

A large, stylized white number '70' is positioned on the left side of the cover, partially overlapping the abstract background. The number has a slightly distressed or hand-painted appearance.

**YEARS OF
INSPIRING
CONFIDENCE**

**GSK PAKISTAN LIMITED
ANNUAL REPORT 2021**





YEARS OF COMMITMENT

For seven decades, GSK has been at the forefront of providing healthcare solutions to people across Pakistan, enabling them to live healthier and more fulfilled lives.

Even as we evolve as an organisation to keep up with the ever-changing needs of our customers and patients, the trust, commitment, and care that lie at the heart of everything we do has always remained constant. As a highly agile and future-ready Company, we make continuous efforts to grow competitively, in line with our values and culture.

Human health has been at the forefront as never before in recent history. We, at GSK, stand committed to play an integral role at this inflection point and inspire confidence in the people we serve.

Organisational Overview and External Environment

- 002 Corporate Information
- 004 Our Global Narrative - Vision, Mission, Values and Expectations
- 008 GSK Pakistan
- 010 Our Presence
- 011 Organisational Chart
- 012 Group Reporting
- 013 Group Ownership Structure
- 016 Top Brands
- 020 Business Model
- 022 Position of Reporting Organisation in Value Chain
- 023 Composition of Local vs. Imported Material
- 023 Foreign Currency Sensitivity Analysis
- 024 Key Quantitative Information
- 025 Our People
- 028 Our Business Units and Functions
- 039 Code of Conduct
- 040 Awards and Recognitions
- 042 Timeline and History of Key Events
- 043 Significant changes from prior years
- 044 Key Initiatives
- 046 Significant factors affecting external environment and associated response
- 048 SWOT Analysis
- 049 Competitive Landscape and Market Positioning

Strategy and Resource Allocation

- 052 Strategy and Resource Allocation
- 054 The effect of technological change, societal issues, and environmental challenges on the Company's Strategy and Resource Allocation
- 055 Specific processes used to make strategic business decisions and to establish and monitor the Culture of the Organisation
- 056 Strategy to overcome Liquidity Problem and Company's plan to manage its repayments of debts and meet operational losses
- 057 Significant plans and decisions
- 057 Significant changes in objectives and strategies from prior year

Risks and Opportunities

- 060 Risks and Opportunities Report
- 061 Risk Management Framework and Methodology
- 062 Strategy for mitigating risks
- 063 Boards efforts for determining the Company's Level of Risk Tolerance by establishing Risk Management Policies
- 064 Board's Statement regarding assessment of principal risks
- 064 Initiatives taken by the Company in promoting and enabling Innovation
- 064 Capital Structure and its adequacy

Governance

- 068 Board Composition
- 069 Schedule of Board of Directors' Meetings
- 071 Composition of Corporate Leadership Team
- 074 Profiles of Board of Directors
- 078 Chairman's Review
- 080 Directors' Report
- 090 Directors' Report - Urdu
- 091 Statement of how the Board operates
- 091 Annual Evaluation of performance and the criteria used for the members of the Board and its Committees, CEO and the Chairman
- 092 Board's Performance Evaluation conducted by External Consultant
- 092 Board's Induction and Orientation
- 094 Directors' Training Programme (DTP)
- 094 External oversight of various functions like Systems Audit/Internal Audit by an External Specialist and other measures taken to enhance credibility of Internal Controls and Systems
- 095 Policy for Remuneration to Non-Executive Directors including Independent Directors
- 096 Policy of Retention of Board Fee by the Executive Director in other companies
- 096 Policy of Security Clearance for Foreign Directors
- 097 Implementation of Governance Practices exceeding legal requirements
- 097 Executive Director in the Company serving as Non-Executive Director



097	Board's Policy on Inclusion and Diversity
099	Policy for Related Party Transactions
099	Details of Board Meetings held outside Pakistan during the year
099	Disclosure of Policy for Conflict of Interest among Board Members
100	Investors' Grievance Policy
100	Policy for Safety Records of the Company
101	Disclosure of IT Governance Policy
102	Disclosure of Whistle Blowing Policy
103	Review by the Board of the Organisation's Business Continuity Plan
103	Compliance with the Best Practices of Code of Corporate Governance
104	Role of the Chairman and CEO
105	Shares held by Sponsors, Directors and Executives
106	Salient features of TOR and attendance in meetings of the Board Committees:
	- Audit Committee Report
	- Human Resource and Remuneration Committee
109	Timely Communication
109	Chairman's Significant Commitments and any changes thereto
109	Presence of the Chairman of the Audit Committee at the AGM
110	External Search Consultancy
110	Disclosure about the Government of Pakistan policies related to Company's business in Directors' Report and their impact on the Company business and performance
110	Beneficial ownership and group structure
110	Human Resource Management Policies including preparation of a Succession Plan
111	Social and Environmental Responsibility Policy
112	Pandemic Recovery Plan by the management and policy statement

Performance and Position

116	Financial Highlights
117	DuPont Analysis
118	Financial Performance at a glance with graphical presentation
119	Analysis of Financial and Non-Financial Performance

121	Key Operating, Financial Data and Ratios with graphical presentation
124	Horizontal and Vertical Analysis
126	Quarterly Analysis
127	Direct Cash Flow
127	Free Cash Flow
128	Segmental Review
128	Economic Value Added
128	Unreserved Statement of Compliance to International Financial Reporting Standards
128	Information about default
129	Market Share and Price Sensitivity Analysis
129	History of major events during the year
130	Business rationale of major capital expenditure
131	Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019
134	Independent Auditor's Review Report on the Statement of Compliance
135	Independent Auditor's Report to the members
141	Financial Statements

Outlook

186	Forward-Looking Statement
186	Analysis of last year's Forward-Looking Statement
187	Status of projects disclosed in prior year
187	Source of information and assumptions used in forecasts
187	Organisation's readiness in responding to Critical Challenges and Uncertainties
187	CEO's Presentation

Stakeholders' Relationship and Engagement

190	Company's Stakeholders and their Identification
190	Stakeholders' Engagement Process, frequency of such engagements and effects on Company's performance and values
194	Steps taken to encourage Minority

	Shareholders to attend AGM
194	Investors' Section on the Corporate Website
194	Issues raised in last AGM, the decisions taken and their implementation status
195	Statement of Value Added and its Distribution
196	Stakeholders' Engagement Policy and steps taken by the Board to understand the view of Stakeholders through corporate briefing sessions
196	Highlights about Redressal of Investors' Complaints
197	Shareholder and Investor information

Sustainability and Corporate Social Responsibility

200	Health, Safety, Wellbeing and Sustainability
202	Environment and Sustainability
204	Certifications
205	CSR Initiatives

Others

206	Integrated Reporting Framework
207	Brief about the Report
208	Pattern of Shareholding
209	Shareholding Information
210	Members having 5% or more of Voting Rights
211	Key Shareholding
212	Notice of Annual General Meeting
224	Notice of Annual General Meeting - Urdu
225	Form of Proxy
227	Form of Proxy - Urdu
229	Request Form for Printed Copy of Annual Report 2021
230	Request Form for Printed Copy of Annual Report 2021 - Urdu
231	Standard Request Form
232	Standard Request Form - Urdu
233	E-Dividend Mandate Letter
234	E-Dividend Mandate Letter - Urdu
235	Factories and Offices
236	Best Corporate Report Checklist
242	Glossary



GlaxoSmithKline

The background of the slide is a collage of various papers, sticky notes, and documents. The colors are primarily warm, including shades of orange, yellow, and light brown. The papers are layered and some are slightly blurred, creating a sense of depth and activity. The overall aesthetic is that of a workspace or a collection of research materials.

Organisational Overview and External Environment

Corporate Information

as at December 31, 2021

Board of Directors

Mr. Dmytro Oliinyk
Chairman

Ms. Erum Shakir Rahim
Chief Executive Officer

Mr. Hasham Ali Baber
Chief Financial Officer

Ms. Maheen Rahman
Independent Director

Mr. Muneer Kamal
Independent Director

Mr. Mehmood Mandviwalla
Non-Executive Director

Mr. Mark Dawson
Non-Executive Director

Audit Committee

Mr. Muneer Kamal
Chairman

Mr. Dmytro Oliinyk
Member

Mr. Mark Dawson
Member

Mr. Mehmood Mandviwalla
Member

Ms. Maheen Rahman
Member

Syed Ahsan Ejaz
Secretary

Disclosure Committee

Ms. Erum Shakir Rahim
Chairperson

Mr. Dmytro Oliinyk
Member

Ms. Mehar-e-Daraksha Ameer
Member

Mr. Hasham Ali Baber
Secretary

Management Committee

Ms. Erum Shakir Rahim
Chief Executive Officer

Mr. Hasham Ali Baber
Chief Financial Officer

Ms. Mehar-e-Daraksha Ameer
Legal Director

Dr. Tariq Farooq
Business Unit Director BU-1

Syed Nasir Farid
Business Unit Director BU-2

Dr. Naved Masoom Ali
Business Unit Director BU-3

Mr. Khurram Amjad
Director Commercial Excellence and CTC

Dr. Gohar Nayab Khan
Regulatory Affairs Cluster Head -
Pakistan and Iran

Mr. Farqaleet Iqbal
HR Country Head

Mr. Abdul Haseeb Pirzada
Director Corporate Affairs and
Administration

Mr. Zain Anjum
Country Compliance Officer

Dr. Yousuf Hasan Khan
Director Medical

Syed Nabigh Raza Alam
Tech Head

Mr. Obaid Siddiqui*
Head of Procurement

Mr. Imtiaz Hussain
Site Director - F-268

Mr. Javed Tariq
Site Director - Korangi

Mr. Khurshand Iqbal
Site Director - West Wharf

Human Resource and Remuneration Committee

Ms. Maheen Rahman
Chairperson

Mr. Dmytro Oliinyk
Member

Mr. Mark Dawson
Member

Mr. Mehmood Mandviwalla
Member

Ms. Erum Shakir Rahim
Member

Mr. Farqaleet Iqbal
Secretary

Company Secretary

Ms. Mehar-e-Daraksha Ameer

Chief Financial Officer

Mr. Hasham Ali Baber

Chief Internal Auditor

Syed Ahsan Ejaz

Bankers

Citibank NA
Deutsche Bank A.G.
Habib Bank Limited
Meezan Bank Limited
Standard Chartered Bank
(Pakistan) Ltd.

Auditors

Yousuf Adil, Chartered Accountants

Legal Advisors

Hashmi & Hashmi
Faisal, Mahmood Ghani and Co
Legal Consultancy Inc.

Registered Office

35 - Dockyard Road, West Wharf,
Karachi - 74000.
Tel: 92-21-111-475-725
(111-GSK-PAK)
Fax: 92-21-32314898, 32311122
Website: www.pk.gsk.com

*Mr. Obaid Siddiqui resigned as Head of Procurement GSK Pakistan Limited as at September 23, 2021.
Mr. Abdul Samad resigned as CFO and Executive Director of GSK Pakistan Limited as at April 02, 2021.



Sykes Building

WE'RE A
TOP EMPLOYER
2022



Our Global Narrative

Who we are

We are a science-led global healthcare Company with a special purpose to improve the quality of human life by helping people do more, feel better, live longer.

£34.1bn

turnover in 2021

3

global businesses

300

years of innovation

What we do

We aim to bring differentiated, high-quality, and needed healthcare products to as many people as possible, preventing and treating disease and keeping people well with our scientific and technical know-how and talented people.

Every day, we help improve the health of millions of people around the world by discovering, developing, and manufacturing innovative medicines and vaccines.

We are building a stronger purpose and performance culture underpinned by our values and expectations - so that together we can deliver extraordinary impact for patients and consumers and make GSK a brilliant place to work.



Our values



Patient Focus



Transparency



Respect



Integrity

Our expectations



Courage



Accountability



Development



Teamwork

GSK's global pharmaceuticals business has a broad portfolio of innovative and established medicines in respiratory, HIV, immuno-inflammation, and oncology. We are strengthening our R&D pipeline through a focus on immunology, human genetics, and advanced technologies to help us deliver transformational new medicines for patients.

We are also the world's largest vaccines Company by revenue, delivering vaccines that help protect people at all stages of life. Our R&D focuses on developing vaccines against infectious diseases that combine high medical need and strong market potential.

How we do it

Everyone at GSK is focused on our three long-term priorities - Innovation, Performance, Trust - underpinned by our ambition to build a more purpose and performance driven culture, aligned to our values.

Innovation

We invest in scientific and technical excellence to develop and launch a pipeline of new products that meets the needs of patients, payers and consumers.



£4.8bn
adjusted R&D
investment in
2021



43 new
medicines in
development in
FY 2021



21 new
vaccines in
development in
FY 2021

Performance

We deliver growth by investing effectively in our business, developing our people and executing competitively.



£34.1bn
Turnover
in 2021



£8.8bn
Operating Profit
in 2021



**£4.4bn Free
Cash Flow in
2021**



**£4bn
Dividends
paid in
2021**

Trust

We are a responsible Company - using our science and technology to address health needs, we are focused on making our products affordable and available, and being a modern employer.



**78% employee
engagement
score in our
latest Employee
Survey**



**1st in Access to
Medicines Index
since the
assessment began
in 2008**

GSK Pakistan

GSK Pakistan Limited, a science-led pharmaceutical Company has been providing trusted quality medicines and vaccines, to more than 200 million patients across Pakistan for over 70 years. We aspire to capitalise on our leadership position by growing our general medicines portfolio, using digital solutions, and always doing the right thing.

To achieve this, GSK has built an agile, future-ready organisation in Pakistan comprising of an extensive manufacturing and distribution network that is quick to adapt to patient needs and grow competitively, in line with our values and culture. GSK Pakistan caters to many therapy areas which include Anti-infectives, Dermatology, Respiratory, Analgesics, Urology, and Vaccines.

We aim to consistently produce and improve access to quality medicines to help improve the quality of patients' lives. Our key pharmaceutical brands include Augmentin, Velosef, Amoxil, Dermovate, Clobevate, Betnovate, Calpol and Ventolin.

GSK stands as the pharma market leader in Pakistan with a volume share of 10.9%*. We have grown into a highly diverse and profitable business with 69 registered brands and 175 registered products.

GSK Pakistan presently employs over 1,700 persons across its manufacturing, pharmaceutical and sales functions. Our Pharma Supply Chain (PSC) division, which manufactures over 400 million packs annually, consists of three facilities, all of which are situated in Karachi at West Wharf, F-268 SITE, and Korangi.

* IQVIA: MAT Dec '21

PSC, F-268, SITE, Karachi

The F-268 facility is located in the Sindh Industrial Trading Estate (SITE) and is the largest pharma facility in Pakistan. Featuring advanced Digital Data Analytics Tools, it has three manufacturing sections - Liquids Block, Tablets Block, and a dedicated Penicillin Block. This site also has a small dedicated unit for ointments. Over 91 SKUs are manufactured at this site, with an annual volume of around 190 million packs. Major products manufactured at this site include Augmentin (in Dessiflex blister packing), Amoxil and Calpol. The site has also launched Child Resistant Senior Friendly (CRSF) packaging for most of its SKUs recently.



PSC, Korangi, Karachi

Located in the Korangi Industrial Area, this state-of-the-art manufacturing site has a dedicated block for Cephalosporins, both oral and injectable, a sterile facility for liquid ampoules and a unit for tablets. The site manufactures 77 SKUs and produces an annual volume of around 45 million packs. Major products manufactured at this site include Velosef, Capoten, Ceporex, Zinacef and Theragran Ultra.



PSC, West Wharf, Karachi

GSK West Wharf is the pioneering multinational pharmaceutical facility in Pakistan, located on the seashore close to the Karachi Port and city centre. The major manufacturing operations are of Dermatology products including ointments, creams and lotions. The site is also home to Otics (ear drops) and Spansules. Some of the key brands produced at this site include Betnovate, Dermovate, Clobevate, Polyfax, and Fefolvit. 61 SKUs are manufactured here, with an annual volume of around 168.5 million packs.



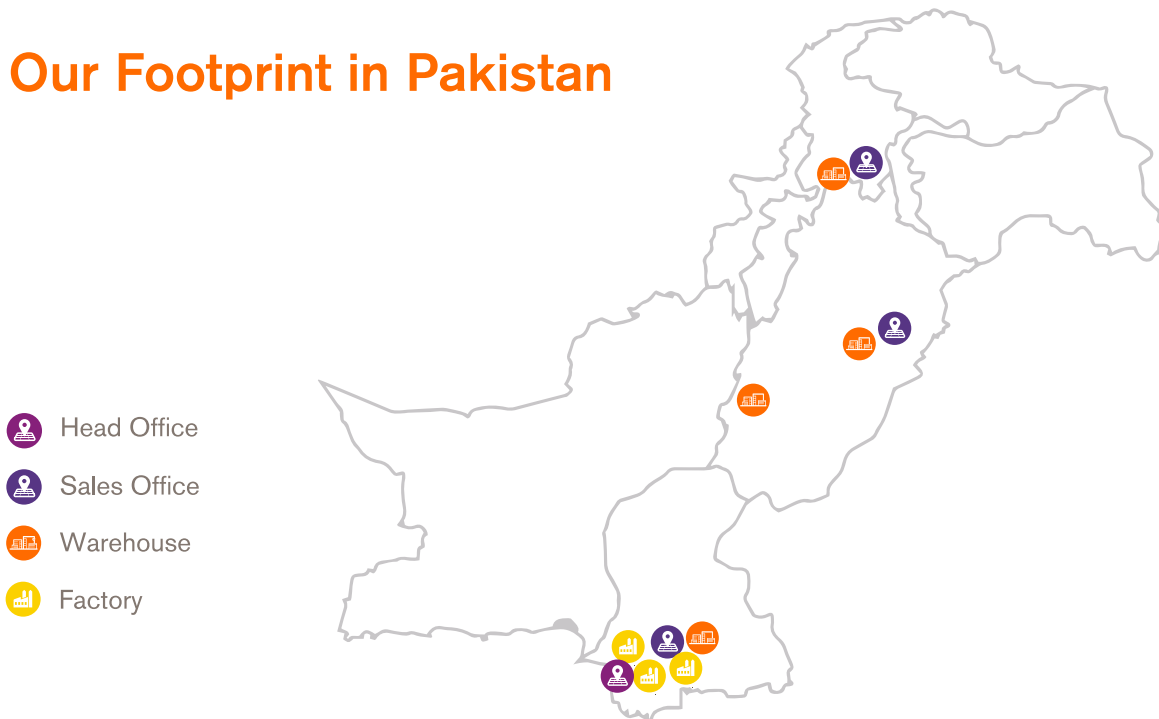
Our Presence

Global Landscape



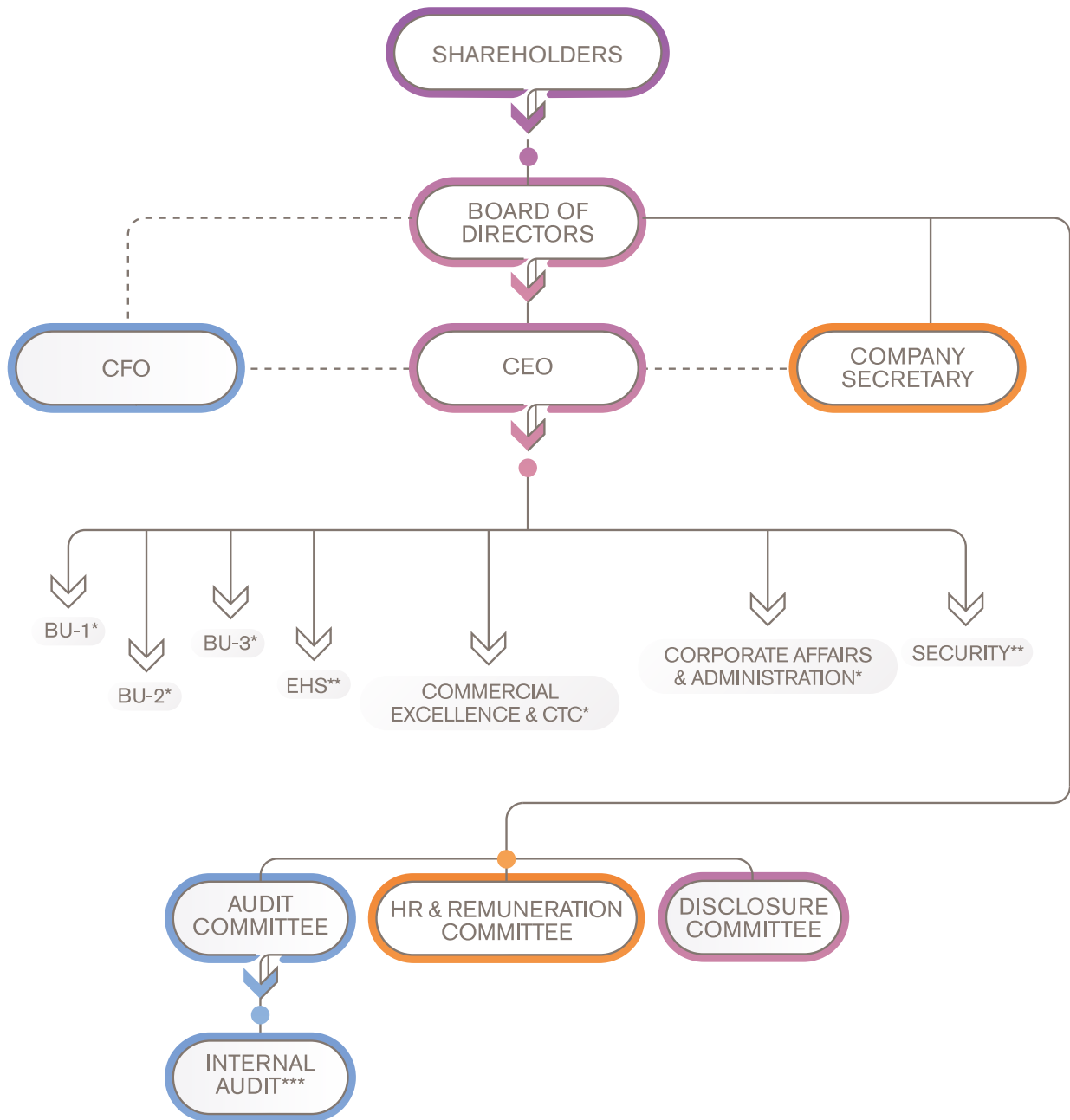
📍 Consumer Healthcare 📍 Pharma Supply Chain 📍 Pharmaceuticals 📍 Research and Development

Our Footprint in Pakistan



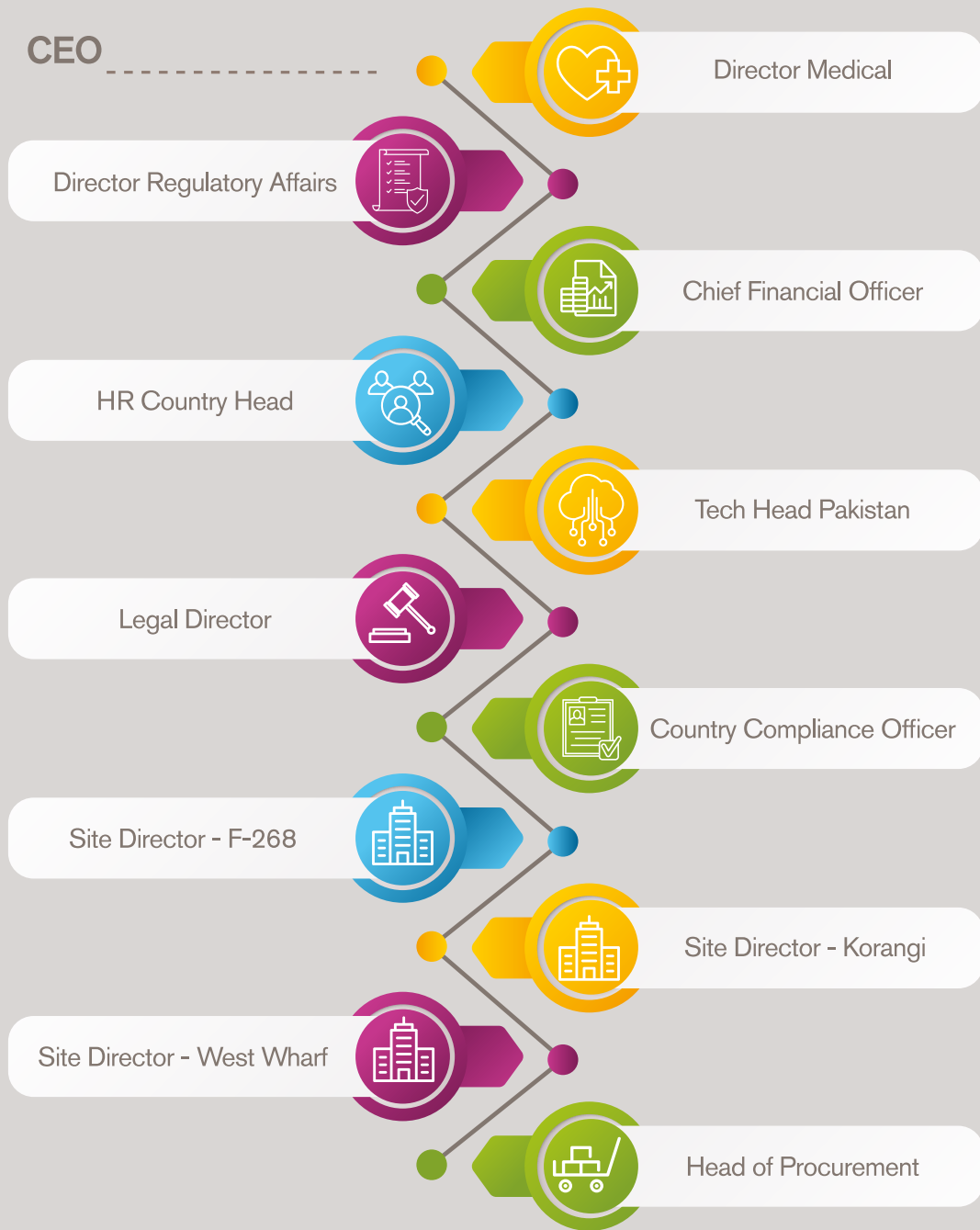
- 👤 Head Office
- 👤 Sales Office
- 🏠 Warehouse
- 🏭 Factory

Organisational Chart



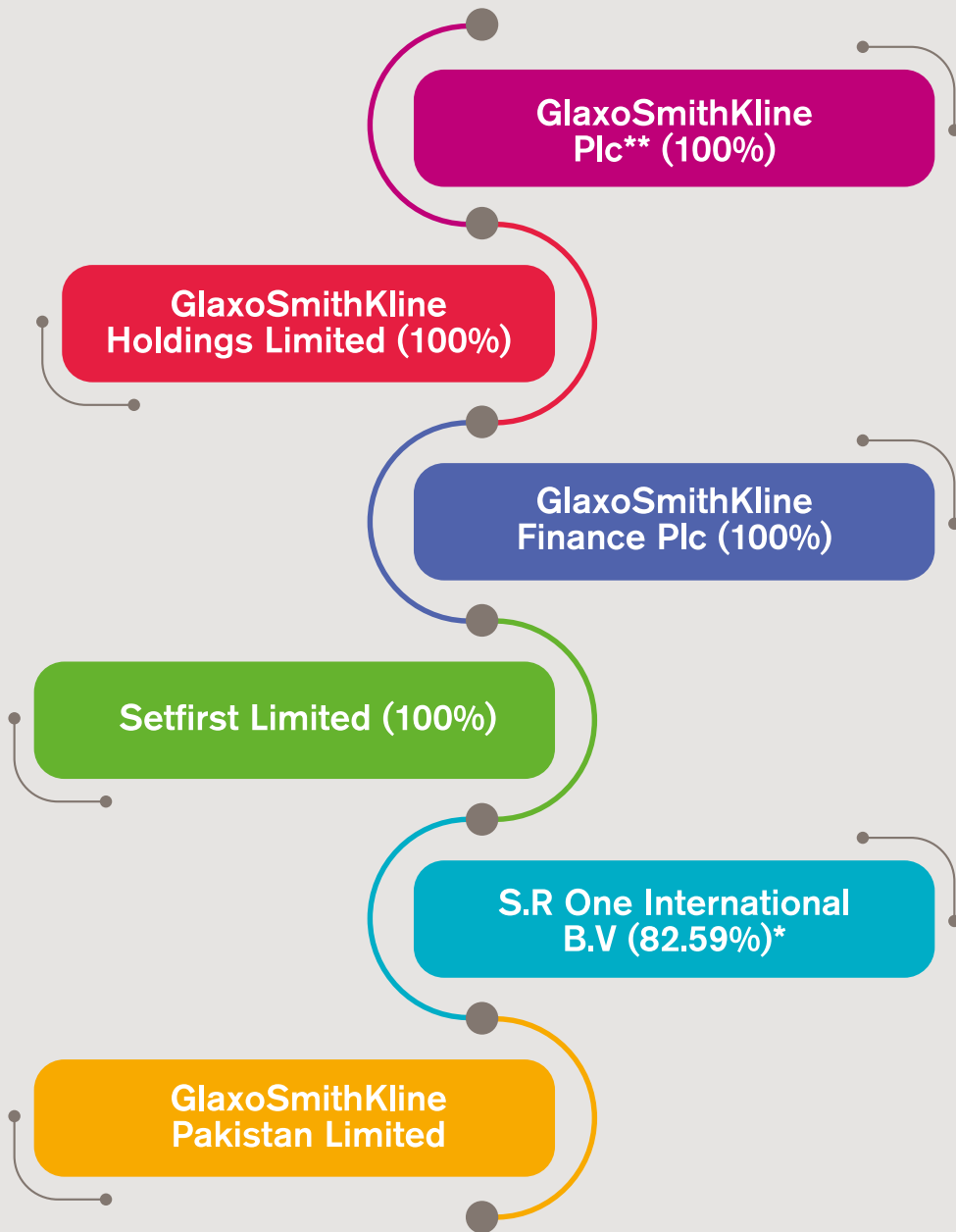
- BU** Business Unit
- CEO** Chief Executive Officer
- CFO** Chief Financial Officer
- ***CIA** Chief Internal Auditor
- *DR** Director
- **M** Manager
- CTC** Commercial Trade Channel
- EHS** Environment, Health and Safety

Group Reporting



These functions are reporting to relevant departments outside Pakistan having dotted line reporting to the CEO.

Group Ownership Structure



***Holding Company**

Country of origin: Netherlands

**Ultimate Holding Company is GlaxoSmithKline Plc, incorporated in UK.

Associated parties with which the Company had transactions during the year are disclosed on page 177, Note 35.1.



Top Brands



Augmentin

(Co-amoxiclav)

Augmentin is the biggest antibiotic in Pakistan Pharmaceutical Industry, valued at Rs. 6.4bn generating 31 million prescriptions i.e. 1 Rx generated per second*!

Augmentin continues to build upon its 4 decades of strong legacy while maintaining its No. 1 position in terms of value, volume and prescription in the overall Anti-Infectives market.

In line with the Antimicrobial Resistance agenda, Augmentin Team continued to disseminate scientific data effectively to HCPs across Pakistan. The main focus of Augmentin was to drive strong HCP engagements through innovative F2F and digital platforms.



* IQVIA: MAT Dec '21

Velosef

(cephradine)

In 2021, Velosef retained its position as the number one prescribed cephalosporin brand in Pakistan with 11 million prescriptions generated; selling 15 million units and a sales exceeding Rs. 3bn; Velosef continues to lead the cephradine molecule category with a volume share of 59%*.

Velosef's success can be attributed to the team's agility towards embracing the new commercialisation model with a special focus on multi-channel engagement. During the hospital visit restrictions, digital engagements replaced F2F activities to maintain the Share of Voice.



* IQVIA: PKPI MAT Dec '21, IQVIA: MIP MAT Dec '21

Amoxil

(amoxicillin)

Amoxil is the 3rd largest GSK brand on value and it is the most prescribed amoxicillin in the market with over 11 million annual prescriptions*! The brand has a ~45+ year legacy and to date represents top quality and efficacy. GSK Pakistan has a full range of Amoxil SKUs including drops, suspensions and capsules, to extend the brand benefit to all patient age groups.

HCP engagement through digital and F2F channels was of utmost priority to the brand in 2021. Through the effort of the sales and marketing team, a number of HCPs was engaged in Amoxil's brand activities ranging from Group Doctor Meetings, to webinars and mega events. In line with GSK's Antimicrobial Resistance (AMR) and rational use of antibiotic agenda, the Amoxil team will continue its medico-marketing F2F and digital activities throughout 2022.



* IQVIA: MAT Dec '21, MIP S2 2021

Vates

The Dermatology Division at GSK Pakistan has been committed to bring skin related therapies to patients of all age groups and demographics. Over the decades, we have led the dermatology market, ensuring that we continue to remain the trusted treatment of choice for different kinds of skin related concerns and diseases. Year on year, our legacy brands have helped enable millions of patients to achieve their desired treatment goals, help bring back their skin confidence and significantly improve their quality of life.



The dermatology landscape in Pakistan is primarily driven by topical corticosteroids. GSK Vates portfolio, which comprises 4 key brands, Dermovate, Clobevate, Cutivate, and Betnovate, are among the leading brands in this segment. Vates are promoted and widely prescribed to address a wide range of steroid responsive dermatoses indications, including but not limited to Psoriasis, Atopic and other kinds of dermatitis. They are available in a wide range of formulations, including cream, ointment and lotion. With an unparalleled market leadership in the segment, Vates continue to be recognised as the leading solution provider to manage steroid responsive dermatoses*.



* IQVIA: MAT Dec '21

As we traversed the new normal, we came together with a renewed commitment to impart the latest and the best scientific knowledge to practitioners nationwide. We were successfully able to engage doctors in face-to-face activities and webinars. Key focus was to help enhance differential diagnosis skills, enabling them to more appropriately diagnose and champion rational steroid use.



CALPOL

(Paracetamol)

Calpol is the second biggest Analgesic brand in Pakistan Pharmaceutical Industry valued at Rs. ~2.6bn*. 2021 was a transformational year with new avenues and platforms for the brand.

Calpol Team accelerated its promotional thrust by introducing five new drop cards to HCPs focusing on multiple indications, thereby fully capitalizing upon the Augmentin - Calpol co-promotion.



* IQVIA: MAT Dec '21

Ventolin

(Salbutamol sulphate)

With the wake of COVID-19, there has been a significant shift towards the asthma symptomatic treatment which includes Ventolin as a major player in β_2 -stimulants market. It is the most prescribed brand in asthma, playing a pivotal role in providing asthma symptomatic relief in ~4 million patients*.

Moreover, like other brands of GSK, Ventolin liquids and oral solids packaging were also revamped from conventional to the modernised Child Resistant Senior Friendly (CRSF) Packaging.

As we approach 2022, we look forward to capitalising on all the hybrid channels to reach out to the untapped HCP segments to reinforce the messaging of Ventolin legacy, efficacy, safety and quality manufacturing to all the HCPs through Omnichannel Marketing approach in order to maximise patients' benefit through Ventolin offerings in 2022.



* IQVIA: MIP S2 Dec '21

Vaccines

GSK's global vaccines portfolio has been helping to protect people from serious diseases for well over 100 years. Today, our vaccines continue to tackle some of the world's most devastating diseases, including pneumococcal diseases, meningitis, hepatitis, rotavirus, whooping cough, and influenza. Currently, the vaccines in GSK Pakistan's portfolio include:



Synflorix is a 10-valent Pneumococcal Conjugate Vaccine.

Synflorix is designed to protect people from severe forms of pneumococcal diseases e.g. bacteremia (blood infection) and meningitis, but children may also be protected from less severe forms of the disease such as acute otitis media (middle ear infection, glue ear). In addition, there is good evidence that vaccinating young children reduces the amount of carriage (people who carry the bacteria in their nose and throat but do not get sick from it) in the population. This means that people not vaccinated may be protected from the groups of diseases covered by the vaccine. This is called herd, or community, immunity.



The vaccine is sometimes called Tdap Vaccine.

Boostrix is a vaccine used for booster vaccination against diphtheria, tetanus and pertussis (whooping cough). Boostrix is intended for use in children aged 4 years and older and adults. Diphtheria, pertussis and tetanus are three life-threatening diseases caused by bacterial infection. The vaccine works by causing the body to produce its own protection (antibodies) against the disease.

The use of Boostrix during pregnancy helps to protect the newborn from whooping cough in the first few months of life before he/she receives the primary immunisation.



Rotarix is an oral liquid vaccine against Rotavirus.

Rotarix is a viral vaccine that helps to protect children against gastro-enteritis (diarrhoea and vomiting) caused by rotavirus infection. Rotavirus infection is the most common cause of severe diarrhoea in infants and young children. Some children become very ill with severe vomiting, diarrhoea and life-threatening loss of fluids that requires hospitalisation. Rotavirus infections are responsible for hundreds of thousands of deaths worldwide every year especially in developing countries like Pakistan.

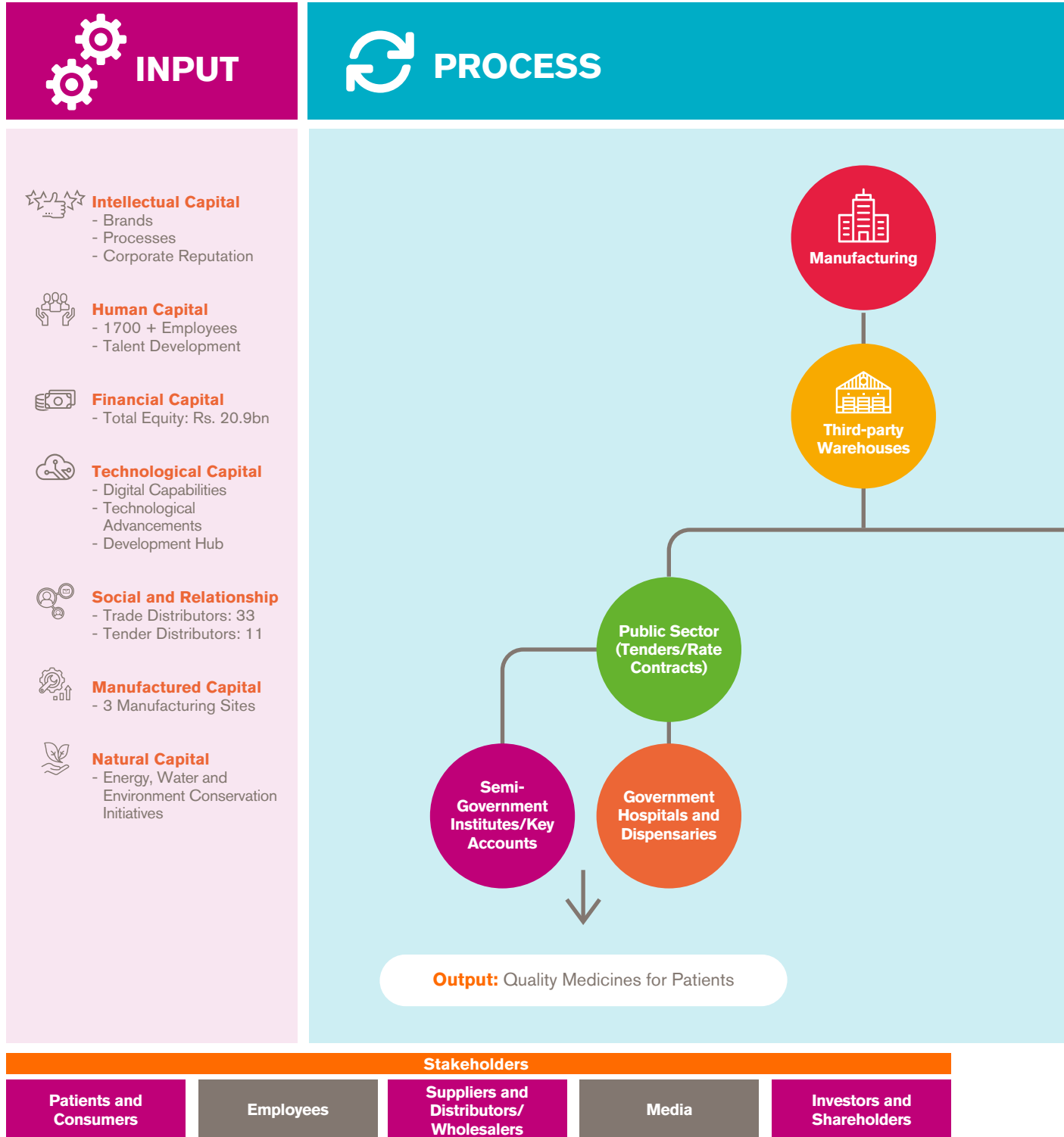


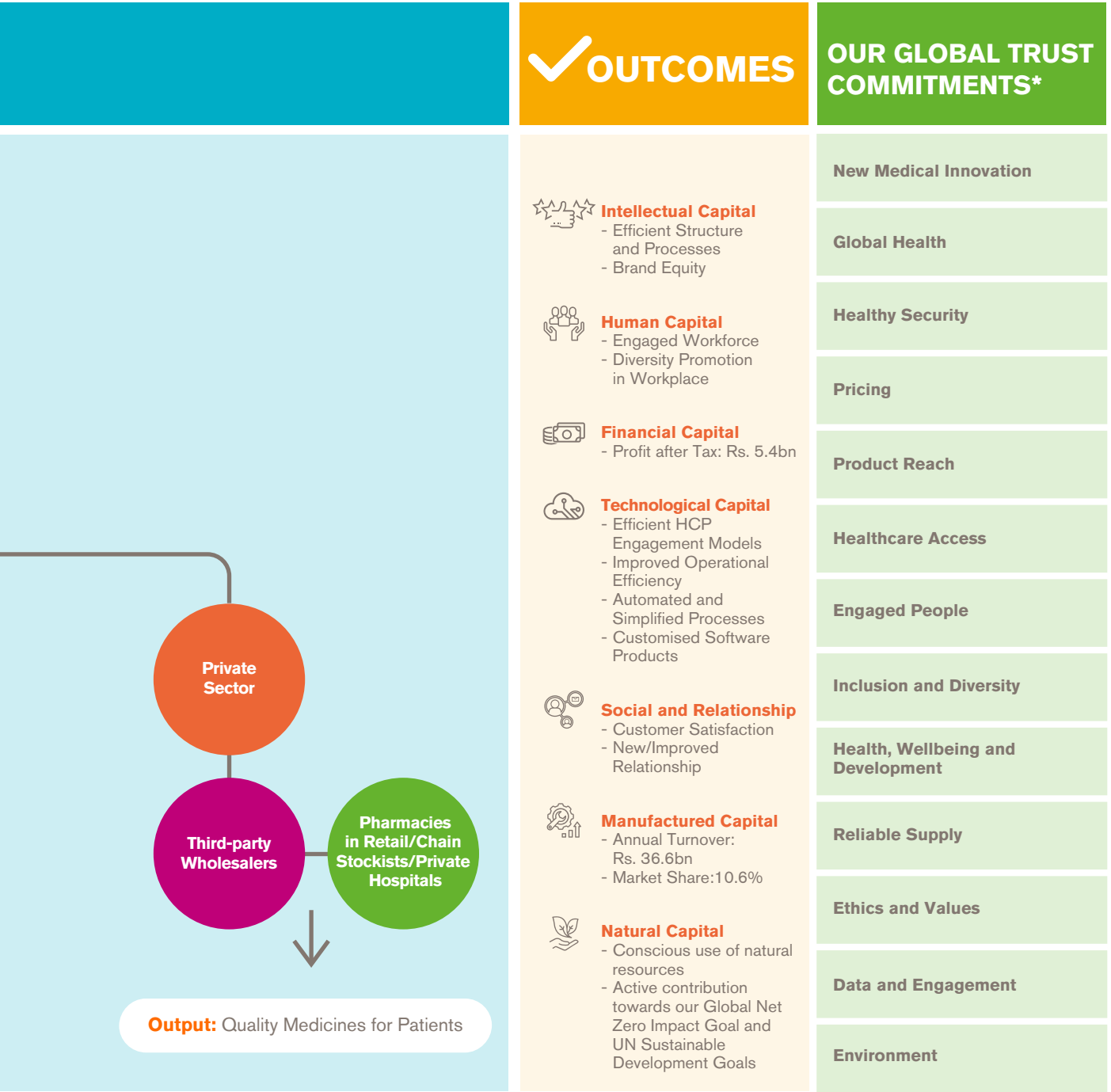
Havrix is a vaccine used to prevent Hepatitis A virus infection.

Hepatitis A is an infectious disease, which can affect the liver. The Hepatitis A virus can be passed from person to person in food and drink, or by water contaminated by sewage. Hepatitis A is very common in many parts of the world, and the risk of infection is greatest in those areas where hygiene and sanitation are poor.

Business Model

Every day, we help improve the health of millions of people in the Country by ensuring access to quality medicines through our sustainable and resilient business model.





*For more details on our Global Trust Commitments, please refer to page 111.

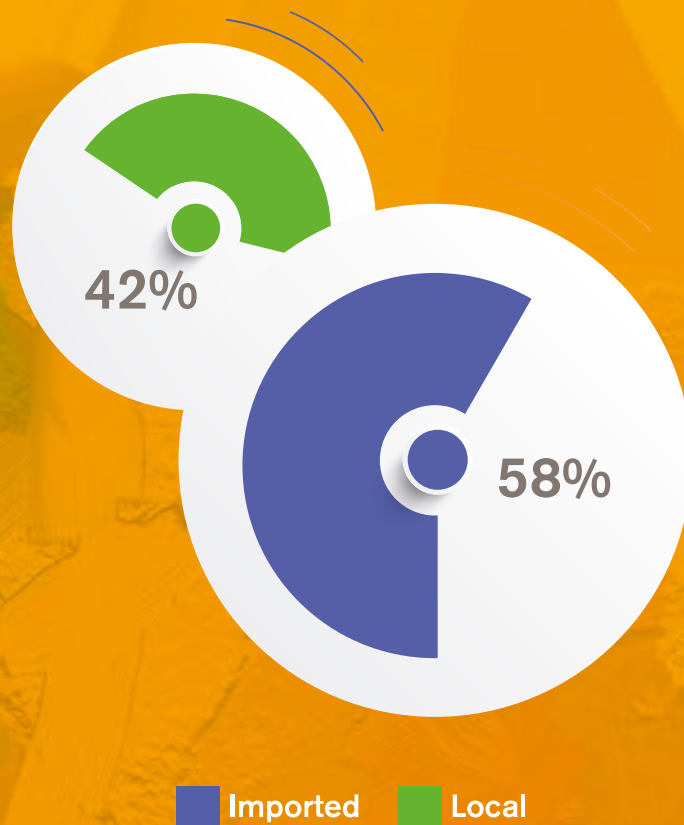
Position of Reporting Organisation in Value Chain

Suppliers of Raw and Packaging Materials
(Local and Import)



Composition of Local vs. Imported Material

The raw and packing materials are imported and are locally procured as well. The composition of local and imported materials is as follows.



Foreign Currency Sensitivity Analysis

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as at December 31, 2021 amount to Rs. 682.92mn (2020: Rs. 376.57mn).

At December 31, 2021, if the Pakistan Rupee had weakened/strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 34.15mn (2020: Rs. 18.83mn), mainly as a result of foreign exchange gains or losses on translation of US Dollar-denominated trade payables and other receivables.

Key Quantitative Information

Total Number of
Employees at the end of
the year

1,740

Pharma Commercial

845

Pharma Supply Chain

895

Average Number of
Employees during the year

1,801

Our People

Human Resources

We are a science-led global healthcare Company with a special purpose to improve the quality of human life by helping people do more, feel better, live longer.

We continue to build on our strategy of Innovation, Performance and Trust to deliver game-changing business results. GSK Pakistan has been at the forefront in being an employer that not only recognises its people as key assets but also ensures that this belief is translated into a working environment that encourages growth opportunities, respect, empowerment, and inspiration.



We are building a stronger purpose and performance culture underpinned by our values and expectations so that together we can deliver extraordinary impact for patients and consumers and make GSK a brilliant place to work.

Innovation

Coupled with our focus on our values and expectations, we aim to focus on optimising the business organisation design, leveraging the GSK performance system to drive and develop high-quality leaders and drive the development of critical business capabilities and skills needed to meet the needs of patients and customers.

Performance

Performance remained a focal point for the Company, as we focus on enhancing the quality and depth of talent, especially for critical roles along with improving the diversity of our talent. We aim to achieve industry-leading growth by investing effectively in our business, developing our people and delivering flawlessly when it comes to business results.

Trust

Trust will continue to be a key priority, aligned across all our performance measures, by supporting our leadership team in inculcating a culture of clear communication, trust and openness. We are committed to building trust through our approach to engagement and excellent customer experience.

Diversity and Inclusion

The year 2021, marked further success of GSK's Women Leadership Initiative (WLI). WLI Team led the International Women's Day celebrations and 'Let's Connect and Learn' sessions, under the Modern Employer Agenda, providing an opportunity for all employees to connect with leaders. These sessions had employee development followed by a discussion around what WLI means for all employees and not only women. The WLI Team received very positive feedback from the business after these sessions as employees were encouraged to learn inclusivity and better ways of communication by overcoming subconscious biases and gender stereotypes.

Employee Health and Wellbeing

At GSK, throughout the COVID-19 pandemic, people safety, business continuity and providing healthcare solutions remained our priority. The Company, through its IMT, took multiple initiatives such as keeping the workforce updated on COVID-19 and coaching them on how they can adopt our digital capabilities to work and engage with internal and external stakeholders. Regular advisories on COVID-19



precautions and SOPs were continuously shared with employees.

To keep the physical and mental wellbeing of employees in check, GSK promoted the use of Employee Assistance Programme (EAP) webinars and sessions on 'Mindfulness' and 'Sleep Well', provided PPEs and conducted an Organisation-wide vaccination drive.

At GSK, we are focused on promoting the Environment, Health and Safety agenda by reporting of unsafe incidents. GSK is committed to develop programmes and facilities that enable employees to understand and protect their health, make healthy choices – to feel healthier, happier and energised.

Developing Our People

Our continued commitment to developing and sustaining our talent pipeline by attracting and retaining the most talented people is a key success factor in GSK's outstanding results. In 2021, as part of our ongoing focus to make our systems and processes easier for our stakeholders, we have improved recruitment process which can be directly facilitated through Workday and accessible through all major job platforms. At GSK, we view people development as building experience and capability to unleash their potential. We inspire our managers to promote a culture where open and honest conversations is encouraged,

and diverse opinions are accepted. This is further strengthened through regular check-in sessions and the use of One80 Survey Tool in which employees give anonymous feedback to their managers to help them adopt a better leadership style, suited for their team's needs.

Future Leaders Programme

GSK's Future Leaders Programme is a key driver of our talent pipeline, designed to attract, develop and nurture talented individuals. We aim to enable them to become our Future Leaders through our robust programme by providing them various opportunities to lead GSK Pakistan into the future whilst developing their own long-term careers.

HR Transformation

In 2021, we promoted the use of device independent platform "ServiceNow" available for 24/7 support to answer common HR queries through Help Articles, Service Requests and HR Service Hubs. This not only promoted self-service but also encouraged employees to acquaint themselves with a variety of GSK Pakistan's online facilities, especially in the times of remote working.

Resilience and Work-life Balance

We at GSK Pakistan are focused on providing our employees a congenial environment that makes them feel valued.

As part of a global initiative, GSK has further elaborated on the Performance with Choice guidelines to facilitate employees with flexibility and options about how and where they work.

Engagement at GSK

We see employee engagement as a critical component to strengthen our culture and build strong ties at all levels of the Organisation. Our employee engagement included driving the Diversity and Inclusion agenda (WLI Pakistan Chapter), supporting Employee Health and Wellbeing initiatives, virtual engagement activities, effectively promoting modern employer agenda; as well as conducting seminars/webinars, to motivate our employees.

In line with our value of Transparency, the Global GSK Engagement Survey was rolled out allowing employees a chance to put forward their views on a variety of areas, including our GSK Cultural Pillars. The Employee Engagement Index 2021 for GSK Pakistan including Commercial and Sites remained very high. The Employee Engagement Index was 92% for Commercial, proving that GSK's strength lies in our ability to create a lasting bond with our employees. The Index for 2021 was higher than 2020 and also was much above our Regional and Global



Targets. This shows the positive engagement of our teams, which was also evident from the extraordinary participation rates in the survey.

Values Maturity Assurance (VMA)

The year 2021 was an important year as we went through VMA for our Values and Expectations in addition to other audits and reviews. The VMA results were very positive and encouraging for proactivity and also highlighted areas for focus. We are in the process of developing a robust action plan to further progress in these areas of focus.



Our Business Units and Functions

Commercial Team

Sales and Marketing

Our Business Units (BUs) are an integral part of our Commercial Team as they are the powerful levers responsible for consistently delivering business growth and gaining market share with the aim to provide quality medicine to the patients. Our BUs comprise of our Marketing and Sales Teams.

The Marketing Teams are predominantly responsible for developing brands for the Company by creating brand strategies, working on its messaging and positioning, defining the customer segments to target and as well as charting out a budget for each brand. Whereas, the Sales Teams primarily provide product information and communicate the science behind medicine to the HCPs.

Commercial Excellence

Customer Engagement - GSK Pakistan's strategy for customer engagement is to enhance HCP experience through innovative multi-channel



digital engagement and commercial effectiveness. The focus on engaging content, integration of digital solutions and efficient use of multiple channels of communication, led to 2.4 million connects in 2021.

The Commercial Effectiveness Department remained focused to drive field force effectiveness and efficiency to ensure that the right customer is visited at the right frequency through the right channel while ensuring that benchmarks for key Sales Force Effectiveness KPIs are met.





Business Intelligence - The overall objective of the Business Intelligence Team is to drive data driven mindset across the entity and ensure the right parameters/KPIs are tracked to support business delivery.

This department facilitates provision of extensive data of the industry, competition and the insights and analytics that can be derived from that data to ensure better business decision making.

Selling Excellence - GSK Pakistan's Selling Excellence Department focuses on capability building of the sales team with programmes such as Patient Focus Scientific Selling for Sales Representatives and Precision Coaching Programme for Sales Leader.

Commercial Trade Channel

The key objective of the CTC Team is to ensure that patients at the end of our value chain receive a high-quality product as prescribed by the doctor. This is accomplished by ensuring greater access to GSK medicines across a fragmented pharmacy universe in Pakistan.

CTC aims to create operational efficiencies through capacity and capability building of our channel intermediaries by imparting multiple trainings and coaching for their teams to ensure GSK products are easily available to patients at the pharmacy nearest to them.

In 2021, the Commercial Trade Channel (CTC) Department continued to drive GSK's growth with another strong performance through trade and tender channels and evolved according to the new ways of working. The department fulfilled the prescription demand generated by commercial activities, which aligns with the Company's global pharmaceutical strategy of being one of the world's most innovative, best performing, and trusted healthcare companies.

The CTC Team also ensures that high-quality GSK products are stored at and delivered to pharmacies under strict quality standards, which is ensured by securing optimum distributor investment in warehousing standards and transportation facilities.



Finance

Finance is a strategic function that ensures efficient financial management and control in order to mitigate the business risk and maximise value for the shareholders and the Company. The department's goals, which are aligned with the Company's strategy, broadly cover the following areas:

- Deliver the finance and commercial strategy
- Be guardians of enterprise value creation
- Balance risk and opportunity
- Demonstrate stewardship of spend by lowering absolute costs

Major departments/functions in Finance include the following:

▪ Commercial Business Partnering

The function plays an instrumental role in the performance management of the Company. It drives the business by setting up realistic and stretched targets for sustainable growth, while partnering with the business to add value to various initiatives. It also drives cost efficiency measures to optimise value creation for shareholders.

▪ Financial Reporting, Taxation and Treasury

Financial reporting function plays a key role in

reporting of the Company's financial performance to internal and external stakeholders. The main areas of responsibilities include:

- o Statutory Financial Reporting
- o Treasury and Taxation
- o Internal Controls

The team is responsible for the preparation and delivery of annual and quarterly financial statements of the Company. Furthermore, it engages with the Board Audit Committee for review of interim and annual financial statements.

Treasury is responsible for the overall liquidity management of the Company. It also includes financing strategy, investments and working capital management. Whereas, the tax department ensures effective tax planning and strategy implementation to mitigate potential risk exposure.

▪ In-Country Shared Service

Shared services are a part of Global Financial Services organisation and is responsible for management reporting, credit management and payment processing. Shared services exchange the expertise with peer countries to develop key performance indicators which help to monitor the performance with the overall objective of simplifying and standardising the processes for better monitoring and efficient operations.

Security

Security Department works in coordination with GSK Corporate Security and Investigation. Security Department's major role is to protect GSK Pakistan's assets and reputation.

Security Pakistan is mandated to following strategic objectives and enterprise services:

- Protect People
 - Issue security advisories addressing different security related incidents like political, religious and terrorism
 - Establish personal security programmes addressing areas of high risk
 - Maintain close coordination and issuance of timely security related warnings to employees
- Protect Places
 - Provide safe and cost-effective technical security solutions to GSK
 - Assist Corporate Security and Investigation in the planning and execution of SSA programme
- Protect Products
 - Reduce supply chain security risk through integrated strategy of close coordination with Law Enforcement Agencies and Logistics Services Providers (LSP)
 - Assist GSK Legal Brand Protection and other related departments/ stakeholders, whenever required, addressing counterfeit issue
- Be Crisis-ready
 - Raise awareness and capability
 - Increase CCM readiness compliance

Information Technology

GSK Pakistan Information Technology Department partners with various business functions by leveraging state-of-the-art technologies to help our business grow and add value for all these departments. We continued our digital transformation journey and took several impactful initiatives for collaborating with our HCPs to transfer product knowledge and increase engagement.

Another key initiative was that we expanded our Tech Function beyond boundaries to empower other markets in the region and for that, we shifted from project to product mindset, upgraded our software engineering team's capabilities and established a Tech Centre of Excellence (Development Hub) in Pakistan that builds digital solutions for several other GSK markets as well.

In addition to these initiatives, we worked on strengthening our information protection and cyber security domains as well as undertook many projects for our Go Green agenda, building digital tools for our internal business functions leveraging our business process reengineering mindset and significantly improved our infrastructure through the introduction of state-of-the-art technology and upgradation.



Employee Health and Safety (EHS)

By taking an enterprise view of Employee Health and Safety, our EHS Department helps safeguard our people, protect our assets as well as the environment by ensuring visible leadership commitment. We do this through establishing an effective control framework and by embedding a strong EHS culture throughout the business. As well as our ongoing work to protect the planet, we have set challenging sustainability targets to reduce our longer-term environmental impacts.

Human Resources

Human Resources is a strategic function that supports GSK Pakistan's IPTc agenda by aligning People Strategy with Business Objectives to help grow our people and organisation. In terms of our Talent, HR facilitates Talent and Succession Planning to ensure strong health of our talent pipeline and

availability of Talent for Leadership Succession. Talent Acquisition Function supports this by building an Employer Brand inside and outside the Organisation to attract best-in-class talent.

Our Total Rewards Function ensures fair and competitive pay, while People Services Team has evolved to provide HR transactional support to our people using modern technologies with special emphasis on employee experience. HR also plays a key role in Capability Building within the organisation providing multiple platforms including formal trainings, peer learning and on the job experiences. Human Resources also supports in building a high performance organisation that is aligned to GSK values and ambitions. Risk Management is a key activity for HR as well to ensure people practices are legally and socially compliant and any grievances are timely addressed.





Legal

Our Legal Team consists of a committed team of lawyers and support staff that has a great combination of skills and legal expertise. The team is trained to provide timely and quality legal support on all critical areas including day-to-day advisory, business development projects, merger and acquisitions, contract drafting and negotiations, divestments, digital processes, e-commerce, and litigation.

For better understanding, information and knowledge of business teams, the legal team frequently holds training sessions for relevant audience on new laws, regulations, and policies of the Company.

In 2021, Legal focused on its “Business Partner Guardian” role to provide smart, effective, quality advice and support to business directly aligned with GSK’s Expectations and Values and its priorities of Innovation, Performance and Trust strategy of “Run Legal like a Business for the Business”.

Going forward, Legal envisages to navigate 2022 as an agile and synergised team focused on digital initiatives, smart risk taking, stakeholder

knowledge management, and simplification to truly embody “One Team Many Skills”.

Corporate Secretariat and Shares Department

Corporate Secretariat plays a central role in ensuring adherence to GSK’s governance structure in conformity with best practices. This department supports the Board of Directors and its Committees. In this context, Corporate Secretariat liaises with Directors, organises Board and Committee Meetings, assists departments in preparing relevant documents for presentation and records minutes of the meetings and proactively coordinates in the implementation of Board decisions.

As a listed entity, we have a responsibility to communicate our strategy and performance to investors to promote confidence. The Shares Department is responsible for managing and solving of shareholders’ complaints and responding to their share related queries. The role of the Shares Department is to overlook the issuance and transfer of shares, maintenance of share registers, issuance of dividend warrants and bonus shares (if any) and online filing of the statutory returns.

Communication and Government Affairs

The Communication and Government Affairs (CGA) Function's core responsibility is to drive GSK Pakistan's long-term business sustainability by providing expertise and support on issues related to Pharma Industry and advising the Company on appropriate advocacy building. CGA is also responsible for creating awareness both internally and externally on the Organisation's purpose, culture and strategy through various communication channels, media, and other visibility vehicles. It protects GSK against reputational risk by leveraging media, effectively managing stakeholder relationships and helping establish a unified culture in the Organisation. Other than various Government and Regulatory agencies, CGA's external stakeholder management includes partnering with Public Policy Groups (such as Trade Associations and other business advocacy groups) to help shape the public policy environment.

Administration

The Administration Department is responsible

for a multitude of roles across the Organisation including Facilities Management, Travel Services, Cafeteria Operations and Fleet Management. This involves the day-to-day administrative services to ensure business continuity and seamless operations to more than 1,700 employees across our three manufacturing sites, Head Office and other sales offices located across Pakistan. The department's responsibilities include the overall management and governance of vendors, their Third-Party Oversight (TPO), Contract Management and Management Monitoring. The department is also responsible for preparing and monitoring the LOC's administrative budget, and proactive management of day-to-day tasks to ensure business continuity through seamless and efficient running of the Company's facilities.

Medical

Medical is a core strategic department in GSK Pakistan. The department is responsible for the communication of new science and sharing clinical insights related to various therapeutic areas based on the need of their associated





pharmaceutical products. The role of Medical is to evolve as per the need of science through insight generation and engage key stakeholders such as experts and HCPs to bridge the knowledge gap across Pakistan.

We conduct various standalone activities at peripheral stations where general practitioners are unable to participate due to their busy schedules and practices. Our in-chamber activities have been best practices where the sales team owns these activities and engages with HCPs in their clinics with a digital connect. Due to COVID-19, though it got challenging to engage with HCPs, we successfully managed to ensure GSK's continued presence in the market.

Further, our Medical Governance Function works on the implementation of new code of practice through sessions with Leadership, Commercial, Medical and Sales Teams with exclusive focus on IFPMA guidance. Similarly, Medical Operations works on maintaining business and performance information, metrics and dashboards. It keeps an

update on medical affair metrics, KPI dashboard, activity tracker, customer facing time planning and rephrasing of medical activities.

Compliance

The Compliance Function collaborates with teams across GSK to support effective and holistic risk management. GSK's Internal Control Framework (ICF) helps us identify and prioritise risk, mitigate it, check the mitigation is working and respond if it is not. These steps help ensure our risks are proportionately managed. The Compliance Function is responsible to organise Risk Management Compliance Board (RMCB) meetings. RMCB responsibilities include; identifying and assessing the risks arising from key business activities, implementing enterprise risk plans as applicable to the local context, evaluating the effectiveness of control framework from sources of assurance, reporting on overall management of risks and escalate material exposure for appropriate resolution and delivering visible leadership in promoting GSK's values as part of risk management. We have conducted 15

RMCB meetings in the year 2021.

This year, we also liaised with our regional and global teams to conduct multiple audits and reviews, this included IBM Review, Audit and Assurance, and Values Assurance Audit. Compliance supported business owners to effectively complete the Corrective and Preventive Actions with timelines. Proactive approach of risk management was also acknowledged by A&A team. Some other initiatives include implementation of Key Risk Indicators and proactive discussion in RMCB meetings. Supported functions to develop robust Management Monitoring plan with concept of "Priorities for Impact". Multiple training sessions were conducted to enhance knowledge of the team including ABAC trainings, Code of Conduct, Conflict of Interest and Third-Party Oversight (TPO).

Speak Up or whistle blowing issues, relating to compliance matters are also overseen by the

Compliance Function and the Country Compliance Officer is responsible for providing relevant and up-to-date information to above country independent investigators as and when required.

Regulatory Affairs

Regulatory Affairs (RA) acts as a gateway for product licence approval by the Drug Regulatory Authority of Pakistan (DRAP). Lifecycle maintenance along with post registration variations are the major responsibilities of the function. By acting as the custodians of product licences and partnering with Commercial and Quality Teams, RA ensures strategic support to business.

RA ensures strict adherence to drug laws of Pakistan and acts as an interface between the Company and regulatory bodies at Federal and Provincial levels. Being an integral part of the healthcare provider Company, RA keeps



patient safety and delivery of quality medicines as one of the topmost priorities. The function is also responsible for registration of essential and medically critical products and provides guidance as per local regulations for their smooth supply to the patients.

RA also took regulatory process simplification initiatives which include electronic data filing with flexibility of Regulatory Authority to accept the core documents. These initiatives helped in combating regulatory challenges and availability of the products.

Customer Services and Logistics

We persevered through the challenges that came as Organisational changes occurred throughout the year. In turn, making us more resilient, adaptable to change and stronger as a team; that in itself is a success. We delivered logistics and warehousing cost reductions of Rs. 44mn and avoided cost of Rs. 30mn. Several key stakeholders from Commercial, Supply, Sites to external (3PLs) worked in tandem to bring these projects to life and move towards execution. The stakeholders welcomed the ideas and valued it as an e2e business improvement, breaking the silos that come with execution. PK Customer Services and Logistics kept the market finished goods' write off under control by landing favourable versus the target. Strong governance and clear expectations were aligned with the stakeholders

to achieve this. These ways of working were replicated to the region where similar successes were observed.

Our Customer Services and Logistics Team integrated extensively in the core commercial cycles to reflect realistic numbers to the forecast and serve as a strong bridge amongst all key stakeholders leading to avoidance of excessive inventory buildup, improved SFA and SFB and fulfilment of forecasted volumes. Execution of the forecasted volumes saw the highest number of stamping executed at increased drop points for the institution business - with Islamabad location coming live and acting as a contingency - and the quickest deliveries of the highest volume (Punjab tender) that led to the fastest recoveries of cash for the business. The execution despite rising COVID-19 cases, changing market dynamics and political instability came through flawlessly because of the resilience, strong internal and external stakeholder alignments and team's efforts.

Quality

The core objective of this function is to ensure that the quality of products manufactured at GSK is maintained from the time it is received from the supply sites until the time of delivery to the final customer. Our Quality Function is responsible for the provision of quality services related to Storage, Wholesale, Distribution of products.





Code of Conduct

Our Code of Conduct applies to employees and anyone who works for or on behalf of GSK. It helps us understand the values that guide our work and shows us how to bring those values to life. Just as important, it shows us how our values and expectations help us fulfil our purpose of helping people do more, feel better and live longer.

Every employee and complementary worker is required to complete mandatory training on the Code of Conduct annually which covers topics such as safety, health and wellbeing, third party oversight, data breach reporting, sexual

harassment, and anti-bribery and corruptions (ABAC). In 2021, GSK renamed this mandatory employee code of conduct training 'Working at GSK' and improved the content to focus on risk and compliance, as well as diversity and creating an inclusive workplace.

Furthermore, we have a number of well-established policies on ethics and compliance including our Code of Conduct available on gsk.com, together with details of our confidential Speak Up lines for reporting and investigating unlawful conduct.



Awards and Recognitions

Top Employer 2021

GSK Pakistan was recognised as Top Employer in Pakistan for 2021. Being certified as Top Employer showcases GSK Pakistan's dedication to a better world of work and exhibits this through excellent HR policies and people practices.



Best Place to Work 2021

GSK Pakistan was declared as the Most Preferred Employer in the Pharmaceutical Sector, as chosen by professionals from within the Industry.



PSC Water Trophy 2021

Our West Wharf Site was recognised as PSC Water Trophy 2021 Winner for delivering significant projects resulting in achieving targets in this water-stressed region.

The site reduced 33% of its water consumption in the last three years by focusing on recycling, water optimisation and adapting to a water cautious behaviour. This award was a great recognition of the site's focus on environmental sustainability.

Annual Report 2020

GSK Pakistan secured the 3rd place in the Pharma Category for the best Annual Report. The award is issued annually by the Institute of Chartered Accounts and Institute of Cost and Management in Pakistan. This award is a testament to the fair and transparent reporting process of GSK.



PSC Carbon Trophy 2021

Site F-268 also managed to achieve its sustainability targets comprising of water and carbon reduction and won the PSC Carbon Trophy for substantially reducing its carbon footprint and establishing the foundation for fossil fuel elimination and and Net Zero Carbon.



PEP Best Construction Safety Award

West Wharf Site has been recognised as Construction Safety Award Winner for the year 2021 with a total of 30,616 safe man hours worked on multiple execution projects.

Throughout the year, the Site completed the major projects including 450RT Electric Chiller Installation, Workplace Transport Control Implementation etc. with ZERO incidents/accidents - showcasing the site's commitment to safety of our employees and that of third-party contractor working on site. Apart from the safe execution of projects, the site worked proactively on development of staff by conducting training sessions on topics ranging from control of legionella, scaffold installation and testing, confined space, etc.

PSC Best Project 2021

Our Korangi Site received the best small project award for the installation of a low-cost, technically qualified 600 TR chiller to eliminate its chilled water capacity constraint.

Timeline and History of some Key Events during the year

Q1

- Q-4 2020 Board of Directors' Meeting
- International Women's Day Celebration
- Virtual Cycle Meeting #1
- GSK Pakistan certified as Top Employer 2021
- Townhall Meeting

Q2

- Q-1 Board of Directors' Meeting
- Annual General Meeting
- Declaration of Dividend
- Townhall Meeting
- #WinNow Strategic Meeting

Q3

- Q-2 Board of Directors' Meeting
- Independence Day Celebration
- World Eczema Week
- Townhall Meeting
- Virtual Cycle Meeting #2
- Workplace Traffic Safety Improvement Implementation
- Launch of WhatsApp Business Enterprise
- COVID-19 Vaccination Drive
- Third place in Best Corporate Report Awards

Q4

- Q-3 Board of Directors' Meeting
- 40 Years of Augmentin Celebration
- Received the Most Preferred Employer in the Pharmaceutical Industry Award 2021
- #OurPowerTogether: Global Development Week
- World Psoriasis Day
- F2F Cycle Meeting 2021
- World Antibiotic Awareness Week
- Corporate Briefing Session
- Sales Offices/Warehouse Disposal
- PSC Carbon and Water Trophy

Significant changes from prior years

A snapshot of the Company's significant changes and future outlook is presented in the Directors' Report to the shareholder on pages 80 to 85. Other significant changes which the Company has implemented or announced during the year ended December 31, 2021 are as follows:

- Effective 1 June 2021, Mr. Hasham Ali Baber was appointed as Finance Director and CFO for GSK Pakistan
- Effective 1 January 2021, Ms. Mehar Ameer was appointed as Company Secretary and Legal Director of the Company
- Effective 1 April 2021, Syed Nasir Farid was appointed as Business Unit Director (BU-2)



Key Initiatives

1. Quality Laboratory Upgrade

GSK Site F-268 has recently renovated its Quality Laboratory into a state-of-the-art lab facility. The upgradation was done in consideration with Lean Lab Layout, Cell Design Concept and Capacity Modelling to enhance Quality Compliance, Lab Safety, and support overall wellbeing of the employees by making a workplace that stimulates positive energy. The upgradation has special emphasis on the critical lab requirements for instance utilities, emergency power, lab equipment, ceiling heights and storage requirements.

This re-design of the lab has helped in better man and material flow through Zoning & 5S to reduce spaghetti movement of the people working in the lab and optimise testing cycle time which resulted in improvement in batch release time. This new structure is not only aesthetically pleasing but it's also mindfully designed, which serves as natural light throughout daytime helping save energy and contributes towards environment sustainability.

2. Child Resistant and Senior Friendly (CRSF) Packaging

In 2021, we successfully moved a majority of our products to CRSF packaging as a safety initiative for our patients to increase children's safety by preventing accidental poisoning.

3. Veeva Engage Adoption

Constant lockdowns and the declining trend of F2F interaction with HCPs led GSK Pakistan to look for ways to connect with its customers digitally and keep the channel of communication open. This led to the introduction of Veeva Engage, an interactive tool for remote HCP engagement where sales representatives use video conferencing to share content with HCPs.





Significant Factors affecting the External Environment and the associated Organisational Response

Category	Factor	Organisational Response
Political	<ul style="list-style-type: none"> ▪ Introduction of new Government measures for widening of tax base and documentation of the economy which also resulted in pharmacies' strikes ▪ Removal/Reduction of custom duty on certain APIs 	<ul style="list-style-type: none"> ▪ Impact analysis conducted, steps taken thereafter to ensure compliance and strategic positioning of stock with the pharmacies operational during the time of strike to ensure availability of GSK medicines for patients ▪ Analysis conducted to quantify the impact on GSK
Economical	<p>With the resumption of global economy, there was an overall surge in demand which resulted in supply chain pressures. As a result, the country's economic indicators took a downturn resulting in significant widening of the trade deficit, which also triggered a slide in the Pak Rupee to an all-time low. This further compounded inflationary pressures.</p> <p>In addition to this, the fallout from COVID-19 and disruption in global trade also resulted in the availability of certain APIs being impacted along with surge in freight prices</p>	<ul style="list-style-type: none"> ▪ Despite the economic pressures, GSK Pakistan ensured uninterrupted access of medicines to patients ▪ Internal cost-saving initiatives, improved operational efficiency and other sustainability measures across the Organisation remained one of the key focus areas as well. GSK continues to monitor the changes in macroeconomic policies on an ongoing basis and takes appropriate actions to mitigate any significant changes in the operating environment ▪ Exploring alternative streams for API sourcing
Social	<ul style="list-style-type: none"> ▪ Various COVID-19 waves throughout the year resulted in changing trends in the workforce market. The business environment from a social perspective continued to improve with opening up of businesses and face-to-face interactions ▪ Corporate Social Responsibility, Inclusion and Gender Diversity 	<ul style="list-style-type: none"> ▪ GSK provided its employees the flexibility of hybrid working, coupled with providing them PPE to ensure their safety in the field as well as in the office. The Organisation also conducted a robust vaccination drive to ensure that all of its employees were immunised against COVID-19 ▪ The recruitment campaigns continued with focus on Inclusion and Diversity and our Future Leaders Programme inducted females. GSK Pakistan conducted organisation wide plantation drives and undertook various CSR initiatives

Category	Factor	Organisational Response
Technological	Latest technological advancements to empower businesses on growth trajectory	Aligned with the global dynamics, GSK Pakistan also actively invests in emerging technologies and the use of digital space for HCP interactions. In 2021, we introduced new digital channels to increase customer engagement and encouraged the use of other simplification tools to support our Go Green (environmental sustainability) agenda
Legal	Compliance with complex and frequent changing laws and regulations	The Company remains updated with all the required laws and coordinates with law regulating authorities to ensure compliance
Environmental	Safe and healthy work environment for employees and community at large	<p>GSK has 13 Trust commitments relevant to its stakeholders. These commitments are detailed in the Governance section of this report under "Social and Environmental Responsibility Policy" on page 111</p> <p>Standing true to the same commitments, we have made visible improvements in terms of overall EHS culture and initiatives. For details on our Social and Environmental Responsibility endeavours, please go to the Sustainability and Corporate Social Responsibility section in the report on pages 202 to 203</p>

Effect of seasonality on business in terms of Production and Sale

Owing to the vast range of GSK products, seasons impact the Company's sales differently in different therapy areas. The Company manages seasonality through alignment on production planning cycles involving multiple stakeholders and inventory management at GSK as well as distributor warehouses to

ensure enhanced availability of our products for patients without any supply limitations enabling them to do more, feel better and live longer.

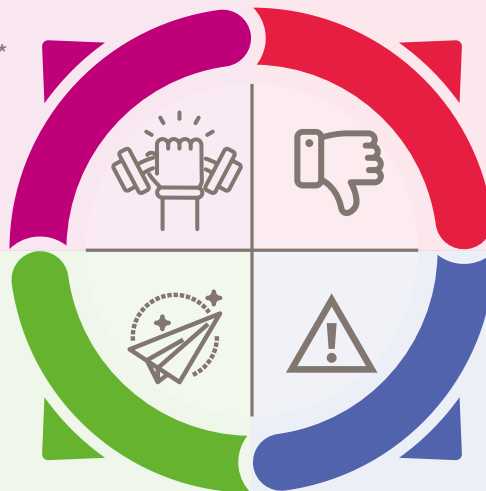
SWOT Analysis

Strengths

- Market leader in terms of volume in the Pharmaceutical Industry*
- Market leader in terms of volume and value amongst MNCs*
- Established and long-standing legacy of 70+ years in Pakistan
- Out of 20 top brands in Pakistan, 4 are GSK products*
- Three state-of-the-art manufacturing facilities
- Strong position in the market with Profit after Tax of Rs. 5.4bn
- Strong liquidity position with cash and cash equivalent of Rs. 8.5bn
- Recognition as Top Employer and the Most Preferred Employer in the Pharmaceutical Industry in 2021
- Every second over 4 prescriptions are generated*

Weaknesses

- Mature portfolio major contributor to business
- Dependence on imported raw material



Opportunities

- Global GSK pipeline for future launches in Pakistan
- Leveraging new digital technology for the benefit of patients
- Secure CPI pricing increase to offset the impact of inflation and currency devaluation

Threats

- Counterfeit products
- Frequent changes in Government policies
- Currency fluctuation and inflation
- Dependence on imported raw materials
- Introduction of new generics by local competitors

* IQVIA: MAT Dec '21

Competitive Landscape and Market Positioning

GSK, one of Pakistan’s leading pharmaceutical companies, has multiple state of the art manufacturing facilities and an extensive distribution network across the country. The Company has a rich legacy of producing quality, essential medicines over the last 70 years.

Power of Customers

The hallmark of our relationship with our distributors consists of Transparency, Business Continuity and sharing values. At GSK, we believe in maintaining our Social and Relationship Capital to maintain the highest standard of quality and promise to deliver medicines to our patients. Our continuous growth is attributable to our engagement with distributors as our channel partners to ensure maximum availability of medicines across multiple geographies of Pakistan.

Power of Suppliers

GSK’s growth is also supported by our engagement with reputed and reliable suppliers as business partners for smooth and uninterrupted supply of raw material, packaging material, equipment, machinery and associated services.

Competition and Rivalry

Over the years, GSK Pakistan has maintained its position as a market leader in the industry. We strive to maintain our market share and continuously improve the high-quality standards. Our state-of-the-art Production Facilities, QMS Standards, Warehouses at different locations and dedicated team of professionals make us a world class Company enabling us to stay ahead of the competition and serve our patients in a more responsive manner.

Threats of New Entrants

While there are over 650 pharmaceutical companies operating in Pakistan, a majority of these are small entities with a limited market share. Over the past few years, these entities have scaled up operations by introducing generics.







*Strategy and
Resource Allocation*

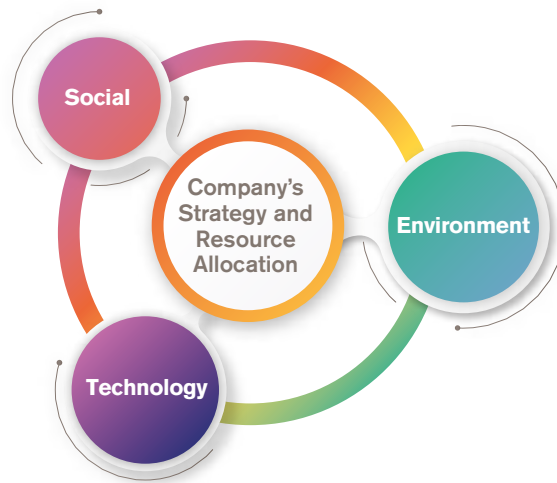
Strategy and Resource Allocation

At GSK Pakistan, we constantly review our strategic objectives to align ourselves with the economic, political, social, global, demographic, technological and regulatory environments, which have an impact on our performance, operations and resources.

Objective	Enhance operational efficiency and cost optimisation.	Demonstrate sustainable social, environmental, and corporate governance commitment.	Accelerating performance through “Growth Engines” and “Profitable Growth” portfolios
Strategy	<p>Leverage digital capabilities and focused investments behind growth drivers for cost efficiencies.</p> <p>Take initiatives for cost optimisation without compromising on quality standards.</p>	<p>Reduce carbon, water and waste across the Company's entire value chain.</p> <p>Focus on delivering a safe and sustainable business within and beyond our boundaries through creating awareness on our Environment, Health, Safety and Sustainability (EHS&S) agenda and foster a culture of continuous improvement.</p>	<p>Focus on key brands by strategic allocation of resources and excellence in execution.</p>
Timeline	Long-term	Long-term	Long-term
Priority	High	High	High
Resources allocated	Financial Capital	Human Resource Capital Financial Capital Natural Capital	Human Resource Capital Financial Capital
KPI monitored	Gross Profit Net Profit Margin Return on Investment	Reduction in carbon emission Waste water reduction Net energy efficiency	Market share growth Evolution index Return on Investment
Status	Ongoing	Ongoing	Ongoing
Future relevance of KPIs	The KPIs will remain relevant in the future.	The KPIs will remain relevant in the future.	The KPIs will remain relevant in the future.

<p>Enhance digital capabilities and embed a data-driven decision making culture.</p>	<p>To develop a high performing team by embedding strong cultural pillars.</p>	<p>To develop, promote and retain diversity across the Organisation.</p>
<p>Medical representatives' skills development through coaching and regular trainings ensuring effective customer engagement via conventional and digital channels.</p>	<p>Robust communication plans to engage the wider teams for strategic alignment while instilling ownership and accountability.</p>	<p>Provide equal opportunities in different roles to attract talent from diverse cultural backgrounds.</p> <p>Cultivate a conducive working environment for inclusivity.</p> <p>Drive the Women Leadership Initiative (WLI) agenda.</p>
<p>Long-term</p>	<p>Long-term</p>	<p>Long-term</p>
<p>High</p>	<p>High</p>	<p>High</p>
<p>Human Resource Capital Intellectual Capital</p>	<p>Human Resource Capital Social and Relationship Capital</p>	<p>Human Resource Capital Financial Capital Social and Relationship Capital</p>
<p>Effectiveness and quality of customer engagement. Number of digital and F2F connects.</p>	<p>Business performance successes. Employee engagement index</p>	<p>Percentage of female employees. Percentage of diverse talent in key roles.</p>
<p>Ongoing</p>	<p>Ongoing</p>	<p>Ongoing</p>
<p>The KPIs will remain relevant in the future.</p>	<p>The KPIs will remain relevant in the future.</p>	<p>The KPIs will remain relevant in the future.</p>

The effects of Technological Change, Societal Issues, and Environmental Challenges on the Company's Strategy and Resource Allocation



Effects of Technology on the Company's Strategy and Resource Allocation

Ever since the onset of the pandemic, GSK Pakistan's employees have readily adapted to hybrid ways of working using digital technologies. Even customers' interactions have been made more flexible and more effective using new digital platforms.

Effects of Societal Issues on the Company's Strategy and Resource Allocation

During the course of the year, GSK Pakistan took several measures and initiatives to keep its employees safe from COVID-19 thereby ensuring business continuity. Key measures taken included vaccination drives, provision of PPE, employee awareness campaigns and mental health sessions. Further, there were several initiatives taken to improve gender diversity and inclusivity at workplace by the management.

Effects of Environment on the Company's Strategy and Resource Allocation

Aligned with GSK's environmental sustainability goal, GSK Pakistan also aspires to be carbon neutral by 2030 across the Company's value chain. We are committed to protect the natural resources with clear objectives for reducing carbon, water and waste consumption. In 2021, over the previous year, our Pharma Supply Chain sites recorded a 9.6% decrease in our carbon footprint, 6.3% reduction in water consumption, 4.1% waste reduction and a cumulative Single Use Plastic Reduction of 10,084 Kg.

Our manufacturing sites were also awarded PSC Water and Carbon Trophies for reduction in water consumption by 33% over the last three years and sustained reduction of carbon footprint and establishing Net Zero Carbon initiatives respectively.

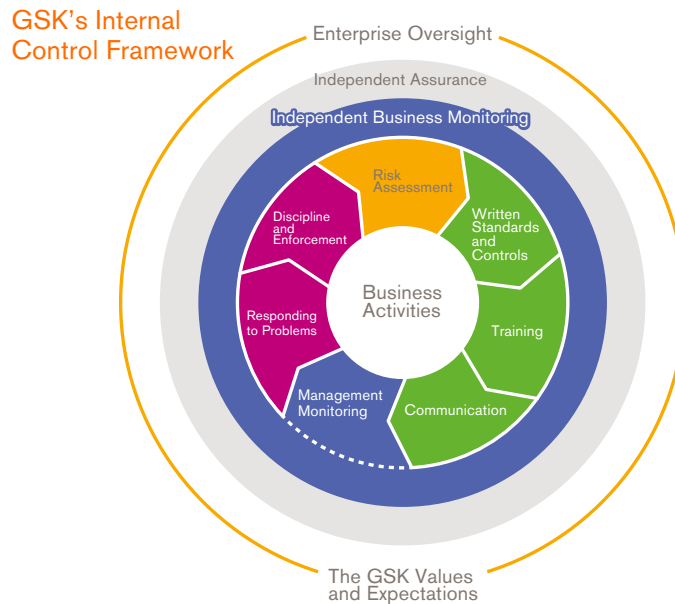
Specific processes used to make Strategic Decisions and to establish and monitor the Culture of the Organisation

Internal Control Framework Overview

The GSK Internal Control Framework is shown in the diagram below. It is designed to ensure the risks associated with conducting our business activities are effectively controlled in line with GSK's risk appetite.

GSK values provide the management tone for the whole Organisation. They describe the spirit in which we operate and provide a reference point when we encounter difficult situations. The consistent demonstration and communication of values by leaders at all levels is essential in making the control framework effective.

Enterprise Oversight: As we are a large and complex business, we need to approach management oversight in an organisation in a systematic way. This ensures we can confirm that all relevant parts of the control framework are either up to standard or identify areas that need improvement. Most commonly, this is achieved by a RMCB, although may also be managed by other oversight Boards, Committees, or Councils. These bodies report through to the Risk and Oversight and Compliance Council (ROCC) and Audit and Risk Committee (ARC).



Management accountability supported by compliance

Risk Assessment: A risk assessment is a pre-requisite to establish a reference point for controls. It identifies all reasonable areas of scope and then assesses the impact and likelihood of potential risks. In turn, the control framework can provide focus on the greatest threats.

Written standards are formal company policies, standard operation procedures and guidelines (collectively called control documents) that communicate the ideas, rules, controls, and expectations of the organisation. The objective is to establish in-process controls to ensure a process is happening as intended.

Training is provided to ensure staff operate competently in whatever activity they undertake.

Values Maturity Assurance: GSK Pakistan went through a Values Maturity Audit and Assurance, a method to provide formal assurance about GSK Values and Behaviours. The process involved using both, quantitative and qualitative data. This provides a unique opportunity to gain insights into what employees know, think and feel about working in GSK.

Engagement Index: GSK Pakistan's Employee Engagement Index for 2021 was 92% for Pharma Commercial, which was higher than 2020 and also much above our Regional and Global Targets. This shows the positive engagement of our teams, which is evident from the extraordinary participation rates in the Employee Engagement Survey.

Communication: Managers need to be able to articulate to their teams the importance of each part of the framework in a relevant and engaging way aligned to our values and encourage a Speak up culture. Managers must also implement a process to receive complaints or questions and protect whistle blowers from retaliation.

Management Monitoring: Local managers are accountable for the controls in their area. Management monitoring is an ongoing process of assessing that the controls are in place, in use and effective. Monitoring can be

conducted in many ways including, but not limited to, workplace observation of tasks, checklist activity inspection and desktop review of data or documentation. Management Monitoring should be designed holistically with Independent Business Monitoring (see below).

Responding to Problems: Failures and problems offer an important opportunity for learning and improvement. By understanding and correcting the root cause, they should not recur and thus the overall control framework is strengthened.

Discipline and Enforcement generally refer to undertaking appropriate and consistent disciplinary action across the Company for violations of policy or code of conduct.

Independent Business Monitoring: The Compliance Monitoring Team supports the business in ensuring a fit-for-purpose Independent Business Monitoring (IBM) and Third-Party Monitoring (TPM) programme for selected enterprise risks (Anti-Bribery and Corruption, Commercial Practices and Non-Promotional Engagement). IBM is performed by GSK with assistance of a third-party provider, Ernst & Young. Independent Business Monitoring (IBM) is an integral part of the GSK's Internal Control Framework. This review gives leadership objective evidence that the overall set of controls are effective, based on an understanding of current information.

Strategy to overcome Liquidity Problem and the Company's plan to manage its Repayment of Debts and meet Operational Losses

Liquidity Position of the Company

The Company is adequately liquid and has Rs. 8.5bn of cash and cash equivalents as of

December 31, 2021 to manage its cashflow requirement. Furthermore, there are no significant long-term or short-term debt obligations.

Strategy to overcome any Liquidity Problems

The Company is sufficiently cash surplus and doesn't have any major debt obligations. In

addition to this, the Company also has running finance facilities from its banking partners to manage additional working capital requirement.

Significant plans and decisions such as Corporate Restructuring, Business Expansion and Discontinuance of Operations etc.

GSK Pakistan continues to be one of the key topline contributors within GSK's Emerging Markets Region.

The management of GSK Pakistan is fully committed to deliver our business objectives amidst a volatile and challenging working environment.

Some of the initiatives proposed are:

- Continue to invest in production facilities and infrastructure in line with current good manufacturing practices (cGMP) to drive efficiencies and manage costs
- Continue to invest in various renewable energy and sustainability projects to meet our 2030 Sustainability Goals
- Ongoing conversion to CRSF packaging

Significant changes in Objectives and Strategies from prior years

Some of the significant changes in objectives and strategies are:

- Shift of promotional thrust behind strategic growth drivers
- Reintroduction of Sales Force Incentive (SFI) model at Rep + 1 level with robust management, monitoring and control
- Enhanced focus on digital capabilities of the field force through various channels





*Risks and
Opportunities*

Risks and Opportunities

GlaxoSmithKline Pakistan Limited is affected by the macro-economic policies. The Company regularly monitors the same to respond effectively to both risks and opportunities present in the environment.

Risks and Opportunities	Opportunity or Risk	Rating	Source	Magnitude /Impact	Likelihood	Capital	Nature	Objective	Mitigation Measure
Currency devaluation and high inflation risk	Risk	★★★						Mitigating the impact on operating profits to ensure maximum ROI.	<ul style="list-style-type: none"> Monthly cashflow forecasting, weekly cash tracking against forecasted closing cash balances Secure annual CPI price increase to offset impact Cost-saving initiatives and operational efficiencies
Retention of employees in critical positions	Risk	★★★						Creating a high performance culture and a conducive work environment.	Ensuring that the Company continues to invest in training and development of its workforce to foster a high performance culture and healthy work environment.
Employee wellbeing and business continuity	Risk	★★★						Ensuring employee wellbeing and business continuity.	<ul style="list-style-type: none"> Regular trainings on employee wellbeing and appropriate measures to ensure employee safety and business continuity through IMT, CCM and BCP Having an offsite back-up of Company's record and systems to safeguard against data losses
IT security risk	Risk	★★★						Ensuring that all types of information is protected from external threats.	Implementing security protocols and raising employee awareness through trainings, internal communications and simulations to reduce the threat.
Volatile and uncertain law and order situation	Risk	★★★						Ensuring the safety and security of Company assets.	<ul style="list-style-type: none"> Ensuring that crises management plans are in place. Currently, Security Team Pakistan, in consultation and coordination with CSI, has adopted a proactive approach by maintaining close liaison with the LEAs to ensure the safety and security of Company employees Ensuring that security advisories are issued to all concerned stakeholders to update them on ongoing security risks
Major accidents	Risk	★★★						Ensuring the safety of employees, records and property.	Implementing robust SOPs, conducting employee trainings and drills, creating operational discipline and performing regular safety audits.

Risks and Opportunities	Opportunity or Risk	Rating	Source	Magnitude /Impact	Likelihood	Capital	Nature	Objective	Mitigation Measure
Natural disasters	Risk	★★★	External	High	High	Financial	Long-term	Ensuring business continuity.	Ensuring that all Business Continuity Plans are ready to deal with any natural disaster and calamity.
Counterfeit products	Risk	★★★	External	High	High	Human	Long-term	Ensuring patient access to genuine products.	Intimation to Local Regulatory Authorities/Provincial Drug Inspectors.
Pricing policy	Opportunity	★★★	Internal	High	High	Financial	Long-term	Opportunity to sustain and thrive in longer run through conducive price increases.	Offsetting the impacts of inflation and devaluation through price increases.

Rating ★★★ High ★★ Medium ★ Low	Source External Internal	Magnitude High Medium Low	Likelihood High Medium Low	Capital Financial Human Manufactured	Nature Social and Relationship Intellectual Long-term Medium-term Short-term
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Description of the Risk Management Framework including Risk Management Methodology

At GSK, we face several legal, regulatory, operational and strategic risks as a result of being in a highly regulated industry. We manage these risks using our own Internal Control Framework (ICF) Methodology. The GSK Internal Control Framework is a result of the evolution of the Assurance Triangle taking into consideration other recognised frameworks such as the 8 Elements of an Effective Compliance Programme, the COSO Framework and ICH10 Q10. We leverage the ICF to design and implement proportionate controls to manage these risks. This is contained in Enterprise Risk Plans.

Risk Management and Compliance Board

Our Risk Management and Compliance Board (RMCB) is responsible to effectively identify, assess, mitigate, monitor and report major risks that the business may encounter. All critical business risk units are governed by the RMCB, which promotes the ‘tone from the

top’, establishes the culture regarding risk and oversees internal controls. The RMCB has formed a structure whereby designated Functional Heads are responsible for identifying and treating significant risks and each Functional Head then performs a review of their respective key risks, takes corrective and preventive approach to ensure appropriate controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance Function facilitates in instilling a risk-based approach to establish a robust internal controls system. This eventually makes risk management an integral part of decision making and business operations. The RMCB meetings is held at least once in a quarter or more frequently when required.

Customer Board (CB)

We have a Customer Board (CB) for employees, which meets to discuss the changes and updates required in Employee

Policies based on the internal requirements and external market movements. The CB has representation from important stakeholders including Business and Sites and has the main responsibility to review and approve uniform Employee Policies in line with internal and external data and Industry trends.

Country Executive Board (CEB)

The Country Executive Board (CEB) is a forum that creates opportunities and manages operational, legal and compliance risks for GSK. It meets at least twice a year and its Core Membership includes all General Manager(s)/Site Directors, Finance, Legal, Government Affairs, Communications, HR, Regulatory, Medical, Procurement, Compliance and IT. The CEB has the following roles and responsibilities:

- Ensuring oversight and strategic coordination between different GSK business units/sites/GSK legal entities in the Country
- Managing the CET identified principle risks and any Country specific risks, which impact more than one operating unit
- Formulating strategy, implement plans and monitor progress on joint enterprise initiatives e.g. sales compensation, recruitment and talent development and the global programme to evolve sales and marketing practices
- Monitoring the external environment to

inform strategy and identify environmental risk. Coordinate internal and external communications so we present one culture and voice externally for GSK in a country. Managing external stakeholders e.g. Government, media, regulatory more effectively

- Discussing and taking actions on opportunities and issues of common interest across businesses, maintaining adequate oversight to facilitate the achievement of agreed solutions

Commercial Quality Council

Management reviews are a periodic review of performance and effectiveness of the quality processes and systems in place by checking that they are operating as expected and identifying risks and improvement opportunities such as:

- Progress of Business area quality plans
- Monitoring and trending of quality Key Performance Indicators
- Audit outcomes, changes to regulatory requirements
- Outcomes of product quality and process performance reviews

Regular Management review of Quality Systems, via a Commercial Quality Council governance process raises the management's awareness on and commitment to quality and enables in ensuring that we drive quality improvement, ensure compliance, encourage a factual approach towards decision making.

Strategy for mitigating risks

At GSK, we take a number of initiatives to mitigate risks.

1. Board and Committees

The Board has formed the following Committees in line with best practices and requirements of the Code of Corporate Governance:

- The Audit Committee annually reviews the financial aspects and appropriateness of resources, the corporate accounting and financial reporting process, the effectiveness and adequacy of internal controls, the management of risks and the external and internal audit process

- The Human Resource and Remuneration Committee assists the Board in fulfilling its responsibilities in the review, formulation, recommendation and implementation of Human Resource policies and the appointment and remuneration of the CEO, CFO, Company Secretary and Chief Internal Auditor. It also considers and approves recommendations of the CEO on matters related to succession planning of key management positions and ensuring proper compensation to GSK employees

2. Standard Operating Procedures

Standard Operating Procedures are a vital part of the Company's governance framework. These are adopted to ensure timely risk mitigation.

3. Control Activities

Senior Management has placed controls

to mitigate risks. There is regular management monitoring to ensure compliance.

4. Internal Audit

The internal audit is conducted as per the internal audit plan duly reviewed and approved by the Audit Committee. The internal audit plan is driven by the Company's organisational objectives and the risks that may prevent the Company from meeting those objectives. The Audit Committee reviews the effectiveness of the internal control framework while the Internal Audit Function monitors and provides assurance on the effectiveness and adequacy of the internal controls.

The independent Internal Audit Function is headed by the Chief Internal Auditor with an outsourced arrangement with EY Ford Rhodes.

Board's efforts for determining the Company's level of risk tolerance by establishing Risk Management Policies

Our Board works rigorously to develop and monitor Risk Management Policies to determine the Company's level of risk tolerance. Our Board's main responsibility includes establishing and overseeing an effective risk management framework in the Company. Our risk management framework is well-embedded within the processes of the business and continually reviewed with oversight at Board level through our Audit Committee. This framework enables the Board to identify, evaluate, manage our principal risks and is designed to support our long-term priorities. It provides our businesses with a

framework for risk management and upward escalation of significant risks. Our values and expectations and Speak Up processes ensure that the risks associated with our business activities are actively and effectively agreed and mitigated and provide reasonable assurance against material misstatement or loss. Our Board monitors various compliance initiatives and promotes risk management and compliance culture in the Company. Our Board has delegated the responsibility of monitoring and control of business risks to the management of the Company.

A statement from the Board of Directors that it has carried out a robust assessment of the principal risks faced by the Company

The Board monitors the principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity. This responsibility has been delegated by it to the Risk Management and Compliance Board (RMCB) which is comprised of GSK management team. Our Risk Management and Compliance Board (RMCB) supports to establish a framework for ensuring risk management is embedded throughout the Organisation and is an integral part of the decision making. The RMCB is responsible for promoting a 'tone from the top' risk culture, as

well as ensuring effective oversight of internal controls and risk management processes for identifying, assessing, treating, monitoring and reporting all known and significant emerging risks associated with the business. The RMCB comprises of a structure whereby designated Risk Owners, who are members of Senior Management, are accountable for identifying and mitigating significant risks, while the Compliance Officer is responsible for facilitating a risk-based approach in establishing internal control systems within GSK. The RMCB held 15 meetings during the year.

Initiatives taken by the Company in promoting and enabling Innovation

GSK's strategic priorities embrace and encapsulate its commitment towards innovation. The policy focus has in turn laid the foundation for a corporate culture that fosters and encourages organisational growth through promoting, enabling and driving innovation across the tiers.

At GSK, we continue to emphasise on strategy about exploring innovative ways to stay connected with healthcare professionals and investing into robust online channels to

accelerate digital engagement initiatives; hence remaining agile and adaptive to the "new normal" amidst the evolving operating scenario.

The Company also continues to drive adoption and pervasiveness of core systems with a focus on improving field force capability while also enabling us to meet our environmental objectives.

A snapshot of the key initiatives taken by the Company is presented on page 44.

Capital Structure and its adequacy

Total equity value increased by over 20% to Rs. 21bn comprising of share capital amounting to Rs. 3.2bn which consists of issued share capital of 318,467,278 shares of Rs. 10 each. S.R. One International B.V., Netherlands and its nominees are the major shareholders of the Company, having 263,029,794 shares being 82.59% of total paid-up capital.

The Company's Statement of Financial Position is entirely financed via equity. The Company generates adequate liquidity through its business operations and does not need any secondary financing. Therefore, GSK Pakistan believes that the prevailing Capital Structure is adequate.







Governance

Board Composition

Our Board Architecture is mainly governed by Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and other good corporate governance practices, ideologies available locally and internationally.

GSK values and ensures effective, efficient, and independent decision making. The Board as a group includes competencies and diversity considered relevant in the context of Public Limited Company's operations. Our Board comprises of members who have local and international experience, giving the Board a competitive edge for effectively managing the complexities of our business. Our Board of Directors comprises of highly qualified professionals from varied disciplines, including finance, investment, legal and business management.

Our Board comprises of 7 Directors, who actively ensure that all 'shareholders and stakeholders' interests are fully protected. There are 3 Non-Executive Directors, 2 Executive Directors and 2 Independent Directors on our Board.

Further, as per the requirements of the law, our Independent Directors have submitted the

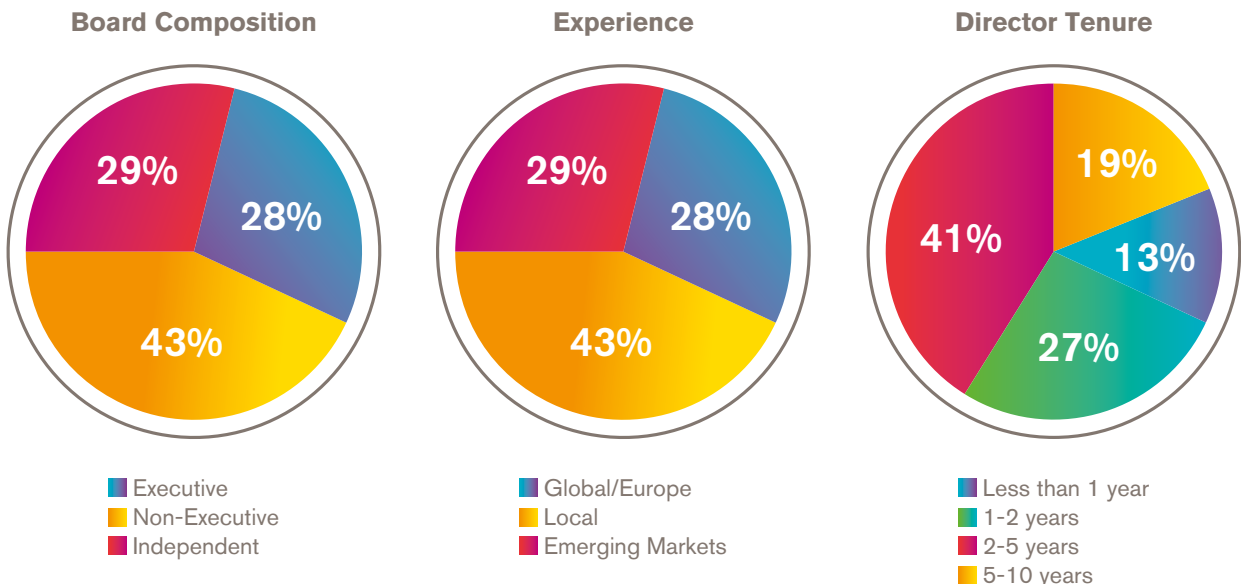
following to the Company:

- a. Consent to act as Director; and
- b. A declaration of independence as per the criteria defined in the Companies Act, 2017 to the Chairman of the Board at the first quarter meeting of the year. Ms. Maheen Rahman and Mr. Muneer Kamal are the Independent Directors of the Company.

The status of directorship e.g. Non-Executive, Executive, Independent etc. is also provided in the Statement of Compliance with the Code of Corporate Governance, issued by the Company on pages 131 to 133.

Changes in Board Composition

As at December 31, 2021 there has been a notable change within the Board Architecture. Mr. Abdul Samad resigned as Chief Financial Officer and Executive Director of the Board on April 02, 2021 and was replaced by Mr. Hasham Ali Baber who was appointed on June 01, 2021.



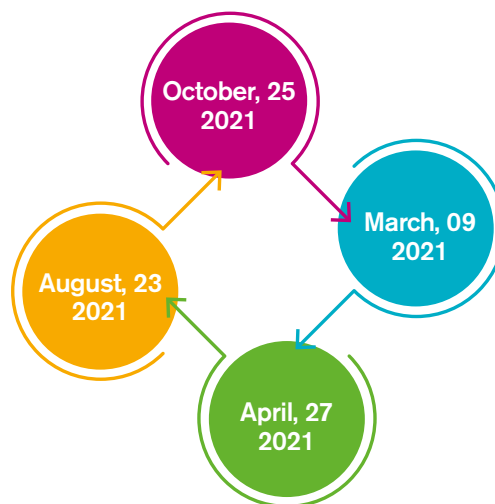
Schedule of Board of Directors' Meetings

Scheduled Board Meetings

Our Board has established a corporate governance framework with clearly defined responsibilities and accountabilities. For our Board to operate effectively and to consider key matters, Board Committees have been established as set out on pages 106 to 109.

Further, the Board of Directors' calendar is approved annually, in which the Board Meetings, Human Resource and Remuneration Committee and Audit Committee Meetings are scheduled for the coming year. The Board Members are issued Meeting Notices within statutory timelines. The Board Folder is sent seven days prior to the Board Meeting which comprises of the Notice, Agenda and the financial documents along with other business papers on which decisions or approvals are to be considered.

Audit Committee and Human Resource and Remuneration Committee meetings are held according to an annual schedule circulated before each fiscal year to ensure maximum director participation.



Attendance at Scheduled Board Meetings during 2021:

S. No.	Name of Board Director	Status	Scheduled Board Meetings			
			9-Mar-21	27-Apr-21	23-Aug-21	25-Oct-21
1	Mr. Dmytro Oliinyk	Non-Executive				
2	Ms. Erum Shakir Rahim	Executive				
3	Mr. Hasham Ali Baber	Executive				
4	Mr. Abdul Samad*	Executive				
5	Mr. Haris Jabbar**	-				
6	Mr. Muneer Kamal	Independent				
7	Mr. Mehmood Mandviwalla	Non-Executive				
8	Ms. Maheen Rahman	Independent				
9	Mr. Mark Dawson	Non-Executive				

*Casual vacancy filled through the year:

Name of Director	Date of Resignation	Name of Director	Date of Joining
Mr. Abdul Samad	April 2, 2021	Mr. Hasham Ali Baber	June 1, 2021

**Mr. Haris Jabbar attended the Board Meeting on April 27, 2021 by invitation as interim CFO.

Other Directorships

S. No.	Name of Board Director	Directorships Held
1	Mr. Dmytro Oliinyk	GlaxoSmithKline Algeria GlaxoSmithKline Saudi
2	Ms. Erum Shakir Rahim	GlaxoSmithKline Consumer Healthcare Pakistan Limited
3	Mr. Hasham Ali Baber	–
4	Mr. Muneer Kamal	National School of Public Policy InfraZamin Pakistan National University of Medical Sciences Córdoba Logistics and Venture Limited Karachi Education Initiative
5	Mr. Mehmood Mandviwalla	Chairman - The Securities and Exchange Commission of Pakistan Policy Board Director - The Shariah Advisory Committee (SAC) of State Bank of Pakistan Director - The Deposit Protection Corporation - Subsidiary of the State Bank of Pakistan
6	Ms. Maheen Rahman	Member & Board of Governance - Special Technology Zones Authority (STZA) Director - InfraZamin Pakistan Director - Nasra Public School (Private) Limited
7	Mr. Mark Dawson	Director - GlaxoSmithKline Pharmaceuticals Limited - India

Corporate Leadership Team

In addition to the Board of Directors, our Leadership Team comprises of 17 Senior Members who meet and discuss significant business plans, issues and progress updates of their respective functions. Significant matters to be put forth in the Board as per the Code of Corporate Governance are also discussed for onward approval.

Roles of the team are:

- Reviewing business risks, strategies and plans
- Reviewing effectiveness of policies and procedures

Composition of the Corporate Leadership Team

Team Members	Designation
Ms. Erum Shakir Rahim	Chief Executive Officer
Mr. Hasham Ali Baber	Chief Financial Officer
Ms. Mehar-e-Daraksha Ameer	Legal Director
Dr. Tariq Farooq	Business Unit Director BU-1
Syed Nasir Farid	Business Unit Director BU-2
Dr. Naved Masoom Ali	Business Unit Director BU-3
Mr. Khurram Amjad	Director Commercial Excellence and CTC
Dr. Gohar Nayab Khan	Regulatory Affairs Cluster Head
Mr. Abdul Haseeb Pirzada	Director Corporate Affairs and Administration
Mr. Zain Anjum	Country Compliance Officer
Dr. Yousuf Hasan Khan	Director Medical
Syed Nabigh Raza Alam	Tech Head
Mr. Obaid Siddiqui*	Head of Procurement
Mr. Farqaleet Iqbal	HR Country Head
Mr. Khurshand Iqbal	Site Director - West Wharf
Mr. Javed Tariq	Site Director - Korangi
Mr. Imtiaz Hussain	Site Director - F-268

*Mr. Obaid Siddiqui resigned from his position as Head of Procurement for GSK Pakistan in September 2021.

Leadership Team



Front (Left to Right): Mr. Farqaleet Iqbal, Ms. Erum Shakir Rahim, Mr. Hasham Ali Baber and Mr. Abdul Haseeb Pirzada
Back (Left to Right): Mr. Khurram Amjad, Dr. Yousuf Hasan Khan, Syed Nabigh Raza Alam, Dr. Naved Masoom Ali, Syed Nasir Farid, Ms. Mehar-e-Daraksha Ameer, Dr. Tariq Farooq and Dr. Gohar Nayab Khan



Profiles of Board Directors



Dmytro Oliinyk

Chairman, Non-Executive Director
VP Finance, Growth Emerging Markets

Education: ACCA & Master's in Finance
Nationality: Ukraine
Appointed: 28 August 2019



Mr. Dmytro Oliinyk is currently serving as VP Finance Growth Emerging Markets. He joined GSK in 2008 as an Area Finance Controller, CIS markets. Prior to joining GSK, he has worked with PwC Ukraine as a Senior Auditor. Mr. Oliinyk is ACCA qualified and holds a Master's Degree in Finance from Kyiv National Economic University.

He has held multiple positions across different geographies including VP Finance Middle East, North Africa and Russia, Finance Director Canada, Finance Director Planning and Analysis Europe, Finance Partner Vaccines Emerging Markets and Europe, Senior Finance Director Ukraine, Belarus Moldova and Caucasus and Finance Manager, Central Asia.

Erum Shakir Rahim

CEO, Executive Director
Vice President & General Manager



Education: Master's in Mass Communication
Nationality: Pakistani
Appointed: 01 March 2020

Ms. Erum Shakir Rahim is currently serving as the Vice President and the General Manager of GSK Pakistan Limited and has a professional career that spans over 25 years in the Pharmaceutical Sector. She started her career in the field of media, first in advertising, and then as a journalist.

With a Master's Degree in Mass Communication, she is a gold medalist in both BA Honors & MA. She has worked in multiple geographies and led diverse teams across 9 countries in Asia where she was able to launch, sustain and grow key brands and portfolios whilst managing public, government and regulatory challenges. Erum is the first woman from the subcontinent to be appointed as GM by GSK. She was also appointed as the first female GM in Malaysia in 2013, Bangladesh, followed by Indonesia in 2018, and Pakistan in April 2020.

Erum has been on the Board of GSK Pakistan, GSK Bangladesh and GSK Consumer Healthcare Pakistan Limited ensuring regulatory compliance of the listed company. She has also represented the industry on various forums across different countries as part of the industry associations and is a member of the Managing Committee of OICCI and chairs the Pharma Bureau.





Hasham Ali Baber

*CFO, Executive Director
Finance Director*

Education: Chartered Accountant
Nationality: Pakistani
Appointed: 01 June 2021



Mr. Hasham Ali Baber is the Finance Director and Chief Financial Officer with a professional career spanning over 11 years in the Pharmaceutical Industry. Prior to joining GSK, Hasham was part of the PricewaterhouseCoopers as Supervising Senior. During his career journey at GSK, Hasham held multiple local and global roles including Lead Finance Business Partner Pakistan, Lead Regional Finance Hub and later Regional Financial Planning Director for the Emerging Markets. In 2016, Hasham established Pakistan as a planning hub for other GSK countries. Following its successful implementation, multiple other hubs were set up on the same model, hence establishing a path towards new ways of working for GSK at a global scale.

Prior to his current role, Hasham was the Regional Finance Planning Director for Emerging Markets in Singapore, where he established himself as an accomplished leader as he led the planning, forecasting and business partnering of the region comprising of ~50 countries (Latin America, Africa, Middle East, India, Pakistan and South East Asia) with a turnover of ~£3.2bn. As a member of Emerging Markets Finance Leadership Team, he has led several cross functional strategic projects while driving the One Finance Mindset.

Mehmood Mandviwalla

Non-Executive Director

Education: LLB (Hons)
Nationality: Pakistani
Appointed: 07 January 2011



Mr. Mehmood Mandviwalla is the Senior Partner of the law firm "Mandviwalla & Zafar". He obtained his LLB (Hons) from the London School of Economics and Political Science and qualified as a Barrister from the Hon'ble Society of Lincoln's Inn, London, United Kingdom. He is the President of SAARCLAW (South Asia Association for Regional Co-operation in Law).

Mr. Mehmood Mandviwalla has extensive experience spanning over 38 years in all aspects of commercial and corporate law including mergers and acquisitions in the field of banking, corporate and financial restructuring privatisations. He is also a member of the Board of Directors of The Deposit Protection Corporation - Subsidiary of The State Bank of Pakistan, Director of the Shariah Advisory Committee (SAC) of State Bank of Pakistan and Chairman of The Securities and Exchange Commission of Pakistan Policy Board.



Key: (C) Committee Chairperson (B) Board Chairman (HR) HR & Remuneration Committee (A) Audit Committee (D) Disclosure Committee



Muneer Kamal

Independent Director

Education: MBA
Nationality: Pakistani
Appointed: 02 April 2020



Mr. Muneer Kamal is an Independent Director of the Board with vast experience in banking and financial services. He holds an MBA Degree from the Institute of Business Administration, Karachi. Mr. Kamal's career spans over four decades, starting with Citibank Pakistan and has served in many local and international positions. He served as President & CEO of Faysal Bank, Union Bank and KASB Bank successively.

His diverse Corporate Governance experience includes having served as Chairman Pakistan Stock Exchange, Chairman National Bank of Pakistan, Director Engro Corp, Director DH Corp, Trustee Shaukat Khanum Memorial Hospital and Director Government Holding Private Ltd. More recently, Mr. Kamal in his roles as CEO Karachi Education Initiative and Member Board of National School of Public Policy, helped develop leadership programmes for next generation of business leaders in Pakistan. He is also Member Board of Directors of InfraZamin Pakistan and serves as Member Board of Governor on National University of Medical Sciences. He is Director of Cordoba Logistics & Ventures.

Maheen Rahman

Independent Director



Education: B.Sc. in Economics &
M.Sc. in Finance and Economics
Nationality: Pakistani
Appointed: 05 December 2018

Maheen Rahman has been an Independent Director on the Board of GSK Pakistan since 2018. Maheen has over twenty years of experience in investment banking, research and asset management. In addition to her extensive work experience and professional achievements, Maheen holds a Bachelor of Science (Hons) Degree in Economics from the Lahore University of Management Sciences (LUMS) and a Master of Science in Finance and Economics from Warwick Business School in the UK.

She serves as the Chief Executive Officer of InfraZamin Pakistan since 2020. Previously, Maheen Rahman served as the Chief Executive of Alfalah GHP Investment Management and the Chief Executive of IGI Funds. Her other roles include, Head of Research at BMA Capital Management, Associate at ABN AMRO Bank, and a Financial Analyst at Merrill Lynch. She has the experience of working across multiple geographies during her career.

Maheen has been featured on Fortune's "40 Under 40's women to watch" list, in 2015, as the youngest Head of Alfalah GHP Investment Management and the only female CEO in an industry where her rivals were all men. After becoming the CEO of IGI Funds, she turned around the fund's financial performance and made it into a profitable entity. Maheen doubled the assets under management in her first year at the helm of IGI and led the firm to a 15% ROE. In 2013, Alfalah acquired IGI Funds and Maheen Rahman was appointed the CEO of the newly merged entity.





Mark Dawson

*Non-Executive Director
Vice President, Head of Manufacturing and Supply
Chain for Primary and Established Products (PEP)*

Education: B Eng (Hons) in Electrical
Engineering and a Chartered Engineer
B Eng (Hons), C Eng, MIET
Nationality: British
Appointed: 26 October 2017



Mr. Mark Dawson is Vice President, Head of Manufacturing and Supply Chain for Primary and Established Products (PEP) within GSK's Pharmaceutical Business. Mark is a graduate of the University of Sheffield in the UK and a Chartered Engineer. Prior to GSK, Mark worked for several multinational companies including Eli Lilly & Company, Kvaerner, and Schneider Electric.

Mark joined GSK in 2005, working in various roles of increasing seniority within Global Manufacturing and Supply as Engineering Director, Site Director for the Irvine Manufacturing Site, VP and Head of Global Supply Chain within ViiV Healthcare (GSK's HIV Business) and latterly as VP and Head of Supply Chain for Emerging Markets. Currently, based out of GSK Asia headquarters in Singapore, Mark leads the supply chain that manufactures all GSK Primary (API) products, Antibiotics supply chain and Regional Rx. Additionally, he is also accountable for all supply chain planning, logistics and warehousing operations into 105 global markets.

Mark is a member of the Pharma Supply Chain Executive Team and the Emerging Markets Leadership Team. He also sits as a Member of GSK's Global Gender Diversity Council.

Chairman's Review



It gives me great pleasure to present a review report under the requirement of Section 192 of the Companies Act, 2017.

As the world recovered from COVID-19 through concerted vaccination drive and other non-pharmaceutical interventions such as masking and social distancing, we firmly believe that the crisis breeds new opportunities to set in motion ideas and innovation for building a better future.

I feel proud to lead an organisation that continues to play a pivotal role in promoting health and helping people do more, feel better and live longer. We remained focused on our long-term goals while

adapting our business model to the challenges that we were presented with. The steps we have taken to redefine our ways of working reflect both our endurance as well as our agility in these dynamic times, which have helped us to achieve this performance.

This is a testament to the resilience of GSK Pakistan's management team who have navigated the Company through the year and ensured people across GSK remain focused on our purpose and delivery of performance.

Despite an extremely challenging operating environment, GSK Pakistan continued its growth trajectory. Our Revenue from Operations grew by 4% (underlying growth of 5%) and Profit Before Tax by 51%. This robust performance not only demonstrates the strength of our business model, but also our ability to quickly adapt to the rapidly evolving realities.

Our unwavering focus on integrity and culture of compliance have helped us to thrive in a difficult environment. We uphold the highest ethical standards in our business conduct and live by our values, while operating with honesty and fairness.

Review of overall performance of the Board

GSK Pakistan's Board of Directors, which comprises of professionals with a profound understanding of the Pharmaceutical Industry and sound business acumen, is committed to operate at the highest standards of corporate governance. The Board and its associated Committees during the year ensured compliance with all statutory and regulatory requirements applicable upon the Company.

As per requirement of the Companies Act and Code of Corporate Governance, the Directors have performed their duties diligently and effectively in the best interest of the Company. This includes oversight of the Company's strategic objectives by active participation in monitoring performance against the defined strategic goals and targets.

To bring objectivity to the evaluation process, clarify responsibility, improve accountability as well as Board efficiency and to make GSK more attractive to investors and employees, GSK has decided to conduct external Board Performance Evaluation for the year 2021. Therefore, GSK has appointed external consultants for the Board Performance Evaluation namely Pakistan Institute of Corporate Governance (PICG).

In accordance with Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board through external consultants, is performing an evaluation of Board, Committees, CEO and Chairman. Annual evaluation questionnaire (external) is developed by the Pakistan Institute of Corporate Governance (PICG) in conformity with the Code of Corporate Governance and Global Best Practices and is circulated to the Directors for performance evaluation. Strict level of confidentiality is exercised by PICG while conducting the evaluation process.

Results from performance evaluation are then discussed in detail in the subsequent Board Meeting to address the highlighted areas and improve the Board's performance.

Financial Reporting

With strong oversight on the reporting front, the Board has a responsibility to provide clear visibility of financial reports to stakeholders in accordance with the Financial Reporting Framework applicable in Pakistan.

Awards - validating our efforts

It is also a matter of pride that we won several awards and recognitions during the year. In Pakistan, GSK was recognised by Top Employer Agency as a 'Top Employer' and was also recognised as 'Best Place to Work'. Moreover, in recognition of our efforts in 'ESG' we were awarded with Pharma Supply Chain Carbon and Water Trophies in GSK network. GSK Pakistan also won the 3rd position in the Best Corporate Report under Pharma Category.

Board Committees

The Company has four Committees, as stated below, to assist the Board for its optimal performance.

1. Audit Committee
2. Human Resource and Remuneration Committee
3. Disclosure Committee
4. Risk Management Committee*

The details about the Committees are provided on pages 83 to 84 in Directors' Report.

*RMCB consists of the management team.

Culture

At GSK, our aspiration is to achieve a high-performance culture whilst remaining true to our values. Accordingly, we introduced new employee recognition initiatives to encourage and reward high-performance. The Board was pleased with these initiatives; the result of which was reflected in the recent employee engagement survey showing an encouraging 92% employee engagement index.

Acknowledgment

As we begin another exciting year of growth, we have a lot to look forward to. We have new-age tools, a dynamically flexible team to work with, and the trust of our esteemed shareholders. It is your continued support and faith in us that inspire us to do more and remain steadfast in our journey.



Dmytro Oliinyk
Chairman

February 25, 2022

Directors' Report



Directors' Report to Shareholders

The Board of Directors of GlaxoSmithKline Pakistan Limited is pleased to present the Annual Report along with the Company's audited financial statements for the year ended December 31, 2021.

This Directors' Report has been prepared in accordance with Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019 and will be submitted to members at the Seventy Fifth Annual General Meeting of the Company to be held on April 25, 2022.

Principal Activities

For principal activities refer note 1.1 of the Financial Statements on page 145.

Business and Economic Environment

The COVID-19 pandemic dominated the first half of the year, whereafter the Country recovered on account of the immunisation campaign in the second half leading to relaxation of lockdown rules. Despite the challenges, we delivered our financial guidance for the year and continued to make progress on our strategy.

At GSK, we believe that health is critical to enriching the world around us. We remain steadfast in our commitment to make quality medicines available to our patients. We adapted our engagement models, leveraged our digital capabilities, and kept pushing the boundaries of innovation to reach our patients and HCPs. We paved the way for greater collaboration amongst our employees which helped us improvise on our ways of engagement with our customers, specifically the healthcare professionals.

With the resumption of economies, there was an overall surge in demand of commodities across the globe which resulted in supply chain disruptions. As a result, in Q4 2021, the Country's economic indicators took a downturn resulting in significant widening in trade deficit. This triggered a slide in the Pak Rupee to an all-time low level against the greenback resulting in high levels of inflation. To address the concerns, Central Bank has shifted the focus from growth to sustainability and resumed its monetary tightening by hiking the policy rate to 9.75%. The scenario is still evolving, and we shall continue to closely monitor any developments.

Financial Performance

For the year 2021, the Company achieved net sales of Rs. 36.6bn. The total net sales also include intercompany sales of Rs. 0.9bn (as compared to Rs. 1.2bn in last year) to GlaxoSmithKline Consumer Healthcare Pakistan Limited on account of products manufactured by the Company for which market authorisation rights remain with GlaxoSmithKline Pakistan Limited. The underlying sales growth is 5% with Dermatology portfolio leading the growth for the Company.

The Gross Margin of the Company for the year was 26.6% showing an improvement by 5% from last year. The higher Gross Profit % this year was due to better product mix, cost efficiency initiatives by supply sites and CPI price increase.

During the year, the Company redeployed its sales force to invest behind strategically prioritised brands, enhancing focus, improving product contribution, and thereby increasing shareholders' value generation. As a result, Selling, Marketing and Distribution cost remained flat at 8% of net sales vs. last year. Administrative expenses as a % of sales improved to 2.9% as compared to 3.8% LY, this decrease is mainly due to one-off severance cost recorded in Quarter 1, 2020 coupled with various cost-saving initiatives during the year.

Other operating income amounted to Rs. 2.6bn, which is on account of promotional allowance of Rs. 1.42bn from the GSK Group support for sustainable investment in our brands and disposal of warehouses and sales offices located across the Country.

Despite the economic challenges, the Company posted an overall strong after-tax Net Profit of

Rs. 5.3bn growing by 59% over the corresponding period last year. The Company continued to invest in plant upgradation in line with current good manufacturing practices. The total capital expenditure incurred during this year was Rs. 1.3bn.

Operational and financial performance was resilient throughout the year. Management also maintained its strong focus on cost controls and cash generation.

Dividend

The Board of Directors is pleased to announce a final cash dividend of Rs. 7 per share amounting to Rs. 2.23bn, subject to approval of the shareholders at the Annual General Meeting to be held on April 25th, 2022.

Leveraging our Digital Capabilities

We continued addressing our patient needs in a tailored approach to transform the way they use medicines, and all these efforts have provided tailwinds to achieve our purpose. As a scientifically driven Company, we continue conducting knowledge enhancement programmes for our healthcare professionals. As we advance towards our goal of becoming a digital and data-driven organisation, we continue to harness new technologies to develop better, more efficient ways of working business-wide. We have also deployed WhatsApp One-to-Many channel to effectively engage with our HCPs and to provide patients with credible information and fulfil any need gaps.

Holding Company

As of December 31, 2021, S.R. One International B.V., Netherlands held 263,029,794 shares of Rs. 10 each. The ultimate parent of the Company continues to be GlaxoSmithKline plc, UK.

Pattern of Shareholding

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding as of December 31, 2021 and other related information is set out on pages 208 to 209.

During the year, the Directors, CEO, CFO, Company Secretary, Executives and/or their spouses and minor children did not carry out any trade in the shares of the Company.

Basic Earnings per Share

Basic Earnings per Share from operations was Rs. 16.81 (2020: Rs. 10.60).

Corporate Social Responsibility (CSR)

Your Company has a rich legacy of partnering with the communities in which it operates. Strong partnership with these groups are critical to understanding the needs of the communities and formulate strategies accordingly, to maximise their outreach and impact.

The focus of your Company's CSR effort, during the year, was on impacting life-changing and lasting differences in human health by addressing healthcare burdens of accessibility, affordability and awareness. The main initiatives include:

- Bake sale to raise fund for underprivileged children;
- COVID-19 - vaccination drive; and
- Beach cleaning activity and tree plantation programme.

Our People

We believe, a positive employee experience is critical to attract, retain and motivate the best people. We want to empower our employees to be themselves, feel good, and keep growing. We also believe that Inclusion and Diversity (I&D) leads to business success by unleashing the enormous potential of all our people and strengthening our ability to respond to the differing needs of our patients. In recognition of our continuous efforts we were recognised as **“Top Employer for 2021 and 2022 and Best Place to Work”**. Being certified as a “Top Employer” showcases an organisation's dedication to a better world of work and exhibits this through excellent HR policies and people practices.

Our strategic commitment to being a modern employer was a key component of the Trust priority, with a strong employee experience being critical to attracting and retaining key talent to deliver our Innovation, Performance and Trust priorities underpinned by our Culture.

The Women's Leadership Initiative (WLI), which showcases our Inclusion and Diversity agenda and empowers employees as they develop their personal leadership agenda, knowledge and skills, continues to

be a flagship programme involving more than 4,000 women and men from over a dozen countries globally in a variety of functions within GSK. The vision of WLI is to support a culture of Inclusion and Diversity with women and men working side by side, empowering everyone to realise their full potential without limitations.

Environment, Health and Safety (EHS)

GSK prioritises the health, safety and wellbeing of its employees and people connected to it. Robust safety measures were put in place to ensure the health and wellbeing of all staff during COVID-19.

In response to the different COVID-19 waves throughout the year 2021, the Issue Management Team (IMT), headed by MD and VP, regularly monitored the COVID-19 situation across the Country and take effective decisions to put its employees first in the workplace.

Hybrid model of working continued throughout 2021 in the field and offices. Field teams continued face-to-face engagements wherever it was permissible by fulfilling complete compliance to COVID-19 protocols and they were empowered to use online engagements in case of increase in COVID-19 cases in their work area.

A weekly pulse check survey was conducted to gauge staff's level of comfort; evaluate the situation on ground and acquire field force's feedback on the implemented precautionary measures. This enabled leadership team to take timely and effective decisions.

Our risk-based, proactive approach is articulated in our global EHS policy and detailed in our global EHS standards against which we ensure compliance of all our operations. We ensure hazards are appropriately controlled through the safe design of facilities, plant and equipment, and by following rigorous procedures that help us provide effective barriers to protect employees' health and safety.

We also remain focused on our Environment, Social and Governance (ESG) priorities. Health is intrinsically connected to the environment and therefore we continue to look at avenues to mitigate climate change by reducing our own imprint on the environment through ecologically sustainable practices across the value chain. In recognition of our efforts in this area we were awarded with Pharma Supply Chain Carbon and Water Trophies in the GSK network.

Business Ethics and Anti-Corruption Measures

Everyone who works for or on behalf of GSK must abide by the law, but our code of conduct goes beyond that. It also establishes the standards and policies that help us meet the commitments of our heavily regulated industry and work as a high performing team. Our values and expectations help define us, build trust with society and direct us to do the right thing every day.

GSK builds its reputation as an outstanding social actor that conducts its activities with strong principles such as honesty, justice, and integrity, in compliance with the laws and regulations that govern our industry.

Our reputation is our most valuable asset and depends altogether on the individual actions of each GSK employee, who, at all times must take into account, the corporate values of Integrity, Transparency, Patient Focus and Respect. Our Risk Management and Compliance Board (RMCB) is responsible to effectively identify, assess, mitigate, monitor, and report major risks that the business may encounter. All critical business risk units are governed by the RMCB, which promotes the 'tone from the top', establishes the culture regarding risk and oversees internal controls.

Third Party Oversight (TPO) Programme: To achieve our purpose, we often work in partnership with third parties, who bring skill, expertise or scale to help us deliver our mission. We strive to conduct business only with those suppliers, distributors, equity stake holdings and other business partners/third parties who share our commitment to high ethical standards and operate in a responsible way. The Company has implemented a comprehensive Third Party Oversight programme to strengthen its management of risk. The aim is to ensure that all third parties are assessed against enterprise-wide risks and accordingly, only thereafter fully compliant contracts are entered into. Bribery is illegal no matter where in the world we work. It is up to us to speak up and report any suspected corruption and have transparent conversations to assess situations that could be open to fraud, bribery or corruption. Our Anti-Bribery and Corruption (ABAC) foundation principles (legitimacy

of intent, transparency, proportionality, conflicts of interest or undue influence) help us detect and prevent bribery and corruption. It is up to all of us to know what is expected of us to prevent bribery and corruption by complying with GSK policies and reporting any concerns. Leaders have a responsibility to ensure adequate assessment, mitigation and oversight of risks.

We have clear governance, written standards and all the elements of the internal control framework in place to manage ABAC risk.

The Board of Directors of the Company has set down acceptable business practices and behaviours in a "Code of Conduct/Statement of Ethics and Business Practices", which guide our people on how to apply our values in everyday activities. This Code, which is mandatory for all employees including senior management to sign, is also available on the Company's website. Salient features of the Code of Conduct are provided on page 39.

Composition of the Board of Directors

The total number of Directors is 7 as per the following:

Male	05
Female	02

The composition of the Board is as follows:

Category	Name
Independent Director	▪ Mr. Muneer Kamal ▪ Ms. Maheen Rahman
Executive Directors	▪ Ms. Erum Shakir Rahim ▪ Mr. Hasham Ali Baber
Non-Executive Directors	▪ Mr. Mehmood Mandviwalla ▪ Mr. Dmytro Oliinyk ▪ Mr. Mark Dawson

Board Committees

The Board has formed Committees comprising of members given below:

a) Audit Committee

Mr. Muneer Kamal	Chairman
Ms. Maheen Rahman	Member
Mr. Mark Dawson	Member
Mr. Mehmood Mandviwalla	Member
Mr. Dmytro Oliinyk	Member
Mr. Syed Ahsan Ejaz	Secretary

b) HR and Remuneration Committee

Ms. Maheen Rahman	Chairperson
Mr. Dmytro Oliinyk	Member
Mr. Mehmood Mandviwalla	Member
Mr. Mark Dawson	Member
Ms. Erum Shakir Rahim	Member
Mr. Farqaleet Iqbal	Secretary

c) Disclosure Committee

Ms. Erum Shakir Rahim	Chairperson
Mr. Dmytro Oliinyk	Member
Ms. Mehar-e-Daraksha Ameer	Member
Mr. Hasham Ali Baber	Secretary

Other Committees include:

▪ Risk Management and Compliance Board

- RMCB - consisting of GSK Pakistan's Management Team

As required by the Code of Corporate Governance, extensive details related to the Board of Directors, including but not limited to profile of Directors, Board Committees, training, diversity, orientation and changes in the Board are covered under Corporate Governance Section on pages 68 to 112.

Board of Directors' Meetings and Attendance

The Board of Directors met four times in 2021 and all these meetings were held in Pakistan. Further details are covered under our Governance Section on page 69.

Management Committee

Further details are covered under our Governance Section on pages 70 to 71.

Auditors

The present auditors, Messrs. Yousuf Adil, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.

The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as the Auditors of the Company for the financial year ending December 31, 2022, at a mutually agreed fee.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company till the date of this report.

Future Outlook and Challenges

With the pandemic, the Government focused on managing the various COVID-19 outbreak waves through implementing a mass vaccination campaign, expanding its cash transfer programme, providing accommodative monetary conditions to sustain economic growth and widening tax net through new tax reforms. These measures allowed economic activity to continue thereby mitigating any economic fallout.

Government with an intention to widen the tax net and to document the economy has introduced several changes in tax reforms during the year, which inter alia, include:

- Finance (Supplementary) Act, 2022 (effective January 15, 2022) has introduced some changes. One major change is pharmaceutical supplies (previously exempt) now falling under zero-rated regime with raw materials being taxable under 17%
- Distributor's advance income tax on sales to pharmacies. This in turn led to widespread protest from pharmacy association and resulting purchasing impact
- Requirement of digital payments by Corporate Sector with an intention to improve documentation of economy. However, owing to lack of total digital readiness by various taxpayers, such deadline has been extended and shall be effective from the date notified by the Federal Board of Revenue (FBR)
- We hope that the Government will ensure that a fair & transparent policy, aligned with industry expectations is implemented for pharmaceutical pricing that would support the availability and supply of quality medicines for patients

We continue to ensure that we remain focused in our strategy execution with streamlined sales force while keeping an eye on strategic allocation behind our key growth drivers with the main objective of gaining market share.

In addition to the above, the Company remains focused on delivering its long-term priorities of Innovation, Performance and Trust underpinned by our Culture. Our sales teams have resumed face-to-face meetings to effectively communicate the science behind the medicine. We hope to sustain the growth trajectory by ensuring market share recovery in key therapy areas such as Antibiotics, in addition to driving strong growth by investing in core brands effectively.

Healthcare access, availability, and equity in utilisation of healthcare services in the Country are the pressing need of the hour. We have put in place the building blocks for this, and we look forward to delivering on our promise.

Value of Investments of Provident and Gratuity Funds

The Company maintains retirement benefit plans for its employees. Value of investments of provident and gratuity funds based on un-audited accounts as of December 31, 2021 are as follows:

	Rs. in Millions
Provident Fund	3,340
Gratuity Fund	1,817

Contribution to National Exchequer and Economy

The Company made a total contribution of Rs. 3.3bn to the National Exchequer by way of Customs Duties, Income Tax, Sales Tax and Employees' Tax during the year 2021.

Directors' Remuneration

The significant features and key elements of Directors' Remuneration are as follows:

- Independent and Non-Executive Directors are only entitled to receive fixed fees in lieu of remuneration of the Board and Committee meetings
- The Board is authorised to determine the remuneration of its Directors for attending meetings of the Board and Committee and determine it by market benchmark of the Pharmaceutical Industry
- Details of aggregate amount of remuneration separately of Executive and Non-Executive Directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. under financial note on page 176.

Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- The financial statements are prepared in accordance with International Financial Reporting Standards, as applicable in Pakistan.
- The Company maintains a sound internal control system which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed. This has been formalised by the Board's Audit Committee and is updated as and when needed.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- The key operating and financial data for the last six years is set out on pages 121 to 123.

Our Directors place on record their deep appreciation to employees and partners for their passion and commitment, and to our shareholders for their continued trust and support. In this period of extreme uncertainty, the employees and associates of the Company have extended their relentless support and made significant contribution to ensure uninterrupted supply of medicines to patients across the Country. We also acknowledge the support of the Government, vendors and customers without whom it would not have been possible to sustain operations in such a challenging environment.

By order of the Board



Erum Shakir Rahim
Chief Executive Officer



Hasham Ali Baber
Director

Karachi
February 25, 2022

ہیلتھ کیئر تک رسائی، دستیابی اور ملک میں ہیلتھ کیئر کی خدمات کے استعمال میں مساوات وقت کی اہم ضرورت ہے۔ ہم نے اس کے لیے عمل درآمد شروع کر دیا ہے اور ہم اپنا وعدہ پورا کرنے کا عزم رکھتے ہیں۔

پروویڈنٹ، گریجویٹ اور پینشن فنڈز کی سرمایہ کاری کی قدر

کمپنی اپنے ملازمین کے لیے ریٹائرمنٹ فوائد کے منصوبوں کو برقرار رکھتی ہے، 31 دسمبر 2021 تک غیر آڈٹ شدہ اکاؤنٹس پر پینشن پروویڈنٹ اور گریجویٹ فنڈز کی سرمایہ کاری کی قیمتیں درج ذیل ہیں:

2021	روپے ملین میں
3,340	پروویڈنٹ فنڈ
1,817	گریجویٹ فنڈ

قومی خزانے اور معیشت میں شراکت

آپ کی کمپنی نے سال 2021 کے دوران کسٹم ڈیویژن، انکم ٹیکس، سیلز ٹیکس اور ملازمین کے ٹیکس کے ذریعے قومی خزانے میں مجموعی طور پر 3.3 ارب روپے کی رقم جمع کرائی ہے۔

ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کے معاوضے کی اہم خصوصیات اور کلیدی عناصر درج ذیل ہیں:

- آزاد اور نان ایگزیکٹو ڈائریکٹرز صرف بورڈ اور کمیٹی کے اجلاسوں میں معاوضہ کے عوض فیس وصول کرنے کے حقدار ہیں۔
- بورڈ مجاز ہے کہ وہ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کرنے کے لیے اپنے ڈائریکٹرز کے معاوضہ کا تعین کرے اور اسے فارمانڈسٹری کے بیچ مارک کے ذریعے طے کرے۔
- صفحہ نمبر 176 مالی نوٹ کے تحت ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے الگ الگ معاوضہ کی مجموعی رقم کی تفصیلات جس میں تنخواہ/فیس، مراعات، فوائد اور کارکردگی سے منسلک ترغیبات وغیرہ شامل ہیں۔


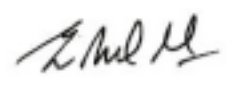
کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

- کمپنی کی انتظامیہ کے ذریعے تیار کردہ مالی بیانات اس کے امور، اس کے آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں بدلاؤ کو منصفانہ انداز میں پیش کرتے ہیں۔
- کمپنی کے اکاؤنٹ کی موزوں کتابوں کو برقرار رکھا گیا ہے۔
- مالی بیانات کی تیاری میں مناسب اکاؤنٹ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
- مالی بیانات، بین الاقوامی مالیاتی رپورٹنگ معیارات میں تیار کئے جاتے ہیں، جیسا کہ پاکستان میں لاگو ہیں۔

- کمپنی برسر دست اندرونی کنٹرول سسٹم کو برقرار رکھتی ہے جو کسی بھی مواد کی غلط تشخیص یا نقصان کے خلاف معقول یقین دہانی کرتا ہے، اندرونی کنٹرول سسٹم کا باقاعدگی سے جائزہ لیا جاتا ہے۔ بورڈ کی آڈٹ کمیٹی کے ذریعے اس بات کو ضابطہ بنایا گیا ہے اور ضرورت پڑنے پر اسے اپ ڈیٹ کیا جاتا ہے۔
- کاروباری حیثیت کو جاری رکھنے کے لیے کمپنی کی صلاحیت پر کوئی شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مادی اخراج نہیں ہوا ہے جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔
- گزشتہ چھ (6) برسوں سے چلنے والے اہم آپریشننگ اور مالیاتی اعداد و شمار صفحات نمبر 121 سے 123 پر ترتیب دیے گئے ہیں۔

آپ کے ڈائریکٹرز اپنے ملازمین اور شراکتداروں کے جذبے اور عزم کے لیے، اور ہمارے شیئرز ہولڈرز کے مسلسل اعتماد اور تعاون کے لیے سے تہہ دل سے شکر گزار ہیں۔ اس انتہائی غیر یقینی کی صورت حال میں، آپ کی کمپنی کے ملازمین اور ساتھیوں نے اپنی انتھک محنت کے ساتھ ملک بھر کے مریضوں کو بلا تعطل ادویات کی فراہمی کو یقینی بنانے میں اہم کردار ادا کیا۔ ہم حکومت، وینڈرز اور کسٹرز کے تعاون کو بھی سراہتے ہیں جن کے بغیر اس طرح کے چیلنجنگ ماحول میں آپریشنز کو برقرار رکھنا ممکن نہ تھا۔

بحکم از بورڈ

حشام علی باہر
ڈائریکٹر

ارم شاہ کریم
چیف ایگزیکٹو آفیسر

کارپوریٹ: 25 فروری 2022

بعد میں پیش آنے والے واقعات

اس رپورٹ کی تاریخ تک کمپنی کے مالی سال کے اختتام کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے کے لیے کوئی مادی تبدیلیاں یا وعدے نہیں کئے گئے ہیں۔

مستقبل کے خدو خال اور چیلنجز

وہابی مرض کے ساتھ، حکومت نے بڑے پیمانے پر پبلسیشن مہم کو نافذ کرنے، اس کے کیش ٹرانسفر پروگرام کو وسعت دینے، اقتصادی ترقی کو برقرار رکھنے کے لیے سازگار مالیاتی حالات فراہم کرنے اور نئے ٹیکس اصلاحات کے ذریعے ٹیکس نیٹ کو وسیع کرنے کے ذریعے COVID-19 کی مختلف لہروں کے پھیلاؤ پر اپنی توجہ مرکوز رکھی۔ ان اقدامات نے معاشی سرگرمیوں کو جاری رکھنے میں مدد دی اور معاشی نقصان کو کم کیا۔

ٹیکس نیٹ کو وسیع کرنے اور معیشت کو دستاویزی شکل دینے کے ارادے کے ساتھ حکومت نے سال کے دوران ٹیکس اصلاحات میں متعدد تبدیلیاں متعارف کروائی ہیں، جن دیگر چیزوں کے ساتھ شامل ہیں وہ:

- فنانس (ضمنی) ایکٹ، 2022 (15 جنوری 2022 سے مؤثر) میں چند تبدیلیاں کی گئی ہیں۔ ایک بڑی تبدیلی فارماسیوٹیکل سپلائرز میں کی گئی ہے جو (پہلے متشکیقی) اب زیرو-ریٹڈ نظام کے تحت آ رہی ہیں اور خام مال پر 17 فیصد سے کم ٹیکس لاگو ہوتا ہے۔
- فارمیسی کو فروخت پر ڈسٹریبیوٹرز کا ایڈوائس انکم ٹیکس۔ جس پر فارمیسی ایسوسی ایشن کی طرف سے بڑے پیمانے پر احتجاج کیا گیا اور اس کے نتیجے میں خریداری پر اثر پڑا۔
- معیشت کی دستاویزیات کو بہتر بنانے کے ارادے سے کارپوریٹ سیکٹر کی طرف سے ڈیجیٹل ادا بینکیوں کی ضرورت۔ تاہم مختلف ٹیکس دہندگان کی طرف سے مکمل ڈیجیٹل تیار کی فقدان کی وجہ سے اس طرح کی مقررہ حد میں توسیع کی گئی ہے جو کہ اس تاریخ سے لاگو ہوگی جب فیڈرل بورڈ آف ریونیو (FBR) اس سے مطلع کرے گی۔
- ہم امید کرتے ہیں حکومت اس بات کو یقینی بنائے گی کہ ادویات کی قیمتوں کے تعین کے لیے صنعت کی توقعات کے مطابق ایک منصفانہ اور شفاف پالیسی نافذ کی جائے گی جو مریضوں کے لیے معیاری ادویات کی دستیابی اور فراہمی میں معاون ثابت ہوگی۔

ہم اس بات کی بھی یقین دہانی کرتے ہیں کہ ہم مارکیٹ شیئر حاصل کرنے کے بنیادی مقصد کے ساتھ اپنے کلیدی ترقی کے عوامل (Growth Drivers) پر حکمت عملی کے مقرر کردہ عمل کی نگرانی کرتے ہوئے ہموار سبٹ فورس کے ساتھ اپنی حکمت عملی کے عمل درآمد پر توجہ مرکوز رکھیں گے۔

مندرجہ بالا کے علاوہ، کمپنی کی توجہ اپنی جدت کی طویل المدتی ترجیحات، کارکردگی اور ہمارے کلچر کے ذریعے اعتماد کی فراہمی پر مرکوز ہے۔ ہماری سبٹ فورس نے F2F میٹنگز دوبارہ شروع کر دی ہیں تاکہ ادویات کے بارے میں سائنس کو موثر طریقے سے بتایا جاسکے۔ ہمیں امید ہے کہ بنیادی برانڈز میں موثر طریقے سے سرمایہ کاری کر کے نمو کو مضبوط کرنے کے ساتھ، ہم تھراپی کے شعبے جیسے کہ اینٹی بائیوٹیکس میں مارکیٹ شیئر کی بحالی کو یقینی بنا کر ترقی کی رفتار کو برقرار رکھیں گے۔

(b) افرادی قوت اور معاوضہ کمیٹی

محترمہ ماہین رحمان	چیئر پرسن
جناب ڈیپٹر وائیک	ممبر
جناب محمود ماٹو دی والا	ممبر
جناب مارک ڈاؤسن	ممبر
محترمہ ارم شا کر جیم	ممبر
جناب فرقیالت اقبال	سیکرٹری

(c) ڈسکلوز کمیٹی

محترمہ ارم شا کر جیم	چیئر پرسن
جناب حشام باہر	سیکرٹری
جناب ڈیپٹر وائیک	ممبر
محترمہ مہرا میر	ممبر

دیگر کمیٹیوں میں شامل ہیں:

- رسک مینجمنٹ اینڈ کپلائنس بورڈ
- RMCB جی ایس کے مینجمنٹ ٹیم پر مشتمل

جیسا کہ کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت مطلوب ہے، بورڈ آف ڈائریکٹرز سے متعلق وسیع تر تفصیلات، بشمول مگر ان تک محدود نہیں ہے، بورڈ میں ڈائریکٹرز، بورڈ کمیٹیوں، تربیت، تنوع، تشریح اور تبدیلیوں کا پروفائل 68 سے 112 صفحات پر کارپوریٹ گورننس سیکشن کے تحت شامل ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس اور حاضری

بورڈ آف ڈائریکٹرز نے 2021 میں چار مرتبہ ملاقات کی اور یہ تمام ملاقاتیں پاکستان میں ہوئیں۔ مزید تفصیلات ہمارے گورننس سیکشن کے تحت صفحہ نمبر 69 میں دستیاب ہے۔

مینجمنٹ کمیٹی

مزید تفصیلات کے لیے ہمارے گورننس سیکشن کے تحت صفحات 70 سے 71 تک میں ملاحظہ کریں۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز۔ یوسف عادل، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ اور اہل ہونے کی حیثیت سے خود کو دوبارہ تقرر کے لیے پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز باہمی متفقہ فیصلے پر، 31 دسمبر 2022 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرر کے لیے آڈٹ کمیٹی کی سفارش کی توثیق کرتے ہیں۔

تہذیبوں کو کم کرنے کے راستے تلاش کرتے رہتے ہیں۔ اس شعبے میں ہماری کاوشوں کا اعتراف کرتے ہوئے ہمیں GSK میٹ ورک میں فارما سپلائی چین کاربن اور وائٹرائیٹ نواز گیا۔

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

ہر وہ شخص جو GSK کے لئے یا اس کی جانب سے کام کرتا ہے اس پر قانون کی پاسداری کرنا لازم ہے، لیکن ہمارا ضابطہ اخلاق اس سے بالاتر ہے۔ یہ ایسے معیارات اور پالیسیاں بھی قائم کرتا ہے جو ہماری انضباطی انڈسٹری کے وعدوں کو پورا کرنے اور ایک اعلیٰ کارکردگی کا مظاہرہ کرنے والی ٹیم کے طور پر کام کرنے میں ہماری مدد کرتے ہیں۔ ہماری اقدار اور توقعات، معاشرے کے ساتھ اعتماد پیدا کرنے اور ہمیں ہر روز صحیح کام کرنے کی ترغیب دینے میں مدد کرتی ہیں۔

GSK نے اپنی ساکھ ایک نمایاں سماجی عامل کے طور پر استوار کی ہے جس کی سرگرمیاں ایمانداری، انصاف اور دیانتداری جیسے زریں اصولوں پر مبنی ہونے کے ساتھ انڈسٹری کو چلانے والے قواعد اور قوانین کی مکمل پاسداری کرتی ہیں۔

ہماری ساکھ ہمارے لیے سب سے قیمتی اثاثہ ہے جس پر ہم مکمل طور پر انحصار کرتے ہیں اور اس ادراک کا اظہار GSK کے ہر ملازمین کے انفرادی طرز عمل سے ہوتا ہے۔ GSK کے ملازم دیانتداری، شفافیت، مریضوں پر توجہ اور ان کے احترام جیسے اصولوں پر ہر وقت کاربند رہتے ہیں جو GSK کے کارپوریٹ اقدار کی اساس ہیں۔

ہمارا رسک مینجمنٹ اور کمپلائنس بورڈ (RMCB) کاروبار کو روک دینے والے خطرات کی موثر طریقے سے شناخت، تشخیص، تخفیف، نگرانی اور رپورٹ کرنے کا ذمہ دار ہے۔ تمام اہم کاروباری رسک یونٹس RMCB کے زیر انتظام ہیں، جو اعلیٰ عہدیداران کے احتساب (tone from the top) کو فروغ دیتا ہے، رسک کے حوالے سے اقدار قائم کرتا ہے اور اندرونی کنٹرول کی نگرانی کرتا ہے۔

تھریڈ پارٹی اور سائٹ (TPO) پروگرام: اپنے مقصد کو حاصل کرنے کے لیے، ہم اکثر تھریڈ پارٹی کے ساتھ شراکت میں کام کرتے ہیں، جو اپنی صلاحیت، مہارت یا پیمانے سے ہمارے مشن کو پورا کرنے میں ہماری مدد کرتے ہیں۔ ہم صرف سپلائرز، تقسیم کاروں، ایکویٹی اسٹیک ہولڈنگز اور دیگر کاروباری پارٹنرز/تھریڈ پارٹیز کے ساتھ کاروباری کرتے ہیں اعلیٰ اخلاقی معیارات کے ساتھ ہماری وابستگی کا حصہ بنتے ہیں اور ذمہ دارانہ طریقے کے کام کو انجام دیتے ہیں۔ کمپنی نے اپنے خطرے کے نظام کو مضبوط بنانے کے لیے تھریڈ پارٹی کی نگرانی کا ایک جامع پروگرام نافذ کیا ہے۔ مقصد اس بات کو یقینی بنانا ہے کہ تمام فریق ثالث کا اثر پر اثر وسیع خطرات کے خلاف جائزہ لیا جائے اور اس کے بعد ہی مکمل طور پر قبلی معاہدوں میں داخل ہوں۔

رشوت خوری غیر قانونی ہے چاہے ہم دنیا میں کہیں بھی کام کریں۔ یہ ہم پر منحصر ہے کہ اس پر بات کریں اور کسی بھی مشتبہ بدعنوانی کی اطلاع دیں اور ایسے حالات کا جائزہ لینے کے لیے شفاف گفتگو کریں جو دھوکہ دہی، رشوت یا بدعنوانی کا باعث ہو سکتے ہیں۔ ہماری انسداد رشوت ستانی اور بدعنوانی (ABAC) کے بنیادی اصول (ادارے کی قانونی حیثیت، شفافیت، تناسب، مفاد کا ٹکراؤ یا غیر قانونی اثر و رسوخ) رشوت اور بدعنوانی کا پتہ لگانے اور روک تھام

میں ہماری مدد کرتے ہیں۔ یہ جاننا ہم سب کے لیے ضروری ہے کہ GSK کی پالیسیوں کی تعمیل کر کے اور کسی بھی خدشات سے متعلق آگاہ کر کے رشوت اور بدعنوانی کو روکنے کے لیے ہم سے کیا توقع کی جاتی ہے۔ رہنماؤں کی ذمہ داری ہے کہ وہ خطرات کی مناسب تشخیص، تخفیف اور نگرانی کو یقینی بنائیں۔

ہم واضح گورننس اور تحریر شدہ اصولوں کے ساتھ اندرونی انضباط کے فریم ورک کے بھی حامل ہیں جو کرپشن کے خدشات (ABAC) کا تدارک کرتے ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز نے "اخلاقی ضابطہ کار/کوڈ آف کنڈکٹ اور کاروباری طرز عمل کا بیان" میں قابل قبول کاروباری طرز عمل متعین کر دیے ہیں جو روزمرہ امور کی انجام دہی میں کمپنی کے ضابطہ اخلاق کی پاسداری کرنے کے لیے ہمارے لوگوں کی رہنمائی کرتے ہیں۔ اس اخلاقی ضابطہ کار پر عمل درآمد ہر ملازم پر لازم ہے جن میں مجاز سینئر انتظامی عہدے داران بھی شامل ہیں۔ یہ ضابطہ کار کمپنی کی ویب سائٹ پر موجود ہے جبکہ اس ضابطہ کار کے چھپدہ نکات صفحہ نمبر 39 پر ملاحظہ کئے جاسکتے ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد 7 ہے:

مرد	05
خاتون	02

بورڈ کی تشکیل حسب ذیل ہے:

کمپنی	نام
آزاد ڈائریکٹرز	■ میسر کمال
ایگزیکٹو ڈائریکٹرز	■ ماہین رحمان
	■ ارم شا کریم
	■ حسام باہر
نان ایگزیکٹو ڈائریکٹرز	■ محمود مانڈوی والا
	■ ڈیپٹر و آلیٹیک
	■ مارک ڈاؤسن

بورڈ کی کمیٹیاں

بورڈ نے ذیل میں دیے گئے ممبران پر مشتمل کمیٹیاں تشکیل دی ہیں:

(a) آڈٹ کمیٹی

میسر کمال	چیئر مین
مختصر مدہ ماہین رحمان	ممبر
جناب مارک ڈاؤسن	ممبر
جناب محمود مانڈوی والا	ممبر
جناب ڈیپٹر و آلیٹیک	ممبر
جناب احسن اعجاز	سیکرٹری

ہولڈنگ کمپنی:

سرٹیفائیڈ ”بہترین آجر“ ہونا کام کی جگہ کو بہترین بنانے کے لیے ادارے کی لگن کو ظاہر کرتا ہے اور بہترین ایچ آر (HR) پالیسیوں اور ملازمین کی کارکردگی کے ذریعے اس کو پیش کرتا ہے۔

31 دسمبر 2021 کو، S.R. اور انٹرنیشنل، B.V.، نیدرلینڈ، 10 روپے فی شیئر کے حساب سے 263,029,794 شیئرز کی حامل تھی۔ کمپنی کا حتمی پیرنٹ گلکسو اسمتھ کلائن پی ایل سی، UK ہی ہے۔

شیئر ہولڈنگ کا نمونہ:

ایک جدید آجر ہونے کے لیے ہماری اسٹریٹجک وابستگی بھروسے کی اہمیت کے ساتھ جڑی ہے جس میں ایک مضبوط ملازم کا تجربہ کلیدی صلاحیتوں کو اپنی طرف متوجہ کرنے اور برقرار رکھنے کے لیے اہم ہوتا ہے تاکہ ثقافتی بنیاد پر ہماری استخراج، کارکردگی اور اعتماد کی ترجیحات کو فراہم کیا جاسکے۔

کمپنی کے شیئرز کا کاروبار پاکستان اشٹاک ایجنسی میں ہوتا ہے۔ 31 دسمبر 2021 تک شیئر ہولڈنگ اور دیگر متعلقہ معلومات صفحہ نمبر 208 سے 211 پر موجود ہیں۔

سال کے دوران ڈائریکٹرز، ای او، ای ایف او، کمپنی سیکریٹری، ایگزیکٹو اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے شیئرز میں کوئی تجارت نہیں۔

بنیادی آمدنی فی شیئر:

اراکین کو بااختیار بنانے کے ساتھ ان کے ذاتی لیڈرشپ ایجنڈے، علم اور صلاحیت کو تقویت فراہم کرنے والا فلنگ شپ پروگرام ویمن لیڈرشپ انیشیٹیو (WLI) بدستور جاری ہے۔ GSK کے دائرہ عمل میں آنے والے 12 سے زائد ملکوں میں مختلف ذمہ داریاں انجام دینے والے 4,000 مرد اور خواتین اس پروگرام کا حصہ ہیں۔ WLI کا تصور مرد اور خواتین کے شانہ بشانہ کام کرنے کے لیے شمولیت کے کلچر کو فروغ دیتا ہے اور خواتین کو کسی قدغن کے بغیر اپنی صلاحیتوں کے ادراک کا اختیار فراہم کرتا ہے۔

جاری آپریشنز سے بعد از ٹیکس فی شیئر بنیادی آمدنی 16.81 روپے (2020: 10.60 روپے) تھی۔

ماحول، صحت اور حفاظت (EHS)

کارپوریٹ سماجی ذمہ داری (CSR):

جی ایس کے اپنے ملازمین اور وابستہ افراد کی صحت، سلامتی اور بہبود کو ہمیشہ ترجیح دیتا ہے۔ اس ضمن میں COVID-19 کے دوران تمام عملی صحت اور تندرستی کو یقینی بنانے کے لیے مضبوط حفاظتی اقدامات کئے گئے تھے۔

آپ کی کمپنی کے پاس ان کمیونٹیز کے ساتھ شراکت داری کا ایک وسیع ورثہ موجود ہے جن میں یہ کام کرتی ہے۔ ان گروپوں کے ساتھ مضبوط شراکت داری کمیونٹیز کی ضروریات کو سمجھنے اور اس کے مطابق حکمت عملی وضع کرنے کے لیے معاون ثابت ہوتی ہے، تاکہ ان کی رسائی اور اثر کو زیادہ سے زیادہ بڑھایا جاسکے۔

سال 2021 کے دوران جاری مختلف COVID کی لہروں کے جواب میں، MD اور VP کی سربراہی میں، ایٹو بیجمنٹ ٹیم (IMT) نے ملک بھر میں COVID کی صورت حال کا باقاعدگی سے جائزہ لیا اور کام کی جگہ پر پہلے اپنے ملازمین کو ترجیح دینے کے لیے موثر اقدامات کئے۔

سال کے دوران، آپ کی کمپنی کی کارپوریٹ سماجی ذمہ داریوں (CSR) کی توجہ بہت زیادہ کیتر میں پیش آنے والی مشکلات تک رسائی، کفایتی اور آگاہی کے ذریعے زندگی میں تبدیلی اور انسانی صحت پر دیرپا اثر کے فرق کو قائم کرنے پر مرکوز تھی۔ اہم اقدامات میں شامل ہیں:

- پسماندہ بچوں کے لیے فنڈ جمع کرنے کے لیے بیک سیل (Bake Sale)
- COVID-19 ویکسینیشن مہم
- ساحل سمندر کی صفائی اور پودے لگانے کا پروگرام

ہمارے لوگ:

ہمارا رسک پر مبنی فعال نقطہ نظر ہماری عالمی EHS پالیسی سے وابستہ ہے اور عالمی EHS معیارات میں تفصیل سے بیان کیا گیا ہے جس کے خلاف ہم اپنے تمام آپریشنز کی تعمیل کو یقینی بناتے ہیں۔ ہم اس بات کو یقینی بناتے ہیں کہ سہولیات، پلانٹ اور آلات کے ذریعے خطرات کو محفوظ طریقے سے کنٹرول کیا جائے اور مربوط طریقہ کار پر عمل کرتے ہوئے جو ملازمین کی صحت اور حفاظت کے لیے موثر اقدامات کرنے میں ہماری مدد کرتے ہیں۔

ہمارا ماننا ہے کہ، ملازمین کا مثبت تجربہ صلاحیت لوگوں کو متوجہ کرنے، برقرار رکھنے اور ان کی حوصلہ افزائی کرنے کے لیے اہم ہے۔ ہم ایک کمپنی کی حیثیت سے چاہتے ہیں ہمارے ملازمین بااختیار بنیں، اچھا محسوس کریں اور آگے بڑھتے رہیں۔ ہم اس بات پر یقین رکھتے ہیں کہ شمولیت اور تنوع (I&D) ہمارے لوگوں کی بے پناہ صلاحیتوں کو بروئے کار لاتے ہوئے اور اپنے مریضوں کی مختلف ضروریات کو پورا کرنے کی ہماری صلاحیت کو مضبوط بنا کر کاروباری کامیابی کا باعث بنتا ہے۔ ہماری مسلسل کاوشوں کے اعتراف میں ہمیں ”2021 اور 2022 کے لیے بہترین آجر اور کام کرنے کی بہترین جگہ“ کے طور پر تسلیم کیا گیا۔ ایک

ہم انوائزمنٹ سوشل اینڈ گورننس (ESG) کی ترجیحات پر اپنی توجہ مرکوز رکھے ہوئے ہیں۔ صحت اندرونی طور پر ماحول سے جڑی ہوئی ہوتی ہے اس وجہ سے ہم اپنی سرگرمیوں میں ماحولیاتی طور پر پائیدار طریقوں کے ذریعے ماحولیات پر اپنے اثرات کو کم کر کے موسمیاتی

Statement of how the Board operates

Board Operations and Responsibilities

Our Board of Directors' key responsibility is to ensure GSK's prosperity, by collectively monitoring and directing Company's affairs, whilst protecting the interests of GSK's esteemed shareholders. Its primary aim is to enhance shareholders' value in a transparent and efficient manner. The Board exercises responsibilities conferred to it in GSK's governance framework, which exceeds the requirements of the regulatory framework. The Board is responsible for the internal controls, policy frameworks, corporate governance, risk assessments and ultimately accountable for reviewing its effectiveness. The Board is accountable to its shareholders for ensuring that GSK is appropriately managed and achieves its objectives. Our business is focused around an established framework which assists GSK's objectives i.e. increase growth, deliver results, and simplify performance, as well as to create long-term value for its shareholders.

Our Board comprises of seven Directors, who actively ensure that interest of all stakeholders is fully protected. There are 3 Non-Executive Directors, 2 Executive Directors and 2

Independent Directors. In view of the Company's policy of diversity, GSK maintains female representation on the Board with two Directors being female.

Decisions by the Board

As per requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, Board meetings of the Company are held on a quarterly basis where GSK's financial performance, operating budgets, forecasts, business strategy, development plans, capital expenditure plans, assets disposal, major investments, licensing decisions and overall GSK's performance is evaluated. All matters that are considered significant or material are approved. In cases where urgent approvals are required, these are approved through resolutions by circulation, duly signed by each Director. The policy of materiality specifies which transactions are considered as significant or material and are to be presented to the Board for their approval or ratification. Certain tasks are also delegated by the Board of Directors to its Committees in line with the approved Terms of References.

Annual evaluation of performance and the criteria used for the Members of the Board and its Committees, CEO and Chairman

In accordance with Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board through external consultants, PICG, has carried out an evaluation of performance of its individual members, and the performance of its Committees, CEO and Chairman.

Annual evaluation questionnaire (external) is developed by the Pakistan Institute of Corporate Governance (PICG) in conformity with the Code of Corporate Governance and Global Best Practices and is circulated to the Directors for performance evaluation. Strict

level of confidentiality is exercised by PICG while conducting the evaluation process. Following are the broad categories set out by PICG to evaluate the performance of the Board of Directors, and its Committees:

- a) Composition of the Board of Directors and its Committees and whether their size and structure contain sufficient range of expertise to make it an effective governing body.
- b) Review of the strategic plans and business risks, monitoring Company's performance against the planned objectives.
- c) Compliance with the legislative system in which GSK Pakistan operates, particularly the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Memorandum and Articles of Association of the Company.
- d) Ensuring the required quorum of Board meeting is available, in order to have detailed deliberation and quality decisions on matters of significance.
- e) Ensuring effective communication between the Board and its stakeholders which include auditors, management, business heads, etc.
- f) Establishing adequate internal control system in the Company and its regular assessment through self-assessment mechanism and internal audit activities.
- g) Whether the number of Board meetings conducted during the year is sufficient and whether they are conducted in a manner that encourages open communication and meaningful participation.

Board's Performance Evaluation conducted by External Consultant

To bring objectivity to the evaluation process, clarify responsibility, improve accountability as well as Board efficiency, and to make GSK more attractive to investors and employees, GSK has decided to conduct external Board Performance Evaluation for the year 2021. Therefore, GSK has appointed external consultants for the Board's Performance

Evaluation namely Pakistan Institute of Corporate Governance.

Results from performance evaluation are then discussed in detail in the subsequent Board meeting to address the highlighted areas and improve the Board's performance.

Board's induction and orientation

GSK's Directors come from diverse backgrounds and bring a wealth of experience with them. At the induction of a new Director, GSK believes that formal induction programmes should be designed for the

purpose of familiarising new Directors with our industry, Organisation, governance, and long-term priorities. These programmes are designed by the Chairman who is assisted by the Company Secretary.

All new Directors receive a general induction, which includes their duties and responsibilities as a Director of a listed company, the Company's Corporate Governance structure and undertaking training on GSK's Code of Conduct.

In specific, the induction programme for Executive Directors includes an explanation of the role of an Executive Director, if appropriate, building relationships with the Chairman and the Board and arranging to fill any capability gaps the new Director may have.

The induction programme for Non-Executive and Independent Directors includes explanations of GSK's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and investors' perspective.

We at GSK believe that our Non-Executive Directors should develop, maintain a greater insight and understanding of the business and its key stakeholders. To ensure this they further:

- Go through the process of familiarisation with the industry and GSK
- Are explained the Board's operations, legal requirements and duties, committee structures and relevant charters
- Are explained the Board's chair and committee chair roles along with the CEO's roles and responsibilities
- Given a review of Director duties and the business judgment rule
- Provided with any policy that impacts the Directors such as conflict of interest, whistle blowing, safety, environment and corporate social responsibility
- Any recent investor presentations such as the corporate briefing sessions
- Visits to our business operations and different manufacturing sites are also a feature of Non-Executive and Executive Directors' induction programmes
- Receive documents explaining the following:
 - GSK's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and

investors' perspective;

- Role and responsibility of the Directors under the Companies Act, 2017;
- Role and responsibility of the Directors under the Code of Corporate Governance and other laws and regulations of Pakistan;
- Investor relations and stakeholder reports to maintain awareness of investor and stakeholder views and competitors' performance and strategy;
- Directors and Officers (D&O) insurance and indemnification documents;
- Yearly meeting schedules of the Company;
- Latest financial statements;
- Important minutes of past meetings; and
- Major litigations status.

With regards to the same, the Board Members are regularly provided with an update on new applicable laws, rules and regulations including amendments thereto to apprise them with their powers, duties, and responsibilities. In this connection a Director Orientation Workshop was held on August 30, 2021. The training was conducted by Mr. Badar Vellani and delivered by the Pakistan Institute of Corporate Governance (PICG); salient features of which were:

- Focusing on the pillars of good corporate governance i.e. accountability, fairness, transparency, and responsibility;
- A thorough explanation of significant, mandatory, non-mandatory provisions of the Listed Companies (Corporate Governance) Regulation, 2019;
- Definitions of Executive, Non-Executive and Independent Directors and their responsibilities;
- Policies regarding disclosures and reporting;
- The Board's role and responsibilities;
- The demarcation of the management duties and the Board's duties;
- Explanation of the fiduciary duties of Directors – duty of loyalty, duty of disclosure, and duty of skill and care along with Director liabilities; and
- Key considerations for the Board while making decisions due to the ongoing COVID-19 pandemic.

Directors' Training Programme (DTP)

As per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, it is encouraged that at least half of the Directors on the Board are trained by SECP approved institutions. As disclosed in the statement of compliance, four out of our seven Directors have either obtained training from SECP approved institutions or are exempt from the Directors' Training Programme by virtue of experience and are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Directors' Training Programme attended by Female Executives and Head of Departments and/or Exemptions

GSK has successfully complied with the requirement of the revised Code of Corporate Governance regarding training of at least one head of department and one female executive every year.

The Directors' Training Programme was attended by Anti Infective Medical Lead Dr. Uzma Pirzada in December 2021 which was conducted by Pakistan Institute of Corporate Governance.

Description of external oversight of various functions like Systems Audit/Internal Audit by an External Specialist and other measures taken to enhance credibility of Internal Controls and Systems

Internal Audit

The Board of Directors has established a system of sound internal control, which is effectively implemented and maintained at all levels within the Company. The independent internal audit function is headed by the Chief Internal Auditor with an outsourced arrangement with EY Ford Rhodes.

The internal audit is conducted as per the internal audit plan duly reviewed and approved by the Audit Committee. The internal audit plan is driven by the Company's organisational objectives and the risks that may prevent the Company from meeting those objectives. The

Audit Committee reviews the effectiveness of the internal control framework while the internal audit function monitors and provides assurance on the effectiveness and adequacy of the internal controls.

Quality Management System

Local Operating Company (LOC) has the responsibility to ensure that the quality of product is maintained from the time it is received from the supply sites until delivery to the final customer. LOC quality is responsible for provision of quality services related to storage, wholesale and distribution of medicines and vaccines.



- 1 Warehousing and Distribution
- 2 Governance of Regulatory Compliance in line with GSK QMS
- 3 Complaint Handling
- 4 Execution of New Artworks
- 5 Distributor Qualification Approval

The fundamental purpose of having Quality Management System in place and in use is to ensure that whatever we do at GSK is aligned with our core value of Patient Focus as everything we do is for the person at the end of our Supply Chain.

Our efficient Quality Management System allows us to ensure high-quality of our products. It helps achieve this by providing vigilance across the Organisation to assure all of the activities undertaken are fully compliant with internal GSK policies and those of our local Regulators, and helps us achieve an improvement in performance for the benefit of our business and shareholders.

In the year 2021, this benefited us on multiple levels. Allowing commercial teams in workflow management to collect data quickly and easily without compromising daily tasks. It collected, organised, and analysed meaningful data to help improve business operations with supply chain, relay information to customers and suppliers for making strategic decisions.

Policy for remuneration to Non-Executive Directors including Independent Directors

GSK's Remuneration Policy for external Non-Executive and Independent Directors, as set out below, was approved at the Board of Directors' meeting held on February 25, 2015 in accordance with the Companies Act, 2017 and the listed companies (Code of Corporate Governance) Regulations, 2019. For the purposes of clarity, no Director is involved in

deciding their own remuneration and remuneration of a Director who may be a related party. Further, the Board, if deemed appropriate, may engage an independent consultant to determine appropriate level of remuneration of its Directors and recommend to the Board for consideration and approval.

Keeping in line with the objectives of the Company, GSK uses an independent and transparent method to fix Non-Executive and Independent Directors' remuneration. Market benchmarking against key players of the Pharmaceutical Industry is the key element for determining the remuneration. The remuneration levels commensurate with the level of responsibility and expertise and ensure that remuneration is not at a level that could be perceived to compromise the independence of the Directors.

The salient features and key elements of Directors' Remuneration Policy are as follows:

- Remuneration is appropriate to commensurate with the level of expertise of the Directors;

- Adequate remuneration to attract and retain experienced and well-qualified Directors to encourage value addition;
- Independent Directors are only entitled to receive fixed fees in lieu of remuneration for attendance of the Board and Committee Meetings along with related travelling and lodging costs; and
- No remuneration shall be paid to Executive Directors, Chief Executive Officer and Non-Executive Directors who are employees, for attending meetings of the Board and its Committees.

The details of the aggregate amount of remuneration paid to the Directors are disclosed in the Financial Statements on page 176.

Policy of Retention of Board Fee by the Executive Director in other companies

The CEO, Ms. Erum Shakir, is an Executive Director on the Board of GSK Pakistan Limited and holds position as Non-Executive Director on the Board of GSK Consumer Healthcare Pakistan Limited. Fees paid by GSK Consumer Healthcare is in line with their respective policies as approved by their Board of Directors.

GSK Pakistan Limited does not have any policy that restricts an Executive Director from retaining meeting fee earned by them against services as Non-Executive Director in other companies.

Policy of Security Clearance for Foreign Directors

All Foreign Directors on our Board are required to submit relevant documents, including declarations and/or undertaking and any other document required to facilitate security clearance undertaken by the Ministry of Interior. The necessary documents of all Foreign Directors are submitted to the SECP's Company Registration Office (CRO),

Islamabad, within the prescribed time. Further, GSK endeavours to assist the clearance of Foreign Directors from Ministry of Interior and if needed makes available all necessary documentation for the same. All appointments of Foreign Directors on the Board of GSK Pakistan are subject to provision of security clearance certificate from the Ministry of Interior.

Implementation of Governance Practices exceeding legal requirements

We have always taken pride in positioning ourselves as the leaders of exceeding legal requirements by adopting all best practices from around the world. GSK strives to be transparent, consistent, and ensures timely compliance with all prevailing laws and regulations in our jurisdiction. Some of the examples include:

- In order to exceed legal requirements, GSK places great emphasis on environment, health and safety underpinned by our Trust priority to support our ability to create value for society and shareholders, ensuring healthy lives and promoting wellbeing. GSK has

implemented its Health, Safety and Environment Policy, along with strategies and road shows to ensure safety of employees and equipment. This is a testimony of our commitment to protect our people, community, and environment

- The Code of Corporate Governance requires that at least half of the Directors on the Board of a company must have completed the Directors' Training Programme trained by 30th June 2022. Ahead of prescribed timeframe, as of December 2021, more than 50% of the Directors are either trained or exempted from the programme

Executive Director in the Company serving as Non-Executive Director

In addition to being the Chief Executive Officer of GSK Pakistan Limited, Ms. Erum Shakir Rahim holds Non-Executive Directorship on

the Board of GSK Consumer Healthcare Pakistan Limited.

Board's policy on Inclusion and Diversity

Inclusion and Diversity in the Board

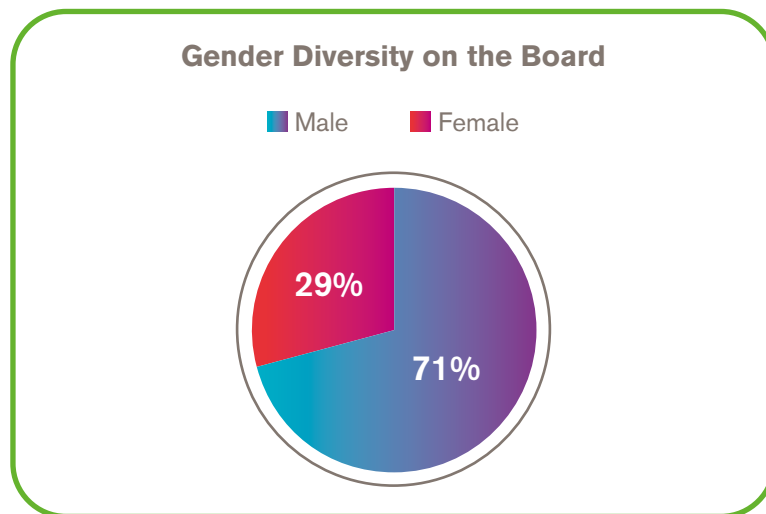
We are committed to the diversity of our Board, as GSK is committed to equal opportunities for all our employees at all levels of our Organisation. The Board and management seek to encourage a diverse and inclusive culture throughout the Company.

An effective Board needs a range and balance of skills, experience, knowledge, ethnicity, gender, social-economic backgrounds, and independence, with individuals who are prepared to challenge each other and work

collaboratively. This mix needs to be complemented by a diversity of personal attributes, including intellect, judgement, honesty and courage.

Our Board's approach to Inclusion and Diversity (I&D) focuses on ensuring that it reflects different communities and abilities in which we work and hire.

Therefore, keeping in line with GSK's I&D approach and in order to meet the requirements of the law, GSK is fully compliant with the female representation on the Board of Directors.



Inclusion and Diversity Policy

Being a responsible and ethical employer, GSK believes in leading the discussion on inclusion, diversity, ethnicity, and familiarity with setting and monitoring high standards of health and safety, whilst supporting employee health, wellbeing, and personal development.

GSK invests in developing a culture that focuses on an organisation's positive social impact through its engagement with employees, suppliers, customers, stakeholders, and communities.

Our policies strictly prohibit any form of discrimination at workplace and ensure equal opportunities for individuals based on merit and take into account any special requirements of employees with respect to healthcare and ancillary needs.

As we look back at the last couple of years, we have come a long way. Some of the milestones of the year 2021 are as follows:

- GSK has worked tremendously on our diversity ratio in the last couple of years and increased diversity to 16%
- To successfully embed inclusion and diversity into our culture, GSK has conducted various trainings for employees
- GSK has a zero-tolerance policy on harassment and retaliation relating but not limited to gender, race, sexuality, caste, creed, colour, and any actions that may violate another person's dignity or create a hostile environment. To achieve this, GSK has conducted various trainings to reinforce the zero-tolerance approach
- GSK actively rolls out women leadership initiatives. In 2021, GSK's female representation in top management increased to 19%

Policy for Related Party Transactions

GSK has a formal policy of Related Party Transactions which is approved by the Board of Directors. The policy covers the procedures for reviewing, approving, ratifying and in providing relevant disclosures as required under Section 208 of Companies Act, 2017.

GSK maintains a party-wise record of transactions and ensures that it includes the information as prescribed by the law. Transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis, and at normal commercial terms and conditions. Where GSK enters into a transaction or agreement which is not at arm's length, we ensure that the terms and conditions are in the best interest of the Company. In the event, where majority of Directors of GSK Pakistan Limited have an

interest in any transaction, the same is referred to the shareholders in a general meeting for ratification and approval.

Further, all Related Party Transactions are placed before the Board Audit Committee on a quarterly basis. Upon recommendation of the Audit Committee, the same are placed before the Board of Directors for its review and approval.

Names of all such related parties with whom GSK has entered into transactions during the year, along with the nature of their relationship and percentage holdings have been appropriately disclosed in Note 35.1 and detailed disclosure regarding related party transactions has been presented in Note 35 of the Financial Statements.

Details of Board Meetings held outside Pakistan during the year

In view of the restrictions placed due to COVID-19 pandemic, all Board Meetings in the year 2021 were held in Pakistan.

Disclosure of Policy for Conflict of Interest among Board Members

Our Board pays great importance to any conflict of interest arising at the Board level. The Board Members owe certain fiduciary duties, including the duties of loyalty, due diligence, and confidentiality to GSK which require that a Director must act in good faith in order to promote objectives in the best interests of GSK, its shareholders, employees and community as a whole.

GSK has a clear policy on conflict of interest which is a part of our Code of Conduct, duly

approved by the Board. Our Directors ensure that they discharge their fiduciary duties in accordance with the "Listed Companies (Code of Corporate Governance) Regulations, 2019" and the Corporate and Financial Reporting Framework of The Securities and Exchange Commission of Pakistan.

Accordingly, our Board follows:

- As per Code of Corporate Governance every Director is required to bring to the

attention of the Board complete details regarding any material transaction which has a conflict of interest, for prior approval

- The interested Directors neither participate in discussions nor vote on such matters
- The Directors ensure complete details of all transactions with related parties are submitted to the Audit Committee who recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the Annual Financial Statement of GSK

- The Directors are reminded about insider trading and avoiding the dealing of shares during the closed period

The Board has been constituted in compliance with the provisions of the Companies Act, 2017. The members of the Board, including Non-Executive and Independent Directors exercise full independence and are expected to highlight and recuse themselves in case of any possible conflict of interest. All observations/ suggestions of Board members during their proceedings are accordingly recorded.

Investors' Grievance Policy

GSK greatly values the relationship it has with all its stakeholders including shareholders and investors, we continuously strive to take measures to strengthen the same. GSK is committed to facilitate our stakeholders by ensuring that channels of communication are always open, and any queries or complaints are dealt with in a timely and efficient manner. GSK has an approved Investors' Grievance Policy through which we have established an internal mechanism for managing stakeholder grievances. The detailed policy (Investors' Communication/ Relation and Grievance) is also available.

GSK has a Shares Department and appointed an independent Share Registrar (CDCSRSL) to resolve grievances of our stakeholders. As per the approved process, investors' grievance

complaints are lodged with the Shares Department and Share Registrar (CDCSRSL). GSK endeavours to timely manage all stakeholders' complaints within two (2) working days of the receipt thereof. If needed, the CDCSRSL forwards the complaints to GSK when they fall outside their domain. Our stakeholders can also submit a complaint through email i.e. (PK.shareinfo@gsk.com) and other channels including telephone and post. Further, GSK recognises the importance of fair disclosure of all material information to its stakeholders, without advantage to any investor, group, or investment analyst, to enable them to make informed decisions about investing in the Company. All such disclosures made are available on our website (pk.gsk.com/en-pk/) in a timely manner.

Policy for safety of records of the Company

GSK effectively ensures the safety of its records. Under GSK's Global Records Retention Policy, all staff in all business units, regions, areas, and functions must follow approved retention periods in managing their records.

We believe that documentation practices have a direct impact on product quality and consumer safety, and we implement the highest

standards of record safeguarding through our document management and control policy. We have strict data lifecycle management guidelines in place which are implemented across all our activities and processes. These guidelines outline procedures for our data approvals, use, access, and retention as well as the use of third-party archive service. This helps to ensure document accuracy, consistency integrity, availability, and legibility.

In line with regulatory requirements and our Code of Conduct, we ensure the records including books of account, documentation pertaining to secretarial, legal, contractual, taxation and other matters, have been archived on need basis in a well-preserved manner as follows:

- Real-time back-up of data at on and off-site locations;
- Immediate reporting of breach of security or damage of record to the management;

- Establishment of Disaster Recovery Plans to provide back-up of all primary data, in line with business continuity practices; and
- Delegation of responsibility to all Company departments regarding safeguarding of their respective records.

Disclosure of IT Governance Policy

In today's fast paced and innovative world, GSK understands the utmost importance of a strengthened information technology process and the associated infrastructure. GSK actively works on ensuring that effective controls are in place with regards to technology and business.

To achieve this, GSK has put into place an IT Governance Policy to align IT-related decisions and actions with GSK's strategic and operational priorities. The policy is designed to provide the management with an efficient operating and decision-making platform that helps in economising operations, consequently adding value to all stakeholders.

Our IT Governance Policy aims to achieve:

- Meet stakeholders' requirements relating to risk optimisation, resource optimisation and value delivery;
- Update with change and technology to ensure maximum customer reach;
- Drive effectiveness in the commercial organisation;

- Accelerate digital innovation through multiple channels;
- Continuously assess the need for investment and new technological advancements and invest timely to achieve operational efficiencies;
- Proactively work to ensure that all GSK data is secured and protected;
- Ensure that the business goals and controls for IT are aligned;
- Keep the IT function proactive from an innovation perspective, providing ideas to the business;
- Achieve effective and prudent IT project management and IT resources management processes;
- Optimise IT risk management process, GSK ensures the necessary protection of its assets; and
- Compliance with legal and regulatory requirements, internal controls and monitoring, and related policies and procedures.

Disclosure of Whistle Blowing Policy

Whistle Blowing Policy

GSK has global procedures on reporting misconduct and safeguarding people who report these concerns. We believe that ethical business conduct is the responsibility of everyone working for and on behalf of GSK. We expect everyone at GSK to live our values and expectations, speak up if they have any concerns, engage appropriately with stakeholders and respect human rights. We also extend these ethical expectations to the third parties we work with. All GSK employees have access to Whistle Blowing mechanisms that they can use to get advice and to report suspected cases of misconduct - anonymously if required.

Formal and informal 'Speak Up' channels are available to report misconduct or non-compliance. Allegations of non-compliance are reviewed by the central investigations team and allocated for investigation as appropriate.

Independent functions review allegations of non-compliance or misconduct received through formal and informal 'Speak Up' channels. Global disciplinary and enforcement procedures apply to any breaches of our standards, and are initiated, as appropriate, following investigations.

We have well-established policies, (including a Code of Conduct), which are available on our website, together with details of our confidential Speak Up lines for reporting and investigating unlawful conduct.

Zero Tolerance for Retaliation

At GSK, our corporate standards and employee policies are aligned to our values and expectations. This includes our Speak Up arrangements, which enable our employees to raise matters confidentially or anonymously without fear of reprisal. Our Speak Up channels and reports are managed by an independent function. GSK prohibits retaliation against anyone who raises, or reports concerns and will take disciplinary action up to and including dismissal (in accordance with local labour laws) against any employee who threatens or engages in retaliation or harassment of someone who has reported, or is considering reporting, a concern in good faith.

GSK treats all questions and issues confidentially, where possible, while investigating fairly, cooperating with Government, and complying with legal obligations. When someone reports a concern in good faith, GSK will support that individual.

As part of our expectations and values, all GSK employees are required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches with the GSK Code of Conduct, and other policies and procedures. Further, any suspected violations of Country laws and regulations must also be reported. Non-GSK personnel working on behalf of the Company are also required to report misconduct concerns, with 'Speak Up' integrity line information provided in the GSK Third Party Code of Conduct.

Review by the Board of the Organisation's Business Continuity Plan

GSK Pakistan puts significant efforts in ensuring uninterrupted business operations. Business Continuity Plan (BCP) is in place to ensure that any adverse or unforeseen events cause minimum disruption. The plan encompasses our response strategy, minimum operating requirements, BCP team organisation, damage assessment, and primary site restoration activities. It ensures preservation of critical data by mapping out key elements of the process of disaster recovery. GSK ensures effective crisis management and business continuity plans, including authorised response and recovery strategies, key areas of responsibility and clear communication routes, are in place before any business disruption occurs.

Corporate Security supports the business by coordinating crisis management and business continuity training, facilitating simulation exercises, assessing preparedness and recovery capability, and providing assurance oversight of GSK's central repository of plans supporting our critical business processes.

GSK has adopted an effective disaster recovery plan to minimise and contain any

disaster, to provide a rapid and smooth transition to a back-up mode of operations and expeditiously recover the normal operations in the data centre. Such planning ensures that essential/critical functions are supported with minimum disruption following a disaster. Our management regularly evaluates the threats to its business and infrastructure and has developed a strategy to adequately respond to any unpredictable challenges it might face.

Although we undertake risk mitigation, we recognise that certain events could still result in delays or service interruptions. We use effective crisis management and business continuity planning to ensure the health and safety of our people and to minimise the impact on supply, by maintaining functional operations in the event of a natural or man-made disaster, or a public health emergency.

Each business unit performs risk oversight through their respective Risk Management and Compliance Board to assure adequate risk mitigation, including identifying new and emerging threats. These activities help ensure that we maintain an appropriate level of readiness and response capability.

Compliance with Best Practices of Code of Corporate Governance

For the past seven decades, GSK has been leading the compliance of best corporate practices by ensuring full compliance to the requirements set out by law, such as the Listed Companies (Code of Corporate Governance) Regulations 2019. GSK continues to enhance its governance by keeping in line with our values and expectations of Patient Focus, Transparency, Respect, and Integrity, by being at the

forefront of best global practices and high standards of governance.

Directors of the Company confirm compliance with the following:

- The financial statements included herein are an accurate representation of the current standing of GSK, its operations, cash flows and changes in equity;

- GSK appropriately records and maintains all books of accounts;
 - Internal control of the Company has been implemented that is monitored by the Internal Audit Committee that is led by the Chief Internal Auditor and supported by EY Ford Rhodes, Chartered Accountants;
 - GSK followed the International Financial Reporting Standards (IFRS), (any deviation from the same has been adequately disclosed and explained throughout);
 - Implementation of Health, Safety and Environment Policy for better and safe workplace environment for employees, workers and surrounded community;
 - GSK strictly abides by a stringent insider trading policy;
 - Our Board is aware of any updated requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same; and
 - As per regulations there is no departure from the best practices of corporate governance.
- GSK is fully compliant to the requirements of the same, this has also been confirmed by the report issued by the auditors as can be read on page 134.

Role of the Chairman and CEO

Board roles and responsibilities

To promote a culture of transparency and good governance, positions of the Chairman of the Board of Directors and the office of the Chief Executive Officer are held by separate incumbents with clear demarcation of roles and responsibilities.

At GSK, the Chairman represents the Non-Executive Directors of the Board and is entrusted with the overall supervision and direction of the Board's proceedings. Whereas, the Chief Executive Officer is primarily responsible for the management of the Company and its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Companies Act, 2017.

Role of the Chairman

The Chairman has all the powers vested in him under the Code of Corporate Governance and presides over all Board meetings.

The primary role of the Chairman is to ensure that the Board of Directors remains effective in its tasks of setting and implementing GSK's direction and strategy. The Chairman is entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings.

Our Chairman further ensures that the composition of the Board is in accordance with legal and regulatory requirements; and the Board is functioning effectively in accordance with applicable laws, regulations, and rules to inculcate sound business principles and prudent commercial practices.

Our Chairman is also responsible to ensure that the Board plays an effective role in fulfilling its responsibilities, besides assessing, and making recommendations on the efficiency of the Committees and individual Directors in fulfilling their responsibilities and avoidance of conflicts of interests.

Role of the Chief Executive Officer

Our CEO is responsible for presentation of GSK’s aims and policies to its Stakeholders.

Our Chief Executive Officer’s role includes, but is not limited to:

- Plan, develop, implement, and direct GSK’s operational and fiscal function and performance;
- Act as a strategic partner by developing and implementing GSK’s plans and programmes;
- Analyse and make recommendation on the impact of long-range growth initiatives, planning, and introduction of new strategies and regulatory actions;
- Develop credibility and authority for the finance leadership team by providing accurate analysis of budgets, reports and financial trends and operational procedures to assist the BOD and management team;
- Create, improve, implement, and enforce policies and procedures of the Organisation that will improve operational and financial effectiveness of GSK;
- Communicate effectively and establish credibility throughout the Organisation and with the Board of Directors as an effective developer of solutions to business challenges;
- Overlook matters recommended and/or reported by the Audit Committee and other committees of the Board;
- Improve the planning and budgeting process on a continual basis by educating departments and key members of corporate leadership;
- Provide strategic input and leadership on decision making issues affecting the Organisation; specifically relating to the evaluation of potential mergers, acquisitions and/or partnerships;
- Work with finance team to develop a solid cash flow projection and reporting mechanism, which includes setting a minimum cash threshold to meet operating needs;
- Act as a strategic advisor and consultant offering expert advice on contracts, negotiations and/or business deals that GSK may enter into;
- Report on governance, risk management and compliance issues; and
- Evaluate GSK’s financial, operational, and sales and marketing structures to plan for continual improvements and a continual increase of operating efficiencies.

Shares held by Sponsors, Directors and Executives

None of the GSK’s Independent Directors, Associated Companies, Directors, Senior Management Officers/Executives, their

spouses and minor children traded shares during this year. Number of shares held at the year-end is summarised below:

Particulars	Number of Shares
Independent Directors	3
Associated Companies, undertakings and related parties	263,029,794

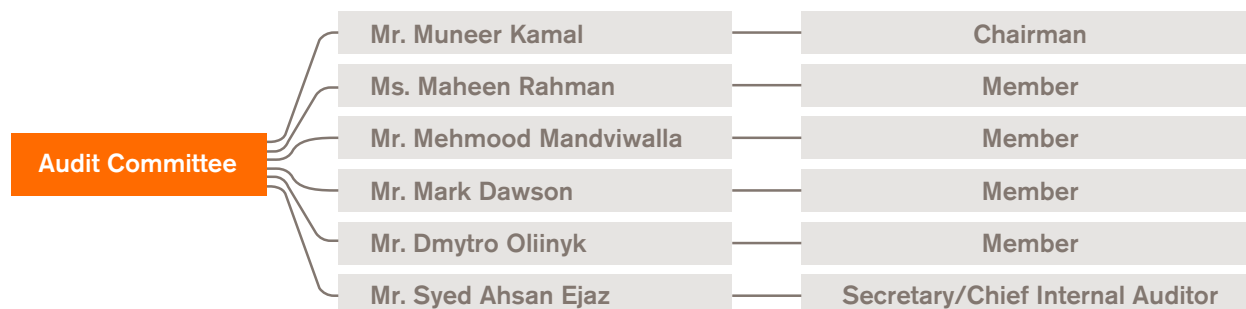
Detailed ‘Pattern of Shareholding’ is disclosed on page 208 of the Report.

Salient features of TOR and attendance in meetings of the Board Committees

Board Committees

The Board has formed the following Committees in line with best practices and

requirements of the Code of Corporate Governance:



Audit Committee

GSK's Audit Committee comprises of 5 members, all of whom are Non-Executive Directors including the Chairman of the Committee, who is an Independent Director.

Audit Committee Report

The Audit Committee comprises of a Chartered Accountant, a member with M.Sc. in Finance and Economics, another with MBA Degree, a lawyer and the fifth member is a Chartered Engineer from UK. Therefore, Audit Committee members have extensive experience in the fields of financial management, accounting, business, and economics.

The Committee annually reviews the financial aspects and appropriateness of resources, the corporate accounting and financial reporting process, the effectiveness and adequacy of internal controls, the management of risks and

the external and internal audit process.

The Chief Internal Auditor reports to the Audit Committee and acts as the Secretary of the Committee. The Internal Audit Function utilises the services of an independent audit firm to continuously examine GSK records and operations, ensuring fair financial reporting processes, compliance with applicable laws and adherence to internal control systems.

The Committee meets once every quarter of the financial year. These meetings are held prior to the approval of the interim/annual results of GSK by its Board and after completion of external audit (in case of half year and year end).

The Committee held 4 Meetings in 2021 and met once with the Chief Internal Auditor and other members of the Internal Audit Function without the Chief Financial Officer and the external auditors being present.

Sr #	Name of Committee Member	Designation	Scheduled Committee Meetings			
			09-Mar-21	27-Apr-21	23-Aug-21	25-Oct-21
1	Mr. Muneer Kamal	Chairman				
2	Ms. Maheen Rahman	Member				
3	Mr. Mehmood Mandviwalla	Member				
4	Mr. Mark Dawson	Member				
5	Mr. Dmytro Oliinyk	Member				
6	Mr. Syed Ahsan Ejaz	Secretary				

The Committee also met with the external auditors without the Chief Executive Officer, Chief Financial Officer and Chief Internal Auditor being present.

Terms of Reference of the Audit Committee

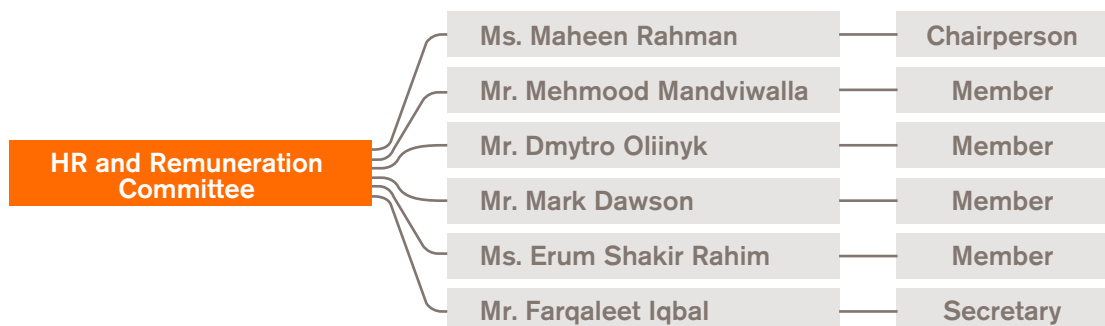
- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustment resulting from the audit;
 - Going concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with these regulations and other statutory and regulatory requirements; and
 - All related party transactions.
- Review of preliminary announcements of results prior to external communication and publications;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of Management, where necessary);
- Review of Management letter issued by the external auditors and Management's response thereto;
- Ensure coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the Internal Audit Function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterised by fraud, corruption and abuse of power and Management's response thereto;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales. Receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittances of any matter to the external auditors or to any external body;
- Determining of compliance with relevant statutory requirements;
- Monitoring compliance with these regulations and identification of significant violations thereof;
- Review of arrangement for staff and Management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise it shall record the reasons thereof; and
- Considering of any other issue or matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee (HRRC)

GSK has established HRRC in accordance with the requirements of the Code of Corporate Governance. HRRC assists the Board in fulfilling its responsibilities in the review, formulation, recommendation and implementation of human resource policies and the appointment and remuneration of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary, and Chief Internal

Auditor. It also considers and approves recommendations of the CEO on matters related to succession planning of key management positions and ensuring proper

compensation to GSK employees. This Committee comprises of Directors; consisting of mainly Non-Executive Directors, including one Independent Director.



This Committee meets at least once in a year.

Schedule of Human Resource and Remuneration Committee Meetings



Attendance at Scheduled Committee Meetings

Sr #	Name of Committee Member	Designation	Scheduled Committee Meetings	
			09-Mar-21	19-May-21
1	Ms. Maheen Rahman	Chairperson		
2	Ms. Erum Shakir Rahim	Member	*	
3	Mr. Dmytro Oliinyk	Member		
4	Mr. Mark Dawson	Member		
5	Mr. Mehmood Mandviwalla	Member		
6	Mr. Farqaleet Iqbal	Secretary		

*Ms. Erum Shakir recused herself in the meeting held on March 9, 2021 due to fixing of her remuneration.

Terms of Reference of the Human Resource and Remuneration Committee

- Comprising of at least 3 members; consisting of mainly Non-Executive Directors, including one Independent Director; CEO can be a member, but not the Chairman of this Committee. The CEO cannot participate in the proceedings of the Committee on matters related directly to his/her performance and compensation;
- Recommend HR Management Policies to the Board;
- Recommend to the Board for consideration and approval of a policy framework for determination of remuneration of Directors (both Executive and Non-Executive Directors and members of senior management);
- Recommend selection, evaluation, development, compensation (including retirement benefits) and succession planning of the CEO, CFO, Company Secretary and Head of Internal Audit;
- Consider and approve recommendations of CEO on matters related to key management positions who report directly to CEO;
- Approve and ensure dissemination of Company's Code of Conduct across the Company; and
- Undertake annually a formal process of evaluation of performance of the Board as a whole and its Committees.

Timely communication

The financial statements for the half year ended June 30, 2021 were authorised for issuance on August 23, 2021. The financial

statements for December 31, 2021 were authorised for issue on February 25, 2022.

Chairman's significant commitments and any changes thereto

Mr. Dmytro Oliinyk was elected Chairman of the Board in August 2019. He is serving as VP Finance Growth Emerging markets and is also a Director on the Boards of other GSK entities. He does not have any significant commitment

other than those mentioned in his profile under "Profiles of Board Directors" in the Company Overview Section of this Report on page 74.

Presence of the Chairman of the Audit Committee at the AGM

In view of GSK's priority of being transparent with all its shareholders and stakeholders, members of the Board along with the other Directors, the Chairman of the Audit Committee Mr. Muneer Kamal was also present in the

Annual General Meeting to respond to any queries, from the shareholders. Thereupon, the meeting was concluded without any pending query on the unresolved issue.

External search consultancy

GSK did not appoint an external search consultancy, as there were no new appointments of the Chairman, and/or Non-Executive Directors in the year 2021.

Disclosure about the Government of Pakistan's policies related to Company's business/sector in Directors' Report and their impact on the Company's business and performance

All relevant disclosures have been made within the Directors' Report available on pages 80 to 85.

Beneficial ownership and group structure

For beneficial ownership and group structure, please refer to the section 'Organisational Review'.

Human Resource Management Policies including preparation of a Succession Plan

We want to be a company where everyone thrives every day. Part of this is about providing support, feedback and career development opportunities so everyone keeps growing. And, it's about having focused, transparent career development so that we always have strong and diverse succession pipelines.

Our robust and systematic succession planning pipeline:

- enables us to accelerate the development of employees that deliver outstanding performance and live the culture;

- aligns our best people with our most critical roles and supports our diversity aspirations; and
- is focused on our business critical roles.

Through this mechanism, we will increase visibility and access to opportunities and support people to develop their careers and continue to make talent appointment into specific roles to ensure we build key capabilities and a diverse workforce.

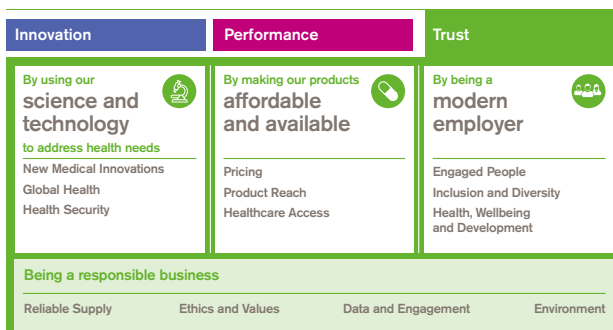
Social and Environmental Responsibility Policy

GSK's three long-term priorities of Innovation, Performance and Trust, support our purpose to improve the quality of human life by helping people do more, feel better and live longer. Trust is essential to how we deliver on our purpose. We have 13 Global Trust commitments where GSK can make the biggest difference. In 2018, when we set these commitments, we worked with an independent third party to conduct a materiality assessment to identify the Environmental, Social and Governance (ESG) issues most relevant to our stakeholders and to our business. These 13 Global Trust commitments are as follows:

1. **New Medical Innovation** - Develop differentiated, high-quality and needed medicines, vaccines and consumer healthcare products to improve health.
2. **Global Health** - Improve global health impact through R&D for infectious diseases that affect children and young people in developing countries focusing on HIV, malaria and TB.
3. **Health Security** - Help the world to better prepare for future disease outbreaks with pandemic potential, and tackle antimicrobial resistance.
4. **Pricing** - Improve the health of millions of people each year by making our products available at responsible prices that are sustainable for our business.
5. **Product Reach** - Use access strategies to reach 800 million underserved

people in developing countries with our products by 2025.

6. **Healthcare Access** - Partner to improve disease prevention, awareness and access to healthcare services for 12 million people by 2025.
7. **Engaged People** - Achieve and maintain a competitive employee engagement score by 2022.
8. **Inclusion and Diversity** - Accelerate our progress on inclusion and diversity, including aspirational targets for female and ethnically diverse representation in senior roles by end 2025, and recognition as a disability confident employer.
9. **Health, Wellbeing and Development** - Be a leading company in how we support employee health, wellbeing and personal development.
10. **Reliable Supply** - Commit to quality, safety and reliable supply of our products for patients and consumers.
11. **Ethics and Values** - Operate an ethical, values driven culture, in which any issues are responded to swiftly and transparently.
12. **Data and Engagement** - Use data responsibly and transparently. Improve patient and scientific engagement.
13. **Environment** - Have a net zero impact on climate and a net positive impact on nature by 2030.



In addition to this, we also contribute to the UN Sustainable Development Goals.



For more details on our Social and Environmental Responsibility endeavours, please go to the Sustainability and Corporate Social Responsibility Section in this Report.

Pandemic Recovery Plan by the Management and Policy Statement

COVID-19 pandemic has continued to be one of the most prominent challenges in 2021. It has brought unprecedented impact on employees' physical and mental health and on the business continuity. However, the teams at head office and all sites (West Wharf, Korangi and F-268) have put forward great efforts to not only contain the spread and impact of the pandemic at the sites but also to keep the EHS performance sustained during the year and meet the major objectives of the year 2021.

The Organisation is well-equipped to deal with critical challenges and uncertainties which may arise. The Organisation has strong leadership team which takes timely action in times of crisis. During the pandemic, the Company created the Issues Management Team (IMT) which helped to ensure business as usual and employee safety and wellbeing.

GSK has always prioritised the safety of its people while ensuring a continuous supply of medicines to its patients and consumers. In response to the different COVID-19 waves throughout the year 2021, the Company through its IMT supported hybrid model of working in the field and offices. Field teams continued working virtually as well as having face-to-face engagements wherever possible by ensuring complete compliance to COVID-19 protocols.

Throughout this period, employees critical to maintaining Supply Chain continuity continued

coming to work in our factories and offices to make sure that the essential and life-saving medicines remain available across the Country. Robust safety measures were put in place to ensure the health and wellbeing of these employees. A weekly pulse check survey was conducted to gauge staff's level of comfort; evaluate the on-ground situation and acquire field force's feedback on the implemented precautionary measures. This enabled IMT to take timely and effective decisions.

Throughout the year, regular monitoring of the situation was carried out by the IMT. The journey of continuous improvement is still in progress to adhere to the situation as it evolves.

Additionally, we have effective business continuity plans in place in case of any natural disasters or calamities. We also have support from our Corporate Security Team which takes various initiatives such as facilitation of simulation exercises, assessing our preparedness and recoverability capability and providing oversight of our plans supporting our business-critical processes.

GSK also demonstrated a proactive approach by maintaining a close liaison and coordination with all relevant internal and external stakeholders, issued necessary security advisories which ensured business continuity during times of social and political unrest in the Country.

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Innovative
Branding
Solution
Marketing
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*Performance
and Position*

Financial Highlights

Revenue

Rs. 36,661M

2020: Rs. 35,090 M

Growth: 4.5%

Earnings per share

Rs.16.81

2020: Rs. 10.60

Growth: 58.6%

Return on capital employed

24.2%

2020: 18.1%

Growth: 6.1%

Return on equity

25.5%

2020: 19.3%

Growth: 6.2%

Net Assets per Share

Rs. 65.90

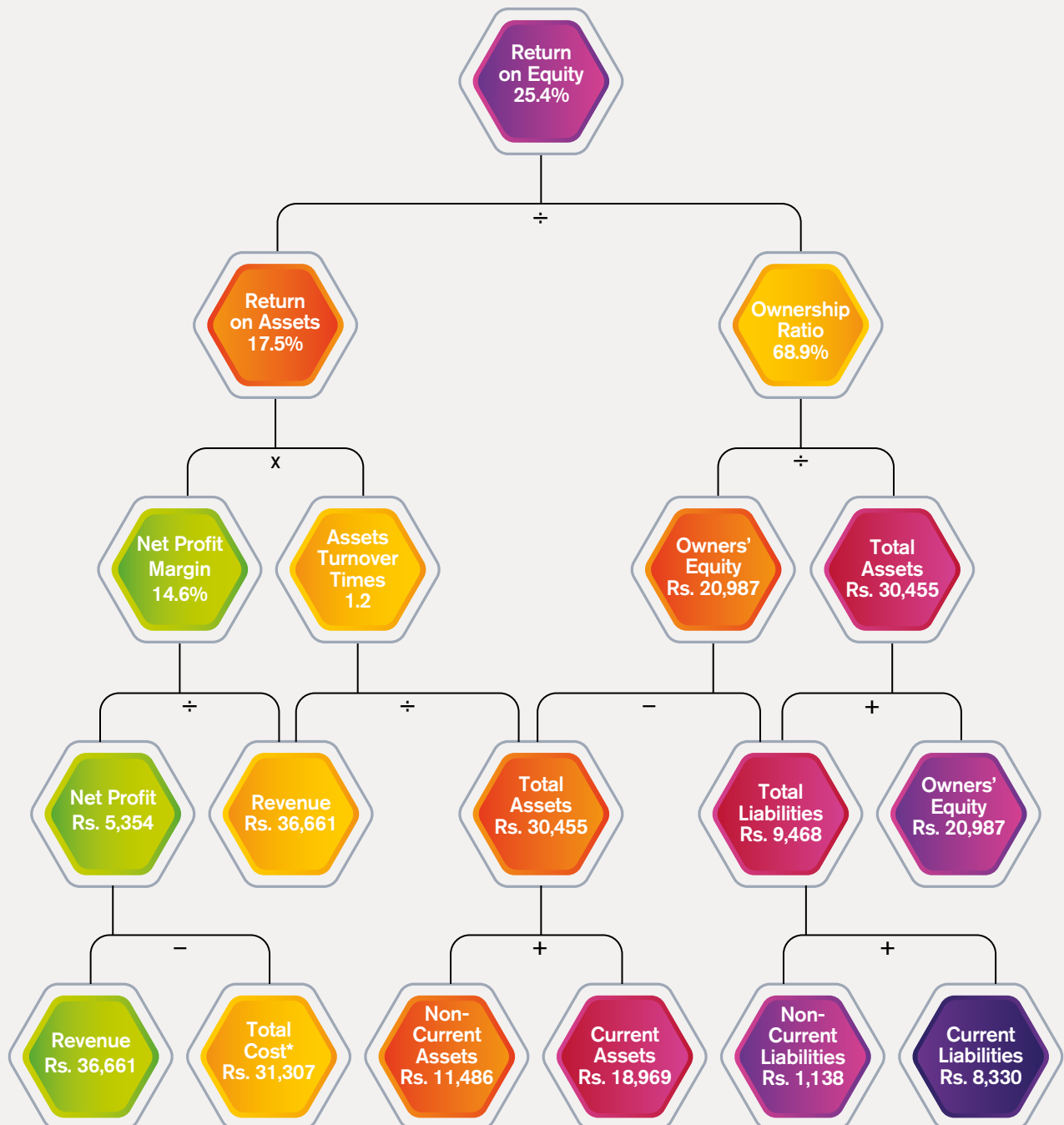
2020: Rs. 54.88

Growth: 20.1%

DuPont Analysis

Rupees in Millions

For the year ended December 31, 2021



*Total Cost includes cost of sales, selling, marketing and distribution expenses, administrative expenses, other operating expenses, financial charges and taxation (less: other income).

Comments on Dupont analysis:

Return on equity has increased from previous year mainly due to CPI price increase, better sales mix and gain on disposal of assets classified as held for sale.

Financial Performance at a glance with graphical presentation

Rupees in millions

	2021	2020
Revenue from contracts with customers	36,661	35,090
Gross Profit	9,737	7,534
Operating Profit	7,589	4,987
Profit Before Tax	7,424	4,903
Taxation	(2,070)	(1,528)
Profit after taxation	5,354	3,375
Dividend - cash*	2,229	2,070
- per share - Rs.	7	6.5
Paid-up Capital	3,185	3,185

* This represents final cash dividend of Rs. 7 per share, proposed by the Board of Directors subsequent to the year-end.

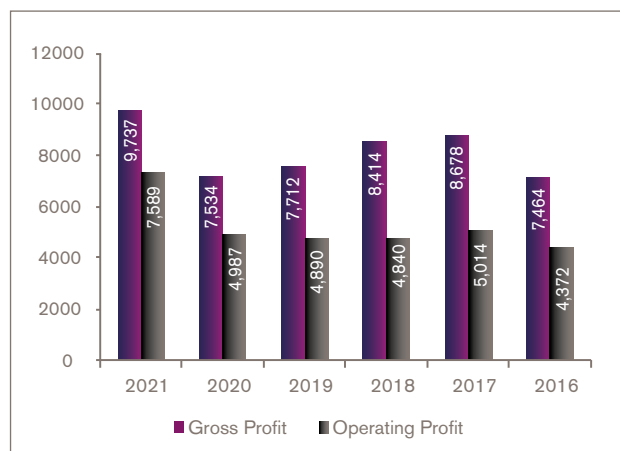
Key Performance Indicators

	Unit	2021	2020
Revenue from contracts with customers	Rs. in millions	36,661	35,090
Return on Equity	%	25.51%	19.31%
Earnings per share	Rs.	16.81	10.60
Shareholders' Equity	Rs. in millions	20,987	17,478
Total Assets Turnover Ratio	Times	1.20	1.35
Current Ratio	Times	2.28	2.03
Market Capitalization	Rs. in millions	43,474	61,092

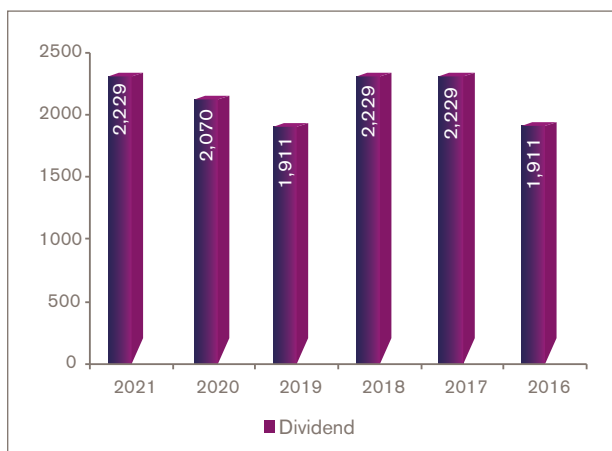
Explanation of Negative Changes in Performance

As evident from above, the Company has not experienced any negative changes in terms of performance.

Gross and Operating Profit (Rupees in millions)



Payout to Shareholders (Rupees in millions)



Analysis of Financial and Non-Financial Information

ANALYSIS OF FINANCIAL PERFORMANCE

COMMENTS ON STATEMENT OF PROFIT OR LOSS

REVENUE FROM CONTRACTS WITH CUSTOMERS

For the year 2021, the Company achieved net sales of Rs. 36.7 billion. Core pharma sales (excluding intercompany sales to GSK CHC) showed a growth of 5%. The key portfolios which contributed towards this growth were Antibiotics, Dermatologicals and Analgesics therapy areas.

GROSS PROFIT

The gross margin increased from 21.5% to 26.6% mainly as a result of CPI price increase and better sales mix.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses, during the year, increased by 8% mainly attributable to greater spend in promotional activities with resumption of face to face activities post COVID.

ADMINISTRATIVE EXPENSES

The decrease in the administrative expenses is mainly driven by one-off severance cost paid in Q1 2020.

FINANCIAL CHARGES

Financial charges in the year increased by 95%. The increase is mainly due to currency devaluation.

COMMENTS ON STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

Property, plant and equipment have witnessed an increase over prior year due to investment in production facilities and infrastructure to support growing scale of business. Major capital expenditure incurred during the year was for enhancement of productivity and improvement of plant efficiencies.

CURRENT ASSETS

The increase in current assets is mainly attributable to increase in cash and bank balances, due to improved liquidity.

CURRENT LIABILITIES

Increase in current liabilities is mainly due to taxation now falling payable (previously an asset) due to exemption from withholding tax.

EQUITY

Equity increased from prior year primarily due to profits during the

year which was off set by dividends paid during the year.

COMMENTS ON STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

There is a decrease in cash flows from operating activities mainly due to unfavorable working capital changes versus last year.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities decreased as compared to previous year due to proceeds from disposal of non-current assets held for sale offsetting capital expenditures.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash outflow from financing activities increased during the current year primarily on account of higher dividend payout during the year versus last year (Rs. 6.5 per share as compared to Rs. 6 in 2020).

COMMENTS ON RATIOS

PROFITABILITY RATIOS

Profitability ratios of the Company have increased mainly due to CPI price increase, better sales mix and gain on disposal of assets held for sale.

Profit after tax has improved 59% as compared to previous year. While gross profit percentage has improved from 21.5% to 26.6%.

LIQUIDITY RATIOS

Cash inflows from operating activities of Rs. 4.9 billion, mainly on account of efficient working capital management. The Company remains sufficiently liquid and has Rs. 8.5 billion of cash and cash equivalents to meet its investment and operational cash requirements.

Quick / acid test ratio (2021:1.5 times; 2020:1.2 times), cash to current liabilities (2021:0.9 times; 2020: 0.8 times) and current ratio (2021: 2.3 times; 2020: 2.0 times) also improved versus last year.

ACTIVITY / TURNOVER RATIO

Operating cycle days have improved as compared to previous year (2021: 75 days, 2020: 68 days) mainly due to improved liquidity.

Total asset turnover ratio and fixed asset turnover ratio remained consistent as compared to last year.

INVESTMENT / MARKET RATIO

Earnings per share increased to Rs. 16.81 from Rs. 10.60 mainly

due to better gross profit and gain on disposal of assets held for sale.

Price Earning ratio has decreased to 8.1 in 2021 from 18.1 in 2020 as a result of decrease in market price per share coupled with increased EPS (reasons given above).

Dividend yield ratio has increased to 5.1% from 3.4% as a result of decrease in share price.

Dividend payout ratio decreased to 0.4 times in 2021 from 0.6 times in 2020 as a result in increase in profit after tax as mentioned above.

Breakup value per share to Rs. 65.90 from Rs. 54.88 due to increase in total equity as a result of increased profitability.

Market capitalisation has decreased from Rs. 61,092 million to Rs. 43,474 million in 2021 due to decrease in market price per share from Rs. 191.83 to Rs. 136.51.

ANALYSIS OF NON-FINANCIAL PERFORMANCE

Analysis of non-financial performance has been presented for material non-financial KPIs relevant for the business and stakeholders around other forms of capitals.

MANUFACTURED CAPITAL

Our business activities of production, marketing and distribution of quality medicines help us to create value for our stakeholders and economy.

STANDING IN PHARMACEUTICAL SECTOR

The Company is highly successful business and continues to maintain volume leadership position in the Pakistan's Pharma industry.

SALES GROWTH

Core Pharma sales showed a growth of 5% from last year.

COST REDUCTION INITIATIVES

The Company took various initiatives during the year to lower costs including introduction of digital engagement channels to connect with health care professionals.

SOCIAL AND RELATIONSHIP CAPITAL

GSK is aware of its ethical responsibility for environment friendly and fair business transactions. Our employees are educated and trained to take responsibility to comply with our corporate responsibility of ethical business.

CSR INITIATIVES

Several CSR initiatives were taken throughout the year to support causes which would have positive impact on the community. For further details, refer to CSR section of the report.

MAINTAINING CORPORATE IMAGE

We held successful corporate briefing session which included giving presentations to shareholders, institutional investors and analysts.

INTELLECTUAL CAPITAL

Intellectual is one of the most important form of capital complementing value creation for the entire Company. The Company strongly believes in allocating resources to its development as we believe that it contributes significantly towards enhancing operational efficiency and gaining competitive advantage in the modern technological era.

HUMAN CAPITAL

GSK has a well-defined Human Resource policies to manage HR priorities, succession planning, recognising and rewarding the prestigious talent and leadership development. Our aim is to bring the most talented people on board, nurture their talent and provide them with the best facilities to exhibit their talent.

INVESTING IN OUR WORKFORCE

In 2021, GSK paid Rs. 4.53 billion as workforce salaries and benefits. The Company also maintains provident and gratuity funds for its employees.

PROVIDING EQUAL OPPORTUNITY

GSK promotes equal opportunity based on merit and talent.

DEVELOPING SKILLS AND TALENT

To improve our competitiveness and value creation ability, skills retention and development are crucial. It is critical that we play an active role in supporting the existing workforce through training and development. GSK believes that people learn every day, through experiential, social or formal avenues.

INVESTING IN HEALTH AND SAFETY OF WORKFORCE

GSK is committed to the wellbeing of employees by providing a safe working environment. We continue to focus on enhancing safety systems and adopt most recent industrial safety standards to eliminate or minimize the potential harm from the risks and hazards.

Key Operating, Financial Data and ratios with graphical presentation

December 31, 2021

Statement of Financial Position

	2021	2020	2019	2018*	2017*	2016*
----- Rupees in Millions -----						
Assets employed						
Fixed Assets - tangible						
- Property, plant and equipment	10,408	9,936	9,480	8,921	8,865	8,318
Assets - intangibles	992	992	1,042	1,082	1,039	1,039
Long-term loans and deposits	87	95	125	99	114	71
Net current assets	10,638	7,588	6,408	6,304	4,121	4,621
Non-Current Assets held for sale	-	82	-	-	-	-
	<u>22,125</u>	<u>18,693</u>	<u>17,055</u>	<u>16,406</u>	<u>14,139</u>	<u>14,049</u>
Less: Non-Current Liabilities						
Staff retirement benefits - Staff gratuity	299	509	228	371	294	78
Long-term portion of lease liabilities	32	31	43	-	-	-
Deferred taxation	807	675	646	616	537	645
	<u>1,138</u>	<u>1,215</u>	<u>917</u>	<u>987</u>	<u>831</u>	<u>723</u>
Net assets employed	<u>20,987</u>	<u>17,478</u>	<u>16,138</u>	<u>15,419</u>	<u>13,308</u>	<u>13,326</u>
Financed by						
Issued, subscribed and paid-up capital	3,185	3,185	3,185	3,185	3,185	3,185
Reserves	17,802	14,293	12,953	12,234	10,123	10,141
Shareholders' Equity	<u>20,987</u>	<u>17,478</u>	<u>16,138</u>	<u>15,419</u>	<u>13,308</u>	<u>13,326</u>

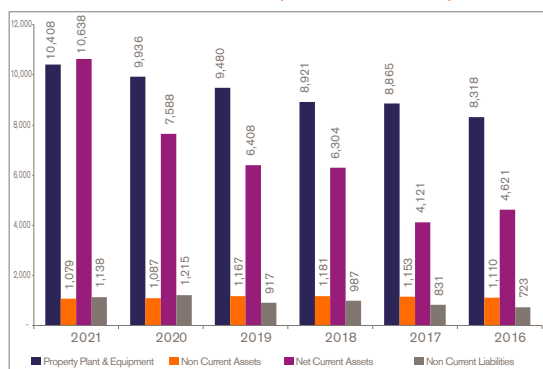
Statement of Profit or Loss

	2021	2020	2019	2018*	2017*	2016*
----- Rupees in Millions -----						
Revenue from contracts with customers	36,661	35,090	36,582	34,007	32,774	27,564
Gross profit	9,737	7,534	7,712	8,414	8,678	7,464
Operating profit	7,589	4,987	4,890	4,840	5,014	4,372
Profit before taxation	7,424	4,903	4,600	4,692	4,925	4,353
Taxation	(2,070)	(1,527)	(1,559)	(1,460)	(1,898)	(1,708)
Profit after taxation	5,354	3,375	3,041	3,232	3,027	2,645
EBITDA	8,205	5,621	5,464	5,396	5,739	4,929
Cash Dividend	2,229**	2,070	1,911	2,229	2,229	1,911
Revenue generated per employee	20,701	18,547	18,532	17,201	15,467	11,865

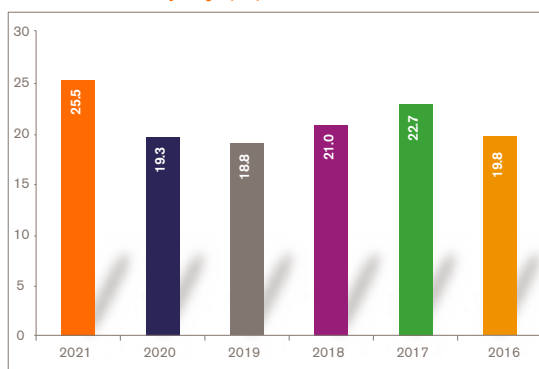
* FY 2018, 2017 & 2016 representing continuing operations for meaningful comparison.

** This represents final cash dividend of Rs. 7 per share, proposed by the Board of Directors subsequent to the year-end.

Assets and Liabilities (Rs. in Millions)



Return on Equity (%)



Cash flows	Unit	2021	2020	2019	2018	2017	2016
Operating Activities	Rs. in millions	4,987	5,960	2,566	3,001	2,135	4,256
Investing Activities	Rs. in millions	(152)	(1,026)	(1,081)	(479)	(1,348)	(1,623)
Financing Activities	Rs. in millions	(2,073)	(1,903)	(2,228)	(1,257)	(2,929)	(1,197)
Changes in Cash and cash equivalents	Rs. in millions	2,762	3,031	(743)	1,265	(2,142)	1,436
Cash and cash equivalents - Year end	Rs. in millions	8,483	5,721	2,690	3,433	2,168	4,310

Financial Highlights

Cash dividend per share	Rupees	7.0	6.5	6.0	7.0	7.0	6.0
Market value per share - year end	Rupees	136.5	191.8	160.6	112.7	167.9	233.3
Market value per share - high	Rupees	195.0	199.4	187.7	219.8	274.0	252.0
Market value per share - low	Rupees	127.5	149.3	82.0	109.4	153.0	194.0
Market price to Book value with surplus	Times	2.1	3.5	3.2	2.3	4.0	5.6
Market capitalisation	Rs. in millions	43,474	61,092	51,061	35,832	53,424	74,189

Profitability Ratios

Profit before tax ratio	%	20.3	14.0	12.6	13.8	15.0	15.8
Gross Yield on Earning Assets	%	4.4	4.0	5.1	3.8	8.2	4.0
Gross Spread ratio	Times	0.5	0.5	0.4	0.4	0.3	0.4
Cost / Income ratio	Times	0.4	0.5	0.5	0.5	0.5	0.5
Return on Equity	%	25.5	19.3	18.8	21.0	22.7	19.8
Return on Capital employed	%	24.2	18.1	13.4	14.7	14.2	12.9
Gross Profit ratio	%	26.6	21.5	21.1	24.7	26.5	28.0
Net Profit to Sales	%	14.6	9.6	8.3	9.5	9.2	9.6
EBITDA Margin to Sales	%	22.4	16.0	14.9	15.9	17.5	17.9
Operating leverage ratio	Times	11.5	-1.1	-0.3	-1.3	0.7	-1.9

Investment/Market Ratios

Earnings per share (EPS)	Rupees	16.8	10.6	9.5	10.1	9.5	8.3
Price Earnings ratio	Times	8.1	18.1	16.8	11.1	17.7	28.1
Price to Book ratio	Times	2.1	3.5	3.2	2.3	4.0	5.6
Dividend Yield ratio	%	5.1	3.4	3.7	6.2	4.2	2.6
Dividend Payout ratio	Times	0.4	0.6	0.6	0.7	0.7	0.7
Dividend Cover ratio	Times	2.4	1.6	1.6	1.5	1.4	1.4

Capital Structure Ratios

Earning assets to total assets ratio	%	28.1	22.4	11.6	15.5	10.0	20.6
Net assets per share	Times	65.9	54.9	50.7	48.4	41.8	41.8
Debt to Equity ratio	Times	0.1	0.1	0.1	0.1	0.1	0.1
Financial leverage ratio	Times	0.5	0.5	0.4	0.4	0.6	0.6
Interest Cover ratio	Times	46.2	59.3	16.2	31.8	55.8	228.7

	Unit	2021	2020	2019	2018	2017	2016
Liquidity Ratios							
Advances to Deposits ratio	Times	2.3	1.1	1.1	1.9	3.4	1.3
Current ratio	Times	2.3	2.0	2.0	2.1	1.5	1.7
Quick / Acid test ratio	Times	1.5	1.2	1.0	1.0	0.7	0.8
Cash to Current Liabilities	Times	1.0	0.8	0.4	0.6	0.3	0.6
Cash flow from Operations to Sales	%	13.6	17.0	7.0	8.8	6.5	15.4

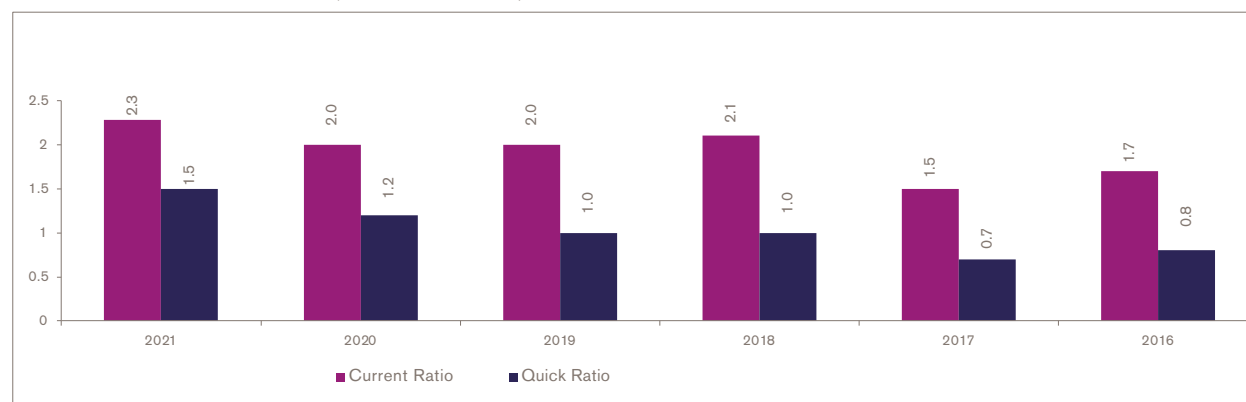
Activity / Turnover Ratios

Inventory turnover ratio	Times	4.3	4.5	4.7	4.0	4.0	3.4
No. of Days in Inventory	Days	86	81	79	91	92	108
Debtor turnover ratio	Times	29.1	30.1	26.9	17.2	22.7	52.5
No. of Days in Receivables	Days	13	12	14	22	17	7
Creditor turnover ratio	Times	15.0	14.9	14.9	13.0	12.0	8.6
No. of Days in Creditors	Days	24	25	25	29	31	43
Total Assets turnover ratio	Times	1.2	1.3	1.6	1.5	1.5	1.3
Fixed Assets turnover ratio	Times	3.5	3.5	3.9	3.8	3.7	3.3
Operating Cycle	Days	75	68	68	84	77	73

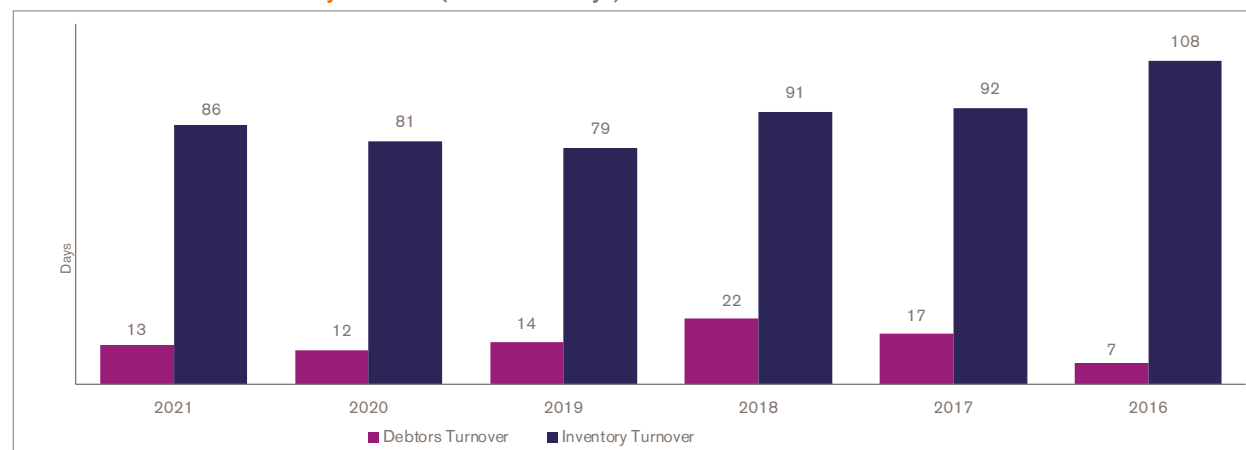
Methods and assumptions used in compiling the indicators.

Financial indicators are computed using formulae which are widely used in the industry and are relevant to different stakeholders such as shareholders, bankers and regulators. The data used is generated through our internal management information systems, together with the audited financial statements.

Current Ratio and Quick Ratio (Number of Times)



Debtors Turnover and Inventory Turnover (Number of Days)



Horizontal Analysis

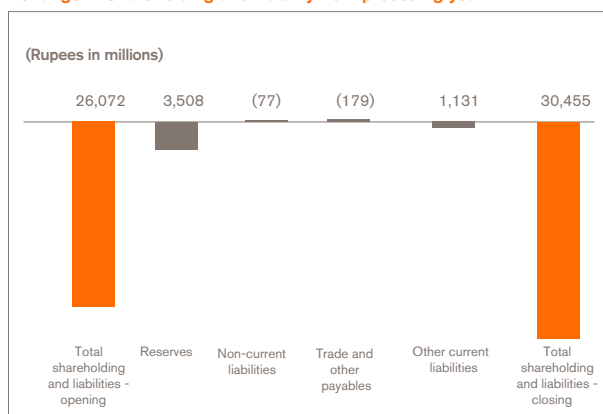
Statement of Financial Position Analysis

	2021	2020	2019	2018	2017	2016
	----- Change from preceding year (%) -----					
Share Capital and Reserves	20.1	8.3	4.7	15.9	(0.1)	2.0
Non-Current Liabilities	(6.3)	32.5	(7.1)	18.7	14.9	13.0
Current Liabilities	12.9	19.5	6.8	(23.9)	11.0	6.7
Total Equity and Liabilities	16.8	12.2	4.7	2.1	4.0	3.8
Non-Current Assets	4.2	3.5	5.4	0.8	6.2	13.5
Current Assets	26.7	19.1	4.1	3.2	2.2	(3.0)
Total Assets	16.8	12.2	4.7	2.1	4.0	3.8

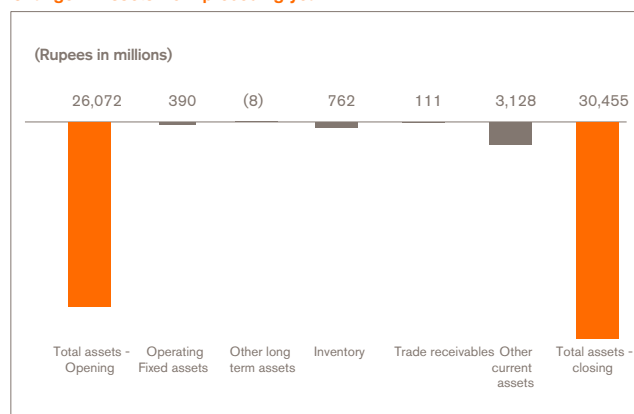
Profit or Loss Analysis

	2021	2020	2019	2018	2017	2016
	----- Change from preceding year (%) -----					
Revenue from contracts with customers	4.5	(4.1)	7.6	3.8	18.9	15.7
Cost of sales	(2.3)	(4.6)	12.8	6.2	19.9	15.5
Gross profit	29.2	(2.3)	(8.3)	(3.1)	16.3	16.2
Selling, marketing and distribution expenses	7.9	(16.7)	(7.0)	8.9	16.4	1.0
Administrative expenses	(19.5)	21.2	2.1	9.5	4.1	(2.8)
Other operating expenses	51.4	8.3	(1.0)	(9.5)	17.9	45.8
Other income	29.2	(0.7)	35.3	42.0	(0.4)	(10.2)
Operating profit	52.2	2.0	1.0	(3.5)	14.7	22.5
Financial charges	95.5	(71.0)	96.5	67.0	363.9	(65.0)
Profit before taxation	51.4	6.6	(2.0)	(4.7)	13.2	23.9
Taxation	35.6	(2.0)	6.8	(23.1)	11.1	70.2
Profit after taxation	58.6	11.0	(5.9)	6.8	14.5	5.3

Change in Shareholding and Liability from preceding year



Change in Assets from preceding year



Vertical Analysis

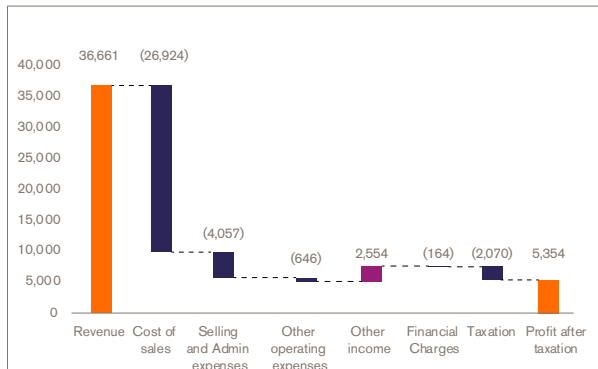
Statement of Financial Position Analysis (%)

	2021	2020	2019	2018	2017	2016
	(%)					
Share Capital and Reserves	68.9	67.0	69.5	69.5	61.3	63.8
Non-Current Liabilities	3.7	4.7	3.9	4.4	3.8	3.5
Current Liabilities	27.4	28.3	26.6	26.1	34.9	32.7
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
Non-Current Assets	37.7	42.2	45.9	45.6	46.1	45.2
Current Assets	62.3	57.8	54.1	54.4	53.9	54.8
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0

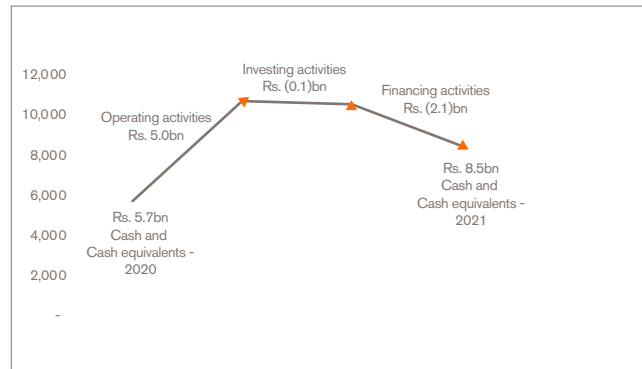
Profit or Loss Analysis (%)

	2021	2020	2019	2018	2017	2016
	(%)					
Revenue from contracts with customers	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(73.4)	(78.5)	(78.9)	(75.3)	(73.5)	(72.9)
Gross profit	26.6	21.5	21.1	24.7	26.5	27.1
Selling, marketing and distribution expenses	(8.1)	(7.9)	(9.1)	(10.5)	(10.0)	(10.2)
Administrative expenses	(2.9)	(3.8)	(3.0)	(3.2)	(3.0)	(3.4)
Other operating expenses	(1.8)	(1.2)	(1.1)	(1.2)	(1.3)	(1.4)
Other income	6.9	5.6	5.4	4.3	3.2	3.8
Operating profit	20.7	14.2	13.3	14.1	15.4	15.9
Financial charges	(0.4)	(0.2)	(0.8)	(0.4)	(0.3)	(0.1)
Profit before taxation	20.3	14.0	12.5	13.7	15.1	15.8
Taxation	(5.6)	(4.4)	(4.3)	(4.3)	(5.8)	(6.2)
Profit after taxation	14.7	9.6	8.2	9.4	9.3	9.6

Profit or loss statement for the year



Cash Flow Statement



Quarterly Analysis

For the year ended December 31, 2021

	Q1	Q2	Q3	Q4	Total
	Rupees '000				
Revenue from contracts with customers - net	7,693,509	9,058,094	9,825,226	10,083,943	36,660,772
Cost of sales	(5,813,566)	(6,686,965)	(7,092,566)	(7,330,826)	(26,923,923)
Gross profit	1,879,943	2,371,129	2,732,660	2,753,117	9,736,849
Selling, marketing and distribution expenses	(698,092)	(686,993)	(777,895)	(821,613)	(2,984,593)
Administrative expenses	(372,729)	(293,734)	(330,921)	(74,702)	(1,072,086)
Other operating expenses	(98,266)	(126,584)	(154,417)	(266,338)	(645,605)
Other income	421,192	195,903	358,274	1,578,949	2,554,318
Operating profit	1,132,048	1,459,721	1,827,701	3,169,413	7,588,883
Financial charges	(1,982)	(4,018)	(59,896)	(98,537)	(164,433)
Profit before taxation for the year	1,130,066	1,455,703	1,767,805	3,070,876	7,424,450
Taxation - net	(404,519)	(478,206)	(572,602)	(614,714)	(2,070,041)
Profit after taxation for the year	725,547	977,497	1,195,203	2,456,162	5,354,409

Analysis of Variation in Interim Results and Final Accounts

Revenue from contracts with customers

Revenue from contracts with customers is fairly consistent quarter on quarter.

Gross profit

Greater contribution of gross profit in third and fourth quarter mainly due to CPI price increase.

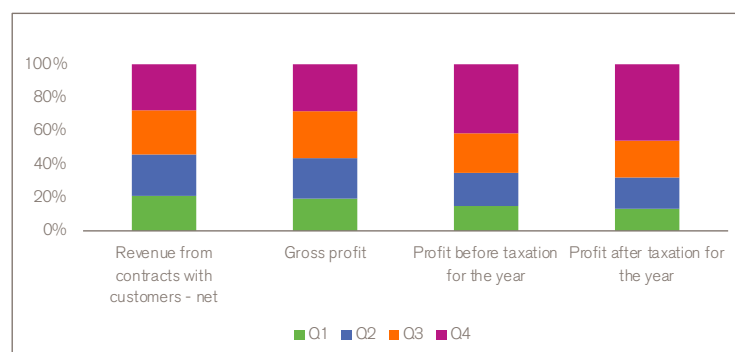
Profit before taxation for the year

Last quarter remains major contributor due to gain on disposal of assets held for sale.

Profit after taxation for the year

Last quarter remains major contributor due to gain on disposal of assets held for sale.

Quarterly results as a percentage of annual results are summarised below:



Direct Cash Flow Statement

For the Year ended December 31, 2021

	2021	2020
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	36,640,573	35,012,970
Cash paid to suppliers / service providers	(25,940,906)	(22,622,773)
Cash paid to employees	(4,298,768)	(4,741,945)
Payment of indirect taxes and other statutory duties	(49,672)	(346,790)
Payment of royalty	(366,181)	(417,621)
Staff Retirement benefits paid	(126,353)	(104,801)
Mark-up paid	-	(8,857)
Income taxes paid	(871,587)	(809,998)
Net cash generated from operating activities	4,987,106	5,960,185
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(1,303,769)	(1,316,019)
Proceeds from disposal of operating assets	100,718	52,992
Proceeds from disposal of non-current assets held for sale	676,549	-
Return received on bank balances and investment	374,941	237,102
Net cash used in investing activities	(151,561)	(1,025,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,061,811)	(1,891,561)
Lease rentals paid	(11,462)	(12,094)
Net cash used in financing activities	(2,073,273)	(1,903,655)
Net increase in cash and cash equivalents	2,762,272	3,030,605
Cash and cash equivalents at the beginning of the year	5,720,501	2,689,896
Cash and cash equivalents at the end of the year	8,482,773	5,720,501

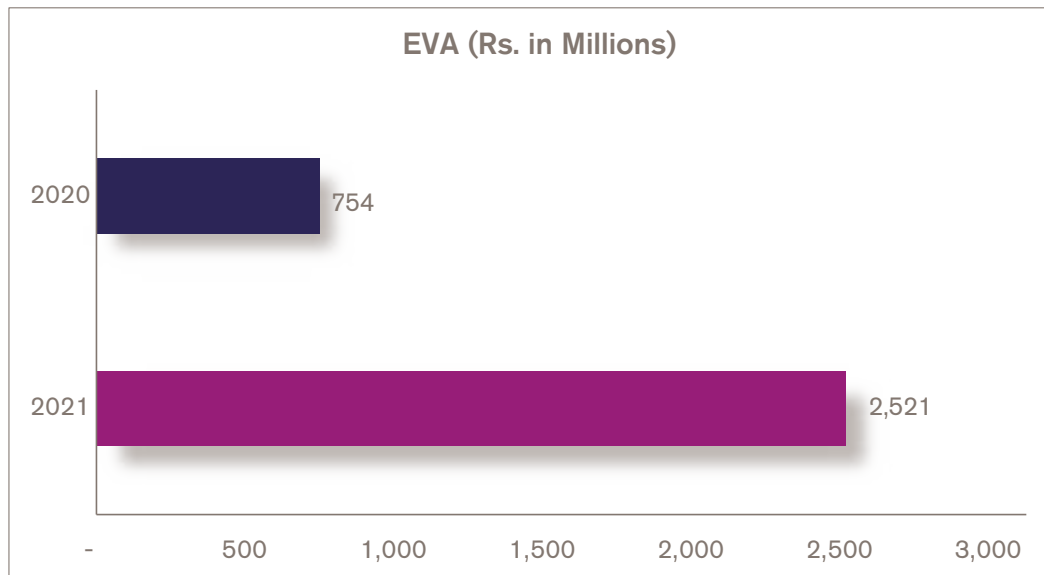
Free Cash flows

	2021	2020	2019	2018	2017	2016
	----- Rupees in Millions -----					
Net cash generated from operating activities	4,987	5,960	2,566	3,001	2,135	4,256
Fixed capital expenditures	(1,304)	(1,316)	(1,343)	(855)	(1,642)	(1,870)
Free cashflow	3,683	4,644	1,223	2,146	493	2,386

Segmental review

For management purposes, the activities of the Company are organised into one operating segment i.e. pharmaceutical segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems.

Economic Value Added (EVA)



Unreserved Statement of Compliance to International Financial Reporting Standards

The Company prepares its financial statements in accordance with the accounting and reporting standards as applicable in Pakistan. These standards comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IFRSs, the provisions of and directives issued under the Act have been followed.

Note 2.2.2 of the financial statements specifies the standards and interpretations which are yet to be effective in Pakistan. The Company is currently evaluating the impact of these standards.

Information about defaults in payment

The cash generation from Company's business operations allow retiring of its obligations in a timely manner. Besides, robust liquidity monitoring controls are in place to ensure that sufficient financing is in place to cater all business requirements, further running finance facilities are also availed via banking partner, if needed.

Market Share and Share Price Sensitivity Analysis

The Market capitalisation of the Company at the end of the year was Rs. 43 billion. There are many factors which affect Company' market share price. Some of these factors are mentioned below:

Sales Volume

Sales volume is driven by various factors including plant production capacities, demand and supply situation and political conditions.

Sales Price

Sale prices are regulated by DRAP hence beyond Company's control.

Investment Income

Investment income mainly comprises of returns on deposit/ savings account and investment in Government securities. It is dependent on prevalent interest rates besides the Company's ability to generate and place excess funds.

Profitability

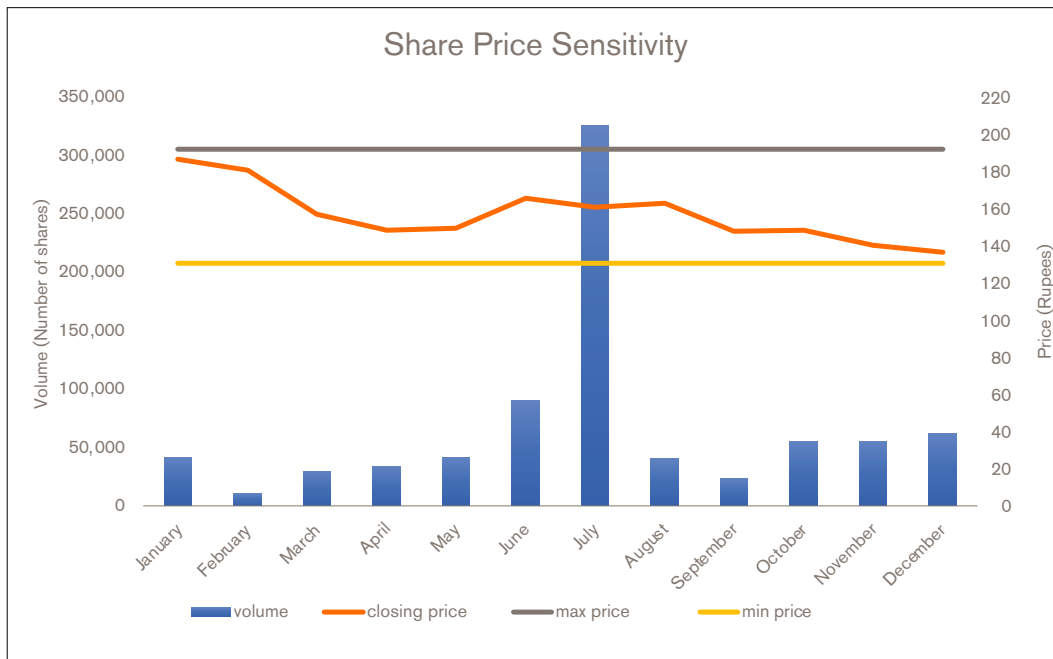
The Company's profitability and EPS have a direct bearing on its market share price.

Currency Risk

The volatility in exchange rates can also impact the market share price as imports may affect the Company's margins. Financial assets and liabilities denominated in foreign currency and foreign business transactions are exposed to foreign exchange.

Market Risk

Market share price is also exposed to all risks faced by the stock exchange on which the Company's shares are traded.



History of major events during the year

For history of major events during the year, refer page. 42.

Business Rationale of Major Capital Expenditure and for Those Planned For Next Year

The Company evaluates its capital expenditure requirements on an annual basis after taking requisite approvals from the board of directors.

Some of the major capital expenditure projects and their rationales are mentioned below:

CRSF Project

GSK is a responsible business which is committed to provide the highest level of safety and quality for its patients. In order to deliver on this commitment, GSK globally rolled out Child Resistant and Senior Friendly packaging . Child Resistant technology has proven internationally to reduce deaths by accidental medicine ingestion, this is achieved by modifying the packaging to variants difficult to open by children yet friendly to open by seniors.

Therefore, to achieve this purpose, an investment was made to move packaging of all SKUs children friendly.

Solar

In line with GSK sustainability agenda of "net zero", significant investment were made in 2021 to utilize available roof spaces for solar PV systems.



Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019
GlaxoSmithKline Pakistan Limited
Year ending December 31, 2021

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are 7 as per the following:

a) Male:	5
b) Female:	2

2. The composition of the Board is as follows:

Category	Name
*Independent Directors	<ul style="list-style-type: none"> ● Maheen Rahman ● Muneer Kamal
Executive Directors	<ul style="list-style-type: none"> ● Erum Shakir Rahim ● Hasham Baber **
Non-Executive Directors	<ul style="list-style-type: none"> ● Mehmood Mandviwalla ● Dmytro Oliinyk ● Mark Dawson
Female Directors	<ul style="list-style-type: none"> ● Maheen Rahman ● Erum Shakir Rahim

* The requirement of Independent Directors is at least two or one-third of members of the Board, whichever is higher. Two Independent Directors were appointed on the Company's Board and the fraction of 0.33 was not rounded up as one since the two Independent Directors have robustly protected the interests of the minority shareholders. Further, the two elected Independent Directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations.

**Mr. Hasham Baber was appointed as the CFO and Executive Director of the Company on June 01, 2021.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with the date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 ('Act') and the Regulations with respect to frequency, recording and circulating minutes of the meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. 4 directors have attained their Director's Training certification or are otherwise exempt. The company has planned to arrange the Director's Training certification for the remaining directors. The Board has arranged Directors' Training Program for the following:

❖ Dr. Uzma Pirzada – Female Executive

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

There was one fresh appointment of CFO during the year ended December 31, 2021. Mr. Hasham Baber was appointed as the CFO and Executive Director of GSK Pakistan Limited on June 01, 2021.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee

- i. Mr. Muneer Kamal ● Chairman
- ii. Ms. Maheen Rahman
- iii. Mr. Mehmood Mandviwalla
- iv. Mr. Mark Dawson
- v. Mr. Dmytro Oliinyk

b) HR and Remuneration Committee

- i. Ms. Maheen Rahman ● Chairperson
- ii. Mr. Mehmood Mandviwalla
- iii. Mr. Dmytro Oliinyk
- iv. Mr. Mark Dawson
- v. Ms. Erum Shakir Rahim

c) Disclosure Committee

- i. Ms. Erum Shakir Rahim ● Chairperson
- ii. Mr. Dmytro Oliinyk
- iii. Ms. Mehar-e-daraksha Ameer
- iv. Mr. Hasham Baber

Other committees include:

Risk Management Committee

RMCB – consisting of GSK Management Team

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of the meetings (quarterly/ half-yearly /yearly) of the committees were as per following:

- a) Audit Committee Quarterly
- b) HR and Remuneration Committee March 19, 2021
- c) Disclosure Committee May 19, 2021 (Special meeting)
- d) Risk Management Committee (if applicable) November 08, 2021
- Quarterly – Adhoc 15 meetings in 2021

15. The Board has outsourced the internal audit function to Ernst & Young Ford Rhodes, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

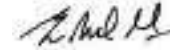
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation with respect to compliance with non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is specified below:

S. No	Requirement	Explanation	Regulation No.
13.	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	Nomination Committee Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the HR&R Committee	29(1)



Mr. Dmytro Oliinyk
Chairman

February 25, 2022
Karachi



Erum Shakir Rahim
Chief Executive Officer

Independent Auditor's Review Report

To the members of GlaxoSmithKline Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **GlaxoSmithKline Pakistan Limited** (the Company) for the year ended December 31, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.



Chartered Accountants

Place: Karachi

Date: March 29, 2022

UDIN: CR202110091EFCfAhLTg

Independent Auditor's Report

To the members of GlaxoSmithKline Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of GlaxoSmithKline Pakistan Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters;

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Carrying value of intangible asset - goodwill</p> <p>Refer to notes 2.11 and 4 to the financial statements.</p> <p>The Company has an intangible asset of goodwill having carrying value of Rs. 955.74 million (2020: Rs. 955.74 million) at year end.</p> <p>The goodwill was recorded on acquisition of Bristol-Myers Squibb (BMS) by the Company through local arrangements. BMS had ceased its operations in Pakistan and all of the products received from BMS on acquisition were continued by the Company with the label of GSK in Pakistan.</p> <p>The Company is required to perform impairment assessment of goodwill at least annually, as it has an indefinite useful life.</p> <p>For the purpose of performing impairment assessments, management has allocated goodwill to appropriate cash generating units ("CGUs"). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows. Management concluded that goodwill was not impaired as of December 31, 2021.</p> <p>We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and terminal growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied, therefore, impairment assessment has been considered as key audit matter.</p>	<p>In this respect, we performed the following procedures:</p> <ul style="list-style-type: none"> - Obtained understanding of management's process over the impairment assessment of goodwill; - Obtained management's value-in-use calculations including future cash flow projections and tested arithmetical accuracy of underlying value-in-use calculations. - Assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, terminal growth rate and discount rates. When assessing key assumptions, we made discussions with management to evaluate the basis for determining the assumptions, and compared them with economic growth forecasts from available external sources. - Performed sensitivity analysis around some assumptions to ascertain that selected adverse changes to discount rate and terminal growth rate would not cause the carrying amount of goodwill to exceed the recoverable amount.

S. No.	Key audit matters	How the matter was addressed in our audit
2.	<p>Valuation of stock-in-trade</p> <p>Refer to notes 2.13 and 7 to the financial statements.</p> <p>As at December 31, 2021, the Company held stock-in-trade of Rs. 6,505.40 million, which is 21.36% of total assets and against which provision for slow moving, obsolete and damaged stock of Rs. 548.26 million has been recorded.</p> <p>We focused on stock-in-trade as it is a significant portion of Company's total assets and it requires management judgement with respect to standard costs (including capitalisation of variances), determination of net realizable value and determination of obsolescence of stock.</p>	<p>In this respect, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - Obtained an understanding of policies and procedures followed by the Company with respect to valuation of stock-in-trade; - Assessed appropriateness of the Company's accounting policies for valuation of stock-in-trade and compliance of those policies with accounting and reporting standards as applicable in Pakistan; - On a sample basis, verified supporting documents for purchases of stock-in-trade and the production costs; - Obtained working of variances recorded by management, including changes made in the current year and tested the amounts, which were incurred and retained to actualize the standard cost of stock-in-trade at year end; - Obtained an understanding and assessed reasonableness of the management's process for determination of Net Realizable Value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; - Compared the NRV, on a sample basis, to the carrying value of stock-in-trade to assess whether any adjustments were required to carrying value of stock-in-trade in accordance with the policy; and - Tested provision recorded for obsolete stock-in-trade to ensure that whether it was as per the policy of the Company.

S. No.	Key audit matters	How the matter was addressed in our audit
3	<p data-bbox="263 294 725 322">Tax related litigations and contingencies</p> <p data-bbox="263 400 745 455">Refer to notes 21.1 (b) and (c) to the financial statements.</p> <p data-bbox="263 533 805 711">The Company has litigation cases in respect of income tax and sales tax matters, which are pending at various forums including Honorable High Court of Sindh, Commissioner Inland Revenue (Appeals) (CIR(A)) and Appellate Tribunal Inland Revenue (ATIR).</p> <p data-bbox="263 788 802 1085">Matters under litigation require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations, the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such litigation matters. Further, management also has a practice of consulting their legal and tax experts on the matters before deciding on the significant tax matters.</p> <p data-bbox="263 1163 794 1371">Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts, we considered litigation matters relating to tax contingencies as a key audit matter.</p>	<p data-bbox="826 400 1295 455">In this respect, we performed following audit procedures:</p> <ul data-bbox="826 513 1372 1181" style="list-style-type: none"> <li data-bbox="826 513 1372 600">- Obtained and reviewed details of the pending litigations and discussed the same with the Company's management. <li data-bbox="826 676 1372 885">- Reviewed correspondences, on a sample basis, relating to pending tax assessments of the Company with the relevant authorities including judgments or orders passed by the competent authorities / courts of law in relation to the issues involved or matters which have similarities with the issues involved; <li data-bbox="826 960 1372 1048">- Obtained confirmations from the Company's external legal and tax counsels for their views on open tax assessments and legal cases; and <li data-bbox="826 1124 1372 1181">- Reviewed disclosures made in respect of these litigations in the financial statements.

Information Other than the financial statements and the Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended December 31, 2021, but does not include the financial statements, our auditor's report thereon, and review report issued on statement of compliance with Code of Corporate Governance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

Responsibilities of Management and Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



Chartered Accountants

Place: Karachi

Date: March 29, 2022

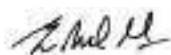
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Statement of Financial Position

As at December 31, 2021

	Note	2021	2020
		Rupees in '000	
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,407,875	9,936,002
Intangibles	4	991,742	991,742
Long-term loans to employees	5	64,521	72,838
Long-term deposits		22,010	22,010
		<u>11,486,148</u>	<u>11,022,592</u>
Current assets			
Stores and spares	6	190,666	194,317
Stock-in-trade	7	6,505,401	5,743,505
Trade receivables	8	1,315,550	1,204,143
Loans and advances	9	412,422	378,482
Trade deposits and prepayments	10	157,963	307,293
Taxation - payments less provision		-	41,798
Refunds due from Government	11	43,643	44,643
Other receivables	12	1,624,991	998,067
Investments - at amortised cost	13	1,633,183	450,623
Cash and bank balances	14	7,085,344	5,604,548
		<u>18,969,163</u>	<u>14,967,419</u>
Assets of disposal groups classified as held for sale / disposal		-	81,985
Total assets		<u><u>30,455,311</u></u>	<u><u>26,071,996</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	3,184,672	3,184,672
Reserves	16	17,801,993	14,293,592
Total equity		<u>20,986,665</u>	<u>17,478,264</u>
LIABILITIES			
Non-current liabilities			
Staff retirement benefits	17	298,885	508,622
Deferred taxation	18	806,632	674,967
Lease liabilities		32,710	31,559
		<u>1,138,227</u>	<u>1,215,148</u>
Current liabilities			
Trade and other payables	19	7,035,632	7,215,123
Taxation - provision less payments		1,116,360	-
Provisions	20	32,591	38,964
Current portion of lease liabilities		20,891	7,778
Unclaimed dividend		124,945	116,719
		<u>8,330,419</u>	<u>7,378,584</u>
Total liabilities		<u>9,468,646</u>	<u>8,593,732</u>
Total equity and liabilities		<u><u>30,455,311</u></u>	<u><u>26,071,996</u></u>
Contingencies and commitments	21		

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



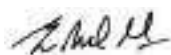
Director

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2021

	Note	2021 ----- Rupees in '000 -----	2020 -----
Revenue from contracts with customers - net	22	36,660,772	35,090,112
Cost of sales	23	(26,923,923)	(27,555,732)
Gross profit		9,736,849	7,534,380
Selling, marketing and distribution expenses	24	(2,984,593)	(2,766,755)
Administrative expenses	25	(1,072,086)	(1,331,548)
Other operating expenses	26	(645,605)	(426,320)
Other income	27	2,554,318	1,977,036
Operating profit		7,588,883	4,986,793
Financial charges	28	(164,433)	(84,111)
Profit before taxation for the year		7,424,450	4,902,682
Taxation - net	29	(2,070,041)	(1,527,442)
Profit after taxation for the year		5,354,409	3,375,240
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurement of staff retirement benefits	17.1.8	315,398	(173,922)
Impact of taxation	18	(91,369)	50,354
		224,029	(123,568)
Total comprehensive income		5,578,438	3,251,672
----- Rupees -----			
Earnings per share	30	<u>16.81</u>	<u>10.60</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



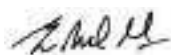
Director

Statement of Changes in Equity

For the year ended December 31, 2021

	Share capital	Capital reserve Reserve arising on schemes of arrangements	Revenue reserves		Total
			General reserve	Unappropriated profit	
----- Rupees in '000 -----					
Balance as at January 1, 2020	3,184,672	1,126,923	3,999,970	7,825,831	16,137,396
Transactions with owner recorded directly in equity - distribution					
Final dividend for the year ended December 31, 2019 @ Rs. 6 per share	-	-	-	(1,910,804)	(1,910,804)
Profit after taxation for the year	-	-	-	3,375,240	3,375,240
Other comprehensive loss	-	-	-	(123,568)	(123,568)
Total comprehensive income for the year	-	-	-	3,251,672	3,251,672
Balance as at December 31, 2020	3,184,672	1,126,923	3,999,970	9,166,699	17,478,264
Transactions with owner recorded directly in equity - distribution					
Final dividend for the year ended December 31, 2020 @ Rs. 6.5 per share	-	-	-	(2,070,037)	(2,070,037)
Profit after taxation for the year	-	-	-	5,354,409	5,354,409
Other comprehensive income	-	-	-	224,029	224,029
Total comprehensive income	-	-	-	5,578,438	5,578,438
Balance as at December 31, 2021	3,184,672	1,126,923	3,999,970	12,675,100	20,986,665

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



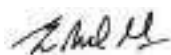
Director

Statement of Cash Flows

For the year ended December 31, 2021

	Note	2021	2020
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	5,976,729	6,853,455
Mark-up paid		-	(8,857)
Staff retirement benefits paid		(126,353)	(104,801)
Income taxes paid		(871,587)	(809,998)
Decrease in long-term loans to employees and long-term deposits		8,317	30,386
Net cash generated from operating activities		4,987,106	5,960,185
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(1,303,769)	(1,316,019)
Proceeds from disposal of operating assets		100,718	52,992
Proceeds from disposal of non-current assets held for sale		676,549	-
Return received on bank balances and investments		374,941	237,102
Net cash used in investing activities		(151,561)	(1,025,925)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	40	(2,061,811)	(1,891,561)
Lease rentals paid		(11,462)	(12,094)
Net cash used in financing activities		(2,073,273)	(1,903,655)
Net increase in cash and cash equivalents		2,762,272	3,030,605
Cash and cash equivalents at the beginning of the year		5,720,501	2,689,896
Cash and cash equivalents at the end of the year	32	8,482,773	5,720,501

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes to the Financial Statements

For the year ended December 31, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 GlaxoSmithKline Pakistan Limited (the Company) is incorporated in Pakistan as a limited liability company and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 35 - Dockyard Road, West Wharf, Karachi, Sindh. It is engaged in manufacturing and marketing of pharmaceutical products.

The Company is a subsidiary of S.R. One International B.V., incorporated in Netherlands, whereas its ultimate parent company is GlaxoSmithKline plc, UK (GSK plc).

1.2 Due to the pending transfer of marketing authorisations and permissions for certain Over the Counter (OTC) products of GlaxoSmithKline Consumer Healthcare Pakistan Limited (GSK CH) with Drug Regulatory Authority of Pakistan (DRAP), the Company, for and on behalf of GSK CH was engaged in the procurement, manufacturing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by the Company. In 2020, the marketing authorisation and permissions for certain OTC products were transferred to GSK CH and therefore, GSK CH is now involved in procurement, manufacturing and managing of such inventory items since approval date. During the year, the marketing authorisation and permission for one more OTC product has been transferred to GSK CH.

1.3 Impact of COVID - 19 on the financial statements

The coronavirus (COVID-19) outbreak, emerged last year (March 2020), has caused governments around the world to implement strict measures to control its spread. This includes smart lock-downs, travel bans, quarantine, social-distancing, closures or reduced operations for non-essential businesses, governmental agencies, schools and other institutions.

General economic activities in Pakistan were although affected but continued since then. However, pharmaceutical businesses were allowed to continue their operations by both provincial and federal governments in order to ensure availability of essential medicines in the market. Staff of the Company were working without any disruption either from office / plant or online remotely.

The management of the Company is closely monitoring the situation, and there has not been any material impact on the financial performance of the Company as it was fully operational during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise disclosed or specified.

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ with the requirements of IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.1.2 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand unless otherwise indicated.

2.1.3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant which have been disclosed in the relevant notes to the financial statements are:

- i) Intangibles (notes 2.11 and 4)
- ii) Provision for retirement benefits (notes 2.4 and 17)
- iii) Depreciation (notes 2.9 and 3)
- iv) Provision for obsolete and slow moving stock (notes 2.13 and 7)
- v) Allowance for impairment of trade receivables (notes 2.18.4 and 8)
- vi) Taxation (notes 2.6 and 29)
- vii) Impairment of non-financial assets (note 2.10)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2.2 Application of new standards, amendments and interpretations to the published approved accounting and reporting standards

2.2.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2021

The following amendments are effective for the year ended December 31, 2021. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
- Amendment to IFRS 16 'Leases' - COVID-19 related rent concessions	June 1, 2020
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021

2.2.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
- Amendment to IFRS 16 'Leases' - COVID-19 related rent concessions extended beyond June 30, 2021	April 1, 2021
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 1, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 1, 2022

Effective from accounting period beginning on or after

- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41) January 1, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract January 1, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current, Disclosures of accounting policies January 1, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates January 1, 2023
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction. January 1, 2023

2.2.3 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

2.4 Staff retirement benefits

2.4.1 Defined benefit plan

The Company operates an approved funded gratuity plan (the Plan) for its permanent employees.

Gratuity is based on employees' last drawn salary. Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method. Actuarial gain or loss (re-measurements) are immediately recognised in the Other Comprehensive Income as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligation as reduced by the fair value of the plan assets. Current service costs and any past service costs together with net interest cost are charged to profit or loss and other comprehensive income.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the Plan.

2.4.2 Defined contribution plan

The Company also operates approved contributory provident funds for all its permanent employees. Equal monthly contributions are made both by the Company and the employee at the rate of 10% per annum of the basic salary.

2.5 Compensated absences

The Company provides for compensated absences of its non-management employees on un-availed balance of leave in the period in which the leave is earned.

2.6 Taxation

2.6.1 Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and taxes paid under the final tax regime.

2.6.2 Deferred

Deferred tax is recognised using balance sheet method for all temporary differences arising at the reporting date between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits and taxable temporary differences will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits and taxable temporary differences will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The effect of deferred taxation of the portion of the income subject to final tax regime is also considered in accordance with the requirements of Technical Release - 27 of The Institute of Chartered Accountants of Pakistan.

2.7 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

The amount recognised as provision is the best estimate of consideration required to settle the present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation.

2.8 Share capital

Ordinary shares are classified as equity and are recorded at their face value. Transaction costs directly attributable to the issue of shares are shown in equity as deduction, net of tax, from the proceeds.

2.9 Property, plant and equipment

2.9.1 Operating assets

Operating assets are stated at cost less accumulated depreciation / amortisation and accumulated impairment, if any.

Depreciation is charged using the straight line method whereby the carrying value of an asset less estimated residual value, if not insignificant, is written off over its estimated remaining useful life. Depreciation / amortisation on assets is charged from the month of addition to the month of disposal. Cost of leasehold land is amortised over the period of the lease.

Major spare parts and stand-by equipment qualify for recognition as fixed assets when the entity expects to use these for more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income during the year in which they are incurred.

Gains and losses on disposal of fixed assets are included in statement of profit or loss during the year in which the asset is disposed off.

Depreciation methods, useful lives and residual values of each item of property, plant and equipment that is significant in relation to the total cost of the assets are reviewed and adjusted, if appropriate annually.

2.9.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any. It consists of expenditure incurred and advances made in respect of property, plant and equipment in the course of their acquisition, construction and installation. Transfers are made to the relevant category of assets when assets are available for intended use.

2.10 Impairment of non-financial assets

Carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, assets or cash-generating units are tested for impairment. Cash-generating units to which goodwill is allocated are tested for impairment annually. Where the carrying values of assets or cash-generating units exceed the estimated recoverable amount, these are written down to their recoverable amount and the resulting impairment is charged to statement of profit or loss and other comprehensive income.

Impairment is reversed only if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised carrying value does not exceed the carrying value that would have existed, had no impairment been recognised, except impairment of goodwill which is not reversed.

2.11 Intangibles

2.11.1 Goodwill

In a business combination, goodwill is recognised at the acquisition date and measured at the fair value of consideration paid less the fair value of net assets acquired. After initial recognition, it is carried at cost less accumulated impairment, if any. Goodwill is assessed annually for impairment.

2.11.2 Market authorisation rights

Market authorisation rights (the rights) are recognised if it is probable that future economic benefits attributable to the rights will flow to the Company and cost of such rights can be measured reliably. The rights acquired by the Company are initially recognised at cost and are carried at cost less accumulated amortisation and impairment, if any.

2.12 Stores and spares

These are valued at lower of cost, determined using weighted average method, and net realisable value, less provision for obsolete items, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date. Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.

2.13 Stock-in-trade

These are valued at lower of cost and net realisable value. Cost is determined using first-in first-out method.

Cost of raw and packing materials comprise of purchase price including directly related expenses less trade discounts, if any. Cost of work-in-process and finished goods include cost of raw and packing materials, direct labour and related production overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less necessary costs to be incurred to make the sale. Provision is made for slow moving and expired inventory where considered necessary.

Stock-in-transit is carried at accumulated cost incurred upto reporting date.

2.14 Assets held for sale / disposal

Assets are classified as held for sale / disposal if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets are available for sale in their present condition subject only to terms that are usual and customary for sale of such assets and their sale is highly probable.

The Company measures its assets classified as held for sale / disposal at the lower of carrying amount and fair value less costs to sell. Costs to sell signify the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

2.15 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash and cheques in hand, balances with banks in current, savings and deposit accounts, short-term investments having maturity of upto three months, short-term borrowings under running finance and book overdraft, if any.

2.16 Foreign currency transactions and translation

Foreign currency transactions are recorded into Pakistan Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currency are translated into Pakistan Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are taken to statement of profit or loss in the year in which they arise.

2.17 Revenue recognition

Revenue from contract with customers is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods, scrap sales or service fee is recognised when or as control of goods or services have been transferred to a customer either over time or at a point in time, when the performance obligations are met.
- Returns on savings account, deposit accounts and investments at amortised cost are recognised using effective interest rate method.
- Insurance commission is recognised when performance obligation is met.
- Promotional allowance is recognised when the right to receive the allowance is established.

2.18 Financial assets and liabilities

2.18.1 Initial recognition

All financial assets and financial liabilities are initially measured at their fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability.

These are subsequently measured at fair value or amortised cost as the case may be. The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instruments.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

2.18.2 Classification

Financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit and loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost ("AC").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortised cost ("AC").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

2.18.3 Subsequent measurement

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive (loss) / income.

(ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are carried at amortised cost using the effective interest method, and in the case of financial assets, less any impairment.

Gains or losses are recognised in the statement of profit or loss when financial instrument are derecognised or impaired or through the amortisation process.

(iii) Financial assets and liabilities at FVTPL

Realised and unrealised gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive (loss) / income.

2.18.4 Impairment of financial assets

For financial assets measured at amortised cost, recognition of impairment based on expected credit loss (ECL) model. The Company measures loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets, majority of the assets of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2.18.5 Derecognition

(i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to the statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the statement of profit or loss, but is transferred to statement of changes in equity.

(ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

2.19 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.20 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves is recognised in the period in which these are approved.

2.21 Share-based payments

Cash-settled share-based payments of shares provided to employees are recorded as liability in the financial statements at fair value over the period the services are received.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments. The management has determined that the Company has a single reportable segment as the CODM views the Company's operations as one reportable segment.

2.23 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.24 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

2021
2020
----- Rupees in '000 -----

3. PROPERTY, PLANT AND EQUIPMENT

Operating assets	3.1	9,007,834	8,706,886
Major spare parts and stand-by equipment	3.3	177,333	161,100
Capital work-in-progress	3.4	1,178,022	1,028,825
Right-of-use assets - land and buildings	3.5	44,686	39,191
		10,407,875	9,936,002

3.1 Operating assets

	Leasehold land	Building on leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Total
----- Rupees in '000 -----							
Net carrying value							
Year ended December 31, 2021							
Opening net book value	265,474	2,219,760	5,083,861	128,761	499,886	509,144	8,706,886
Additions (at cost)	-	77,422	613,868	32,647	230,809	183,592	1,138,338
Disposals							
- Cost	(15,147)	(36,508)	(145,215)	(9,997)	(92,438)	(85,070)	(384,375)
- Accumulated depreciation	10,408	23,838	112,541	9,505	61,966	81,732	299,990
- Accumulated impairment	-	4,168	18,013	152	-	666	22,999
	(4,739)	(8,502)	(14,661)	(340)	(30,472)	(2,672)	(61,386)
Depreciation charge	(4,543)	(82,260)	(372,140)	(25,797)	(145,857)	(129,871)	(760,468)
Impairment charge	-	-	(15,339)	(59)	-	(138)	(15,536)
Closing net book value	256,192	2,206,420	5,295,589	135,212	554,366	560,055	9,007,834
Gross carrying value							
At December 31, 2021							
Cost	316,412	2,952,930	9,582,798	355,137	1,076,661	1,350,167	15,634,105
Accumulated depreciation	(60,220)	(721,892)	(4,042,905)	(219,421)	(522,295)	(788,742)	(6,355,475)
Accumulated impairment	-	(24,618)	(244,304)	(504)	-	(1,370)	(270,796)
Net book value	256,192	2,206,420	5,295,589	135,212	554,366	560,055	9,007,834
Depreciation rate per annum	1% to 2.5%	2.5%	5% to 6.67%	10%	25%	10% to 33.33%	
Net carrying value							
Year ended December 31, 2020							
Opening net book value	270,444	2,233,277	5,152,835	135,314	445,883	435,258	8,673,011
Additions (at cost)	-	160,982	306,181	17,942	214,981	180,914	881,000
Disposals							
- Cost	-	(27)	(65,508)	(6,950)	(91,358)	(11,507)	(175,350)
- Accumulated depreciation	-	15	52,934	6,464	59,536	10,017	128,966
- Accumulated impairment	-	12	9,161	486	-	944	10,603
	-	-	(3,413)	-	(31,822)	(546)	(35,781)
Transferred to disposal group classified as held for sale / disposal							
- Cost	-	(162,883)	-	(12,225)	(2,636)	(41,916)	(219,660)
- Accumulated depreciation	-	85,770	-	12,175	2,636	37,094	137,675
	-	(77,113)	-	(50)	-	(4,822)	(81,985)
Depreciation charge	(4,970)	(83,889)	(356,028)	(24,054)	(129,156)	(100,450)	(698,547)
Impairment charge	-	(13,497)	(15,714)	(391)	-	(1,210)	(30,812)
Closing net book value	265,474	2,219,760	5,083,861	128,761	499,886	509,144	8,706,886
Gross carrying value							
At December 31, 2020							
Cost	331,559	2,912,016	9,114,145	332,487	938,290	1,251,645	14,880,142
Accumulated depreciation	(66,085)	(663,470)	(3,783,306)	(203,129)	(438,404)	(740,603)	(5,894,997)
Accumulated impairment	-	(28,786)	(246,978)	(597)	-	(1,898)	(278,259)
Net book value	265,474	2,219,760	5,083,861	128,761	499,886	509,144	8,706,886
Depreciation rate per annum	1% to 2.5%	2.5%	5% to 6.67%	10%	25%	10% to 33.33%	

3.2 Details of assets sold, having net book value in excess of Rs. 500,000:

Description	Cost	Accumulated depreciation and impairment	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
----- Rupees in '000 -----							
Leasehold land	3,486	2,397	1,089*	120,311	119,222	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	2,278	1,428	850*	58,970	58,120	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	4,776	3,002	1,774*	84,976	83,202	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	2,582	1,557	1,025*	57,920	56,895	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
Building on leasehold land	2,779	840	1,939*	1,939	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	15,839	11,740	4,099*	4,099	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	2,099	735	1,364*	1,364	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	9,637	5,955	3,682*	3,682	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	13,886	8,469	5,417*	5,417	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	2,937	991	1,946*	1,946	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	6,104	1,488	4,616*	4,616	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	11,274	1,644	9,630*	9,630	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	2,960	327	2,633*	2,633	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	635	66	569*	569	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	8,748	6,208	2,540*	2,540	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	1,941	1,211	730*	730	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	5,787	2,315	3,472*	3,472	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	20,706	7,506	13,200*	13,200	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	1,850	385	1,465*	1,465	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	1,379	276	1,103*	1,103	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	3,052	318	2,734*	2,734	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	2,490	1,768	722*	722	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	13,220	7,801	5,419*	5,419	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi

Description	Cost	Accumulated depreciation and impairment	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
----- Rupees in '000 -----							
"	9,903	7,340	2,563*	2,563	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	12,706	8,914	3,792*	3,792	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
"	3,090	1,416	1,674*	1,674	-	Tender	M/S SAF and Company, Plot#D-13, Main Naurus Chowrangi, SITE, Karachi
Plant and machinery	1,637	982	655	119	(536)	Tender	M/s Shakoor Brothers - Plot#SA-06, ST-04, Sector-27, Korangi Industrial Area, Karachi
"	11,572	4,050	7,522	246	(7,276)	Tender	M/s Saad Enterprises - Plot#34,36, General Godown, Shershah Haroonabad, Karachi
"	16,155	14,248	1,907	2,131	224	Tender	M/s Al-Khair Traders - Flat#D-1/3 Compound T.N.T Flats F.C. Area, Karachi
"	16,155	14,248	1,907	2,131	224	Tender	M/s Al-Khair Traders - Flat#D-1/3 Compound T.N.T Flats F.C. Area, Karachi
Vehicles	2,897	1,584	1,313	3,151	1,838	Tender	Mr. Khalil Ahmed - R/O-61/G, Block-6, PECHS, Karachi
"	2,054	931	1,123	1,643	520	Company policy	Mr. Muhammad Owais - Ex-Executive
"	2,897	1,675	1,222	2,318	1,096	Company policy	Mr. Khurram Rafiq Ahmed - Ex-Executive
"	2,304	828	1,476	1,575	99	Company policy	Ms. Samina Abbas - Ex-Executive
"	3,108	1,311	1,797	2,797	1,000	Company policy	Mr. Farhan Khawaja - Ex-Executive
"	2,717	1,104	1,613	2,445	832	Company policy	Ms. Ayesha Bibi - Ex-Executive
"	2,516	1,887	629	629	-	Company policy	Mr. Naved Masoom Ali - BU Head
"	1,865	1,078	787	960	173	Company policy	Mr. Salim Merchant - Ex-Executive
"	2,303	1,583	720	2,388	1,668	Tender	M/s Augmentech Business Solution Pvt Ltd - 1st Floor, 28-A, MM Tower, Block-K, MM Alam Road, Gulberg II, Lahore
"	2,755	904	1,851	2,342	491	Company policy	Mr. Zubair Azmat - Ex-Executive
"	2,755	775	1,980	2,342	362	Company policy	Mr. Khwaja Muhammad Saquib - Executive
"	2,717	722	1,995	2,309	314	Company policy	Mr. Muhammad Usman Akhtar - Ex-Executive
"	3,108	1,311	1,797	2,797	1,000	Company policy	Mr. Azam Siddiqui - Ex-Executive
"	3,108	1,214	1,894	3,108	1,214	Insurance claim	M/s EFU General Insurance Ltd - 4th Floor EFU House, M.A. Jinnah Road, Karachi
"	4,159	715	3,444	4,134	690	Insurance claim	M/s EFU General Insurance Ltd - 4th Floor EFU House, M.A. Jinnah Road, Karachi
	252,926	137,247	115,679	437,051	321,372		

* These disposals pertain to assets that were classified as non-current asset held for sale as at December 31, 2020.

	2021	2020
Note	----- Rupees in '000 -----	
3.3 Major spare parts and stand-by equipments		
Balance at beginning of the year	161,100	155,728
Additions during the year	36,867	34,558
Transfers made during the year	(20,634)	(29,186)
Balance at end of the year	177,333	161,100

3.4 Capital work-in-progress

Civil work	84,479	48,749
Plant and machinery	761,391	752,683
Furniture and fixtures	21,526	5,115
Office equipment	236,255	154,891
Advances to suppliers	74,371	67,387
3.4.2		
3.4.1	1,178,022	1,028,825

3.4.1 Capital work-in-progress is net off of accumulated impairment of Rs. 12.15 million (2020: Rs. 12.15 million).

3.4.2 The advances to suppliers do not carry any interest or mark up.

	2021	2020
	----- Rupees in '000 -----	

3.5 Right-of-use assets - land and buildings

Balance at beginning of the year	39,191	52,011
Additions during the year	20,300	-
Depreciation for the year	(14,805)	(12,820)
Balance at end of the year	44,686	39,191

3.6 Particulars of immovable properties in the name of the Company are as follows:

Location	Usage	Total Area (In sq. metres)
F-268, S.I.T.E., Near Labour Square, Karachi	Manufacturing	43,722
Plot No. 5, Sector 21, Korangi Industrial Area, Karachi	Manufacturing	31,720
Aleem House, Plot No. 409, Sector I-9, Industrial Area, Islamabad	Sales office	4,645

	2021	2020
Note	----- Rupees in '000 -----	
4. INTANGIBLES		
Market authorisation rights		
Cost	4.1	126,330
Less: Provision for impairment	4.1 & 4.2	(90,330)
		36,000
Goodwill	4.2	955,742
		991,742

4.1 This includes Rs. 40.3 million paid as consideration to Novartis Pharma (Pakistan) Limited (NPPL) in respect of acquiring market authorisation rights in relation to NPPL's vaccine business and Rs. 86 million paid as consideration for acquiring market authorisation rights of Traxon from Akhai Pharmaceuticals (Private) Limited. The provision includes Rs. 50 million in respect of marketing authorisation of Traxon from Akhai Pharmaceuticals (Private) Limited and Rs. 40.3 million in respect of marketing authorisation in relation to NPPL.

4.2 The recoverable amount of intangibles is the higher of value-in-use and fair value less cost to sell. Value-in-use is calculated as the net present value of the projected cash flows of the intangibles to which the asset belongs, discounted at risk-adjusted discount rate.

Details relating to the discounted cash flow model used in the impairment test are as follows:

Valuation basis	Value-in-use
Key assumptions	Sales growth rates
	Discount rate
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information and past performance. Cost reflects past experience, adjusted for inflation and expected changes. Discount rate is primarily based on weighted average cost of capital.
Terminal growth rate	2%
Period of specific projected cash flows	5 years
Discount rate	13.5%

The valuation indicates sufficient headroom such that a 1% change in the terminal growth and discount rate has not resulted in an impairment of the related intangibles.

	Note	2021	2020
		Rupees in '000	
5. LONG - TERM LOANS TO EMPLOYEES			
Loan to employees - secured - considered good	5.1	123,770	125,169
Less: Recoverable within one year	9	(59,249)	(52,331)
		<u>64,521</u>	<u>72,838</u>

5.1 These loans have been given in accordance with the terms of employment for purchase of house, motor car, motor cycle, computer and for the purpose of staff welfare and are repayable in 12 to 60 equal monthly installments depending upon the type of the loan. These loans are interest free except certain loans which carry interest ranging from 5% to 8% per annum (2020: 5% to 8% per annum). All loans are secured against the retirement fund balances.

	2021	2020
	Rupees in '000	
6. STORES AND SPARES		
Stores and spares	216,691	221,621
Less: Provision for slow moving and obsolete stores and spares	(26,025)	(27,304)
	<u>190,666</u>	<u>194,317</u>

	Note	2021	2020
		----- Rupees in '000 -----	
7. STOCK-IN-TRADE			
Raw and packing materials including in transit Rs. 90.85 million (2020: Rs. 48.17 million)		3,529,190	2,738,830
Work-in-process		130,296	243,699
Finished goods including in transit Rs. 300.32 million (2020: Rs. 535.91 million)		3,394,172	3,345,686
		<u>7,053,658</u>	<u>6,328,215</u>
Less: Provision for slow moving, obsolete and damaged items	7.3	(548,257)	(584,710)
		<u>6,505,401</u>	<u>5,743,505</u>
7.1 Details of stock-in-trade held with the third parties is as follows:			
Stock held at third party warehouses			
- Emirates Supply Chain Services (Private) Limited		1,279,447	996,103
- Connect Logistics (Private) Limited		273,301	1,634,574
7.2 Finished goods include items costing Rs. 1.4 billion (2020: Rs. 0.71 billion) valued at net realisable value of Rs. 1.07 billion (2020: Rs. 0.53 billion). Raw and packing materials have been lowered by Rs. 204.3 million (2020: Rs. 72.3 million) and WIP has been lowered by Rs. 7.6 million (2020: Rs. 6.6 million) respectively to recognise them at Net Realizable Value.			
7.3 During the year, stock-in-trade of Rs. 346.43 million (2020: Rs. 159.73 million) have been written-off against provision.			
		2021	2020
		----- Rupees in '000 -----	
8. TRADE RECEIVABLES			
Trade receivables			
- Associated companies	8.1 & 8.3	140,277	48,032
- Others	8.2	1,425,540	1,363,636
		<u>1,565,817</u>	<u>1,411,668</u>
Less: Allowance for impairment of trade receivables		(250,267)	(207,525)
		<u>1,315,550</u>	<u>1,204,143</u>
8.1 Due from associated companies			
GlaxoSmithKline Consumer Healthcare Pakistan Limited		<u>140,277</u>	<u>48,032</u>
8.1.1 The ageing analysis of due from associated companies is as follows:			
Not yet due		<u>140,277</u>	<u>48,032</u>

	2021	2020
	----- Rupees in '000 -----	
8.2	The ageing analysis of trade receivables past due but not impaired is as follows:	
Upto 3 months	493,419	381,538
3 to 6 months	354,305	394,896
6 to 12 months	117,647	27,266
Over 1 year	343,683	187,810
	1,309,054	991,510

8.3 The maximum aggregate amount due from GSK Consumer Healthcare Pakistan Limited at the end of any month during the year was Rs. 304.47 million (2020: Rs. 48.03 million).

	2021	2020
	----- Rupees in '000 -----	
9. LOANS AND ADVANCES		
Considered good		
Current portion of long-term loans to employees	5	59,249
Advances:		
- to employees	9.1	14,420
- to suppliers		254,205
- against letter of credit		84,548
		412,422
Considered doubtful		
Advances to suppliers		6,387
		418,809
Less: Provision for doubtful advances		(6,387)
		378,482

9.1 Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.

	2021	2020
	----- Rupees in '000 -----	
10. TRADE DEPOSITS AND PREPAYMENTS		
Trade deposits		
- considered good		150,754
- considered doubtful		60,184
		210,938
Less: Provision for doubtful deposits		(60,184)
		150,754
Prepayments		7,209
		157,963

11. REFUNDS DUE FROM GOVERNMENT

Custom duty and sales tax		
- considered good		43,643
- considered doubtful		65,556
		109,199
Less: Provision for doubtful refundables		(65,556)
		43,643

	Note	2021	2020
----- Rupees in '000 -----			
12. OTHER RECEIVABLES			
Considered good			
Due from related parties - Associated companies	12.1	1,568,277	968,477
Workers' Profits Participation Fund	12.4	-	20,590
Others			
- Considered good		56,714	9,000
- Considered doubtful		20,775	20,775
		1,645,766	1,018,842
Less: Provision for doubtful receivables		(20,775)	(20,775)
		1,624,991	998,067

12.1 Due from associated companies

GlaxoSmithKline Trading Services Limited		1,255,422	700,306
GlaxoSmithKline Biologicals, S.A.		47,322	38,756
Stiefel Laboratories (Pte) Limited, Singapore	12.1.1	222,203	204,818
GSK Business Service Centre Sdn Bhd		1,097	-
Glaxo Operations UK Limited		3,424	13,455
GlaxoSmithKline Export Limited		3,658	-
GSK Services Unlimited, UK		8,734	-
ViiV Healthcare UK Limited		1,582	-
GSK Australia Pty Limited		-	11,142
GSK Exports Limited		1,787	-
Human Genome Sciences, Inc.		4,789	-
GlaxoSmithKline South Africa (Pty) Limited		6,813	-
GSK CH (UK) Trading Limited		11,446	-
		1,568,277	968,477

12.1.1 The Company also has Rs. 222.20 million (2020: Rs. 204.82 million) payable to Stiefel Laboratories (Pte) Limited that has been classified in trade and other payables.

12.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 1.57 billion (2020: Rs. 1.02 billion).

12.3 As at December 31, 2021, the age analysis of these related party receivables is as follows:

	Note	2021	2020
----- Rupees in '000 -----			
Upto 3 months		1,346,074	763,659
More than 3 months		222,203	204,818
		1,568,277	968,477
12.4 Workers' Profits Participation Fund			
Opening balance asset / (liability)		20,590	(5,693)
Allocation for the year	26	(403,503)	(266,450)
Payment to the fund		-	292,733
Closing balance (liability) / asset		(382,913)	20,590

13. INVESTMENTS - AT AMORTISED COST

These represent four treasury bills (2020: two treasury bills) which are held with Company's banker for safe custody yielding 8.17% to 10.66% per annum (2020: 7.15% to 7.18% per annum) with maturity by January 2022 to March 2022 (2020: by January 2021 and February 2021 respectively).

	Note	2021 ----- Rupees in '000 -----	2020 ----- Rupees in '000 -----
14. CASH AND BANK BALANCES			
With banks			
in deposit accounts (financial asset at amortised cost)	14.1	-	5,000,000
in PLS savings accounts	14.1 & 14.2	6,912,173	400,828
in current accounts [including foreign currency account Rs. 46.32 million (2020: Rs. 41.95 million)]		172,992	203,541
Cash and cheques in hand		179	179
		<u>7,085,344</u>	<u>5,604,548</u>

14.1 At December 31, 2021 the rates of mark-up on PLS savings accounts and on term deposit accounts were 7.25% to 7.85% (2020: 3% to 6.10%) per annum and nil (2020: 6.65%) per annum respectively.

14.2 These include Rs.1.45 million (2020: Rs. 1.45 million) under lien with bank against bank guarantee issued on behalf of the Company.

15. SHARE CAPITAL

Authorised share capital

2021 ----- Number of shares -----	2020 ----- Number of shares -----		2021 ----- Rupees in '000 -----	2020 ----- Rupees in '000 -----
<u>500,000,000</u>	<u>500,000,000</u>	Ordinary shares of Rs.10 each	<u>5,000,000</u>	<u>5,000,000</u>

Issued, subscribed and paid up capital

2021 ----- Number of shares -----	2020 ----- Number of shares -----		2021 ----- Rupees in '000 -----	2020 ----- Rupees in '000 -----
5,386,825	5,386,825	Ordinary shares of Rs. 10 each fully paid in cash	53,868	53,868
64,339,835	64,339,835	Ordinary shares of Rs. 10 each fully paid for consideration other than cash	643,398	643,398
248,740,618	248,740,618	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	2,487,406	2,487,406
<u>318,467,278</u>	<u>318,467,278</u>		<u>3,184,672</u>	<u>3,184,672</u>

15.1 As at December 31, 2021 S.R. One International B.V., Netherlands and its nominees held 263,029,794 shares (2020: 263,029,794 shares).

15.2 The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

	Note	2021 ----- Rupees in '000 -----	2020
16. RESERVES			
Capital reserve	16.1	1,126,923	1,126,923
Revenue reserves			
General reserve		3,999,970	3,999,970
Unappropriated profit		12,675,100	9,166,699
		16,675,070	13,166,669
		<u>17,801,993</u>	<u>14,293,592</u>

16.1 This represents reserve created on various schemes of arrangements involving the Company.

	Note	2021 ----- Rupees in '000 -----	2020
17. STAFF RETIREMENT BENEFITS			
17.1 Staff retirement benefit plans			
GlaxoSmithKline Pakistan Limited Employees' Gratuity Fund	17.1.4	298,885	508,622

17.1.1 The Company operates an approved funded gratuity scheme for its permanent employees (the Plan). Actuarial valuation of this Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2021 using the Projected Unit Credit Method.

17.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plan, including investment decisions and contribution schedules, lies with the Board of Trustees of the Plan. The Company appoints the trustees and all trustees are employees of the Company.

17.1.3 Details of the Plan as per the actuarial valuation are as follows:

	Note	2021 ----- Rupees in '000 -----	2020
17.1.4 Statement of financial position - reconciliation			
Present value of defined benefit obligation	17.1.5	2,123,752	2,314,763
Fair value of plan assets	17.1.6	(1,824,867)	(1,806,141)
Deficit		<u>298,885</u>	<u>508,622</u>
17.1.5 Movement in the present value of defined benefit obligation			
Balance at January 1		2,314,763	1,990,687
Benefits paid during the year		(267,729)	(280,685)
Transfer to / from GSK Consumer Healthcare Pakistan Limited Employees' Gratuity Fund - net		307	8,055
Current service cost		179,225	171,395
Interest cost		225,857	218,781
Re-measurement (gain) / loss on obligation		(328,671)	206,530
Balance at December 31		<u>2,123,752</u>	<u>2,314,763</u>

	2021	2020
	----- Rupees in '000 -----	
17.1.6 Movement in the fair value of plan assets		
Balance at January 1	1,806,141	1,762,841
Contributions made during the year	126,353	104,801
Benefits paid during the year	(267,729)	(280,685)
Transfer (to) / from GSK Consumer Healthcare Pakistan Limited Employees' Gratuity Fund	307	7,464
Interest income	173,068	179,112
Re-measurement (loss) / gain on plan assets	(13,273)	32,608
Balance at December 31	1,824,867	1,806,141
17.1.7 Expense recognised in statement of profit or loss		
Current service cost	179,225	171,395
Net interest cost	52,789	39,669
	232,014	211,064
17.1.8 Re-measurements recognised in other comprehensive income		
Re-measurement (gain) / loss on obligation arising due to change in:		
Financial assumptions (gain) / loss	(203,600)	189,853
Experience adjustments (gain) / loss	(125,071)	16,677
Re-measurement loss / (gain) on plan assets	13,273	(32,608)
	(315,398)	173,922
17.1.9 Net recognised liability		
Net liability at the beginning of year	508,622	228,437
Expense recognised in statement of profit or loss	232,014	211,064
Contribution made to the plan during the year	(126,353)	(104,801)
Re-measurements recognised in other comprehensive (loss) / income	(315,398)	173,922
Recognised liability as at December 31	298,885	508,622
17.1.10 Plan assets comprise of the following:	2021	2020
	%	%
- Equity and mutual funds	19.07	19.39
- Bonds	77.50	75.13
- Others	3.43	5.48
	100.00	100.00
17.1.11 Actuarial Assumptions		
Discount rate	11.75	9.75
Future salary increases	11.75	9.75

17.1.12 Mortality was assumed to be based on SLIC (2001-05) ultimate mortality tables rated down one year.

17.1.13 In case of the funded plans, investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2021 consists of government bonds and listed securities. The Company believes that government bond offers the best returns over the long term with an acceptable level of risk.

The Company's gratuity expense for the year ending December 31, 2022 is expected to be Rs. 211.07 million.

The actuary conducts separate valuation for calculating contribution rates and the Company contributes to the gratuity plan according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

17.2 Sensitivity analysis for actuarial assumptions

The Gratuity scheme exposes the entity to the following risks:

- **Mortality risks:**

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

- **Investment risks:**

The risk of the investment underperforming and not being sufficient to meet the liabilities.

- **Final salary risks:**

The risk that the final salary at the time of cessation of service is higher than what we assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

- **Withdrawal risks:**

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		----- Rupees in '000 -----	
Discount rate	1%	(144,227)	164,828
Future salary increases	1%	111,649	(99,711)

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

17.3 Historical information

	2021	2020	2019	2018	2017
Rupees in '000					
Gratuity plans					
Present value of defined benefit obligation	(2,123,752)	(2,314,763)	(1,990,687)	(1,844,848)	(1,880,479)
Fair value of plan assets	1,824,867	1,806,141	1,762,250	1,474,049	1,586,448
(Deficit) / surplus in the plan	(298,885)	(508,622)	(228,437)	(370,799)	(294,031)
Experience adjustments					
(Loss) / gain on obligation (as percentage of plan obligation)	(15%)	(9%)	3%	1%	(9%)
(Loss) / gain on plan assets (as percentage of plan assets)	(1%)	(2%)	(4%)	4%	(6%)
Pension plan					
Present value of defined benefit obligation	-	-	-	-	(23,407)
Fair value of plan assets	-	-	-	-	23,407
Deficit in the plan	-	-	-	-	-
Experience adjustments					
Experience loss / (gain) on plan liabilities	-	-	-	8,020	1,246
Gain on obligation (as percentage of plan obligation)	N/A	N/A	N/A	N/A	N/A
Loss on plan assets (as percentage of plan assets)	N/A	N/A	N/A	N/A	N/A

17.4 The weighted average duration of approved funded gratuity schemes for its permanent employees is 6.79 years (2020: 6.99 years).

17.5 Expected maturity analysis of undiscounted retirement benefit plans.

	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-10 years	Over 10 years	Total
At December 31, 2021	204,285	212,163	894,351	2,105,402	5,647,932	9,064,133
At December 31, 2020	175,696	218,000	865,738	2,286,415	4,580,299	8,126,148

18. DEFERRED TAXATION

	2021				2020			
	Opening liabilities / (assets)	Charged / (reversal) to profit or loss	Charged / (reversal) to other comprehensive income	Closing liability / (asset)	Opening liabilities / (assets)	Charged / (reversal) to profit or loss	Charged / (reversal) to other comprehensive income	Closing liability / (asset)
Rupees in '000								
Deferred tax liabilities on taxable temporary differences								
- Accelerated tax depreciation and amortisation	1,105,233	73,708	-	1,178,941	998,963	106,270	-	1,105,233
- Right-of-use assets- land and buildings	11,347	1,598	-	12,945	14,750	(3,403)	-	11,347
Deferred tax assets on deductible temporary differences								
- Allowance for impairment of trade receivables, provision for doubtful other receivables and refunds due from government	(85,080)	(12,432)	-	(97,512)	(92,845)	7,765	-	(85,080)
- Lease liabilities	(11,389)	(4,139)	-	(15,528)	(14,585)	3,196	-	(11,389)
- Provision for trade deposits and doubtful advances	(20,679)	1,395	-	(19,284)	(17,712)	(2,967)	-	(20,679)
- Provision for slow moving and stock-in-trade and stores and spares	(177,207)	10,832	-	(166,375)	(177,833)	626	-	(177,207)
- Staff retirement benefits	(147,258)	(30,666)	91,369	(86,555)	(64,782)	(32,122)	(50,354)	(147,258)
	674,967	40,296	91,369	806,632	645,956	79,365	(50,354)	674,967

	Note	2021 ----- Rupees in '000 -----	2020
19. TRADE AND OTHER PAYABLES			
Creditors		652,171	659,748
Bills payable			
- Associated companies		760,205	1,020,114
- Others		171,476	330,866
Royalty and technical assistance fee payable			
- Associated companies	19.2	92,377	65,706
- Others		165,883	149,069
Accrued liabilities	19.1	2,719,931	3,015,448
Contract liabilities	19.3	1,050,831	1,125,607
Contractors' retention money		5,806	5,806
Taxes deducted at source and payable to statutory authorities		68,751	17,587
Workers' Welfare Fund		410,460	249,058
Workers' Profits Participation Fund	12.4	382,913	-
Book overdraft	19.5	235,754	334,670
Central Research Fund		83,547	49,732
Others		235,527	191,712
		7,035,632	7,215,123

19.1 This includes liability for share based compensation amounting to Rs. 278.51 million (2020: Rs. 202.93 million).

19.2 The Royalty pertains to GlaxoSmithKline Consumer Trading Services Limited and GlaxoSmithKline Intellectual Property Limited which are situated in England. The registered address of these Companies is 980 Great West Road, Brentford, Middlesex, TW8 9GS. These Companies are associated companies of the Company.

19.3 This include Rs. 334 million (2020: Rs. 243 million) as advance from customers and Rs. 717 million (2020: Rs. 883 million) as accrual for return and allowance.

19.4 The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified there under.

19.5 This balance represents book overdraft against the cheques issued but not yet presented. As per arrangement with the bank, the payments to these cheques will be made by transferring savings account as an when presented

20. PROVISIONS

20.1 Provisions include restructuring costs and government levies of Rs. 28.47 million and Rs. 4.12 million (2020: Rs. 21.57 million and Rs. 17.39 million) respectively.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

(a) Claims against the Company not acknowledged as debt for reinstatement of employment and other labour cases amount to Rs. 84.65 million (2020: Rs. 76.82 million) as at December 31, 2021.

(b) Income tax

- (i) While finalizing income tax assessments in various years, assessing officers (AO) made certain additions to income raising tax demands on the contention that the Company allegedly paid excessive amounts on account of royalty and certain imported raw materials. The Company has been contesting these additions at various appellate forums. Details of such cases are as under:

S. No	Tax/ assessment year	Tax impact (Rs. in million)	Description/ further comments	Current appellate forum
a.	1991-92 to 2002-03	302.11	Proceedings in said assessment years are related to former GlaxoSmithKline Pharmaceutical (Private) Limited [formerly Bristol-Myers Squibb Pakistan (Private) Limited]. These years are still pending adjudication, under departmental appeal.	Sindh High Court
b.	1999-2000 to 2002-2003	73.6	Against the additions made by AO, Commissioner Inland Revenue Appeals (CIRA) gave decision in favor of the Company for tax years 2001-02 & 2002-03 and against the Company for tax years 1999-2000 & 2000-2001. Both department and the Company filed appeals against the respective orders before Appellate Tribunal Inland Revenue (ATIR). Decision by ATIR, in 2008, was made for fresh assessments of all said years. AO passed the fresh orders with same amount of additions. The Company filed the appeal against fresh orders to CIRA where, through CIRA's order for tax years 2000-01 to 2002-03, certain additions were deleted which resulted in reduction of demand to the extent of Rs. 26.8 million. Subsequently, order for 1999-2000 was also issued by CIRA whereby tax demand of Rs. 13.01 million was deleted. Appeals against CIRA order for tax years 2000-01 to 2002-03 were filed both by the Company & the department before ATIR which maintained CIRA's order. The Company has filed appeal against ATIR's order which is pending adjudication.	Sindh High Court
c.	2002-03	4.03	Proceedings in said assessment year are related to former SmithKline & French of Pakistan Limited. The initial demand was set aside by ATIR for fresh consideration. AO, however, maintained the same demand which was also confirmed by CIRA's order. The Company has filed appeal, on 21 June 2012, against the order of CIRA which is pending adjudication.	ATIR
d.	2006	10.04	Demand raised by the AO was annulled by CIRA. This assessment is related to former GlaxoSmithKline Pharmaceuticals (Private) Limited [formerly Bristol-Myers Squibb Pakistan (Private) Limited]. The department has filed appeal against CIRA's order.	ATIR
e.	2005 to 2008 and 2011	243.69	Against the demand raised in tax years 2005 to 2008, CIRA has granted certain relief (for tax years 2005 & 2008) while in tax year 2011 CIRA maintained the demand raised by AO. Against the remaining additions in tax years 2005 to 2008 and against order of CIRA for tax year 2011 (including addition on account of stock written off), appeal has been filed by the Company, on 19 November 2014, which is pending adjudication.	ATIR

S. No	Tax/ assessment year	Tax impact (Rs. in million)	Description/ further comments	Current appellate forum
f.	2009	68.23	CIRA's order confirmed the demand raised by AO. Appeal has been filed by the Company, on 19 December 2018, which is pending adjudication.	ATIR
g.	2012	82.5	Against the order of the AO, appeal was filed before CIRA which deleted the additions made by AO under section 122(5A) of Income Tax Ordinance, 2001 (Ordinance). The department has filed the appeal against the order of CIRA which is pending adjudication.	ATIR
h.	2014	146.4	Against the order of the AO which raised tax demand of Rs. 124.9 million, CIRA decided the royalty additions in favour of the Company whereas the raw materials' additions in favour of the department. The Company has filed appeal on 05 May 2017 against the decision of CIRA on account of raw materials' addition whereas the department has also filed appeal on account of royalty, which are pending adjudication. Subsequently, further demand of Rs. 21.42 million was also raised against which the Company has filed appeal, on 19 November 2018, which is pending adjudication.	ATIR
i.	2013 to 2016	230.5	Against the tax demands raised by AO, the CIRA decided the case in favour of the department. Appeal has been filed, on 19 November 2018, by the Company which is pending adjudication.	ATIR
(ii)	In case of Stiefel Laboratories Pakistan (Private) Limited (Now GlaxoSmithKline Pakistan Limited) the AO raised demand of Rs. 17.70 million in tax year 2010 under section 161/205 of the Ordinance by applying arbitrary withholding tax rates on the expenses in the audited accounts as compared to tax paid as per monthly withholding statements. The CIRA remanded back the order, against which the Company has filed appeal before ATIR on 04 February 2019 which is pending for hearing. Further remanded back proceedings are yet to be initiated by the department.			
(iii)	As a result of monitoring of withholding tax for the tax years 2012 & 2017, AO issued orders raising tax demands amounting to Rs. 80 million (subsequently reduced to Rs. 15.5 million) & Rs. 38.7 million respectively. Such demands have been made on the contention that the Company did not deduct tax at the rate of 20% on payments for meetings & symposia and gifts & giveaways under section 156 of the Ordinance. In both years, CIRA issued the decisions in favour of the Company. The department's appeals are pending before ATIR.			
(iv)	During year ended December 31, 2018, the AO raised aggregate demand of Rs. 31.39 million in tax years 2014, 2015 and 2016 on the issue of non-withholding of tax on sale by auction / tender. Against the orders of AO, the Company has filed an appeal before CIRA. The CIRA confirmed the order of AO against which the Company filed appeal before the ATIR, which maintained CIRA's order. The Company filed an appeal before Honourable High Court against ATIR's order on 22 September 2020 which is pending adjudication.			
(v)	During the year, the AO, while amending the assessment of the Company for tax year 2017 under section 122(5A) of the Ordinance, raised demand of Rs. 801.87 million on account of disallowance of various expenses including share based compensation, certain provisions and treatment of other income under Normal Tax Regime as well as tax credit under section 65B of the Ordinance. The Company has filed an appeal against the said Order before CIRA which is due for hearing and has also filed rectification application for certain apparent mistakes in the Order. Further, the Company has also obtained Stay Order from Sindh High Court against any recovery proceedings.			
(vi)	During the year the AO, while amending the assessment of the Company for tax year 2018 under section 122(1)/(5) of the Ordinance, raised demand of Rs. 613.62 million on the contention that the Company allegedly paid excessive amounts on account of royalty and certain imported raw materials to associated undertakings. Further, various expenses were also disallowed which include share-based compensation, salaries, certain provisions, restructuring cost, Worker Welfare Fund as well as tax credit under section 65B of the Ordinance. The Company has filed appeal before CIRA, which is pending adjudication, and also filed rectification of certain mistakes apparent in the Order passed by the AO. Further, the Company has also obtained Stay Order from Sindh High Court against any recovery proceedings.			

(c) Sales tax

- (i) During financial years 2014 and 2016, CIRA raised demands of Rs. 36.4 million and Rs. 48.3 million respectively in respect of few products of the Company on the ground that the products are neither medicines nor drugs which are exempt from the levy of sales tax under SRO 551(I)/ 2008. Company's appeals are pending before ATIR & SHC for financial years 2014 and 2016 respectively.
- (iii) During the year ended December 31, 2016, the Company had received a show cause notice from Punjab Revenue Authority for the payment of Rs. 121.80 million on account of Punjab Sales Tax on Royalty accrued from 2012 to 2015. Currently, the Company is depositing sales tax on royalties entirely with SRB's exchequer. The Company has filed an appeal in Lahore High Court, who granted stay against the show cause notice.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence no provision has been made in respect of the aforementioned tax demands.

21.2 Commitments

Commitments for capital expenditure outstanding as at December 31, 2021 amount to Rs. 241.04 million (2020: Rs. 252.91 million).

	Note	2021	2020
		----- Rupees in '000 -----	
22. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
Gross sales			
Local	22.1	38,118,978	36,399,368
Export		28,878	16,895
		<u>38,147,856</u>	<u>36,416,263</u>
Less: Commissions, returns and discounts		1,483,298	1,323,677
Less: Sales tax		3,786	2,474
		<u>36,660,772</u>	<u>35,090,112</u>

22.1 This includes sales of OTC Products amounting to Rs. 0.93 billion (2020: Rs. 1.20 billion) to GSK CH being manufactured by the Company due to pending transfer of marketing authorisations by Drug Regulatory Authority of Pakistan ('DRAP').

22.2 Sales of major product categories i.e. antibiotics, dermatologicals and respiratory during the year amounted to Rs. 16.10 billion, Rs. 7.50 billion and Rs. 1.57 billion (2020: Rs. 15.83 billion, Rs. 5.18 billion and Rs. 1.54 billion) respectively.

22.3 Company sells its products through a network of distribution channels involving various distributors / sub-distributors and also directly to government and other institutions. Sales to two distributors (2020: two distributors) exceed 10 percent of the net sales during the year, amounting to Rs. 6.26 billion and Rs. 7.24 billion (2020: 5.50 billion and Rs. 6.64 billion).

23. COST OF SALES	Note	2021	2020
		----- Rupees in '000 -----	
Raw and packing materials consumed		17,907,289	19,163,019
Stores and spares consumed		164,820	152,103
Salaries, wages and other benefits	23.1	2,740,769	2,549,242
Fuel and power		782,566	819,284
Rent, rates and taxes		4,459	5,076
Royalty and technical assistance fee	19.2	409,666	408,281
Insurance		107,191	108,105
Publication and subscriptions		17,282	19,839
Repairs and maintenance		479,998	378,930
Training expenses		1,368	1,433
Travelling and entertainment		56,562	46,636
Depreciation		588,410	515,105
Provision for impairment on operating assets		15,536	30,812
Provision for impairment on intangibles		-	50,000
Provision for slow moving, obsolete and damaged stock-in-trade		309,980	134,633
Provision of slow moving and obsolete stores and spares		(1,279)	10,416
Canteen expenses		120,255	150,679
Laboratory expenses		111,930	44,290
Communication and stationery		20,801	7,315
Security expenses		37,333	15,058
Stock written-off		9,873	12,817
Restructuring cost	23.2	168,535	158,169
Other expenses		82,142	70,213
		24,135,486	24,851,455
Opening stock of work-in-process		243,699	480,587
Closing stock of work-in-process		(130,296)	(243,699)
		24,248,889	25,088,343
Opening stock of finished goods		3,345,686	2,887,952
Purchase of finished goods		2,723,520	2,925,123
		30,318,095	30,901,418
Closing stock of finished goods		(3,394,172)	(3,345,686)
		26,923,923	27,555,732

23.1 Salaries, wages and other benefits include Rs. 112.94 million and Rs. 73.21 million (2020: Rs. 92.87 million and Rs. 60.67 million) in respect of charge for defined benefit plans and contributory provident fund.

23.2 This represents charge for severance costs recognised in respect of cost savings initiatives.

		2021	2020
	Note	----- Rupees in '000 -----	
24. SELLING, MARKETING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	24.1	1,082,349	1,302,637
Sales promotion and symposiums		453,771	312,707
Advertising		4,195	12,917
Restructuring cost	23.2	131,780	-
Handling, freight and transportation		655,014	727,769
Travelling and entertainment		160,877	124,370
Depreciation		108,435	130,069
Vehicle running		147,104	81,411
Publication and subscriptions		61,446	52,719
Fuel and power		44,382	11,484
Communication		6,214	6,292
Charge / (reversal) for impairment of trade receivables		42,742	(39,467)
(Reversal) / provision for doubtful deposits		(4,855)	8,969
Repairs and maintenance		16,576	13,583
Insurance		9,163	7,553
Printing and stationery		12,111	10,744
Security expenses		19,526	14,908
Rent, rates and taxes		4,282	3,089
Canteen expenses		401	3,714
Training expenses		-	164
Other expenses		41,027	36,823
		2,996,540	2,822,455
Less: Recovery of expenses	24.2	11,947	55,700
		2,984,593	2,766,755

24.1 Salaries, wages and other benefits include Rs. 66.76 million and Rs. 50.24 million (2020: Rs. 69.38 million and Rs. 48.46 million) in respect of defined benefit plans and contributory provident fund respectively.

24.2 These represent cost reimbursements from GSK CH against various functions / services provided under cost sharing agreements.

	Note	2021	2020
		----- Rupees in '000 -----	
25. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	25.1	707,664	973,282
Depreciation		78,428	66,326
Communication		7,821	7,352
Legal and professional charges		93,624	80,331
Travelling and entertainment		19,206	17,022
Repairs and maintenance		30,312	20,687
Printing and stationery		13,672	4,579
Auditors' remuneration	25.2	10,252	9,825
Vehicle running		28,550	18,590
Security expenses		33,071	61,312
Publication and subscriptions		8,416	16,272
Rent, rates and taxes		5,282	20,670
Insurance		11,543	9,185
Canteen expenses		21,472	18,682
Restructuring cost	23.2	21,252	-
Donations	25.3	-	4,260
Other expenses		30,304	53,572
		1,120,869	1,381,947
Less: Recovery of expenses	24.2	48,783	50,399
		<u>1,072,086</u>	<u>1,331,548</u>

25.1 Salaries, wages and other benefits include Rs. 52.31 million and Rs. 23.6 million (2020: Rs. 31.33 million and Rs. 20.41 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

	Note	2021	2020
		----- Rupees in '000 -----	
25.2 Auditor's remuneration			
Audit fee		6,290	5,736
Fee for review of half yearly financial statements, special certifications and others		3,648	3,446
Out-of-pocket expenses		314	643
		<u>10,252</u>	<u>9,825</u>

25.3 Donations to single party exceeding 10% of total donations are as follows:

The Indus Hospital	-	1,000
Academy of Family Physician Pakistan	-	1,000
Dr. Ruth K.M. Pfau Civil Hospital Karachi	-	1,000
	-	<u>3,000</u>

26. OTHER OPERATING EXPENSES

Workers' Profits Participation Fund	12.4	403,503	266,450
Workers' Welfare Fund		161,401	106,580
Central Research Fund		80,701	53,290
		-	-
		<u>645,605</u>	<u>426,320</u>

	Note	2021	2020
		----- Rupees in '000 -----	
27. OTHER INCOME			
Income from financial assets			
Return on Treasury Bills		31,892	20,131
Income on savings and deposit accounts		343,049	215,398
		374,941	235,529
Income from non-financial assets			
Gain on disposal			
- Non-current assets held for sale		594,564	-
- Operating assets		39,332	17,211
Others			
Liabilities no longer required written back		43,881	63,871
Scrap sales		55,557	71,597
Promotional allowance	27.1	1,421,011	1,532,175
Service fee	1.2	12,000	12,000
Others		13,032	44,653
		2,554,318	1,977,036

27.1 This represents allowance from GSK Group against various promotional activities for brand building and sustainable return on investments.

		2021	2020
		----- Rupees in '000 -----	
28. FINANCIAL CHARGES			
Exchange loss - net		156,486	75,855
Bank charges		2,520	1,752
Interest on short-term borrowings		-	1,145
Interest on lease liability		5,427	5,359
		164,433	84,111
29. TAXATION - NET			
Current			
- for the year		2,242,961	1,716,667
- for prior year		(213,216)	(268,590)
Deferred		40,296	79,365
		2,070,041	1,527,442

29.1 Relationship between tax expense and accounting profit

Profit before taxation for the year	7,424,450	4,902,682
Applicable tax rate	29%	29%
Tax calculated at applicable tax rate	2,153,091	1,421,778
Impact of taxability at different rate and Final Tax Regime	105,003	159,378
Effect of prior year charge	(213,216)	(268,590)
Effect of tax credits	-	(290)
Impact of permanent differences	5,262	158,184
Tax effect of other than temporary differences	19,901	56,982
	2,070,041	1,527,442

	2021	2020
	----- Rupees in '000 -----	
Profit after taxation for the year	5,354,409	3,375,240
Weighted average number of outstanding shares (in thousand)	318,467	318,467
	----- Rupees -----	
Earnings per share	16.81	10.60

30.1 A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2020 which would have any effect on the earnings per share if the option to convert is exercised.

	2021	2020
	----- Rupees in '000 -----	
31. CASH GENERATED FROM OPERATIONS		
Profit before taxation for the year	7,424,450	4,902,682
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and impairment	790,809	792,312
Gain on disposal of:		-
Non-current assets held for sale	(594,564)	-
Operating assets	(39,332)	(17,211)
Interest income	(374,941)	(235,529)
Provision for slow moving, obsolete and damaged stock-in-trade net of stock written off	319,853	147,450
Liabilities no longer required written back	(43,881)	(63,871)
Provision for slow moving and obsolete stores and spares	(1,279)	10,416
Interest on lease liabilities	5,427	6,504
Charge / (reversal) for impairment of trade receivables	42,742	(39,467)
(Reversal of provision) / provision for doubtful deposits	(4,855)	8,969
Provision for staff retirement benefits	232,014	211,064
	331,993	820,637
Profit before working capital changes	7,756,443	5,723,319
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets		
Stores and spares	4,930	1,469
Stock-in-trade	(1,081,749)	179,298
Trade receivables	(154,149)	(37,976)
Loans and advances	(33,940)	(31,017)
Trade deposits and prepayments	154,185	(2,283)
Refunds due from Government	1,000	1,913
Other receivables	(626,924)	101,578
	(1,736,647)	212,982
Increase / (decrease) in current liabilities		
Trade and other payables	(36,694)	956,952
Provisions	(6,373)	(39,798)
	(1,779,714)	1,130,136
	5,976,729	6,853,455

	Note	2021	2020
		Rupees in '000	
32. CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	7,085,344	5,604,548
Investments - at amortised cost	13	1,633,183	450,623
Book overdraft		(235,754)	(334,670)
		<u>8,482,773</u>	<u>5,720,501</u>

33. SEGMENT INFORMATION

For management purposes, the activities of the Company are organised into one operating segment i.e. pharmaceutical segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. In 2016, pursuant to the Scheme of arrangement, the Consumer Healthcare Business was transferred to GSK Consumer Healthcare Pakistan Limited. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The amounts charged in these financial statements for remuneration of the Chief Executive, Directors and Executives are as follows:

	Chief Executive		Director		Executives	
	2021	2020	2021	2020	2021	2020
	Rupees in '000					
Management remuneration	18,550	17,303	8,886	9,877	539,893	423,740
Bonus - note 34.1	29,328	25,812	8,000	6,449	235,268	165,708
Retirement benefits *	3,649	4,331	1,736	2,210	101,765	85,975
House rent	8,347	7,987	3,999	4,445	223,131	183,348
Utilities	1,855	1,775	889	988	49,585	40,744
Others	441	454	2,735	1,530	109,934	118,432
	<u>62,170</u>	<u>57,662</u>	<u>26,245</u>	<u>25,499</u>	<u>1,259,576</u>	<u>1,017,947</u>
Number of person(s)	1	2	2**	1	239	192

* Retirement benefits represent amount contributed towards various retirement benefit plans.

** During the year, Mr. Hasham Ali Baber was appointed as Executive Director on June 1, 2021.

34.1 Bonus includes share based payments as Share Appreciation Rights (SARs) given to the Chief Executive, Executive Directors and certain executives amounting to Rs. 160.16 million (2020: Rs. 117.64 million). These are granted every year and are payable upon completion of three years of qualifying period of service. These are linked with the share value of ultimate parent company, GlaxoSmithKline plc, UK.

In addition to the above, fee to three (2020: three) non-executive Directors during the year amounted to Rs. 1.25 million (2020: Rs. 1.3 million).

Chief Executive, Executive Directors and certain executives are also provided with free use of the Company maintained cars in accordance with the Company policy.

35. TRANSACTIONS WITH RELATED PARTIES

The related parties includes holding company, associated companies, directors and key management personnel of the Company, companies where directors also hold directorship. The transactions with related parties are carried out in the normal course of business at contracted rates. The receivables and payables are unsecured. Details of transactions with related parties and balances with them at period end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transactions	2021	2020
		----- Rupees in '000 -----	
Holding Company:	a. Dividend paid	1,709,694	1,578,179
Associated companies / undertakings:	a. Purchase of goods	5,949,088	6,487,089
	b. Sale of goods	958,184	1,221,818
	c. Royalty expense charged	393,603	396,490
	d. Recovery of expenses from:		
	- GlaxoSmithKline Consumer Healthcare Pakistan Limited	60,730	106,099
	- Others	660,487	527,549
	e. Service fee charged to GlaxoSmithKline Consumer Healthcare Pakistan Limited	12,000	12,000
	f. Promotional allowance	1,421,011	1,532,175
Staff retirement funds:	a. Payments to retirement benefit plans	279,414	251,401
Key management personnel:	a. Salaries and other employee benefits	298,400	441,959
	b. Post employment benefits	28,554	26,743
	c. Sale of assets - sales proceeds	629	6,014

35.1 Following are the related parties including associated companies with whom the Company had entered into transactions or had arrangements / agreements in place during the year:

S.No	Company Name	Country of incorporation	Basis of association	Aggregate % of shareholding
1	S.R. One International B.V., Netherlands	Netherlands	Holding Company	82.59%
2	GlaxoSmithKline plc, UK	United Kingdom	Ultimate Parent company	N/A
3	GlaxoSmithKline Trading Services Limited	Ireland	Associated company	N/A
4	GlaxoSmithKline Biologicals SA	Belgium	Associated company	N/A
5	GlaxoSmithKline Intellectual Property (No.2) Limited	England	Associated company	N/A
6	GlaxoSmithKline Consumer Trading Services Limited	England	Associated company	N/A
7	Glaxo Operations UK Limited	England	Associated company	N/A
8	GlaxoSmithKline Pte Ltd	Singapore	Associated company	N/A
9	GlaxoSmithKline Export Limited	England	Associated company	N/A
10	P.T. SmithKline Beecham Pharmaceuticals	Indonesia	Associated company	N/A
11	GlaxoSmithKline Services Unlimited	England	Associated company	N/A
12	GlaxoSmithKline Inc	Canada	Associated company	N/A
13	Glaxo Wellcome Production S.A.S	France	Associated company	N/A
14	GlaxoSmithKline Research & Development Limited	England	Associated company	N/A
15	Glaxo Saudi Arabia Limited	Saudi Arabia	Associated company	N/A
16	GlaxoSmithKline South Africa (Pty) Limited	South Africa	Associated company	N/A
17	GlaxoSmithKline Consumer Healthcare Pakistan Limited	Pakistan	Associated company	N/A
17	GlaxoSmithKline Holdings Pty Ltd	Australia	Associated company	N/A
18	Human Genome Sciences, Inc.	United States of America	Associated company	N/A
19	GSK Business Service Centre Sdn Bhd	Malaysia	Associated company	N/A

38 FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note provides information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing above risks.

Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the Board of Directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance and treasury department oversees the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities, and provide assurance that these activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as at December 31, 2021 amount to Rs. 682.92 million (2020: 376.57 million).

At December 31, 2021, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 34.15 million (2020: Rs. 18.83 million), mainly as a result of foreign exchange gains or losses on translation of US Dollar-denominated trade payables and other receivables.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises primarily from balances held in PLS savings account and deposit accounts with banks. These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	2021	2020
	----- Rupees in '000 -----	
Fixed rate instruments		
Financial assets		
- bank balance on deposit accounts	-	5,000,000
- Treasury bills	1,633,183	450,623
Variable rate instruments - carrying amount		
Financial assets		
- bank balance on savings accounts	6,912,173	400,828

Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year and shareholder's equity by Rs. 69.12 million (2020: Rs. 4.01 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2020.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at December 31, 2021, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk arises from balances with banks, trade receivables, loans, advances, deposits and other receivables. The credit risk on liquid fund is limited because the counter parties are banks with reasonably high credit rating.

	2021	2020
	----- Rupees in '000 -----	
Trade receivables	1,315,550	1,204,143
Loans to employees, interest accrued and other receivables	1,748,761	1,111,676
Advances and deposits	271,732	296,731
Investments - at amortised cost	1,633,183	447,526
Bank balances	7,085,165	5,604,369
	12,054,391	8,664,445

Trade receivables of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties. Trade receivables of Rs. 1.31 billion (2020: Rs. 0.99 billion) are past due of which Rs. 250.27 million (2020: Rs. 207.53 million) have been impaired. Past due but not impaired balances include Rs. 818.55 million (2020: Rs. 609.97 million) outstanding for more than three months.

Loans to employees are secured against their retirement benefits.

Bank balances represent low credit risk as these are placed with banks having good credit rating assigned by credit rating agencies.

For other financial assets, majority of the assets of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash or other assets as contractually agreed on sale. The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet the, monitoring of liquidity ratios and maintaining debt financing plans.

	Carrying Amount	Contractual cash flow	Up to 1 year	Greater than 1 year
----- Rupees in '000 -----				
December 31, 2021				
Non-interest bearing				
Trade and other payables	5,756,198	5,756,198	5,756,198	-
Unclaimed dividend	124,945	124,945	124,945	-
	<u>5,881,143</u>	<u>5,881,143</u>	<u>5,881,143</u>	<u>-</u>
Interest bearing				
Lease liabilities	<u>64,565</u>	<u>64,565</u>	<u>15,876</u>	<u>48,689</u>
December 31, 2020				
Non-interest bearing				
Trade and other payables	5,773,139	5,773,139	5,773,139	-
Unclaimed dividend	116,719	116,719	116,719	-
	<u>5,889,858</u>	<u>5,889,858</u>	<u>5,889,858</u>	<u>-</u>
Interest bearing				
Lease liabilities	<u>45,302</u>	<u>45,302</u>	<u>16,161</u>	<u>29,141</u>

39. NUMBER OF EMPLOYEES **2021** 2020

Number of employees including contractual employees at the end of year 1771 1892

Average number of employees including contractual employees during the year 1842 1952

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Jan 01, 2021	Non-cash changes			Cash flows	Dec 31, 2021
		Acquisition - net	Interest charged	Dividend		
----- Rupees in '000 -----						
Lease liabilities	39,337	20,300	5,427	-	(11,463)	53,601
Unclaimed dividend	116,719	-	-	2,070,037	(2,061,811)	124,945

	Jan 01, 2020	Non-cash changes			Cash flows	Dec 31, 2020
		Acquisition - net	Interest charged	Dividend		
----- Rupees in '000 -----						
Lease liabilities	51,431	-	5,359	-	(17,453)	39,337
Unclaimed dividend	97,476	-	-	1,910,804	(1,891,561)	116,719

41. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal return on capital employed. The current capital structure of the Company is equity based with no financing through borrowings except for long - term lease liabilities.

42. PLANT CAPACITY AND ACTUAL PRODUCTION

The capacity and production of the Company's plants are indeterminable as these are multi-product and involve varying processes of manufacture.

43. BUSINESS UNITS - GEOGRAPHICAL LOCATIONS AND ADDRESSES

Business units	Addresses
Factories	- 35, Dockyard Road, West Wharf, Karachi - F-268, S.I.T.E., Near Labour Square, Karachi - Plot # 5, Sector 21, Korangi Industrial Area, Karachi
Distribution / Sales offices	- Aleem House, Plot No. 409, Sector I – 9, Industrial Area, Islamabad - Peshawar sales office, opposite Grand Hotel, behind ECS Tehkal Payan, University road Peshawar - 3rd – Floor, The Enterprise Building, Thokar Niaz Baig, Multan Road, Lahore

Warehouses and storage facilities

- Emirates Supply chain services, Head office 46 KM Multan Road, Lahore
- Connect Logistics Karachi, Plot # 73, Block K-28, Hawksbay Road, Karachi
- Connect Logistics Warehouse at Main Multan Bahawalpur Road, 2 km from Motorway Interchange Multan

44. CORRESPONDING FIGURES

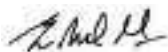
Corresponding figures have been reclassified in these financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. However, no significant reclassifications were made in the financial statements.

45. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on February 25, 2022 proposed a final cash dividend of Rs. 7 per share (2020: Rs. 6.5 per share) amounting to Rs. 2.23 billion (2020: Rs. 2.07 billion) subject to the approval of the members in the forthcoming annual general meeting of the Company.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on February 25, 2022.



Chief Executive Officer



Chief Financial Officer



Director





Outlook

Forward-Looking Statement

At GSK, our goal is to be one of the world's most innovative, best performing and trusted healthcare companies which meets the needs of the patients. GSK's framework is designed to deliver on its main objectives that include increased growth, delivery of results and long-term value creation for shareholders.

We remain focused on execution with strategic allocation of resources behind our key growth drivers to gain market share.

The Company will continue to invest in production facilities and infrastructure in line with current good manufacturing practices (cGMP) to drive efficiencies and manage costs.

Pakistan is one of the key countries for GSK within the Emerging Market Region. The Company remains focused on driving efficiencies across the Organisation to mitigate the inflationary impact. The management of GSK Pakistan is fully committed to deliver the expectation amidst a challenging working environment.

For detailed insight on the Company's Future Outlook and Challenges, please refer to the Directors' Report on pages 84 to 85 of the Annual Report.

Moreover, for significant factors affecting external environment and the Company's responses to those factors, please refer to pages 46 to 47 of the Annual Report.

Explanation as to how the performance of the Company meets the Forward-Looking Disclosures of the previous year

Reported in Annual Report last year	Actual Performance
<p>Monitoring of the COVID-19 situation including the market demand, supply continuity and wellbeing of our employees.</p>	<p>With the gradual relaxation of lockdown rules and introduction of COVID-19 vaccines, hospitals and clinics started returning to pre-COVID-19 activity levels. Though operations were partially impacted with Delta and Omicron variant, the situation normalised as the surge ebbed. The Company's investment in digital initiatives, deep customer relationships and a resilient supply chain continued to ensure high service levels across stakeholders and gave it a competitive advantage.</p>
<p>Take steps to mitigate inflationary impact.</p>	<p>The CPI price increase aided in partially offsetting the inflationary impact. Further, the Company took various cost-saving initiatives during the year and consequently, the operating expenditure increase was below the inflation percentage.</p> <p>The above, coupled with regular monitoring of cash flows ensured better liquidity position as compared to last year.</p>

Status of the projects disclosed in the Forward-Looking Statement in the previous year

There were no projects in-progress disclosed in the forward-looking statement in the previous year.

Sources of information and assumptions used in forecasts

The forecasts are prepared in accordance with the future direction and strategic objectives of the Company. The Board of Directors reviews these plans and forecasts and ensures close monitoring of the results.

There are many factors which are considered in preparing these forecasts. These mainly include

trend analysis, macro-economic indicators, inflation rates and future assumptions such as expected growth rates of Pharmaceutical Industry and relevant molecules. Different scenario analyses are conducted to mitigate the risk of any potential impact on the forecast. These assumptions are documented and tracked on an ongoing basis.

Organisation's readiness to respond to Critical Challenges and Uncertainties

The Organisation is well-equipped to deal with critical challenges and uncertainties which may arise. The Organisation has a strong leadership team which takes timely action in times of crisis. During the pandemic, the Company created the Issues Management Team (IMT) which met regularly to review the situation and take robust decisions to ensure employee safety and business continuity.

Additionally, we have effective business continuity plans in place in case of any natural disasters or calamities. We also have support from our

Corporate Security Team which takes various initiatives such as facilitation of simulation exercises, assessing our preparedness and recoverability capability and provides oversight of our plans supporting our business-critical processes. Furthermore, the Security Department demonstrated a proactive approach by maintaining a close liaison and coordination with all relevant internal and external stakeholders, issued necessary security advisories which ensured business continuity during times of social and political unrest in the Country.

CEO's presentation video on the Corporate Website

CEO's presentation video on Company's performance, strategy and outlook can be seen at the Company's website at www.pk.gsk.com





*Stakeholders'
Relationship and
Engagement*

Identification of Stakeholders

Our stakeholders' engagement approach focuses on identification of relevant and important partners by taking into account those groups or individuals who can be significantly affected by our business activities, outputs or outcomes, or whose actions can be

expected to significantly affect our ability to create value over time. These are profiled, mapped, and prioritised based on factors of influence, responsibility, proximity, dependency, willingness to engage and representation.

Stakeholders' Engagement Process, the frequency of such engagements and effects on Company's performance & values

GSK places strong emphasis on the interests of its stakeholders and is conscious of the impact of its decision making on them. We consult with our stakeholders on a continuous basis through different channels.

Company. GSK aims to maintain open and active engagement with shareholders and investors through, but not limited to, the annual general meetings, corporate briefing sessions, website updates and the annual report.

Some of GSK's key stakeholders include employees, HCPs, regulators, investors and shareholders. GSK strives to continue to be a Top Employer and therefore understands significant impact of employees on GSK's performance, as they play a pivotal role in the strategy formulation and operations of the

With regards to its external stakeholders, GSK and its decisions directly impact its patients, suppliers and distributors, Government and regulators, healthcare professionals, and the local community at large. The Company constantly strives to do the right thing and keep patients at the forefront of all its decisions. GSK



Employees



Investors and Shareholders



Government and Regulators



Healthcare Professionals



Patients and Consumers



Suppliers and Distributors/Wholesalers



Trade Associations and Public Policy Groups



Tendering Authorities



Media



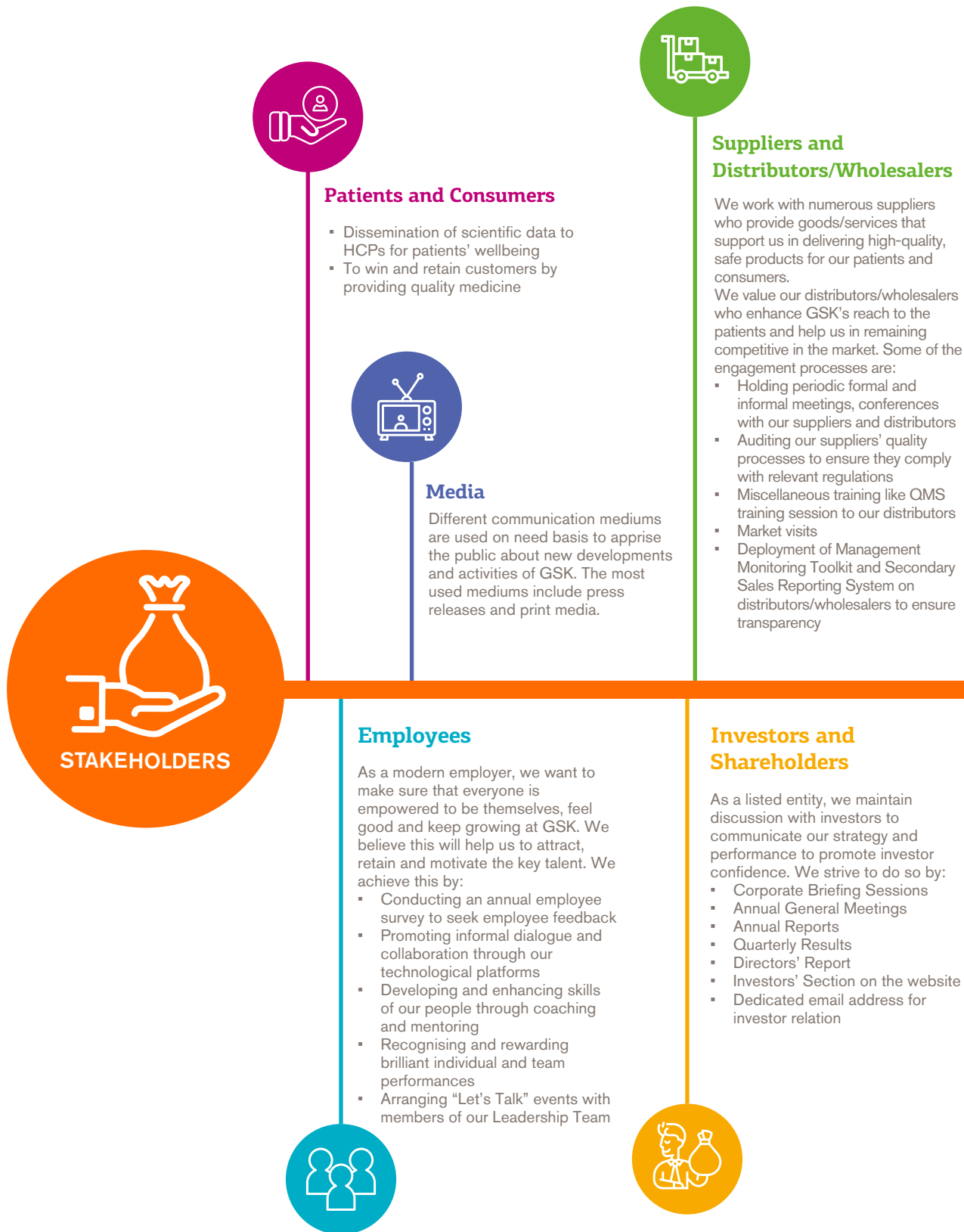
Local Community

puts in an utmost effort to engage healthcare professionals as well as use media outlets to provide accurate information to all consumers. Moreover, we work with Government and

regulators to advocate for policies that promote efficient management of healthcare systems in the best interests of patients.

Stakeholder	Engagement Frequency	Effects on Company's Performance and Values
Employees	Regular	GSK employees represent its biggest asset, implementing every strategic and operational decision, representing the Company in the industry and community.
Investors and Shareholders	Quarterly, Mid-year and Annually	Providing all required information helps in clarifying any misconception by creating a positive investors' perception.
Government and Regulators	Regular	Laws and regulations, determination of policies and other factors controlled by the Government.
Healthcare Professionals	Regular	GSK's success and performance depend upon HCPs' trust and preference for prescribing our medicines for patients' benefit.
Patients and Consumers	Infrequent/as and when required	GSK's success and performance depend upon patients' trust and preference for our medicine.
Suppliers and Distributors/Wholesalers	Regular	They are vital building blocks of our value chain ensuring supply of quality medicine in the market.
Trade Associations and Public Policy Groups	Regular	They are our interface with the Government and regulators to ensure a conducive business environment, and play an important role in the shaping of public policy.
Tendering Authorities	Regular	Provide GSK the opportunity to ensure access of quality medicines to patients through Government sponsored healthcare programmes.
Media	Infrequent/as and when required	Media assists us in creating awareness regarding the Company and its products.
Local Community	Regular	The people of the Country provide the grounds for prosperous future of GSK.

Stakeholders' Engagement Process





Local Community

GSK, being a volume market leader, recognises its responsibility towards the society at large and prioritised supporting causes that would create a positive impact on the community in line with the national need.

Furthermore, GSK also focuses social wellbeing by conducting various CSR Activities.



Healthcare Professionals

We work with Healthcare Professionals (HCPs) and medical experts to understand patient needs and to ensure our products are being administered in the right way. GSK takes pride in playing a part in the sharing of latest scientific information that can help HCPs in treating their patients. We engaged HCPs through:

- Digital touchpoints
- Group doctors meetings
- Seminars



Tendering Authorities

Partnering with tendering authorities to ensure patients coming to public hospitals get access to quality medicines. GSK continues effective stakeholder engagement across provincial health departments trying to bring in criteria that focuses on purchase of medicines based on quality parameters along with emphasis on price.

Government and Regulators

GSK, being a responsible corporate citizen abides by the laws and regulations of Pakistan. GSK contributed Rs. 3.3bn of tax and custom duties in the national exchequer. We achieve this by:

- Interacting with Government and regulators to advocate for policies that promote efficient management of healthcare systems and give patients the support they need
- Engaging with Government authorities to demonstrate the value of our products
- Trade associations/organisations and industry conferences
- Participation in different surveys through forums such as Pharma Bureau OICCI, SBP, PBC amongst others



Trade Associations and other Public Policy Groups (PPGs)

Partnering with Public Policy Groups is a legitimate part of GSK's advocacy work dedicated to advancing a supportive environment. These are external facing non-Governmental groups for whom shaping and influencing public policy is a key activity. They can include business activity groups such as Chamber of Commerce and Industry Trade Associations.

Engagement with PPGs is normally through Company representatives that sit on various subcommittees of PPGs and share recommendation on public interest matters.



Steps taken by the Management to encourage the Minority Shareholders to attend the General Meetings

GSK takes all steps to ensure that minority shareholders participate in its general meetings. AGM notices are published in widely circulated newspapers, both in Urdu and English and are timely updated on its website. Furthermore, a link/QR Code to a dedicated online portal/ Vevox is provided to facilitate those shareholders attending the AGM to submit their queries to the Company in advance or during the meeting. GSK encourages all shareholders, irrespective of their shareholding to appoint proxy, to ensure participation in the AGM, in case a shareholder is unable to attend the meeting. GSK ensures that there is a dedicated time slot for questions and answers session in

its general meetings so that the minority shareholders, in particular, can engage with the Board, and raise any queries that they may have with regards to GSK's performance throughout the year. GSK takes input from its shareholders and ensures that all their concerns are recorded and keeps them abreast of the progress of subsequent actions.

Shareholders can request the draft minutes of meeting within stipulated time and have the right to object to any intended major investments, planned acquisitions, mergers and takeovers or any other corporate/capital restructuring.

Investors' Section on the Corporate Website

GSK endeavours to develop and maintain trustworthy relations with its stakeholders, including shareholders and investors. It recognises the importance of timely and fair disclosure of all material information to them. GSK's latest information for investors is available on our website, under the "Investors Section" on the Company's website (pk.gsk.com/en-gb/investors/).

This page is updated regularly to provide transparent, adequate and up-to-date information to all investors and stakeholders. In compliance with the rules and regulations of Pakistan, all information is made available in both English and Urdu.

Issues raised in the last AGM, decisions taken and their implementation status

No significant issues were raised by the shareholders in previous AGM held in April 2021. During this meeting, general routine

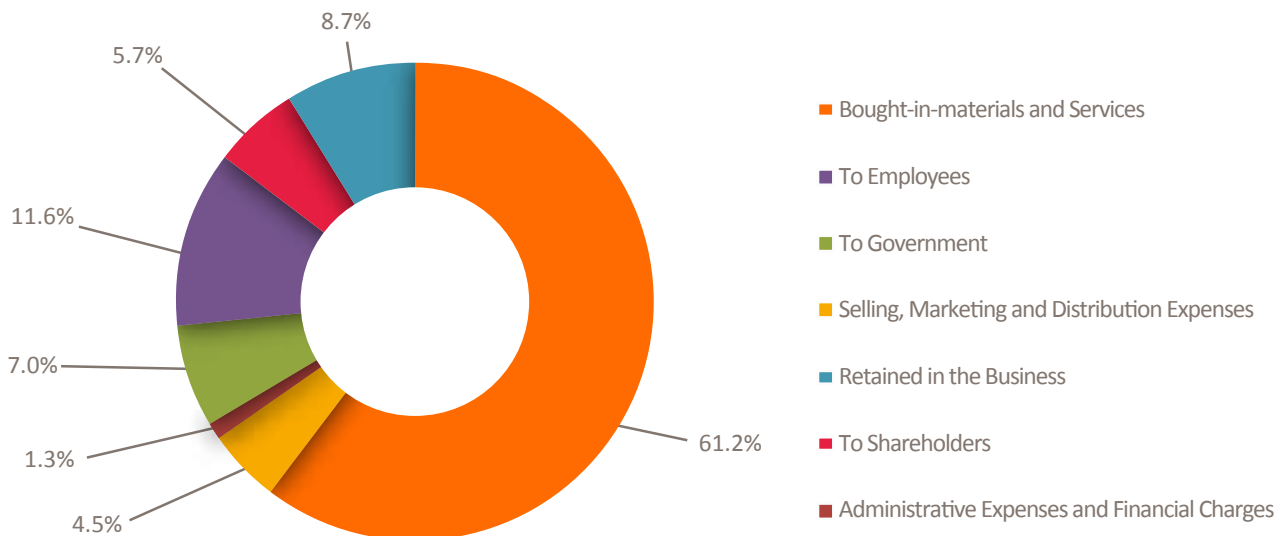
queries and clarifications were sought by shareholders regarding the agenda points.

Statement of value added and its distribution

	2021		2020	
	Rs. 000	%	Rs. 000	%
Revenue Generated				
Total Revenue*	39,218,876	100.0	37,069,622	100.0
Revenue Distributed				
Bought-in-materials and Services	24,014,619	61.2	24,852,581	67.0
Selling, Marketing and Distribution Expenses	1,770,464	4.5	1,464,118	3.9
Administrative Expenses and Financial Charges	507,603	1.3	438,117	1.2
Income Tax	2,070,041	5.3	1,527,442	4.1
Worker's Funds and Central Research Fund	645,605	1.7	426,320	1.2
Sales Tax	3,786	0.0	2,474	0.1
To Government	2,719,432	7.0	1,956,236	5.4
Salaries, Wages and other benefits	4,530,782	11.6	4,983,330	13.4
To Employees	4,530,782		4,983,330	13.4
Cash Dividend**	2,229,270	5.7	2,070,037	5.6
To Shareholders	2,229,270		2,070,037	5.6
Retained in the Business				
	3,446,706	8.7	1,305,203	3.5
	39,218,876		37,069,622	100.0

*This represents revenue gross of Sales Tax.

**This represents final Cash Dividend of Rs. 7 per share, proposed by the Board of Directors subsequent to the year end.



Stakeholders' Engagement Policy and steps taken by the Board to solicit and understand the views of Stakeholders through Corporate Briefing Sessions and Disclosure of Brief Summary of Corporate Briefing conducted during the year

The Company held its third successful Corporate Briefing Session on December 14, 2021 virtually due to COVID-19. Ms. Erum Shakir Rahim (CEO), Mr. Hasham Ali Baber (CFO), and Ms. Mehar-e-Daraksha Ameer (Company Secretary) presented and briefed investors on the Company's financial performance and operational overview.

The presentation was followed by a Q&A session, where analyst and shareholders raised various queries to the management of the Company, which were well addressed.

The following are some of the topics discussed during the briefing session:

- The economic overview of the Country;
- Company's local footprint and overview;
- Business and industry overview;

- Awards and recognition;
- Financial performance; and
- Company's future outlook and challenges.

The presentation from the corporate briefing session can be viewed on the Company's website under the "Investors" Section i.e. pk.gsk.com/en-pk/investors/

Highlights about redressal of Investors' Complaints

During 2021, there have been no significant Investors' Complaints that required redressals, however, GSK's policy including steps of

redressal of any investor complaints is detailed in our Investors' Grievance Policy mentioned on page 100.

Shareholder and Investor Information

Annual General Meeting

The annual shareholders' meeting will be held at 11:00 am on Monday, April 25, 2022. Shareholders are encouraged to attend the Annual General Meeting.

Shareholders' Enquiries

Enquiries about the shareholding and dividends should be directed to the Share Registrar at the following address: CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. UAN: 111-111-500.

Quarterly and Annual Reports

The Company publishes interim reports at the end of the first, second and third quarters of the financial year. The Annual Report of the Company summarises the Company's performance during the year and provides an outlook for the future. Previous reports can be accessed at GSK's website <http://www.pk.gsk.com>

Stock Exchange Listing

GlaxoSmithKline Pakistan Limited's shares are traded on Pakistan Stock Exchange Limited. The symbol code for dealing in shares of GlaxoSmithKline Pakistan Limited is "Glaxo".

Redressal of Investors' Grievances

The Company Secretariat continuously engages with the investors and responds to their queries and requests for information and their grievances through GSK's Share Registrar.





*Sustainability and
Corporate Social
Responsibility*

Health, Safety, Wellbeing and Sustainability

As a socially responsible Organisation, the health, safety and productivity of our employees is a priority. It is important that our employees are safe at all times, whether on site, in the field or while travelling.

We recognise that employees' resilience can also be affected by a wide variety of factors, from workload to stress in their personal lives. Our efforts to promote employee wellbeing focus on giving our people the support they need to build their energy levels and cope with stress.

Equally important, we are working hard to reduce our environmental footprint, even as we grow our business to extend the benefits of GSK products to more patients and customers around the world. Our environmental sustainability strategy sets an ambitious, long-term goal for the Company's entire value chain to be carbon neutral by 2030.

At GSK Pakistan, we are completely devoted to ensuring the health and safety of our employees and associated stakeholders. Our business needs are embedded within the circle of safety ensuring zero incidents or accidents at the workplace. We are focused on delivering a safe and sustainable business environment within and beyond our boundaries through creating awareness on our Environment, Health, Safety and Sustainability (EHS&S) agenda and fostering a culture of continuous improvement. Our business is health, and this starts with our own people. We are committed to providing a safe workplace where everyone is healthy and taking actions to protect our planet. Our core principles of respect for people, operating with transparency and acting with integrity underpin our approach to managing Environment, Health, Safety and Sustainability.

Key components of EHS&S include safeguarding our people, protecting our assets and the environment by taking an enterprise view

of Environment, Health, Safety and Sustainability and ensuring visible leadership commitment. We do this through establishing an effective control framework and by embedding a strong EHS&S culture throughout the business. Along with our ongoing work to protect the planet, we have set challenging sustainability targets to reduce our long-term environmental impacts.

Health and Wellbeing Initiatives

▪ No Tobacco Day

Health and wellbeing of our employees is one of our top priorities. No Tobacco Day was celebrated with the objective of communicating the adverse effects and the long-term risks, such as lung cancer and heart disease, associated with smoking on the human body. The employees were given tips on how to curb nicotine addiction in a safe and sustainable manner.



▪ Eat Well

Focusing on our employees' health and wellbeing during the pandemic, we launched an Eat Well campaign for our employees, offering a variety of healthy and nutritious food options for lunch. The intent of the Eat Well campaign was to promote awareness of healthy nutrition among employees and motivating them towards a healthier lifestyle.

▪ Modern Employer - Facility Upgradation

With a strong focus on employee wellbeing in 2021, we upgraded the Quality Control

Labs, Production Facility and Cafeteria at our F-268 facility to provide the employees with an environment where they can feel energised and motivated to work.

Safety at Work

Different activities were conducted throughout the year focusing on the safety culture and mindset. The programmes comprised of blended learning techniques like Simulations, Rapid Compliance check, drill down exercises, process improvement, and capability development sessions to strengthen our people's knowledge.

▪ Safe Working Hours

In 2021, our three manufacturing sites recorded a cumulative 11.17 million safe working hours with no time lost on account of incidents.

▪ Safety Exhibitions and Simulations

Throughout the year, several exhibitions and simulations on various EHS&S topics were carried out at sites, which included an exhibition on Personal Protective Equipment and Fire Safety simulations.



The objectives of these demonstrations were to enhance the capability of our employees with respect to adverse situations and to refresh their knowledge on relevant hazards such as chemical exposure, noise and fire safety. These hands-on and physical demonstrations were well received and appreciated by our employees.

▪ Workplace Traffic Safety Improvement

As part of our Workplace Traffic Safety Improvement initiative, several projects were initiated, and various developments were performed at our manufacturing sites.

Almost 2,000 feet of pathways were designed and developed with elimination of crossing/junction points and risk of collision. Each junction point is automated with different methodologies, subject to suitability with situation.

▪ Launch of Life Saving Rules

The "Life Saving Rules" Initiative was launched at GSK Korangi site with the objective of raising awareness amongst employees on workplace hazards.

The core purpose of this programme aims to strengthen the EHS&S systems and ensure a better understanding of operational risks, their effective management and creating a safer workplace for our people, visitors, contractors, as well as the community we live in.



Environment and Sustainability

Our Sustainability Vision

We aspire to become the most environmentally sustainable healthcare company in the world. We have set ambitious goals to reduce carbon, water and waste across our value chain. From the sourcing of raw materials and the impacts of our own labs and factories, to the use and disposal of our products by patients and consumers, we are continually looking for ways

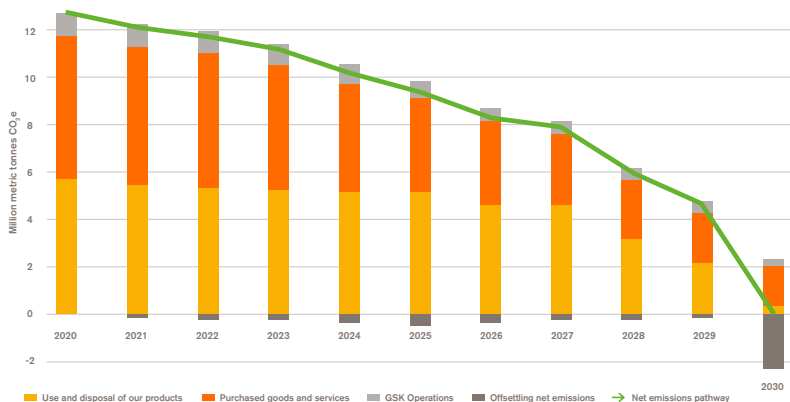
to reduce carbon emissions, water consumption and waste.

- **Carbon:** Our long-term aim is to be carbon neutral across our value chain
- **Water:** Our aim is to make sure our use of water throughout our value chain is sustainable
- **Waste:** Our aim is to reduce our waste, reuse what we can and recycle the rest

Our Global ESG carbon reduction pathway to reach net zero carbon by 2030

In November 2020, we announced ambitious environmental sustainability goals for new GSK in both climate and nature, aiming to have a net zero impact on climate and a net positive impact on nature by 2030.

The graph below shows our global projected carbon reduction pathway to 2030 across the different parts of our carbon footprint.



Key activities and impact on overall carbon reduction

100%

of our electricity will be from renewable sources by 2025.



Exploring options for a lower carbon impact propellant to use in Ventolin metered dose inhalers.



Transitioning 100% of our sales fleet to electric or low emissions vehicles.



Embedding 'eco-design' criteria into all our new products and packaging formats.



Running energy efficiency programmes to reduce the energy we use in our sites every year.



Promoting virtual ways of working to minimise business travel.

25%

Building eco-design into our products to reduce their environmental impact by 25%



We will offset the emissions we cannot eliminate, using nature based projects that also benefit local communities.



We will work with our suppliers to reduce our supply chain environmental impact.

**Healthy planet
Healthy people**

Our Sustainability Numbers at a glance

Safe Working Hours	11.17 million hours
Carbon Reduction*	9.6%
Water Consumption Reduction*	6.3%
Waste Reduction*	4.1%
Total SUPR Reduction	10,084 Kilograms
Total Solar Installed Capacity	780 kW

*Average across the 3 manufacturing sites (%)

▪ **Carbon Footprint Reduction**

As part of the “Think 2030” goal, the three sites managed to reduce their carbon footprint by 9.6% on average in 2021, as compared to the previous year.

▪ **Reducing Water Consumption**

In 2021, our three sites managed to reduce their water consumption by 6.3% on average as compared to 2020. Steps taken to control water consumption at our sites are as follows:



- o Optimising the utilisation of water by designing a condensate water recovery system which recovers water from manufacturing areas and utilises it in boiler operations
- o Adopting a strategy of delivering year-on-year water reduction and offsetting the residual usage of water via off-site water saving initiatives to ensure a net positive impact on nature
- o Optimising the use of water in different operational cycles
- o **Anti-Microbial Resistance Program (AMR)-** AMR is a global health and development threat which has been declared by WHO as one of the top 10 global public health threats faced by humanity. Lack of clean water, sanitation and inadequate infection prevention and control promotes the spread of microbes, some of which can be resistant to antimicrobial treatment. Considering our responsibilities towards health and environment, our West Wharf and F-268 sites are becoming Anti-Microbial Resistance Compliant by eliminating the risk of waste water discharge to soil. This has been achieved by reusing the wastewater after RO filtration in engineering utilities.

▪ **Waste Reduction**

In 2021, our sites saw a 4.1% reduction in total waste as compared to 2020. This reduction in waste is a result of the various initiatives that our sites have taken from across all value streams.

o **Single Use Plastics Reduction Programme (SUPR)**

Single Use Plastics have a devastating impact on the environment. Through our Single Use Plastic Reduction (SUPR) Programme, we managed to reduce our usage by 10,084 KGs of our use of single use plastic across our sites in 2021 as compared to 2020.



Special Projects

Some of the major capital expenditure projects and their rationales are mentioned below:

- **Child Resistant and Senior Friendly (CRSF) Packaging Project**
GSK, being committed to providing the highest level of safety and quality for its patients, globally rolled out its CRSF packaging. Worldwide, this initiative has proven quite successful, resulting in reduced number of deaths by accidental medicine ingestion. Given the positive global feedback on CRSF, an investment was made at our F-268 facility and after 5 years of development work, the project was completed in 2021. Most of our products have transitioned to CRSF.
- **Replacement of Absorption Chiller with Electric Chiller at F-268**
At F-268, the older 220 TR electric chillers were replaced by 2 Sanyo Absorption chillers, each with a capacity of 280 TR. Due to this shift, the energy losses at the site were minimised by 30%, the gas consumption was reduced by 6% and the carbon footprint lowered by 24%.

Certifications

F-268

In 2021, the F-268 site continued to maintain its certifications without any non-conformance against the following international standards:

- ISO 14001:2015 (Environment Management System)
- ISO 9001:2018 (Quality Management System)

Further, the site successfully migrated to ISO 45001:2018 (Occupational Health & Safety Management System) from OHSAS 18001 and received a renewal of Drug Manufacturing License.

West Wharf

The site managed to maintain its following ISO certifications with zero non-conformities: ISO 45001, ISO 14001 and ISO 9001. The site also sustained its Drug Manufacturing License issued by the Drug Regulatory Authority of Pakistan.



Korangi

GSK Korangi has demonstrated strong commitment towards safety, quality, and environmental compliance. This has been validated by the renewal of its ISO certification without any non-conformities.

- ISO 9001 and ISO 14001 certifications have been maintained by the site
- The site has successfully migrated from OHSAS 18001 to ISO 45001 in 2021

The site also sustained its Drug Manufacturing License issued by the Drug Regulatory Authority of Pakistan.



CSR Initiatives

Vaccination Drive

To support employees and complimentary workers, onsite COVID-19 vaccination camps were arranged with support from District Health Office for a total of 5 days at our West Wharf and F-268 sites. Over 331 people were successfully immunised as a result of this drive. Arrangements were made to provide medical treatment by a trained doctor present at the camp in case of an emergency and the site ambulance was also on standby.



Beach Cleaning Activity

In line with our goal of becoming the most environmentally sustainable healthcare company, we engaged employees in a beach cleaning drive to clean up our coastline and improve the oceanic ecosystem.



Go Green Initiative

GSK commemorated Pakistan's 74th Independence Day by supporting the Prime Minister's 10 Billion Trees initiative as part of the climate change commitment. During the celebration, the Leadership Team took the initiative of launching the tree plantation drive at West Wharf, which was later emulated across GSK's other facilities as well.



Integrated Reporting Framework

An integrated report (IR) is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term.

The purpose of the <IR> Framework is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them.

Guiding Principles that underpin the preparation and presentation of an integrated report, informing the content of the report and how information is presented are as follows:

- **Strategic focus and future orientation**
- **Connectivity of information**
- **Stakeholder relationships**
- **Materiality**
- **Conciseness**
- **Reliability and completeness**
- **Consistency and comparability**

An integrated report includes following Content Elements that are fundamentally linked to each other and are not mutually exclusive:

- **Organizational overview and external environment**
- **Governance**
- **Business Model**
- **Risks and Opportunities**
- **Strategy and Resource Allocation**
- **Performance**
- **Outlook**
- **Basis of Presentation**

At present, the requirement to publish an integrated report is not mandatory in Pakistan. However, the Company has disclosed the above contents in its annual report to ensure compliance with best reporting practices. Relevant references of core elements are given below:

- **Organizational overview and external environment - Pages 2 to 99**
- **Governance - Pages 68 to 112**
- **Business Model - Pages 20 to 21**
- **Risks and Opportunities - Pages 60 to 64**
- **Strategy and Resource Allocation - Pages 52 to 57**
- **Performance - Pages 116 to 183**
- **Outlook - Pages 186 to 187**
- **Basis of Presentation - Page 128 for statement of compliance to IFRS**

Brief about Contents, Scope and Boundaries of the Annual Report

In this report, GSK Pakistan discusses the Company's key activities during 2021 with the intent of providing its key stakeholders, such as shareholders and potential investors, with information about the Company's operations and financial performance.

This report contains information, such as Organisational Overview, Strategy and Resource Allocation, Risks and Opportunities, Governance, Stakeholders Relationship and Engagement, Financial Position and Performance, Outlook, Sustainability and Corporate Social Responsibility etc. GSK, being one of the leading pharmaceutical Company in Pakistan, plays a significant role in the Country's economy serving millions of patients with its medicine to create value for its stakeholders.

Following is an overview of the contents of this report.

Boundary	Contents	Scope
Integrated Reporting boundary	<ul style="list-style-type: none"> ▪ Organizational Overview ▪ Performance & Position ▪ Strategy & Resource Allocation ▪ Risks and Opportunities ▪ Governance ▪ Stakeholders Relationship & Engagement ▪ Sustainability & Corporate Social Responsibility 	<ul style="list-style-type: none"> ▪ Companies Act, 2017 ▪ Listed Companies (code of corporate governance) Regulations, 2019
Financial Reporting Boundary	Financial statements showing the financial position and financial performance of the Company	<ul style="list-style-type: none"> ▪ International Financial Reporting Standards ▪ Companies Act, 2017 ▪ Directives issued by SECP

Reporting Period

This Annual Report covers the 12-month period from January 01, 2021 to December 31, 2021 and is consistent with our usual annual reporting cycle for financial reporting. The Company's most recent previous report was dated December 31, 2020.

External Assurance

Independent External Auditors, Yousif Adil, Chartered Accountants have audited the Company's Financial Statements.

Pattern of Shareholding

As at December 31, 2021

Form-34

NUMBER OF SHAREHOLDERS	SHARES HOLDING		TOTAL SHARES HELD
	From	To	
2023	1	100	77,719
1680	101	500	516,312
1252	501	1000	963,856
1419	1001	5000	3,514,264
373	5001	10000	2,758,163
129	10001	15000	1,638,464
78	15001	20000	1,398,790
57	20001	25000	1,312,010
39	25001	30000	1,093,769
16	30001	35000	525,324
21	35001	40000	807,829
10	40001	45000	425,442
8	45001	50000	383,310
13	50001	55000	677,545
7	55001	60000	407,547
5	60001	65000	307,605
3	65001	70000	202,500
7	70001	75000	514,875
3	75001	80000	236,700
2	80001	85000	168,383
1	85001	90000	87,303
6	90001	95000	549,555
2	95001	100000	200,000
1	100001	105000	101,500
3	105001	110000	326,376
1	110001	115000	110,800
2	115001	120000	233,700
1	120001	125000	122,987
1	125001	130000	125,191
1	130001	135000	130,100
1	140001	145000	140,002
2	150001	155000	302,194
1	155001	160000	156,500
2	165001	170000	336,872
2	180001	185000	362,975
3	185001	190000	562,376
2	190001	195000	383,369
1	210001	215000	210,800
1	220001	225000	221,700
1	230001	235000	233,000
2	240001	245000	487,938
1	270001	275000	272,700
1	295001	300000	300,000
1	300001	305000	302,580
1	320001	325000	321,099
1	335001	340000	340,000
1	345001	350000	349,100
1	525001	530000	529,500
1	555001	560000	557,500
1	735001	740000	739,100
1	845001	850000	846,818
1	860001	865000	863,800
1	2735001	2740000	2,737,200
1	2910001	2915000	2,911,800
1	4510001	4515000	4,510,800
1	7360001	7365000	7,363,156
1	9175001	9180000	9,176,686
1	263025001	263030000	263,029,794
7199			318,467,278

Shareholding Information

As at December 31, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. MUNEEER KAMAL	1	2	0.00
MS. MAHEEN RAHMAN	1	1	0.00
Associated Companies, undertakings and related parties			
S.R.ONE INTERNATIONAL B.V.	1	263,029,794	82.59
NIT & ICP	1	108	0.00
Executives	-	-	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	16	10,180,978	3.20
Insurance Companies	13	10,189,475	3.20
Modarabas and Mutual Funds	23	9,046,859	2.84
General Public			
a. Local	6,920	19,226,098	6.04
b. Foreign	99	263,652	0.08
Foreign Companies	2	311,900	0.10
Others	122	6,218,411	1.95
Totals	7,199	318,467,278	100.00

Share holders holding 10% or more	Shares Held	Percentage
S.R.ONE INTERNATIONAL B.V.	263,029,794	82.59

Members Having 5% OR MORE OF VOTING RIGHTS

Name of Shareholder(s)	No. of Shares Held	Percentage (%)
S.R.ONE INTERNATIONAL B.V.	263,029,794	82.59

SHARES TRADED BY DIRECTORS / EXECUTIVES

None of the Executives, Directors and their Associates traded shares during the financial year January 1, 2021 to December 31, 2021.

SHAREHOLDING POSITION / IBAN

	No. of Shareholders	No. of Shares Held	Percentage (%)
Shares in Physical Register	1,946	266,454,704	83.67
Shares Deposited in Central Depository System	5,253	52,012,574	16.33
Total	7,199	318,467,278	100.00
IBAN / Account No. Updated (Physical)	513	1,127,922	7.13
IBAN / Account No. Updated (CDS)	4,956	51,863,239	68.84
Total	5,469	52,991,161	75.97

Free Float Shares

Free Float Shares of the Company 52,012,573 i.e. (16.33%) Shares out of total 318,467,278 Shares as on December 31, 2021.

Key Shareholding

As at December 31, 2021

Name of Shareholders	Number of Shares	Percentage (%)
Directors, Spouses and their Children		
MR. MUNEEER KAMAL	2	0.00
MAHEEN RAHMAN	1	0.00
Total	3	0.00
Associates Companies		
S.R.ONE INTERNATIONAL B.V.	263,029,794	82.59
Modarabas and Mutual Funds		
FIRST ALNOOR MODARABA	4,700	0.00
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	100,000	0.03
CDC - TRUSTEE ATLAS STOCK MARKET FUND	210,800	0.07
CDC - TRUSTEE AKD INDEX TRACKER FUND	12,273	0.00
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	77,000	0.02
B.R.R. GUARDIAN MODARABA	186,930	0.06
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	60,000	0.02
CDC - TRUSTEE NBP STOCK FUND	167,700	0.05
CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	51,300	0.02
CDC - TRUSTEE APF-EQUITY SUB FUND	23,000	0.01
CDC - TRUSTEE APIF - EQUITY SUB FUND	29,500	0.01
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	233,000	0.07
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	3,000	0.00
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	34,800	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	7,363,156	2.31
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	94,000	0.03
CDC - TRUSTEE AWT STOCK FUND	14,700	0.00
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	272,700	0.09
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	7,500	0.00
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	9,200	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	16,500	0.01
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	16,000	0.01
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	59,100	0.02
Total	9,046,859	2.84
Banks Development Financial Institutions, Non Banking Financial Financial Institutions	10,180,978	3.20
Insurance Companies		
CENTRAL INSURANCE CO LIMITED	1	0.00
PREMIER INSURANCE LIMITED	29,980	0.01
STATE LIFE INSURANCE CORP. OF PAKISTAN	9,176,686	2.88
ALPHA INSURANCE CO. LTD.	83,383	0.03
GHAFF LIMITED	15,000	0.00
HABIB INSURANCE CO.LIMITED	50,825	0.02
ATLAS INSURANCE LIMITED	156,500	0.05
DAWOOD FAMILY TAKAFUL LIMITED	2,400	0.00
ASKARI GENERAL INSURANCE COMPANY	16,000	0.01
ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	243,400	0.08
ADAMJEE LIFE ASSURANCE CO.LTD - DGF	13,700	0.00
ADAMJEE LIFE ASSURANCE COMPANY LIMITED	61,600	0.02
E. F. U. GENERAL INSURANCE LIMITED	340,000	0.11
Total	10,189,475	3.20

Notice of Annual General Meeting

Notice is hereby given to the members that the 75th Annual General Meeting of GlaxoSmithKline Pakistan Limited will be held on Monday, 25 April 2022 at 11 a.m. via WEBEX video link from GSK Pakistan Head Office at 35 Dockyard Road West Wharf, Karachi 74000 in compliance with Circular No. 4 of 2021 of SECP dated February 15, 2021, Circular No. 6 of 2021 dated March 03, 2021 and subsequent to Letter No. SMD/SE/2(20)/2021/117 issued by Policy, Regulation and Development Department of SECP dated December 15, 2021, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements together with the Directors' and Auditors' Report thereon for the year ended 31 December 2021.
2. To consider, approve and declare the dividend on the ordinary shares of the Company. The Directors have recommended a final cash dividend of 70% (Rs. 7 per ordinary share of Rs. 10 each), for the year ended 31 December 2021.
3. To reappoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s Yousuf Adil Chartered Accountants as external auditors, for the year ending 31 December 2022.

ANY OTHER BUSINESS

1. To transact any other business with the permission of the Chair.

By Order of the Board

Karachi
April 04, 2022

MEHAR-E-DARAKSHA AMEER
Company Secretary

Notes:

In light of the COVID-19 situation, the Company ensures proper safety measures as defined by Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 5 dated March 17, 2020 and Circular No. 25 dated August 31, 2020. Whereas the Shareholders may send their comments & suggestions relating to the agenda items of the AGM at least two working days before the AGM, at the email address PK.Shareinfo@gsk.com. However, the financial statements of the Company for the year ended December 31, 2021 would have been placed on the website of the Company (<http://www.pk.gsk.com>).

For posting your questions please use the Vevox link below:

You can use the Vevox link: <https://vevox.app/#/m/195642529>
Session ID: 195-642-529

Email Address: PK.Shareinfo@gsk.com

For attending live proceedings of the AGM, the Shareholders are requested to log-on the following link:

Event address for Attendees:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ea8f0ed0af1ae4a5fd2c826d4db17a6ca>

Event password: gsk123

1. The Share Transfer Books of the Company will be closed for determining the entitlement for the payment of Final Dividend from 19 April 2022 to 25 April 2022 (both days inclusive). Transfer requests received at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H. Society, Main Shahrah-e-Faisal, Karachi at the close of business on 18 April 2022 (Monday) will be treated in time for the purposes of Annual General Meeting and entitlement to the transferees.
2. A member entitled to attend and vote at the Meeting may appoint another member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf. The instrument appointing Proxy must be deposited at the Registered Office of the Company duly signed, not later than 48 hours before the time for holding the Meeting. A member cannot appoint more than one Proxy. Attested copy of the Shareholder's Computerized National Identity Card (CNIC) must be attached with the Form. For any other relevant aspects, contents of Section 137 of the Companies Act, 2017 will apply. The instrument appointing Proxy is available on the Company's website (<http://www.pk.gsk.com>)
3. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
4. In pursuance of SECP Circular No. 10 dated April 1, 2020 regarding Regulatory Relief to dilute impact of Corona Virus (COVID-19) for Corporate Sector (194), the Annual Report shall be circulated via email to those Shareholders whose email addresses are present in the records/database of the CDC. The Annual Report has also been uploaded at the Company's website and is readily accessible to the Shareholders (<http://www.pk.gsk.com>).
5. CDC Account Holders will further have to follow the undermentioned guidelines as specified by the Securities and Exchange Commission of Pakistan (SECP).

A. For attending the Meeting:

- i. In view of the Letter No. SMD/SE/2(20)/2021/117 dated December 15, 2021 issued by the Policy, Regulation and Development Department in continuation of office Circular No. 6 dated March 03, 2021 and in view of the prevalent COVID-19 pandemic situation and the rapid spread of the omicron virus throughout the Country and a high number of cases in Sindh, due to the practical difficulties faced by listed companies to hold the meeting physically; the Company has decided to hold the meeting through electronic mode only.
- ii. In case of individuals, the Account Holder or Sub-Account Holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall attend live proceedings of the AGM via log-in on the following link:

Event address for Attendees:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ea8f0ed0af1ae4a5fd2c826d4db17a6ca>

Event password: gsk123

You will be able to view the Directors and hear the live proceedings of the AGM but your connection will be on mute, to avoid any connectivity disruptions. The Shareholders attending the AGM through WEBEX, may post/send their respective questions/comments/suggestions along with their Name and Folio Number on the Vevox link/email address, provided above in this notice.

- iii. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing Proxies:

- i. In case of individuals, the Account Holder or Sub-Account Holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the Proxy Form as per the above requirement.
- ii. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- iv. The Proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the Proxy Form to the Company.
- vi. The Proxy Form is available on the Company website (<http://www.pk.gsk.com>)

The Company continues to monitor the impact of COVID-19 and any relevant updates regarding the Meetings, including any changes to the arrangements outlined in the Notice of AGM, will be announced via a Regulatory Information Service (PUCAR) and will be available on <http://www.pk.gsk.com>.

6. Submission of CNIC/NTN Number on Electronic Dividend (Mandatory):

- a. According to the Securities and Exchange Commission of Pakistan's (SECP) SRO 831(1)/2012 dated July 05, 2012 read with SRO 19(1) 2014 dated January 10, 2014 and other relevant rules, the electronic dividend should also bear the CNIC number of the registered Shareholder or the authorized person, except in the case of minor(s) and Corporate Shareholders.
- b. As per Regulation No. 4 & 6 of the Companies (Distribution of Dividend) Regulations, 2017, the Company shall be constrained to withhold the payment of dividend to the Shareholders, In case of non-availability of identification number (CNIC or National Tax Number) of the Shareholder or authorized person.
- c. Accordingly, the Shareholders, who have not yet submitted a copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Company's Share Registrar at CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahr-e-Faisal, Karachi. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

7. Payment of Cash Dividend through Electronic Mode (Mandatory):

- a. As per Section 242 of the Companies Act, 2017, in case of a Public listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled Shareholders. Therefore, through this notice, all Shareholders are requested to update their bank account details in the Central Depository System through respective participants/stockbrokers. In case of physical shares, please provide bank account details (IBAN account no.) directly to our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahr-e-Faisal, Karachi.
- b. Please note that as per Section 243(3) of the Companies Act, 2017, Company are entitled to withhold payment of dividend, if necessary information is not provided by the Shareholders.
- c. For the Convenience of Shareholders e-Dividend Mandate Form is available on the Company's website i.e. <http://www.pk.gsk.com>.

Status of IBAN as on December 31, 2021 of GlaxoSmithKline Pakistan Limited Shareholders (Physical & CDS) as follows:

Current Total Number of Shareholders as on December 31, 2021			Current Number of IBAN updated as on December 31, 2021			Ratio/Percentage of IBAN updated
Physical	CDS	Total	Physical	CDS	Total	%
1946	5,253	7,199	513	4,956	5,469	75.97

8. Declaration as per Zakat & Usher Ordinance 1980

Members are requested to submit declaration as per Zakat & Usher Ordinance 1980 for Zakat exemption and to advise change in address, if any.

9. Availability of Annual Audited Financial Statements:

- In accordance with the provision of Section 223 of the Companies Act, 2017, the Audited Financial Statements of the Company for the year ended December 31, 2021, are available on the Company's website {<http://www.pk.gsk.com>}.
- Any Shareholder who desires to get the hard copy of the Annual Audited Financial Statements 2021, the same shall be provided free of cost within seven working days of receipt of such request.
- In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those Shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a "Standard Request Form".
- For convenience of Shareholders, a "Standard Request Form" for provision of Annual Audited Financial Statements is available on the Company's website [<http://www.pk.gsk.com>].

10. Deduction of Income Tax from Dividend:

- This is with reference to final cash dividend announced by GlaxoSmithKline Pakistan Limited at the rate of Rs. 7 per share to the Shareholders for the year ended December 31, 2021.
- Shareholders whose names are not appearing in the Active Tax-payers List (ATL) are advised to immediately make necessary arrangement to make them active. Otherwise, tax on their cash dividend will be deducted as per law.
- Further, according to clarification received from Federal Board of Revenue [FBR], withholding tax will be determined separately on Active/Non-Active Status of Principal Shareholder as well as Joint Holder(s) based on their shareholding proportions, in case of joint accounts.
- In this regard, all Shareholders who hold shares with joint Shareholders are requested to provide shareholding proportions of Principal Shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio/ CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

Notes:

- i. The required information must reach the Company's Share Registrar by 18 April 2022; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s) and tax will be deducted accordingly.
- ii. The Corporate Shareholders, having CDC accounts, are requested to have their National Tax Number (NTN) updated with their respective participants. Corporate physical Shareholders should send a copy of their NTN Certificate to the Company's Share Registrar. The Shareholders, while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.
- iii. Withholding tax exemption from dividend income, shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar by 18 April 2022.

11. Intimation of Non-Resident Shareholders:

Non-resident Shareholders shall submit a declaration of Undertaking with a copy of their valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status, for the purposes of tax deduction on dividend to the Share Registrar (Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi) or email at info@cdcsrsl.com at the latest by 18 April 2022. A copy of the declaration form can be downloaded from the Company's Website <http://www.pk.gsk.com>.

12. Deposit of Physical Shares into CDC Account:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e. May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scripless form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

13. Unclaimed Dividend/Shares:

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi to collect/enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government/SECP and in case of shares, shall be delivered to the Securities and Exchange Commission of Pakistan (SECP).

14. Postal Ballot/E-Voting:

In accordance with the Companies (Postal Ballot) Regulations, 2018, for the purpose of Election of Directors and for any other agenda item subject to the requirements of Sections 143 and 144 of the Companies Act, 2017, members holding in aggregate 5% or more shareholding as per law, will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in aforesaid Regulations.

15. Code of Conduct for Shareholders in General Meeting:

- i. Pursuant to the provision of Section 215 of Companies Act, 2017 (the “Act”)
 - a) Without prejudice to his rights under this Act, a member of the Company shall not exert influence or approach the Management directly for decisions which may lead to create hurdle in the smooth functioning of Management.
 - b) Any Shareholder who fails to conduct in the manner provided in this Section and as specified by the Commission shall be guilty of an offence under this Section and shall be liable to a penalty not exceeding of level 1 on the standard scale.
- ii. In compliance with Section 185 of Companies Act, 2017, Corporation shall not distribute gifts in any form to its members in its Meeting.

16. Consent for Video Conference Facility:

- a. In accordance with Sections 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.
- b. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the Meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.
- c. The Company will intimate to members regarding the venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a Member of GlaxoSmithKline Pakistan Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account No. _____ hereby opt for Video Conference Facility at _____.

Signature of Member

16. ویڈیو کانفرنس کی سہولت کے لیے رضامندی:

- (ا) کمپنیز ایکٹ 2017 کے سیکشن 132 اور 134 کے تحت، ممبرز ویڈیو کانفرنس کی سہولت سے بھی مستفید ہو سکتے ہیں۔
- (ب) اگر کمپنی کو اجلاس کے شہر کے علاوہ مجموعی طور پر کسی جغرافیائی علاقے میں رہائش پذیر 10 فیصد یا اس سے زائد شیئرز کے مالک ممبرز کی جانب سے ویڈیو کانفرنس کے ذریعے سالانہ اجلاس میں شمولیت کے لیے کم از کم 7 دن پہلے رضامندی موصول ہوتی ہے تو کمپنی اس شہر میں میسر سہولیات کے مطابق ویڈیو کانفرنس کا انعقاد کرے گی۔ اس سلسلے میں، براہ مہربانی نیچے دیے گیا فارم پُر کریں اور کمپنی کے رجسٹرڈ پتے پر سالانہ اجلاس عام سے 7 دن پہلے ارسال کریں۔
- (ج) کمپنی، سالانہ اجلاس عام سے کم از کم 5 روز قبل ممبرز کو ویڈیو کانفرنس کے مقام اور اس سہولت سے مستفید ہونے کے لیے تمام ضروری معلومات سے آگاہ کرے گی۔ تاکہ وہ اس سہولیات تک رسائی حاصل کر سکے۔

میں/ہم _____ کے _____ بطور ممبر، گلیکسو اسمتھ کلائن پاکستان لمیٹڈ
عمومی شیئر/شیئرز کے مالک کی حیثیت سے بمطابق رجسٹرڈ فولیو/ CDC اکاؤنٹ نمبر _____ بذریعہ ہذا ویڈیو
کانفرنس منعقدہ بمقام _____ میں شرکت کرنا چاہتا/چاہتی ہوں/چاہتے ہیں۔

دستخط ممبر _____

فیصل، کراچی) پریابڈریجی ایمیل ایڈریس info@cdcsrsl.com اپنی تازہ ترین معلومات 18 اپریل 2022 تک ارسال کریں۔ ڈیکلریشن فارم کی کاپی کمپنی کی ویب سائٹ http://www.pk.gsk.com سے ڈاؤن لوڈ کی جاسکتی ہے۔

12. سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا جمع کروانا:

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق، کمیشن کی جانب سے اعلان کردہ تاریخ 30 مئی 2017 کے ایکٹ کے آغاز سے چار سال کی مدت کے اندر ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئرز بک-انٹری فارم کے ساتھ مخصوص طریقہ کار کے مطابق تبدیل کرنے کی ضرورت ہوگی۔ فزیکل شیئرز ہولڈنگ رکھنے والے شیئرز ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ کسی بھی بروکرز کے ساتھ اپنا سی ڈی سی اکاؤنٹ یا براہ راست سی ڈی سی کے ساتھ انویسٹرا کاؤنٹ کھول کر اپنے فزیکل شیئرز کو اسکرپ لیس فارم (Scrip Form) کی شکل میں رکھ سکتے ہیں، اس سے انہیں کئی طرح کی سہولت حاصل ہو سکتی ہے، جس میں شیئرز کی فروخت اور ان کی محفوظ تحویل جس وقت بھی وہ چاہیں، شامل ہے، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

13. غیر دعویٰ شدہ منافع منقسمہ/شیئرز:

شیئرز ہولڈرز جو کسی بھی وجہ سے اپنے منافع منقسمہ یا یونٹس شیئرز کا دعویٰ دائر نہیں کر سکے یا اپنے فزیکل شیئرز جمع نہیں کروا سکے، انہیں تجویزی دی جاتی ہے کہ وہ ہمارے شیئرز رجسٹری ڈی سی، شیئرز رجسٹر ارسر و سر لمیٹڈ، ڈی سی ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی سے اپنے غیر دعویٰ شدہ منافع منقسمہ یا زیرو انٹو شیئرز، اگر کوئی ہیں، کے بارے میں معلومات حاصل کرنے کے لیے رابطہ کریں۔ براہ کرم نوٹ کر لیں کہ کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق، طے شدہ طریقہ کار مکمل کرنے کے بعد، اعلان کردہ منافع منقسمہ، جو اپنی واجب الادا تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ یا ناقابل ادار ہیں ہوں وہ وفاقی حکومت/SECP کے کریڈٹ میں جمع کرائیں جائیں گے اور شیئرز کی صورت میں، تمام سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کو پہنچائے جائیں گے۔

14. پوسٹل بیلٹ ای-ووٹنگ:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق، ڈائریکٹرز کے انتخاب کے مقصد کے لیے اوپنٹیز ایکٹ، 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط کسی اور ایجنڈے کے آئٹم کے لیے، مذکورہ بالا قواعد و ضوابط میں شامل شرائط کے تحت، قانون کے مطابق مجموعی طور پر 5 فیصد یا اس سے زیادہ شیئرز رکھنے والے ممبران کو پوسٹل بیلٹ کے ذریعے یعنی ڈاک کے ذریعے یا ای-ووٹنگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔

15. اجلاس عام میں شیئرز ہولڈرز کے لیے ضابطہ اخلاق:

- کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 215 کی دفعہ کے مطابق
- اس ایکٹ کے تحت اس کے حقوق سے تعصب کے بغیر، کمپنی کا کوئی فرد اثر و رسوخ کا مظاہرہ نہیں کرے گا اور نہ ہی فیصلے کے لیے براہ راست انتظامیہ سے رجوع کرے گا جو انتظامیہ کے ہموار کام میں رکاوٹ کا سبب بنے۔
- کوئی بھی شیئرز ہولڈر جو اس سیکشن میں فراہم کردہ طریقہ عمل میں ناکام ہو جاتا ہے اور جیسا کہ کمیشن کے ذریعے بتایا جا چکا ہے اس دفعہ کے تحت جرم کا مرتکب ہوگا اور معیاری پیمانے پر لیول 1 سے کم جرمانے کا ذمہ دار ہوگا۔
- کمپنیز ایکٹ 2017 کے سیکشن 185 کی تعمیل میں، کارپوریشن اپنے اجلاس میں اپنے ممبران کو کسی بھی شکل میں تحائف تقسیم نہیں کرے گی۔

ج) SECP کی جانب سے مورخہ 8 ستمبر 2014 کے SRO 787(1) 2014 کے تحت دی گئیں ہدایات کے مطابق، ایسے شیئر ہولڈرز جو سالانہ مالیاتی گوشوارے مستقبل میں ڈاک کے بجائے ای میل کے ذریعے وصول کرنے کے خواہش مند ہوں، انہیں ہدایت دی جاتی ہے کہ وہ اپنی باضابطہ رضامندی، مستند ای میل ایڈریس کے ہمراہ "اسٹینڈرڈ درخواست فارم" پر دیں۔

د) شیئر ہولڈرز کی آسانی کے لیے، سالانہ آڈٹ شدہ مالیاتی گوشواروں کی فراہمی کے لیے کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر "اسٹینڈرڈ درخواست فارم" دستیاب ہے۔

10. منافع منقسمہ پرائم ٹیکس کی کٹوتی:

ا) یہ 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے شیئر ہولڈرز کو، گلیکسو اسمتھ کلان پاکستان لمیٹڈ کی جانب سے اعلان کردہ فی شیئر 7 روپے حتمی کیش منافع منقسمہ کے حوالے سے ہے۔

ب) جن شیئر ہولڈرز کے نام فعال ٹیکس دہندگان کی فہرست (ATL) میں موجود نہیں ہیں انہیں فوری طور پر فعال بنانے کے لیے ضروری انتظامات کرنے کا مشورہ دیا جاتا ہے۔ بصورت دیگر، ان کے کیش منافع منقسمہ پر قوانین کے مطابق ٹیکس کٹوتی ہوگی۔

ج) مزید یہ کہ فیڈرل بورڈ آف ریونیو [FBR] سے موصول شدہ تصدیق کے مطابق، وہ ہولڈنگ ٹیکس کا تعین، پرنسپل شیئر ہولڈرز کے ساتھ ساتھ جو انٹ ہولڈرز، ہولڈرز، جوائنٹ اکاؤنٹ ہونے کی صورت میں (ان کے شیئر ہولڈنگ تناسب کی بنیاد پر)، فعال / غیر فعال حیثیت پر علیحدہ علیحدہ ہوگا۔

د) اس حوالے سے وہ تمام شیئر ہولڈرز جن کے شیئرز مشترکہ شیئر ہولڈرز کے ساتھ ہیں، سے درخواست کی جاتی ہے کہ وہ جو شیئرز رکھتے ہیں، ان کے بارے میں ہمارے شیئر رجسٹرار کو مندرجہ ذیل تحریری طریقہ کار کے ذریعے، پرنسپل شیئر ہولڈر اور مشترکہ شیئر ہولڈر / ہولڈرز کے شیئرز کا ملکیتی تناسب فراہم کریں:

جوائنٹ شیئر ہولڈر		پرنسپل شیئر ہولڈر		مجموعی شیئرز	فولیو ایسی ڈی ایس اکاؤنٹ نمبر
نام اور شناختی کارڈ نمبر	شیئر رکھنے کا تناسب (شیئر کی تعداد)	نام اور شناختی کارڈ نمبر	شیئر رکھنے کا تناسب (شیئر کی تعداد)		

نوٹس:

- مطلوبہ معلومات کمپنی کے شیئر رجسٹرار کو 18 اپریل 2022 تک لازماً پہنچ جانی چاہئیں، بصورت دیگر یہ تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور مشترکہ شیئر ہولڈر / ہولڈرز دونوں مساوی شیئرز کے مالک ہیں اور ٹیکس کی کٹوتی اسی مناسبت سے کی جائے گی۔
- وہ کارپوریٹ شیئر ہولڈرز جو سی ڈی سی اکاؤنٹس کے حامل ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے متعلقہ شراکت داروں کے ساتھ اپنے نیشنل ٹیکس نمبر (NTN) کو اپ ڈیٹ کریں۔ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے NTN سرٹیفکیٹ کی ایک نقل کمپنی کے شیئر رجسٹرار کو ضرور ارسال کریں۔ شیئر ہولڈرز اپنے نیشنل ٹیکس نمبر NTN یا NTN سرٹیفکیٹ ارسال کرتے ہوئے، جو کہ ضروری ہو سکتا ہے، اس پر کمپنی کا نام اور اپنے متعلقہ فولیو نمبر ضرور تحریر کریں۔
- منافع منقسمہ کی آمدنی پر ٹیکس کٹوتی سے استثنیٰ صرف اسی صورت میں دیا جائے گا اگر 18 اپریل 2022 تک موثر ٹیکس استثنیٰ سرٹیفکیٹ کی نقل کمپنی شیئر رجسٹرار کو موصول ہو جاتی ہے۔

11- غیر رہائشی شیئر ہولڈرز کے لیے اطلاع:

غیر رہائشی شیئر ہولڈرز رہائشی حیثیت کے تعین کے لیے انکم ٹیکس آرڈیننس، 2001 کے سیکشن 82 میں بیان کردہ ہدایات کے تحت اپنے اقرانے کا اعلامیہ بمع درست پاسپورٹ کی کاپی، ڈیویڈنڈ پرنٹس کٹوتی کے مقصد کے لیے شیئر رجسٹرار (میسرز سی ڈی سی شیئر رجسٹرار سول لمیٹڈ، سی ڈی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ

ج) لہذا وہ شیئر ہولڈرز جنہوں نے تاحال اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا نیشنل ٹیکس نمبر (NTN) کی نقل جمع نہیں کروائی ہے، ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ فوری طور پر اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا نیشنل ٹیکس نمبر (NTN) کی نقل کمپنی کے شیئر رجسٹرار کو سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی ہاؤس، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے پتے پر ارسال کر دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) اور فولیو نمبر مع مجاز نمائندے کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل، فراہم کریں۔

7. نقد منافع منقسمہ کی الیکٹرونک انداز سے ادائیگی (لازمی):

ا) کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق پبلک لسٹڈ کمپنی ہونے کی صورت میں، کسی بھی قابل ادا کیش ڈیویڈنڈ کی ادائیگی صرف الیکٹرونک موڈ کے ذریعے براہ راست حقدار شیئر ہولڈرز کے نام زد کردہ بینک اکاؤنٹ میں کی جائے گی۔ لہذا تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے بینک کی تفصیلات متعلقہ شراکت دار/اشاک بروکر کے ذریعے سینٹرل ڈیپازٹری سسٹم میں اپ گریڈ کریں۔ فزیکل شیئرز کی صورت میں، براہ مہربانی اپنے بینک اکاؤنٹ کی تفصیلات (IBAN اکاؤنٹ نمبر) براہ راست شیئر رجسٹرار، سی ڈی ایس ڈی سی شیئر رجسٹرار سوز لمیٹڈ، سی ڈی ایس ڈی ہاؤس، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر ارسال کر دیں۔ ای ڈیویڈنڈ لازمی فارم منسلک ہے اور ہماری ویب سائٹ پر بھی دستیاب ہے۔

ب) براہ کرم نوٹ کریں کہ کمپنیز ایکٹ، 2017 کے سیکشن (3) 243 کے مطابق، اگر شیئر ہولڈرز کی جانب سے ضروری معلومات فراہم نہ کی گئیں، تو کمپنی ڈیویڈنڈ کی ادائیگی روکنے کا استحقاق رکھتی ہے۔

ج) شیئر ہولڈرز کی آسانی کے لیے ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر دستیاب ہے۔

31 دسمبر 2021 تک گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کے شیئر ہولڈرز (فزیکل اور سی ڈی ایس) کے IBAN کا اسٹیٹس درج ذیل ہے:

شرح/اپ ڈیٹ ہونے والے IBAN کا تناسب %	31 دسمبر 2021 تک IBAN کی تازہ ترین موجودہ تعداد			31 دسمبر 2021 تک شیئر ہولڈرز کی موجودہ کل تعداد		
	کل	سی ڈی ایس	فزیکل	کل	سی ڈی ایس	فزیکل
75.97	5,469	4,956	513	7,199	5,253	1946

8. زکوٰۃ اور عشر آرڈیننس 1980 کے مطابق اعلامیہ:

تمام ممبران سے درخواست ہے کہ وہ زکوٰۃ اور عشر آرڈیننس 1980 کے مطابق زکوٰۃ سے استثنیٰ کے لیے اعلامیہ جمع کروائیں اور پتے میں تبدیلی، اگر کوئی ہے تو آگاہ کریں۔

9. سالانہ آڈٹ شدہ مالیاتی گوشواروں کی دستیابی:

ا) کمپنیز ایکٹ، 2017 کے سیکشن 223 کی شق کے مطابق، 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشوارے، کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر دستیاب ہیں۔

ب) کوئی بھی شیئر ہولڈر جو 2021 کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی بارڈر کاپی کا خواہش مند ہے تو وہ اُسے درخواست کی وصولی کے سات (7) کاروباری ایام کے اندر بلا معاوضہ فراہم کر دی جائے گی۔

شکاء کے لیے پروگرام کا پتہ:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ea8f0ed0af1ae4a5fd2c826d4db17a6ca>

ایونٹ پاسپورڈ: gsk123

آپ ڈائریکٹرز کو دیکھ سکیں گے اور سالانہ اجلاس عام کی کارروائی براہ راست سن بھی سکیں گے لیکن کسی بھی قسم کی کنیکٹیوٹیٹی کی رکاوٹوں سے بچنے کے لیے آپ کا کنیکشن میوٹ (mute) کر دیا جائے گا۔ WEBEX کے ذریعے سالانہ اجلاس عام میں شریک ہونے والے شیئر ہولڈرز اپنی سہولت کے مطابق اوپر دیے گئے ویو ایکس لنک / ای میل ایڈریس پر اپنے نام اور فون نمبر کے ساتھ اپنے متعلقہ سوالات / تبصرے / تجاویز پوسٹ کر سکتے / بھیج سکتے ہیں۔

(iii) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / نامزد شخص کے دستخط کے نمونے کے ساتھ مختار نامہ پیش کیا جائے گا (تا وقتیکہ قبل ازیں پیش نہ کیے گئے ہوں)۔

ب) پراسیڈر کی تقرری کے لیے

- (i) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور جس کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کی جا چکی ہیں، مذکورہ بالا ضروریات کے مطابق پراسی فارم جمع کر سکتے ہیں۔
- (ii) پراسی فارم پر دو افراد گواہوں کے دستخط ہونے چاہئیں جن کے نام، پتے اور کمپیوٹر انڈر ڈومینی شنائی کارڈ (CNIC) نمبر فارم پر موجود ہوں گے۔
- (iii) بینیشنل اونرز کی کمپیوٹر انڈر ڈومینی شنائی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ نقول اور پراسی، پراسی فارم کے ساتھ پیش کی جائیں گی۔
- (iv) پراسی، اجلاس کے وقت اپنا اصل کمپیوٹر انڈر ڈومینی شنائی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرے گا / گی۔
- (v) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نامزد کردہ فرد کے نمونہ دستخط کو کمپنی کے پراسی فارم کے ساتھ پیش کرنا ہوگا (تا وقتیکہ قبل ازیں پیش نہ کیے گئے ہوں)۔
- (vi) پراسی، کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر دستیاب ہے۔

کمپنی کو رونا وائرس (COVID-19) کے اثرات کا جائزہ لیتی رہے گی اور اجلاسوں سے متعلق کسی بھی قسم کی متعلقہ آپ ڈیٹس بشمول سالانہ اجلاس عام کے انتظامات کے حوالے سے ہونے والی کسی بھی قسم کی تبدیلیوں کا اعلان ریگولیشن انفارمیشن سروس (PUCAR) کے ذریعے اور ویب سائٹ (<http://www.pk.gsk.com>) پر دستیاب کرے گی۔

6. الیکٹرونک ڈیویڈنڈ پر CNIC/NTN نمبر جمع کروانا (لازمی):

- (a) سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ایس آر او، 2012/831(1) بتاریخ 5 جولائی 2012 کو ایس آر او، 2014(1) بتاریخ 10 جنوری 2014 کے ساتھ پڑھیں گے اور اس کے علاوہ دیگر متعلقہ قوانین کے مطابق الیکٹرونک ڈیویڈنڈ کو رجسٹرڈ شیئر ہولڈر یا مجاز شخص کے کمپیوٹر انڈر ڈومینی شنائی کارڈ (CNIC) کا حامل بھی ہونا چاہیے، سوائے نابالغ اور کارپوریٹ شیئر ہولڈرز کے۔
- (ب) کمپنیز (منافع کی تقسیم) ریگولیشنز، 2017 کے ریگولیشن نمبر 4 اور 6 کے مطابق، شیئر ہولڈر یا مجاز شخص کے شنائی نمبر (CNIC یا NTN) کی عدم دستیابی کی صورت میں کمپنی شیئر ہولڈرز کی ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

سالانہ اجلاس عام کی براہ راست کارروائی میں شرکت کے لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ نیچے دیے گئے لنک پر لاگ آن کریں:

شرکاء کے لیے پروگرام کا پتہ:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ea8f0ed0af1ae4a5fd2c826d4db17a6ca>

ایونٹ پاسپورڈ: **gsk123**

1. کمپنی کی شیئر منتقلی کتب، حتمی منافع منقسمہ کی ادائیگی کے استحقاقی تعین کے مقصد کے لیے 19 اپریل 2022 سے 25 اپریل 2022 (بشمول دونوں ایام) بند رہیں گی۔ جو منتقلیاں کمپنی کے شیئرز رجسٹر اریٹریٹ ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی میں 18 اپریل 2022 (بروز پیر) کو کاروباری اوقات ختم ہونے سے قبل موصول ہوں گی، سالانہ اجلاس عام کے مقاصد اور منتقل کرنے والوں کے استحقاق کے لیے بروقت موصول شدہ تصور کی جائیں گی۔
2. اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر، کسی دوسرے ممبر کو اجلاس میں شرکت، بولنے اور ووٹ دینے کے لیے تحریری طور پر کسی مقرر کر سکتا/کر سکتی ہے۔ پراکسی کے تقرر کی دستاویز باقاعدہ طور پر دستخط اور مہر لگانے کے بعد کمپنی کے رجسٹرڈ آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازمی جمع کرادی جائے۔ ایک ممبر، ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔ شیئر ہولڈرز کے قومی کمپیوٹرائزڈ شناختی کارڈ (CNIC) کی تصدیق شدہ نقل کو فارم کے ساتھ لازماً منسلک کرنا ہوگا۔ دیگر کسی متعلقہ پہلو کے لیے، کمپنیز ایکٹ 2017 کی دفعہ 137 کے مندرجات کا اطلاق ہوگا۔ پراکسی کا تقرر کرنے والی دستاویز کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر موجود ہے۔
3. شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اگر ان کے بیٹوں میں کوئی تبدیلی ہو تو کمپنی کو ضرور آگاہ کریں۔
4. کارپوریٹ سیکٹر (194) کے لیے کورونا وائرس (COVID-19) کے اثرات کو ختم کرنے کے لیے باقاعدہ ریلیف کے حوالے سے یکم اپریل 2020 کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 10 کی پیروی میں، سالانہ رپورٹ ان شیئر ہولڈرز کو ارسال کی جائے گی جن کے ای میل ایڈریس CDC کے ڈیٹا بیس/ریکارڈز میں موجود ہیں۔ سالانہ رپورٹ کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر بھی اپ لوڈ کی گئی ہے اور شیئر ہولڈرز کے لیے باآسانی قابل رسائی ہے۔
5. سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے بیان کردہ مندرجہ ذیل ہدایات پر مزید عمل کرنا ہوگا۔

(ا) اجلاس میں شرکت کے لیے:

- (i) پالیسی، ریگولیشن اور ڈیولپمنٹ ڈپارٹمنٹ کی جانب سے 15 دسمبر 2021 کو جاری کردہ لیٹرنمبر SMD/SE/2(20)/2021/117 کے پیش نظر، سرکلر نمبر 6، مورخہ 03 مارچ 2021 کے تسلسل میں اور درج شدہ کمپنیز کو طبعی طور پر اجلاس منعقد کرنے کے لیے درپیش عملی مشکلات کی وجہ سے، ملک میں موجود COVID-19 وبائی صورت حال، تیزی سے پھیلنے والی کرون وائرس اور سندھ میں کیسز کی بڑھتی ہوئی تعداد کے پیش نظر کمپنی نے اجلاس کو صرف الیکٹرونک موڈ کے ذریعے منعقد کرنے کا فیصلہ کیا ہے۔
- (ii) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور جس کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کی جا چکی ہیں، مندرجہ ذیل پراکسی ان کے ذریعے سالانہ اجلاس عام کی کارروائی میں براہ راست شرکت کریں گے۔

اطلاع عام برائے سالانہ اجلاس عام

بذریعہ بڈ امبران کو اطلاع دی جاتی ہے کہ درج ذیل امور کی انجام دہی کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے پالیسی، ریگولیشن اور ڈیپارٹمنٹ ڈپارٹمنٹ کی جانب سے 15 دسمبر 2021 کو جاری کردہ لیٹر نمبر SMD/SE/2(20)/2021/117 اور 2021 کے سرکلر نمبر 4، مؤرخہ 15 فروری 2021 اور اس کے بعد آنے والے 2021 کے سرکلر نمبر 6، مؤرخہ 3 مارچ 2021 کی تعمیل میں، گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کا پچھتر (75) واں سالانہ اجلاس عام مؤرخہ 25 اپریل 2022 بروز پیر، صبح 11 بجے بذریعہ براستہ WEBEX ویڈیو لنک، گلیکسو اسمتھ کلائن کے ہیڈ آفس، 35 ڈاکٹر روڈ، ویسٹ ہارف، کراچی-74000 میں منعقد کیا جائے گا:

عمومی کاروباری امور:

1. 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض اور نفاذ کرنا۔
2. کمپنی کے عام شیئرز پر غور و خوض، منظوری اور منافع منقسمہ کا اعلان۔ 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے، ڈائریکٹرز 70 فیصد (ہر 10 روپے والے شیئر پر 7 روپے فی عام شیئر) کے حتمی منافع منقسمہ کی سفارش کر چکے ہیں۔
3. آئندہ سال کے لیے ایکسٹرنل آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے، کمپنی کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے، میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹرز، دوبارہ تقرری کی سفارش کی ہے۔

دیگر کاروباری امور:

1. صدر اجلاس کی اجازت سے دیگر امور پر کارروائی عمل میں لانا۔

حسب الحکم بورڈ

مہر درخشاں امیر

کمپنی سیکریٹری

کراچی

4 اپریل 2022

نوٹس:

کورونا وائرس (COVID-19) کی صورت حال کے پیش نظر، کمپنی نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 5، مؤرخہ 17 مارچ 2020 اور سرکلر نمبر 25، مؤرخہ 31 اگست کے ذریعے بیان کردہ حفاظتی اقدامات کو یقینی بنایا ہے۔ جبکہ شیئر ہولڈرز سالانہ اجلاس عام (AGM) سے کم از کم دو دن پہلے سالانہ اجلاس عام کے ایجنڈے سے متعلق اپنے تبصرے اور تجاویز اس ای میل ایڈریس PK.Shareinfo@gsk.com پر ارسال کر سکتے ہیں۔ تاہم، 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر دستیاب کر دیے گئے ہیں۔

اپنے سوالات پوسٹ کرنے کے لیے براہ مہربانی نیچے دیے گئے ویواکس لنک (Vevox Link) کا استعمال کریں:

آپ ویواکس لنک (Vevox Link) استعمال کر سکتے ہیں: <https://vevox.app/#/m/195642529>

سیشن آئی ڈی (Session ID): 195-642-529

ای میل ایڈریس: PK.Shareinfo@gsk.com



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Share Registrar Department:
CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan

فارم برائے نمائندگی (پراسی)

گلکسیو اسمتھ کلائن پاکستان لمیٹڈ

میں/ہم _____ از _____، بحیثیت رکن گلکسیو اسمتھ کلائن پاکستان لمیٹڈ، مالک، عہدہ/پہنچ برطانیہ فوئیو نمبر/ CDC شرکت کنندہ ID/A/c نمبر _____ بذریعہ ہذا _____ از _____ کو کھینچی کے دوسرے رکن کے طور پر مقرر کرتا/کرتی ہوں/اگرستے ہیں اور ان کی غیر موجودگی میں _____ از _____ اپنی غیر حاضری کی صورت میں موقع پر موجود ہونے اور ووٹ دینے اور میری/ہماری نمائندگی کرنے اور میری/ہماری جانب سے کھینچی کے سالانہ اجلاس عام، GSK پاکستان ہیڈ آفس 35 ڈاکٹر روڈ، ویسٹ ہارف کراچی 74000، بروز جمعہ، مؤرخہ 25 اپریل 2022، 11:00 بجے دوپہر یا اتوار کی صورت میں کسی اور وقت منعقد ہونے والے اجلاس عام میں شرکت کے لیے مقرر کرتا/کرتی ہوں/اگرستے ہیں۔

(مہینے کا) دن _____ مہینہ _____ 2022 کو میری/ہماری تہریر اور دستخط/دستخطوں کے ساتھ۔

5 روپے کا
ریویٹو اسٹیپ

درج ذیل کی موجودگی میں دستخط کیے گئے:

(گواہ نمبر 1 کے دستخط)
گواہ کا نام:

(گواہ نمبر 2 کے دستخط)
گواہ کا نام:

CNIC نمبر: _____
پتہ: _____

CNIC نمبر: _____
پتہ: _____

شیر ہولڈر کے دستخط

(نام بڑے حروف میں)
فوئیو نمبر

نوٹس:

- رکن سے درخواست کی جاتی ہے کہ:
 - اوپر نشانہ دی گئی جگہ پر 5 روپے کا ریویٹو اسٹیپ چسپاں کیا جائے؛
 - ہو، ہودی دستخط کیے جائیں جو کھینچی میں رجسٹرڈ ہیں؛
 - اپنا فوئیو نمبر درج کیا جائے۔
- درج بالا نمائندگی کی تقرری کا عمل ہونے کے لیے ضروری ہے کہ پراسی کے تقرری دستاویز باقاعدہ طور پر دستخط اور ممبر لگانے کے بعد کھینچی کے رجسٹرڈ آفس کے دفتر بہت کم 35 ڈاکٹر روڈ، ویسٹ ہارف کراچی-74000 پر اجلاس کا وقت شروع ہونے سے کم از کم 48 گھنٹے قبل موصول ہو جانی چاہیے۔
- اس دستاویز برائے نمائندگی میں کسی تبدیلی کی صورت میں اس پر زبردستی کے ہتھیار دستخط شہادت ہونے چاہئیں۔
- مشترکہ ہولڈرز ہونے کی صورت میں، ہینڈ فریٹ کا دیا گیا ووٹ، خواہ وہ خود سے یا اس کے نمائندے کی جانب سے دیا جائے، دیگر مشترکہ ہولڈرز کے مقابلے میں قبول کیا جائے گا، اور اس مقدمہ کے لیے سینئر ہونے کا تین ارکان کے رجسٹر میں ناموں کی ترتیب سے کیا جائے گا۔
- کوئی بھی شخص پراسی نہیں ہو سکتا اگر وہ خود کھینچی کا ممبر نہ ہو جو بڑے کارپوریشن کسی ایسے شخص کا مقرر کرے جو کھینچی کا ممبر نہ ہو۔

CDC کا ڈسٹ ہولڈرز/کارپوریٹ اداروں کے لیے:

- درج بالا کے علاوہ درج ذیل لازماً بات کی تکمیل بھی ضروری ہوگی:
- فارم برائے نمائندگی پر دو افراد کی گواہی لی جائے گی جن کے نام، سہیل اور CNIC نمبر فارم پر درج کیے جائیں گے۔
 - مستفید ہونے والے مالکان اور نمائندے کی CNIC یا سپورٹ کی تصدیق شدہ کاپی، فارم برائے نمائندگی کے ساتھ لازماً منسلک کی جائیں گی۔
 - اجلاس کے وقت نمائندے کو اپنا اصل CNIC یا اصل یا سپورٹ لازماً پیش کرنا ہوگا۔
 - کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا اجلاس نامہ اور نمونے کے طور پر کیے گئے دستخط، فارم برائے نمائندگی کے ساتھ شیر ہولڈرز کے پاس لازماً منسلک کروانا ہوں گے (اگر انہیں پہلے منع نہ کر دیا گیا ہو)۔



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Share Registrar Department:
CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan

Request Form for Printed Copy of Annual Report 2021

GlaxoSmithKline Pakistan Limited

Dear Shareholder(s),

Thank you for your continued support for GlaxoSmithKline Pakistan Limited.

Should you require a printed copy of the Annual Report 2021, please forward your request by completing the Request Form below. We will send the Annual Report to you by ordinary post/courier within seven working days from the date of receipt of your written request.

Thank you.

To **GlaxoSmithKline Pakistan Limited**
35, Dockyard Road West Wharf,
Karachi-74000

Email PK.Shareinfo@gsk.com

Tel. 021-32316331; UAN +92 21 111 475 725

Contact Mr. Faisal Iqbal (Ext. 4805)

Please send to me/us a printed copy of the Annual Report 2021

PARTICULARS OF SHAREHOLDER

Name: _____

Identity Card No./Passport No./Company No.: _____

Folio No./CDS Account No.: _____

Mailing Address: _____

Tel./Mobile No.: _____

Dated

Signature of Shareholder(s)

سالانہ رپورٹ 2021 کی پرنٹ شدہ کاپی کے لیے درخواست فارم

گلیکسو اسٹھ کلائن پاکستان لمیٹڈ

معزز شیئر ہولڈرز

گلیکسو اسٹھ کلائن پاکستان لمیٹڈ کے لیے آپ کی مسلسل حمایت کا شکریہ۔

اگر آپ کو سالانہ رپورٹ 2021 کی پرنٹ شدہ کاپی درکار ہے تو براہ مہربانی نیچے دیے گئے درخواست فارم کو مکمل کر کے اپنی درخواست آگے بھیجیں۔ ہم آپ کی تحریری درخواست موصول ہونے کی تاریخ سے سات (7) روز کے اندر بذریعہ مقامی پوسٹ/کورئیر آپ کو سالانہ رپورٹ ارسال کر دیں گے۔

شکریہ

نام: گلیکسو اسٹھ کلائن پاکستان لمیٹڈ

35 ڈاکٹر روڈ، ویسٹ وہارف، کراچی-74000

ای میل: PK.Shareinfo@gsk.com

رابطہ نمبر: UAN: +92 21 111 475 725, 021-32316331

رابطہ کریں: جناب فیصل اقبال (ایگزیکٹو 4805)

براہ مہربانی مجھے/ہمیں سالانہ رپورٹ 2021 کی پرنٹ شدہ کاپی ارسال کریں۔

شیئر ہولڈر کی تفصیلات

نام: _____

شناختی کارڈ نمبر/ پاسپورٹ نمبر/ کمپنی نمبر: _____

فولیو نمبر/ ICDS اکاؤنٹ نمبر: _____

پتہ: _____

ٹیلی فون/ موبائل نمبر: _____

شیئر ہولڈر (ز) کے دستخط

تاریخ

Standard Request Form for Circulation of Annual Reports via Email

GlaxoSmithKline Pakistan Limited

The Company Secretary
GlaxoSmithKline Pakistan Limited
35-Dockyard Road, West Wharf,
Karachi-74000.

As per the terms of SECP's Notification No. SRO 787 (1) / 2014 dated 08 September 2014, I/we, _____
_____, Folio No./CDC Account No. _____ holding _____ ordinary shares of
GlaxoSmithKline Pakistan Limited, do hereby give my/our consent to receive all future annual reports and notice of meetings
etc. through emails, at my/our email address(es) mentioned below:

Shareholder's Details

Name of the Shareholder _____

Folio No./CDC Participant ID & A/C No. _____

CNIC No. _____

Passport No. (In case of Foreign Shareholder) _____

Landline No. of Shareholder/Transferee _____

Cell No. of Shareholder/Transferee _____

Email Address of Shareholder _____

Dated

Signature of Shareholder(s)

Note: The said letter shall be mailed to Company Secretary and Registrar through email or by post.

بذریعہ ای میل سالانہ رپورٹ کی سرکولیشن کے لیے اسٹینڈرڈ درخواست فارم

گلیکسو اسٹمھ کلائن پاکستان لمیٹڈ

کمپنی سیکریٹری
گلیکسو اسٹمھ کلائن پاکستان لمیٹڈ
35 ڈاکٹریٹ روڈ، ویسٹ وہارف،
کراچی-74000

سیکریٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان کے نوٹیفکیشن نمبر 2014 / (1) SRO 787 بتاریخ 08 ستمبر 2014 کے تحت دی جانے والی ہدایات کے مطابق، میں/ہم، _____،
_____ فوئیو نمبر / CDC کا ڈنٹ نمبر _____ گلیکسو اسٹمھ کلائن پاکستان لمیٹڈ کے عمومی شیئرز کے حامل _____،
بذریعہ ہذا درج ذیل پتے پر مستقبل کی تمام سالانہ رپورٹ اور اجلاس وغیرہ کے نوٹس بذریعہ ای میل وصول کرنے کے لیے، میرے/ہمارے ای میل پتے (پتوں) پر ارسال کرنے کی منظوری دیتا/
دیتی ہوں۔

شیئر ہولڈرز کی تفصیلات

_____ شیئر ہولڈر نام:
_____ فوئیو نمبر / CDC شرکت کنندہ کی ID اور کا ڈنٹ نمبر:
_____ قومی شناختی کارڈ نمبر:
_____ پاسپورٹ نمبر (غیر ملکی شیئر ہولڈر ہونے کی صورت میں):
_____ شیئر ہولڈر منتقل کرنے والے کا فون نمبر:
_____ شیئر ہولڈر منتقل کرنے والے کا موبائل نمبر:
_____ شیئر ہولڈر کا ای میل ایڈریس:

_____ شیئر ہولڈر (ز) کے دستخط

_____ تاریخ

نوٹ: مذکورہ ایگزیکٹو کمیشن کے سیکریٹری اور رجسٹرار کو بذریعہ ای میل یا ڈاک ارسال کیا جائے گا۔

E-Dividend Mandate Letter Bank Account Details for Payment of Dividend through Electronic Mode

The Company Secretary
 GlaxoSmithKline Pakistan Limited
 35-Dockyard Road, West Wharf,
 Karachi-74000.

Dear Sir/Madam,

I/We _____ S/O,D/O,W/O _____ hereby give my/our written consent to GlaxoSmithKline Pakistan Limited to directly credit cash dividend declared by it, in my bank account as detailed below:

Name of the Shareholder: _____

Folio No./CDC Account No. : _____ of GlaxoSmithKline Pakistan Limited

Mobile No. of Shareholder: _____

Title of Account (*): _____

Account No.: _____

IBAN No. (24 digits (**)): _____

Name of Bank: _____

Bank Branch & Code: _____

Mailing Address of Branch: _____

CNIC No. (Attach attested copy): _____

NTN (In case of corporate entity): _____

It is stated that the above particulars given by me/us are correct and to the best of my/our knowledge; I/we shall keep the Company informed in case of any changes in the said particulars in future.

 Shareholder's Signature
 [As per specimen signature registered with the Share Registrar]

 Date

Please note that:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
2. This letter must be sent to Shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.
3. All Shareholders are requested to attach valid copy of CNIC along with the form.

الیکٹرنک موڈ کے ذریعے ڈیویڈنڈ کی ادائیگی کے لیے ای-ڈیویڈنڈ مینڈیٹ لیٹر بینک اکاؤنٹ کی تفصیلات

بنام: کینی سیکریٹری
گلیکسو اسمتھ کلائن پاکستان لمیٹڈ
35- ڈاکیمارڈ روڈ، ویسٹ وہارف،
کراچی-74000

میں/ہم _____ S/O,D/O,W/O _____ بذریعہ ہذا گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کو اعلان کردہ
نقد منافع منقسمہ براہ راست اپنے بینک اکاؤنٹ میں جمع کروانے کے لیے میری/ہماری جانب سے تحریری رضامندی دی جاتی ہے۔ تفصیلات درج ذیل ہیں:

شیر ہولڈر کا نام: _____
فولیو نمبر/ CDC اکاؤنٹ نمبر: _____ گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کا
شیر ہولڈر کا موبائل نمبر: _____
اکاؤنٹ کا ٹائٹل (*): _____
اکاؤنٹ نمبر: _____
IBAN نمبر (۲۳ ہندسوں کا) (**): _____
بینک کا نام: _____
بینک کی برانچ اور کوڈ: _____
برانچ کا پتہ: _____
CNIC نمبر (تصدیق شدہ کاپی منسلک کریں): _____
NTN (کارپوریٹ ادارہ ہونے کی صورت میں): _____

یہ واضح کیا جاتا ہے کہ میری/ہماری طرف سے فراہم کردہ درج بالا تفصیلات بالکل درست اور میری/ہماری بہترین معلومات کے مطابق ہیں۔ میں/ہم مستقبل میں مذکورہ تفصیلات میں کسی تبدیلی کی صورت
میں کینی کو آگاہ کرتے رہیں گے۔

تاریخ

شیر ہولڈر کے دستخط

[شیر رجسٹرار کے پاس رجسٹرڈ شدہ نمونہ دستخط کے مطابق]

نوٹس:

- برائے مہربانی، اپنی متعلقہ بینک کی برانچ سے تصدیق کے بعد الیکٹرونک طریقے سے آپ کے اکاؤنٹ میں رقم کی منتقلی کی سہولت فعال کرنے کے لیے مکمل آئی بی اے این (IBAN) نمبر فراہم کریں۔
- یہ لیٹر شیر ہولڈر کے شرکت کنندہ/ CDC انویسٹر اکاؤنٹ سرور کو بھیجا جانا چاہیے جو کینی کی طرف سے وقتاً فوقتاً اعلان کردہ نقد منافع منقسمہ کے براہ راست جمع کروانے کے لیے بینک اکاؤنٹ کی تفصیلات کی شمولیت کے لیے اپنے CDC اکاؤنٹ کو برقرار رکھتا/ رکھتی ہے۔
- تمام شیر ہولڈرز سے درخواست کی جاتی ہے کہ وہ فارم کے ساتھ درست CNIC کی کاپی منسلک کریں۔

Factories and Offices

West Wharf

35, Dockyard Road West Wharf, Karachi. Tel: +92 21 32315478 - 82 Fax: +92 21 32311120
UAN: +92 21 111 475 725

F-268

F-268, S.I.T.E., Karachi. Tel: +92 21 32570665 – 69 Fax: +92-21 32572613

Korangi

Plot # 5, Sector 21, Korangi Industrial Area, Karachi. Fax: +92 21 35015800 UAN: +92 21 111 000 267

Distribution/Sales Offices

Karachi

GlaxoSmithKline Pakistan Limited
F-268, S.I.T.E., Karachi. Tel: +92 21 32570665 – 69 Fax: +92-21 32572613

Lahore

GlaxoSmithKline Pakistan Limited
3rd Floor, The Enterprise Building, Thokar Niaz Baig, Multan Road, Lahore. Tel: +92 42 37512755-60

Islamabad

GlaxoSmithKline Pakistan Limited
Aleem House, Plot No. 409, Sector I - 9, Industrial Area, Islamabad.
Tel: +92 51 4433589, +92 51 4433598 Fax: +92 51 4433706

Warehouses

Connect Logistics (Private) Limited

Plot # 73 B, C & D, Main Mauripur Road,
Hawksbay Phase 2,
Karachi

Glaciers Private Limited

Mouza Gopal Pur,
Main Bahawalpur Bypass Road,
Multan

Emirates Supply Chain Services (Pvt.) Ltd.

46 K.M. Multan Road,
Nathay Khalsa, Manga Mandi,
Lahore

Emirates Supply Chain Services (Pvt.) Ltd.

GSK Aleem House
Plot # 409, Sector I-9, Industrial Area,
Islamabad

Framework for Annual Reporting

Best Corporate Report Awards 2021

S. No	Description	Reference (Page)
1	ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT	
	What does the organization do and circumstances under which it operates	
1.01	Principal business activities and markets local and international including key brands, products and services.	04-10, 14-19
1.02	Geographical location and address of all business units including sales units and plants.	09-10, 182-183, 235
1.03	Mission, vision, code of conduct, culture, ethics and values.	04-07
1.04	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates. Also name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	10, 13
1.05	Organization chart indicating functional and administrative reporting, presented with legends.	11-12
1.06	Identification of the key elements of the business model of the company through simple diagram supported by a clear explanation of the relevance of those elements to the organization. (The key elements of business model are Inputs, Business activities, Outputs and Outcomes).	20-21
1.07	Key quantitative information (Number of persons employed as on the date of financial statements and average number of employees during the year, separately disclosing factory employees).	24
1.08	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain. (This disclosure shall be provided by the companies in service and non-service sector organizations through graphical presentation).	22
1.09	Significant factors effecting the external environment and the associated organization's response (external environment includes commercial, political, economic, social, technological, environmental and legal environment). Also describe the effect of seasonality on business in terms of production and sales.	46-47
1.10	Significant changes from prior years (regarding the information disclosed in this section).	43
1.11	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	23
1.12	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	49
2	STRATEGY AND RESOURCE ALLOCATION	
	Where does the organization want to go and how does it intend to get there	
2.01	Short, medium and long term strategic objectives.	52-53
2.02	Strategies in place or intended to be implemented to achieve those strategic objectives.	52-53
2.03	Resource allocation plans to implement the strategy and financial capital structure. (Resource mean CAPITALS including financial capital (e.g. liquidity, cash flows, financing arrangements); human capital, manufactured capital (e.g. building, equipment, infrastructure); intellectual capital (e.g. patents, copyrights, software, licenses, knowledge, system, procedures); social and relationship capital and natural capital).	52-53
2.04	The effect of technological change, societal issues such as (population and demographic changes, human rights, health, poverty, collective values and educational systems), environmental challenges, such as climate change, the loss of ecosystems, and resource shortages, on the company strategy and resource allocation.	54
2.05	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.	55
2.06	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	52-53
2.07	Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses.	56
2.08	Significant plans and decisions such as corporate restructuring, business expansion and discontinuance of operations etc.	57
2.09	Significant changes in objectives and strategies from prior years.	57

S. No	Description	Reference (Page)
3	RISKS AND OPPORTUNITIES	
	Specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how it is dealing with them	
3.01	Key risks and opportunities effecting availability, quality and affordability of CAPITALS in the short, medium and long term.	60-61
3.02	Description of the Risk Management Framework including risk management methodology.	61-62
3.03	Sources of risks and opportunities (internal and external).	60-61
3.04	The initiatives taken by the company in promoting and enabling innovation.	64
3.05	Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does.	60-61
3.06	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	60-63
3.07	Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.	63
3.08	A statement from the board of directors that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	64
3.09	Inadequacy in the capital structure and plans to address such inadequacy.	64
4	GOVERNANCE	
	How does the organization's governance structure support its ability to create value in the short, medium and long term	
4.01	Board composition: a) Leadership structure of those charged with governance. b) Name of independent directors indicating justification for their independence. c) Profile of each director including education, experience and involvement / engagement of in other entities as CEO, Director, CFO or Trustee etc.	68, 74-77
4.02	Review Report by the Chairman of the company on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	78-79
4.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	91
4.04	Shariah Advisor Report and Profile of the Shariah Advisor / Members' of the Shariah Board.	Not applicable
4.05	Annual evaluation of performance, along with description of criteria used for the members of the board and its committees, CEO and the Chairman.	91
4.06	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	92
4.07	Details of formal orientation courses for directors.	92-93
4.08	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	94
4.09	Description of external oversight of various functions like systems audit / internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	94-95
4.10	a) Policy for remuneration to non-executive directors including independent directors. b) Policy of retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	95 96
4.11	Policy for security clearance of foreign directors.	96
4.12	How the organization's implemented governance practices exceeding legal requirements.	97
4.13	Board's policy on diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	97-98
4.14	No. of companies in which the executive director of the reporting organization is serving as non-executive director.	97

S. No	Description	Reference (Page)
4.15	a) Names of related parties in Pakistan and outside Pakistan, with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding. b) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement. c) Approved policy for related party transactions including policy for disclosure of interest by directors in this regard.	99, 177
4.16	Details of board meetings held outside Pakistan during the year.	99
4.17	Disclosure of policy for actual and perceived conflicts of interest relating to members of the board of directors and a disclosure that how such a conflict is managed and monitored.	99
4.18	Investors' grievance policy.	100
4.19	Policy for safety records of the company.	100
4.20	Disclosure of IT Governance Policy.	101
4.21	Disclosure of Whistle blowing policy established to receive, handle complains in a fair and transparent manner and providing protection to the complainant against victimization, and disclosure of the number of such incidences reported to the Audit Committee during the year.	102
4.22	Human resource management policies including preparation of a succession plan.	110
4.23	Social and environmental responsibility policy.	111
4.24	Review by the board of the organization's business continuity plan or disaster recovery plan.	103
4.25	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	13, 110
4.26	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	103-104
4.27	A brief description about role of the Chairman and the CEO.	104-105
4.28	Shares held by Sponsors / Directors / Executives.	105
4.29	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	106-109
4.30	Timely Communication Date of authorization of financial statements by the board of directors: within 40 days ---6 marks within 60 days ---3 marks (Entities requiring approval from a Regulator before finalization of their Financial Statements would be provided a 20 days relaxation, on providing evidence to the Committee).	109
4.31	Audit Committee Report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Role of the committee in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed with details where particular attention was paid in this regard. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current statutory auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	106-107

S. No	Description	Reference (Page)
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information for shareholders to assess the company's position and performance, business model and strategy.	
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	
4.32	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities and matters within the scope of the Audit Committee's responsibilities.	109
4.33	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, it should be disclosed if it has any other connection with the company.	110
4.34	Chairman's significant commitments and any changes thereto.	109
4.35	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	80-85, 110
4.36	Pandemic Recovery Plan by the management and policy statement.	112
5	PERFORMANCE AND POSITION	
	To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals	
5.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: (a) Past and current performance; and (b) Performance against targets /budget (c) Objectives to assess stewardship of management. The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits. Note: Analysis of non-financial performance shall be presented for material non-financial KPIs relevant for the business and stakeholders around other forms of capitals as mentioned under International Integrated Reporting Framework <IR>, i.e. human capital, manufactured capital, intellectual capital, social and relationship capital and natural capital. Inspiration can also be taken from the Specific Standard Disclosures of G4 Guidelines of the Global Reporting Initiative (GRI) for measurement and reporting on non-financial KPIs.	119-120
5.02	Analysis of financial statements: a) Financial Ratios (Refer Annexure 'I') b) DuPont Analysis c) Free Cash Flow d) Economic Value Added (EVA)	122-123 117 127 128
5.03	Combined analysis both vertical and horizontal of the Balance Sheet and Profit and Loss Account for last 6 years.	124-125
5.04	Summary of Cash Flow Statement for last 6 years.	122
5.05	Graphical presentation of the Balance Sheet, Profit & Loss Account and analysis in 5.02, 5.03 and 5.04 above.	118, 121, 123-126
5.06	Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts, including comments on the results disclosed as per 5.02, 5.03 and 5.04 above.	118
5.07	Information about defaults in payment of any debts and reasons thereof period.	128
5.08	Methods and assumptions used in compiling the indicators.	123
5.09	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	127
5.10	Segmental review of business performance.	128
5.11	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	129
5.12	History of major events during the year.	129
5.13	Business rationale of major capital expenditure /projects during the year and for those planned for next year.	130
5.14	Brief description and reasons; a) For not declaring dividend despite earning profits and future prospects of dividend. b) Where any payment on account of taxes, duties, levies etc. is overdue or outstanding.	Not applicable
5.15	CEO presentation video on the organization's website explaining the business overview, performance, strategy and outlook. (Please provide reference / web link on company's annual report).	187

S. No	Description	Reference (Page)
6	OUTLOOK Challenges and uncertainties that the organization is likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance	
6.01	Forward looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the entity's resources, revenues and operations in the short, medium and long term. Also explaining the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and how it will affect the organization in terms of its business performance, strategic objectives and availability, quality and affordability of capitals.	186
6.02	Explanation as to how the performance of the entity meets the forward looking disclosures made in the previous year.	186
6.03	Status of the projects in progress and were disclosed in the forward looking statement in the previous year.	187
6.04	Sources of information and assumptions used for projections / forecasts in the forward looking statement and assistance taken by any external consultant.	187
6.05	How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise.	187
7	STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT State of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests	
7.01	How the company has identified its stakeholders.	190
7.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the entity, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees and g) Analysts.	190-193
7.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	194
7.04	Investors' Relations section on the corporate website.	194
7.05	Issues raised in the last AGM, decisions taken and their implementation status.	194
7.06	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration b) Government as taxes (separately direct and indirect) c) Shareholders as dividends d) Providers of financial capital as financial charges e) Society as donation; and f) Retained within the business	195
7.07	Stakeholders engagement policy and steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	196
7.08	Highlights about redressal of investors' complaints.	196
8	SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS	
8.01	For Specific Disclosures of the Financial Statements please refer Annexure 'II'.	141-183
8.02	Industry specific additional disclosures (if applicable): a) Insurance Company - Annexure 'III' b) Banking Company - Annexure 'IV' c) Shariah compliant companies/ companies listed on the Islamic Indices - Annexure 'V'	Not applicable Not applicable

S. No	Description	Reference (Page)
9	SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY	
9.01	Highlights of the entity's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and corporate social responsibility (including environment related obligation applicable on the company and initiatives taken to fulfil during the year and company's responsibility towards the staff, their health & safety).	200-203
9.02	Certifications acquired and international standards adopted for best sustainability and CSR practices.	204-205
10	BUSINESS MODEL Business model is a system of transforming inputs, through business activities, into outputs and outcomes that aims to fulfil the organization's strategic purposes and create value over the short, medium and long term	
10.1	Describe the business model including inputs, business activities, outputs and outcomes in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework <IR>.	20-21
11	STRIVING FOR EXCELLENCE IN CORPORATE REPORTING	
11.01	Statement by management of unreserved compliance of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).	128
11.02	Adoption of International Integrated Reporting Framework <IR> by fully applying the 'Fundamental Concepts' and 'Guiding Principles' of <IR> into their corporate reporting in addition to the 'Content Elements' (disclosures) of <IR>, as covered in this criteria.	206
11.03	Disclosures beyond BCR criteria (Note: The participating organization to send the list of additional disclosures to BCR Committee).	28-37, 40-41, 197
12	OTHERS	
12.01	BCR criteria cross referred with page numbers of the annual report.	Yes
12.02	Brief about contents, scope and boundaries of the annual report.	207
12.03	SWOT analysis.	48

Glossary

Term	Definition
ABAC	Anti-Bribery And Corruption
AGM	Annual General Meeting
AMR	Antimicrobial Resistance
AOM	Acute Otitis Media
ATL	Active Taxpayer List
BCP	Business Continuity Plan
BPH	Benign Prostatic Hyperplasia
CCM	Country Crisis Management
CDC	Central Depository Company
CDC	SRSI Central Depository Company Shares Registrar Services Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGA	Communication and Government Affairs
CIME	Centre of Innovation in Medical Education
CoCG	Code of Corporate Governance
COPD	Chronic Obstructive Pulmonary Disease
CSR	Corporate Social Responsibility
EAFA	European Aluminum Foil Association
EOGM	Extra Ordinary General Meeting
EMC	Emerging Markets Central
EPS	Earning Per Share
ERP	Enterprise Resource Planning
F2F	Face-to-Face
HCP	Health Care Professional
IMT	Issues Management Team
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
ISO	International Organization for Standardization
KPI	Key Performance Indicator
OIT	Order Intelligence Tool
MENA	Middle East North Africa
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistani Rupee
PPE	Personal Protective Equipment
PSC	Pharma Supply Chain
PSX	Pakistan Stock Exchange
RMCB	Risk Management and Compliance Board
SECP	Securities and Exchange Commission of Pakistan
SOAR	Survey of Antibiotic Resistance
SSTI	Selective Serotonin Reuptake Inhibitor
TCS	Topical Corticosteroid



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