

Marketing Practices

GlaxoSmithKline (GSK) is committed to promotional practices that are ethical, responsible, principled and patient-centered. 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, GSK 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.

To that end, all marketing and promotion is based on valid scientific evidence, is consistent with the national prescribing information documentation and complies with all applicable laws and regulations established at national levels by regulatory agencies. Health authorities regulate product approval, labelling, information provided to the patient and product claims. In some countries, health authorities regulate promotional materials and the provision of samples, while in other markets independent third parties or industry guidelines govern those same issues.

Ensuring the integrity and consistency of our sales and marketing activities is of such importance that GSK has a senior manager responsible at the global level for sales force excellence - a project designed to guide the adoption of best selling practices by all of our sales representatives. As part of this initiative we are looking at ways to build trust and respect with our customers based on a thorough understanding of the diseases our products treat, ensuring our interactions with health care professionals are based on scientific evidence and ensuring we provide value for the patient. The project is also looking at ways to enhance training and develop our managers to more effectively coach and ensure high standards of performance by their staff.

GSK Follows Recognized Marketing Codes

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. 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.

Associations (IFPMA) Code of Pharmaceutical Marketing Practices, which was based on and is consonant with the WHO Ethical Criteria for Medicinal Drug Promotion.

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, International and Japan - which reflects the size of some markets while recognizing the similarities among certain countries.

To support these differences, while maintaining global standards of ethics, GSK abides by national laws and industry codes and has also adopted particular codes for marketing practices for each of the four regions of our business. Variations in these codes relate to differences in market structure, national healthcare systems and underlying laws and regulations than to a difference in our ethical approach to market behaviour.

- In the United States, GSK abides 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. Included in those are policies that govern 16 specific promotional and educational activities.
- 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 International 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 IFPMA Guidelines, and applies to all 118 countries in the GSK International Area. 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 Japan Pharmaceutical Manufacturer’s Association (JPMA) Marketing Code and IFPMA Code Guidelines.

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 including legal sessions.

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, International 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.

Adherence to ethical standards and conduct is a top priority for GSK's senior managers. They are expected to demonstrate personal leadership in ensuring full compliance with all laws, regulations and policies. All senior management at the vice-president level and above must certify to their understanding and obligations to comply with and implement GSK policies.

GSK also requires all employees, regardless of their role, to adhere to our Code of Conduct and all company policies. Senior executives, in particular, have the responsibility of ensuring their employees receive guidance and training on ethical behaviour and the legal responsibilities relevant to their job.

Processes to Facilitate Compliance

GSK operates in a complex legal, regulatory and commercial environment that spans the globe and therefore is often not consistent from one 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 these pressures we aim to prevent and detect misconduct by promoting ethical behaviour and compliance with all company policies, laws and regulations by having effective management compliance systems in place.

Beyond day to day management, there is 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 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 proactively 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 and 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 Codes, 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.

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.

Avenues exist for patients, healthcare professionals and other external stakeholders to raise concerns about violations of industry association codes. To improve self-discipline and transparency, some industry codes have adopted mechanisms to deal with complaints of alleged breaches and to ensure actual violations are corrected. Where health authorities regulate the activities of the company, concerns can be raised directly with the appropriate government body.

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. 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.

Conclusion

Corporate responsibility, including ethical marketing practices, is an essential part of our business. Sound business practices require us to operate in manner that is responsible to both our shareholders and society at large. That responsibility runs through the entire organisation and ultimately rests with management at the highest levels. Only by clearly demonstrating our commitment to building a transparent and fact based relationship with our stakeholders will we continue to be able to help patients do more, feel better and live longer.

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