketing, medical and regulatory roles. For all other employees, the respective code is available for reference in hard copy and/or on computer-based systems.

In Europe, the training and testing of GSK representatives is handled at the individual country level. In the US, Emerging Markets & Asia Pacific and Japanese businesses, training and testing occurs on hiring and then again on an annual basis. When our codes are updated, we issue new documentation and train our staff about the relevant changes.

Once trained, our representatives are assigned to a territory and are responsible for regular contact with doctors to provide information on a number of designated medicines. Representatives are supervised by sales managers who are responsible for ensuring staff meet business objectives while adhering to our marketing codes. On occasion, these managers work with their representatives on physician visits and educational events being run by their representatives, and managers monitor and approve expenses. Sales managers are ultimately accountable to more senior managers with an even greater level of responsibility and accountability in upholding our marketing codes.

Facilitating a Culture of Compliance

GSK operates in a complex legal, regulatory and commercial environment that spans the globe and therefore is often not consistent from one region or country to the next. Increasing demands on national healthcare systems are creating dynamic business environments that are changing rapidly and, at times, dramatically. In light of this, GSK promotes ethical behaviour and compliance with all company policies, laws and regulations by having effective management compliance systems in place at local, regional and relevant business unit levels.

Beyond day to day management, there is also head office oversight of GSK's marketing and sales practices. Various parts of the organization, including Finance, Human Resources, Legal, Compliance and Internal Audit, work together to ensure compliance with applicable laws and regulations, industry guidelines and our Codes. From expense account monitoring and audit, to prior approval of speaker programmes, advisory boards, requests for funding of continuing medical education events and more, we consistently work to ensure our policies are relevant to the current market environment and are complied with.

GSK's Internal Audit Department reviews sales and marketing on a regular basis to ensure proper procedures are in place and adhered to. This audit process allows us to identify areas that need to be addressed or are a cause for concern, and make any necessary changes to support comprehensive compliance with our policies.

We Act Upon Code Violations

Any concerns from health care professionals, patients or the general public about our marketing practices can be raised with the company through a variety of channels. By encouraging and being open to real and legitimate complaints from any source on any aspect of our compliance efforts, a more effective and transparent operation exists than would be obtained by relying on internal monitoring alone. Customer response-centre staff are trained to deal with concerns from outside the company and to redirect calls to appropriate senior management. Where health authorities regulate our activities, concerns can of course be raised directly with the appropriate government body.

Employees can also raise concerns about our Codes or business practices. They can speak with their manager or human resources professional, can phone or email a corporate compliance officer or write to a confidential post office box maintained by Corporate Ethics and Compliance. In the US and UK, confidential toll free Integrity Help Lines are also available.

There may at times be violations of one or more of our Codes. When that happens, the priority is to correct the problem as rapidly as possible. Internal violations are dealt with in line with normal company disciplinary procedures and the accountable individual(s) are subject to training and discipline as appropriate. As part of GSK's commitment to greater transparency, we also publish the figures associated with Code violations in our Corporate Responsibility Report. In 2010, for example, 1,124 employees were disciplined for policy violations, including 169 cases of employees breaching sales and marketing codes. Of these 169 cases, 9 resulted in dismissals. The other 160 cases resulted in corrective action in documented warnings.

When a problem is more widespread, the remediation process may include modification of one or more of our policies and/or changes to procedures as appropriate. GSK will make the changes necessary to address issues and ensure that those changes are then cascaded throughout the affected organisation to retrain, implement, monitor and verify the revised Code.

Scientific Engagement v Marketing

It is important that GSK actively engages in scientific debate and communication outside the company. This enables us to participate fully in the development of scientific understanding, to benefit from the knowledge of leading external scientists, practitioners and patients and to apply the best science to the development of our medicines and vaccines. However, we fully recognise the need to avoid activities which could be construed as promotion of a product or a new use of a product before we have authorisation to market it.

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To support this we have implemented clear standards for the way we work, to emphasise the distinction between non-promotional scientific dialogue and legitimate promotional activity to support licensed products. The new standards apply to all scientific and medical interactions with any external groups, including healthcare practitioners, payers, governments, patient groups and the media.

We believe that if our scientific activities appear in any way to be promotional, our credibility will be undermined and we will lose the trust of our stakeholders. These standards therefore support our aim of being seen as a trusted and valued scientific partner in developing medicines and vaccines that enhance patient care.

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