

# Living our Values


The GSK Anti-Bribery and  
Corruption (ABAC) Programme



# Contents



<b>What is the ABAC programme?</b>	<b>4</b>
<b>Goal of this handbook</b>	<b>5</b>
<b>Bribery and Corruption: An introduction</b>	<b>7</b>
<b>What do you need to do?</b>	<b>11</b>
<b>What are the areas of focus?</b>	<b>13</b>
1. Gifts	13
2. Travel, Entertainment and Meals	14
3. Engagement with Government Officials	15
4. Third Parties	16
5. Business Development Transactions	17
6. Donations and Contributions	19
7. Facilitating Payments	20
8. Financial Books and Records, and Internal Controls	20
9. Employment Procedures	21
<b>How to report any concerns of misconduct</b>	<b>23</b>
<b>Training support and resources</b>	<b>25</b>
<b>Consequences of Misconduct</b>	<b>27</b>
<b>Resources for GSK people</b>	<b>29</b>



“Our attitude towards corruption is simple: it is one of zero tolerance”

## Andrew Witty, GSK's CEO, discusses the importance of GSK's ABAC Programme

There is no greater priority for GSK than the ethical conduct of our people. We exist to improve patient's lives. Everything we do must be in the best interests of the patient. No matter where we operate in the world, in our interactions with patients, prescribers, payers and governments, we must live our values of respect for people, transparency and integrity.

Nowhere is our commitment to ethical conduct more evident than in the area of corruption prevention and detection. At GSK, our attitude towards corruption in all its forms is simple: it is one of zero tolerance.

I know that we operate in challenging commercial environments and in cultures where corruption can be widespread. This can never be an excuse. It is vital that we ensure that our people and those who work on our behalf, understand their responsibilities and operate to the highest ethical standards.

This handbook provides you with a broad understanding of the Anti-Bribery and Corruption (ABAC) Programme at GSK, and identifies resources where you can find out more. Everyone at GSK should not only read the handbook, but live their daily lives by the rules, values and spirit, outlined in these pages.

Andrew Witty





## What is the ABAC Programme?

The ABAC Programme is part of GSK's response to the threat and risk of bribery and corruption. It builds on GSK's values and existing standards to form a comprehensive and practical approach to compliance in this complex risk area. Therefore, many of the policies and procedures that support the ABAC Programme are well established and should be familiar to you.

At GSK, we are committed to the highest level of ethical behaviour and compliance with laws and regulations. We expect that all employees and business partners will conduct themselves in accordance with our values, policies, procedures, and the laws relating to bribery and corruption.

The ABAC Programme consists of:

- POL-GSK-007 that clearly sets out the company's requirements from all our employees and business partners to prevent corrupt practices and maintain standards of documentation (**Policy 007**).
- A toolkit of resources and training to help you understand and comply with Policy 007.
- A dedicated anti-bribery and corruption team to support, monitor and ensure compliance with the ABAC Programme across the organisation.

The ABAC Programme is implemented by many functions throughout the organisation including Compliance, Legal, Finance and Audit but ultimately, it is up to you to ensure you:

- understand what is expected of you.
- comply with your obligations under Policy 007.
- voice, through the appropriate channel, any questions or concerns you may have.

## Goal of this Handbook

The handbook is designed to help you navigate through the ABAC Programme. It will take you through the core elements of the programme by discussing: 1) our standards, 2) our requirements to meet these standards and 3) indicators of corruption ("red flags").

The handbook is not intended to be fully inclusive of everything you must consider for anti-bribery and corruption compliance. Rather, it is one of many tools we have created to provide you with the clarity you need to understand corruption risk and your obligations to actively combat both real and perceived corruption. If you have any questions on subject matter that are not covered in this handbook, please contact your local Legal or Compliance contact.





## Bribery and Corruption: An Introduction

### What are bribery and corruption?

Bribery and corruption means giving, offering or receiving an undue reward with the intention of influencing the behaviour of someone in government or business in order to obtain or retain a commercial advantage.

### Why should I care about bribery and corruption?

Bribery and corruption have been identified as one of the key factors that limit growth and contribute to inequality. By wrongly benefiting a few individuals, it limits competition, damages innovation and corrupts societies. Put simply, it is unethical and against our values.

GSK requires compliance with the highest ethical standards and all anti-bribery and corruption laws applicable to it in the conduct of its business. GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees or by third parties acting for and on behalf of GSK.

Not only is bribery and corruption wholly contrary to our values, it is also illegal. Bribery and corruption laws expect that companies will have proactive measures in place to prevent and detect corrupt practice. The consequences of non-compliance with the laws are significant to the company and to individuals involved (employees, representatives, and officers).

Individuals and companies can face civil and criminal charges that can result in large fines, imprisonment and disbarment from government contract processes. In other words, failure to comply puts you as an individual and the company at risk.

### What forms can bribery and corruption take?

Bribery and corruption can take many forms including cash or gifts to an individual or family members, inflated commissions, fake consultancy agreements, unauthorised rebates, political or charitable donations. Common business practices, if abused, can be construed as corrupt payments. For example, excessive or inappropriate entertainment, paying for the travel of spouses, or inappropriate non business related travel could be a problem. In some cases, the offer of the inducement is unlawful, even if it is not accepted. Giving, offering, requesting and receiving a bribe are all forms of corruption, even if made indirectly through a third party. Intangible benefits such as favours can be corruption if offered in exchange for other tangible or intangible benefits.





### Working with Government Officials – Corruption Risk

GSK, like all the companies in the pharmaceutical industry, interacts with government officials throughout the lifecycle of a product. For example: product registration, clinical trials, manufacturing license applications, applying for patents and trademarks, and marketing to doctors and hospitals all involve government interactions. Other interactions that involve government officials include:

- Customs clearance
- Immigration Visas
- Political lobbying
- Dealing with Tax authorities

Bribery of government officials poses a heightened risk to GSK due to specific anti-bribery and corruption laws around the world relating to government sector bribery. The term government official has been broadly interpreted by regulators to include:

- Any officer or employee or person acting on behalf of a government department or agency (including health or reimbursement authorities).
- Any officer or employee of a company or business owned in whole or part by a government or government agency.
- Any officer or employee of a government international organisation such as the World Health Organisation or United Nations.
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party.
- Any candidate for political office.
- Any person working for a state-owned health care institution, i.e. healthcare professionals. In many countries, healthcare professionals (HCPs) are considered to be government officials. Examples of HCPs include doctors, pharmacists, nurses, researchers, clinical trial investigators, other officials of health authorities, hospital finance staff, and hospital administrators.

### Is there any difference between bribery of government officials and commercial bribery?

No, corruption can occur in both commercial dealings and dealings with government authorities and governments, including government officials. GSK does not distinguish between these forms of bribery. Both of these activities are prohibited by our policies and if breached may lead to severe sanctions, including dismissal.

### Are we responsible if a third party makes a corrupt payment on our behalf or while performing a service for us?

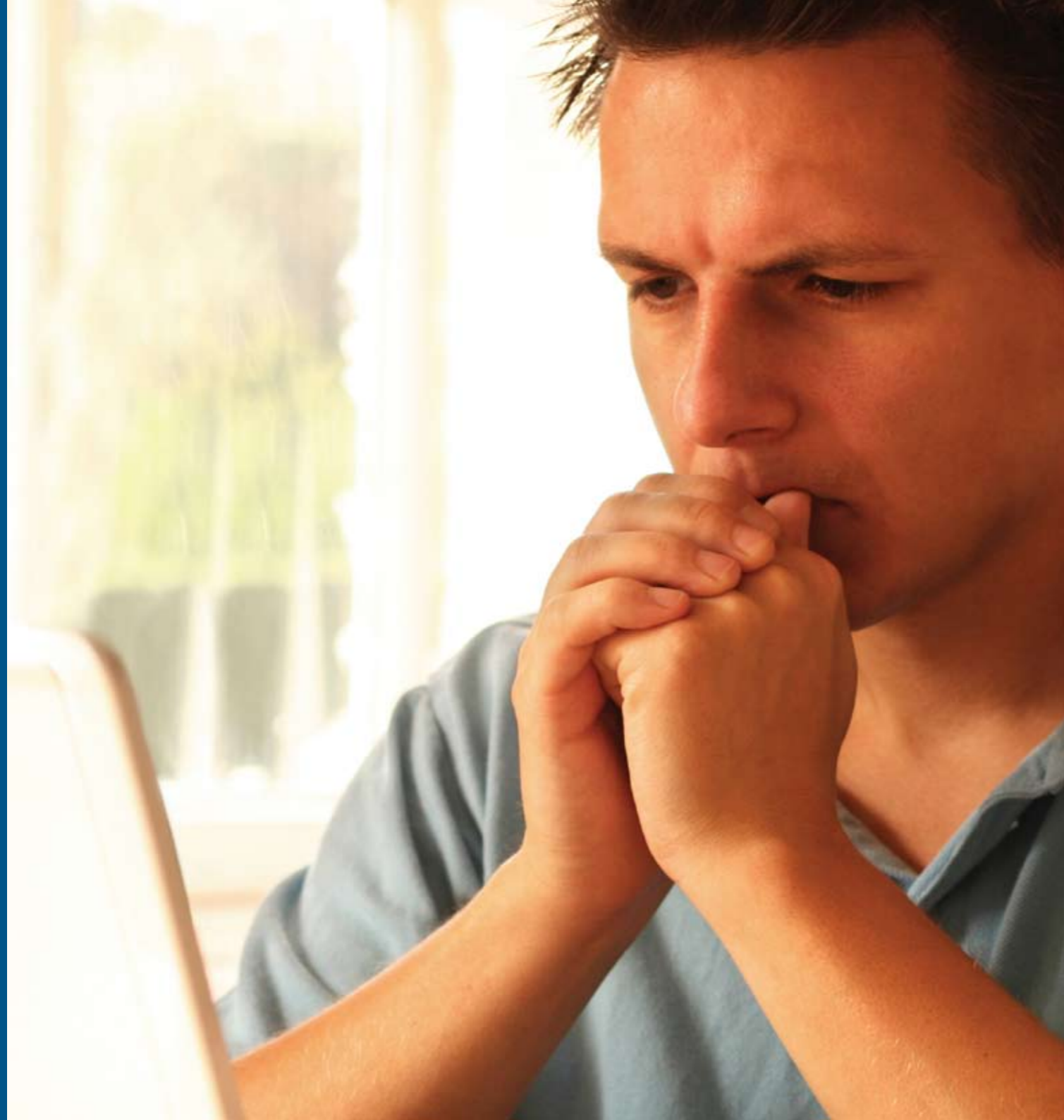
From a legal perspective, payment of a bribe through a third party or a supplier has the same effect as making the bribe directly. The company and the individual face the same civil and criminal charges as if the payments were made directly by GSK.

Accordingly, it is essential that we know our partners, understand the way they do business for us and ensure that they are committed to our values.

GSK has created a framework of procedures for the selection, engagement and monitoring of third parties with whom or through whom we do business. It is very important that you understand those procedures particularly if you are engaging with third parties on a regular basis. These procedures are set out in detail in the Third Party Framework (see section Resources for GSK People).



“Know your Partners”



## What do you need to do?

### Five key principles

#### 1. Do not offer or accept bribes

We prohibit the giving, offering, accepting or demanding of improper payments. Improper payments are anything of value made directly to an individual, or on someone's behalf, with the purpose of influencing or inducing an act to secure an improper business advantage or to improperly obtain or retain business. This restriction applies to anyone, regardless of their affiliation with a government organisation or a private company. It is unlawful to even offer a bribe, regardless of whether the offer is accepted or a benefit is gained.

#### 2. Understand our policies and the corruption risks you face

The first step to compliance is to develop an understanding of Policy 007 and how the policy impacts upon your responsibilities. Doing this requires an understanding of corruption risk, how corruption risk may apply to your area and your responsibilities, and what steps you need to take to prevent the risk and to ensure that when problems occur, they are handled in an appropriate manner.

#### 3. Respond

It is critical that compliance risk is assessed on an ongoing basis within each business area, that mitigation plans are appropriately established, and that the appropriate systems of internal controls are in place. This includes training employees and continuous monitoring of compliance with the ABAC Programme. The monitoring plan must be established at the local level and should be prioritised according to risk.

#### 4. Document

Documentation should always be accurate and complete. This means maintaining documentation to demonstrate compliance with the ABAC Programme and appropriate classification and / or characterisation of our business activities.

The ABAC Programme introduces new standards of documentation, including tracking and retaining supporting documentation for certain types of activities.

#### 5. Report

We all have an obligation to uphold the standards of the ABAC Programme and to encourage others around us to do the same. If you observe or suspect inappropriate behaviour within GSK or with our third parties, you have an obligation to report your concerns in a timely manner and through the appropriate channels (see section: How to report any concerns of misconduct).





## What are the areas of focus?

GSK has established procedures and guidelines to translate our principles into practice. This section outlines the general requirements and processes for the following risk areas.

1. Gifts
2. Travel, Entertainment and Meals
3. Engagements with Government Officials
4. Third Parties
5. Business Development Transactions
6. Donations and Contributions
7. Facilitating Payments (prohibited)
8. Financial Books and Records, and Internal Controls
9. Employment Procedures

### Gifts

#### A. Our Standard

Gifts include anything of value, e.g. money, goods, services, loans, tickets and prizes, given ostensibly as a mark of friendship or appreciation or to express the hope of future business success, and without expectation of consideration or value in return.

Under Policy 007, gifts to government officials are not permitted because they can create improper influence or the appearance of improper influence, and could be viewed as bribes or other illegal gratuities.

On an exceptional basis, however, items of minimal/modest value may be provided to government officials where it is legal, would be considered respectful of local customs and provided it is done in a fully transparent way.

Regardless of whether they would be considered a government official under the local laws, no gift, benefit in kind (including loans) or pecuniary advantage should be offered or given to healthcare professionals or to administrative staff as an inducement or reward for the prescription of products.

#### B. How we ensure compliance

The frequency of these gifts and definition of 'minimal/modest' in terms of local currency are detailed in local guidelines. Refer to Policy 007 and your local policies on permitted gifts for further guidance. If in doubt, you should ask your local Legal or Compliance contact before offering or accepting any gifts.





## CASE STUDY:

A company pays for HCP based in China to attend a medical conference in the United States. The Company may pay for: Airfare, Hotel, reasonable entertainment, e.g. meals for the HCP.

The Company may not pay: Airfare of official's family members, Side trips to other U.S. destinations, e.g., Disney World, other lavish entertainment.

Best practices: All such payments should be pre-reviewed and cleared in advance with no additional payments permitted. They should also be specifically coded to one GL account for transparency.



### C. Red Flags

If bribery or corruption is suspected, notify your local Legal or Compliance contact immediately.

Examples of "red flags" that could indicate bribery or corruption include:

- Any gift that would be illegal, e.g. any gift offered to a government official in breach of local or international bribery laws.
- Gifts to or from parties engaged in a tender or competitive bidding process.
- Any gift of cash or cash equivalents.
- Any gift that is intended as a quid pro quo, i.e. offered for something in return.
- Any gift that appears excessive, e.g. because it is of a value above the maximum permitted by company policy, or might adversely affect GSK's reputation.
- Any gift that is paid for personally in order to avoid having to report or seek approval.

In addition to the above, ask the following questions to determine if a gift is appropriate:

- Intent: is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a business decision?
- Materiality and frequency: is the gift modest and infrequent or could it place you or the recipient under an obligation?
- Legality: are you sure the gift is legal in your country and in the country of the recipient?
- Compliance with rules: does the recipient's employer allow them to accept the gift?
- Transparency: would you be embarrassed if your manager, colleagues, or anyone outside GSK became aware of your actions? If so, there is probably something wrong.
- Hypocrisy: are there double standards? We should only offer what we would be comfortable accepting, and vice versa.

## 2. Travel, Entertainment and Meals

### A. Our Standard

Providing travel, entertainment and meals to healthcare professionals or government officials may be a violation of the law, if they are excessive, unreasonable or do not have a valid business purpose.

In general, we discourage payment of expenses relating to travel, accommodation and meals of government officials to attend site visits or educational meetings. However, in situations where the governmental body for which the government official works does not cover all expenses relating to such visits, reasonable and actual costs may be reimbursed.

### B. How we ensure compliance

Approval from Legal should be obtained for bona fide expenses relating to travel, entertainment and meals of government officials prior to entering into such an interaction.

In situations where a government official insists on bringing a guest to an event, all costs relating to the guest must be paid by the government official and not GSK. In general, government officials must be discouraged from bringing their guests to any events. A guest may share an invitee's lodging, if there is no additional cost to GSK, but a guest may not attend any meeting-related hospitality.

### C. Red Flags

If potential corruption is suspected, Legal must be notified immediately.

Examples of "red flags" are as follows:

- Travel expenses for government customers/officials for which there is not a legitimate business purpose.
- Travel or entertainment expenses for family members of a government customer/official.
- Travel or entertainment expenses submitted on behalf of government customers/officials.

## 3. Engagement with Government Officials

### A. Our Standard

In the normal course of business, meetings may be scheduled with government officials for the purpose of discussing legitimate GSK business. These meetings must be held in an open and transparent manner in order to minimise the perception of any corrupt activity taking place.

In general, services performed by government officials for GSK are strongly discouraged. Engaging a government official would be allowed only if the official's knowledge and expertise are considered to be of unique value, and if allowed by local laws and regulations and any code of practice applicable to the government official. The engagement must be approved in advance by the Corporate Ethics & Compliance (CEC) member and the CET member responsible for the corresponding business unit.

### B. How we ensure compliance

Poorly executed transactions with government officials may expose GSK to legal liability and reputational damage. As such, all interactions should be documented properly after obtaining approvals. Feedback from all interactions with government officials should be shared with the Government Affairs contact point.

To ensure that interactions with government officials are transparent and monitored, all relevant documentation, including internal and external approvals, must be retained per our internal document retention policies.

## CASE STUDY:

### Question:

A mini forum is organised where 11 doctors from a government hospital would be trained on dengue fever and receive the latest information on the subject. The meeting is held over a weekend at a Spa Resort Hotel on the outskirts of Taipei. The agenda shows a ½ day of educational content. The remainder of the time is "free time". The rooms are booked for Friday and Saturday nights. Family members are allowed to stay the nights and attend one of the meals. Is this permitted by GSK's policies?

### Answer:

There is a very high risk that this will be seen as offering a foreign official (which includes doctors working for government hospitals) a payment for favourable treatment - in breach of the anti-corruption laws and GSK's anti-corruption policy. Although it is under the guise of an educational meeting, the nature of expenditure and activity is inappropriate. In addition, HCPs should be discouraged from bringing guests to such events and if they have to, the guests need to pay for their own expenses relating to transportation, accommodation and meals and should not be allowed to attend any of the organised events.

Policy 007 defines High Risk Third Parties as the following categories of third parties:

- those acting for or on behalf of GSK;
- those, who in the course of dealing with GSK business, interact with Government Officials; or
- those who are based and operating in 'High Risk Markets'.

High Risk Markets are identified as those with a Transparency International Corruption Perception Index score of 5 or less. You should refer to the Transparency International website to determine if you are dealing with third parties in High Risk Markets.

All Healthcare Professionals, Agents, Distributors and External Facing Consultants are considered to be High Risk Third Parties.

#### *Who is Responsible?*

The Government Affairs contact point will lead the coordination of all interactions with the government officials. Any violations or potential conflicts of interest with this policy should be raised with your local Legal or Compliance Contact.

#### **C. Red Flags**

If at any point, potential corruption is suspected, Legal must be notified to determine the appropriate course of action. All potential conflicts and red flags must be fully documented. The following are examples of red flags:

- Payment related to a government expense is made to an individual.
- Payment related to a government entity is made in cash. (as opposed to a company cheque).
- Travel expenses for customers, particularly government customers, for which there is no legitimate business purpose.
- Payment to an entity that is owned or influenced by the government official.
- Spouse joins the trip to visit a manufacturing site.

### **4. Third Parties**

#### **A. Our Standard**

All GSK dealings with third party suppliers shall be carried out with the highest standards of integrity and in compliance with all relevant laws and regulations. We expect all our third party suppliers to share our values and ethical standards. The actions of third party business partners can be considered actions of GSK and therefore their actions can implicate us legally and affect our reputation. We must ensure that we 'know our partners'.

#### **B. How we ensure compliance**

We have developed a mandatory framework to guide you through the selection, contracting and monitoring of third parties (Anti-Bribery and Corruption Framework: Third Party Procedure and Guidance), which is aligned to GSK's third-party oversight framework.

The framework is risk-based and therefore requires additional procedures for specific categories of third parties. We call these High Risk Third Parties. Prior to entering into a business relationship, we need to conduct the necessary procedures to understand who we are contracting with to represent us in the marketplace. We refer to these procedures as "due diligence", and they are an essential element of our relationships with all third parties.

The framework also requires certain contract terms be incorporated into our contracts with third parties and that you continue to monitor the third party throughout the relationship.

You will find the complete requirements in the Anti-Bribery and Corruption Framework: Third Party Procedure and Guidance, available on the ABAC website.

#### *Who is Responsible?*

It is the responsibility of the Business Owner (see definition below) to ensure that the ABAC third party Framework procedures are implemented. The Business Owner is responsible for ensuring that a proposed new third party goes through all the necessary and required due diligence procedures and that all red flags are resolved prior to completing a contract.

The Business Owner is the individual who engages, selects and retains the third party. This will be Procurement, where Procurement has been engaged.

#### **C. Red Flags**

If, at any point during due diligence procedures or interactions with a third party, you suspect corruption, contact someone in Legal or your Compliance Contact to help you resolve the red flag. All potential conflicts and red flags must be fully documented. All red flags must be sufficiently addressed before the engagement of the third party can progress.

Examples of common "red flags" with third parties are as follows:

- Family, business or other 'special' ties with government or political officials.
- Reputation for violation of local law or company policy, such as prohibitions on commissions, or currency or tax law violations. Also negative press, rumours, allegations, investigations or sanctions.
- Requests from government officials or agencies to engage or hire specific third parties.
- Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.
- Missing or inadequate documentation to support services and invoices. Unsupported charges or expenses, requests for payment of non-contracted amounts.
- Convoluted or complex payment requests, such as payment to a third party or to accounts in other countries, requests for payments in cash or requests for upfront payment for expenses or other fees.
- Requests for political, charitable contributions or other favours as a way of influencing official action.
- Third party has a reputation for getting 'things done' regardless of circumstances or suggests that for a certain amount of money, he can fix the problem or "make it go away".

### **5. Business Development Transactions**

#### **A. Our Standard**

Business development transactions include mergers & acquisitions, licensing arrangements, joint ventures, and deals where responsibility for marketing and/or sales promotion is shared or contracted out to a third party.

As with third parties, we must 'know our partners' to ensure they are committed to our values and ethical standards. When entering the types of transactions listed above, we may become legally liable for any past or future corrupt practices of our business partners.

#### CASE STUDY:

##### **Question:**

Country F has a very complicated environment with many distributors servicing different regions and categories of clients. Some of them have sanctioned monopolies: a hospital of the armed forces only works through one distributor. In order to make sales to this hospital, you are asked to work through this particular distributor, who asks for a commission of 5% on top of the normal distributor discount. Is this an area of Concern?

What is GSK's responsibility?

##### **Answer:**

We have the following red flags:

- Request by the government official to act through a particular distributor.
- Commission above market rates.

What is GSK's responsibility?

- GSK could be liable for the distributor's conduct if found to be providing bribes in exchange for business. In this case it is likely that this is the case, due to the demands to act through a distributor, and the special "commission" on top of market rate distributor discount.
- If these red flags demonstrate that there is a risk of corruption, GSK should be willing to walk away from the business.

The Business Owner is ordinarily the person responsible for selecting and negotiating with the third party. This will be procurement, where procurement has been engaged.



#### B. How we ensure compliance

We have developed a mandatory framework to guide you through the requirements to follow before entering into a business development transaction, which is available on the ABAC website. (Anti-Bribery and Corruption Framework: Business Development Procedure and Guidance).

Prior to entering into a business development transaction, we need to conduct the necessary procedures to understand who we are contracting and what policies and procedures they have in place to prevent corruption. We refer to these procedures as 'due diligence', and they are an essential element of 'knowing our partner'.

The framework requires that appropriate contractual provisions be incorporated into the contract based on the risk assessment of the target company. Even after the contract has been signed with the target company, we need to monitor them closely. Similar to what we do with monitoring efforts of third parties, all documentation relating to a specific business development transaction must be recorded and maintained.

#### Who is responsible?

The Business Development (BD) Leader is responsible for conducting and completing the due diligence process and resolving any red flags.

The BD Leader is the person responsible for leading the negotiations on a business development transaction.

### 6. Donations and Contributions

#### A. Our Standard

As a global organisation conducting business throughout the world, GSK is committed to the charitable donation of products for humanitarian needs and other factors, including emergency and disaster situations.

Our product donations usually channel through a number of organisations, such as the World Health Organisation, or the local Ministries of Health, which increases our corruption risks. As such, it is important that we pay special attention when making donations, so that our donations would not be considered inducements, as this would be a violation of the anti-corruption laws and our own policy.

#### B. How we ensure compliance

All GSK donations must be made in accordance with our policies and require prior authorisation by the local General Manager.

GSK has adopted a global policy prohibiting any form (financial or in-kind) of political contributions in all markets.

#### C. Red Flags

Examples of common "red flags" are as follows:

- Charitable contributions made to any organisation having any affiliation with a government official, customer or customer representative.
- Charitable contributions made on behalf of a government official, customer or customer representative.





## 7. Facilitating Payments

### A. Our Standard

A facilitating payment is defined as a payment to an individual to secure or expedite the performance of a routine government action by government officials to whom one is already entitled. These are generally small payments to low ranking government officials, for example, in order to:

- Obtain permits, licenses or work orders to which you are already entitled
- Receive police protection, mail pickup or delivery.
- Receive phone service, power and water supply, loading and unloading cargo, protecting perishable products.
- Schedule inspections or transit of goods across country border controls.

**We regard all facilitating payments as a corrupt practice and expressly forbid them.**

## 8. Financial Books and Records, and Internal Controls

### A. Our Standard

GSK must maintain detailed and accurate books and records and a system of internal controls that ensures accountability for all shareholder assets. "Off-the books" payments and fraudulent accounting practices, for example knowingly falsifying GSK's books and records to cover up or disguise any improper payments, are prohibited.

Books and records include accounts, invoices, correspondence, memoranda, tapes, discs, papers, books, and other documents or transcribed information of any type.

Examples of falsified books and records that violate our policies and anti-bribery laws include the payment of a false or fraudulent invoices, the miscoding of an improper payment in the general ledger, or a falsified expense report to hide improper entertainment of a government official.

### B. How we ensure compliance

Every GSK employee has an obligation to truthfully report all transactions and ensure no payments are made based on false documentation. Compliance is monitored by the GSK Finance Organisation and Internal Audit. GSK employees having custody of books and records shall be responsible for their security and ensure that no improper or unauthorised alterations or disclosures occur. Under Policy 007, the following acts are prohibited:

- Authorising or funding any transaction that is undisclosed or unrecorded in the company's books, records and accounts;
- Approving, inducing or making any payment with the intention, purpose or understanding that such payment or any part thereof is to be used for any purpose other than that described by the documents supporting the payment;
- Omitting, falsifying or disguising entries, or otherwise creating misleading or

incomplete entries in any of GSK's books and records; approving or inducing such acts or entries in any books, records or accounts of any third parties with whom the company conducts business;

- Paying expenses that are improper, unauthorised and/or unsupported by proper documentation.

### C. Red Flags

There are certain red flags that may indicate possible concealment of the true nature of the transactions, including:

- Unusual pay arrangements (e.g., requests for payments in cash or to out of country bank accounts, or upfront payment for services).
- Invoices or requests for payment that are unusual or outside the normal vendor authorisation, approval or payments process.
- Invoicing with a lack of supporting documentation. Vague or false description of services provided such as "Consultancy services" or "For services rendered". No supporting written agreement with clear detail of the services being provided.
- Excessive payments for the services described on the invoices.
- Incomplete or unclear journal entries in the accounting system.

## 9. Employment Procedures

### A. Our Standard

Our Global Pre-Employment Screening policy provides a common methodology throughout GSK for the pre-employment screening of all GSK new hires and the pre-engagement screening of all workers. Pre-employment screenings help protect GSK Staff, assets, intellectual property, and products by ensuring that individuals hired have the claimed qualifications and experience required for their positions. It also helps ensure that no hidden information is found which would preclude the staff's employment.

### B. How we ensure compliance

All hiring and recruitment managers must ensure that results from candidate pre-employment or pre-engagement screening processes (PES) meet GSK standards before an appointment is confirmed. As such, all offers of employment should include a conditional statement that satisfactory completion of the pre-employment screening is a condition of employment.

### C. Red Flags

There are certain red flags that may indicate that the individual may not be appropriate for employment, including:

- Refusal to sign a confidentiality agreement.
- Unfavourable background check results.





## How to report any concerns of misconduct

Vigilance and an understanding of what is not permissible are the responsibility of each of us - particularly those of us who work directly with third parties and/or customers who are in a position to influence commercial decisions.

You must report any genuine concerns about misconduct or unlawful conduct. Please be reassured that anything you say will be treated in confidence - there will be no retaliation. GSK will take disciplinary action up to and including termination for anyone who threatens or engages in retaliation, retribution, or harassment of any other person who has reported or is considering reporting a corruption concern in good faith.

You can report any concerns of misconduct to:

- Line management, Compliance Contacts or functional personnel (Legal, HR, Financial Director, GIA) for non-fraud related cases
- Finance Director or Corporate Security for fraud, or
- Corporate Ethics and Compliance Integrity Helpline 1-866 475-3844 or Confidential Reporting Line (can be found on ABAC and CEC Community homepages) for all other issues.





## Training support and resources

Endorsed at the highest level of the business, the ABAC Programme is relevant to all GSK employees. Ignorance is not an excuse. It is your personal responsibility to:

- Understand corruption risk and how it relates to your area of the business and your role.
- Know that you are personally responsible for understanding and complying with Policy 007.
- Know that you are personally responsible for understanding the expectations of the ABAC Programme (as relevant to your business), including:
  - The SOP on Engaging with non-HCP Government Officials
  - ABAC Framework: Third Party Procedures and Guidance
  - ABAC Framework: Business Development Procedures and Guidance
- If you are a manager, ensure that your teams are properly trained.
- Assess the corruption risk and the adequacy of prevention and detection controls in your area, and take proper action to address any control weaknesses.
- Know your partners and ensure that all applicable requirements, including due diligence, are rigorously applied to third parties.
- Know your resources and actively and appropriately engage Legal and Compliance.

We have created an extensive training programme which expands on the points raised in this guide. It is available as an e-learning module, BUS-010-351 Preventing Bribery and Corruption at GSK. The training will be provided to all employees grade 6 and above starting Q4 2010. It is the role of the Compliance Contact to designate who else may be required to take the training programme within the business.

There will also be detailed training to people involved in the following areas:

- High Risk Third Parties
- Business Development
- Lobbying

It is the role of the Compliance Contact to identify those involved in these areas and deliver this training.





## Consequences of Misconduct

All GSK corporate policies, including those described in this handbook, apply to employees at all levels in the company and will be enforced regardless of the employee's position.

Failure by any employee to comply with our ABAC Programme or any GSK policy will subject the employee - including supervisors who ignore or fail to detect misconduct or who have knowledge of the conduct and fail to correct it - to disciplinary action up to and including termination from employment. Ignorance of GSK's standards and/or local law is not an excuse for failure to comply.

Management and Human Resources are responsible for determining any appropriate disciplinary action in accordance with local labour laws. Breaches of law may also result in civil or criminal penalties for the individual employee.





## Resources for GSK people

Although this guide will have provided an introduction to the ABAC Programme and to Policy 007, it is not all-inclusive.

For more details, please visit the Anti-Bribery and Corruption webpage on the CEC Community homepage where you will find links to many important resources, including:

- Policy 007.
- E-learning module.
- Code of Business Conduct.
- Anti-Bribery and Corruption Framework - Business Development Procedures and Guidance.
- Anti-Bribery and Corruption Framework - Third Party Procedures and Guidance.
- Frequently Asked Questions.
- Policy on Gifts and Entertainment.
- Policy on Political Contributions.

If you require training on the ABAC Programme, speak to your Compliance Contact or contact the ABAC Team.

