



Science. Technology. Talent.

▶ **Getting Ahead,
Together**

ANNUAL REPORT 2022





Getting Ahead, Together

As a global biopharma company, our purpose is to unite science, technology and talent to get ahead of disease together. To achieve this, we have a unique culture that sets us apart, informs our purpose, drives delivery of our strategy, and helps make GSK a place where people can thrive.

In 2022, GSK unveiled a new identity and transformed into a brand that is consistent with our new purpose, and lives in a digital, interactive and ever-changing world. A brand designed for billions of people worldwide.

The new branding, which is precise and intelligent, warm and inclusive, adaptive and responsive, represents a company that is future-ready and able to evolve to keep up with the everchanging needs for new and better medicines.

As a part of the redesign, we've added direction to our logo, given purpose to our orange and brought to life our brand through motion. This is more than a new logo, this is a signal of getting ahead together.

CONTENTS

Organisational Overview and Business Environment

- 01 Purpose, Strategy and Culture
- 02 Global Footprint
- 04 Group Structure
- 05 Our Presence
- 06 Company Profile
- 08 Organizational Chart
- 09 Corporate Information
- 10 Corporate Leadership Team
- 11 Position in Value Chain
- 12 Composition of Local vs. Imported Material
- 14 Business Model
- 17 Top Brands
- 22 Key Quantitative Information
- 23 Our People
- 26 Our Code
- 28 Our Business Units and Functions
- 36 Awards and Recognition
- 38 Timeline and History of Key Events
- 39 Significant Changes from Prior Years
- 40 Key Initiatives
- 42 Factors affecting External Environment
- 44 Competitive Landscape and Market Positioning
- 45 SWOT Analysis
- 46 The needs of Key Stakeholders
- 46 Legislative and Regulatory Environment
- 46 The Political Environment where the Organization Operates
- 47 Significant events that occurred during the year

Strategy and Resource Allocation

- 50 Objective and Strategies
- 52 Key Resources of the Company which provide Competitive Advantage
- 52 The effect of Technological, Societal, Environmental Challenges on Company's Strategy
- 53 Processes used to make Strategic Business Decisions
- 55 Significant Plans and Decisions
- 55 Business Rationale of Major Capital Expenditure
- 55 Significant Changes in Objectives and Strategies

Risk and Opportunities

- 58 Risk and Opportunity Report
- 61 Risk Management Framework
- 62 Strategy for Mitigating Risks
- 63 Initiatives Taken by the Company in Promoting Innovation
- 63 Board's Efforts for determining the Company's level of Risk Tolerance
- 64 Board's assessment of the principal risks faced by the Company
- 64 Strategy to overcome liquidity problems
- 64 Capital Structure and its Adequacy

Sustainability and Corporate Social Responsibility

- 68 CSR Activities
- 70 Employee Wellbeing, Health and Safety
- 72 Environmental Sustainability
- 75 Certifications
- 75 Audit

Governance

- 78 Board Composition
- 79 Schedule of Board of Director Meetings
- 82 Profiles of Board of Directors
- 86 Commercial Leadership Team
- 88 Chairperson's Review Report
- 90 Director's Report
- 102 Statement of how the Board operates
- 102 Annual Evaluation of Performance of the Board
- 103 Disclosure of the Board's Performance Evaluation
- 103 Board Induction and Orientation
- 105 Directors' Training Program
- 105 Description of External Oversight of various Functions
- 106 Policy for Related Party Transactions
- 106 How a Conflict is Managed and Monitored by the Board
- 107 Policy on Governance of Risk and Internal Controls
- 107 Policy on Inclusion and Diversity in the Board
- 108 Director's Interest in Significant Contracts and Arrangements
- 109 Policy for Remuneration to Non-Executive Directors
- 109 Policy of Retention of Board Fee
- 109 Security Clearance Policy for Foreign Directors
- 110 Board Meetings held outside Pakistan

- 110 Human Resource Management Policy
- 110 Social and Environmental Responsibility Policy
- 111 Policy for Communication with Stakeholders
- 111 Investors' Grievances Policy
- 111 Policy for Employee Health, Safety and Protection
- 112 Disclosure of Whistle Blowing Policy
- 113 Policy for Safety of Records
- 113 Shareholders' Participation in the AGM
- 114 Business Continuity Plan
- 114 Disclosure of Ownership and Group Shareholding Structure
- 115 Compliance with the Code of Corporate Governance
- 115 Role of the Chairperson and the CEO
- 117 Shares held by Sponsors and Directors
- 117 TOR and attendance in meetings of the Board Committees
- 121 Timely Communication
- 121 Presence of the Chairperson of the Audit Committee at the AGM
- 121 Board disclosure of Enterprise Resource Planning (ERP)
- 122 External Search Consultancy
- 122 Chairperson's significant commitments and any changes thereto
- 122 Government of Pakistan Policies related to Company's Business
- 123 Governance Practices exceeding Legal Requirements

Performance and Position

- 126 Financial Highlights
- 127 DuPont Analysis
- 128 Financial Performance at a Glance
- 128 Key Performance Indicators
- 129 Analysis Of Financial and Non-Financial Information
- 131 Key Operating Financial Data & Ratios
- 134 Horizontal Analysis
- 135 Vertical Analysis
- 136 Quarterly Analysis along with Comments on Variation
- 137 Direct Cash Flows
- 137 Free Cash Flows

- 138 Segmental Review
- 138 Economic Value Added
- 138 Preparation and Presentation of the Financial Statements
- 139 Information about defaults in payments
- 139 Market Share and Price Sensitivity Analysis
- 140 Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019
- 143 Independent Auditor's Review Report on the Statement of Compliance
- 144 Independent Auditor's Report on the Audit of the Financial Statements
- 151 Financial Statements
- 197 Integrated Reporting Framework

IT Governance and Cybersecurity

- 200 Legal and regulatory implications of cyber risks
- 200 IT governance and cybersecurity programmes, policies and procedures
- 201 How cybersecurity fits into the Board's risk oversight function
- 201 Board Committee's oversight of IT governance and cybersecurity matters
- 201 Company's controls and procedures about an "early warning system"
- 202 Independent comprehensive security assessment of technological environment
- 202 Disaster recovery plan in terms of dealing with a possible IT failure or cyber breach
- 202 Disclosure of advancement in digital transformation
- 203 Education and training efforts of the Company to mitigate cybersecurity risks

Future Outlook

- 206 Forward Looking Statement
- 206 Explanation of the External Environment that is likely to be faced and how it will affect the Organization
- 208 Forward-Looking Disclosures made in the previous years

- 208 Status of the Projects in progress
- 209 Source of Information and Assumptions Used in Forecasts
- 209 How the Organisation is currently equipped in responding to the critical challenges and uncertainties that are likely to arise
- 209 CEO's Presentation Video

Stakeholder Relationship and Engagement

- 212 Identification of Stakeholders
- 212 Stakeholder Engagement Process
- 216 Steps taken to encourage the minority Shareholders to attend the general meetings
- 216 Investors' Relation Section on the Corporate Website
- 216 Issues Raised in Last AGM
- 217 Statement of Value Added and its Distribution
- 218 Steps taken by the Board to understand the views of Stakeholders through Corporate Briefing Sessions
- 218 Highlights about Redressal of Investors' Complaints

Others

- 219 CSR Voluntary Guidelines
- 220 Pattern of Shareholding
- 221 Shareholding Information
- 222 Members Having 10% or more of Voting Rights
- 223 Key Shareholding
- 224 Notice of Annual General Meeting
- 240 Notice of Annual General Meeting - Urdu
- 241 Form of Proxy
- 243 Form of Proxy - Urdu
- 245 Standard Request Form
- 246 Standard Request Form - Urdu
- 249 E-Dividend Mandate Letter
- 250 E-Dividend Mandate Letter – Urdu
- 251 Factories and Offices
- 252 Best Corporate Report Checklist
- 260 Glossary





Organisational Overview and External Environment

GSK

Ahead Together

Our purpose

We unite science, technology and talent to get ahead of disease together

for health impact + shareholder returns + thriving people

Our strategy

We prevent and treat disease with vaccines, specialty and general medicines.

We focus on science of the immune system, human genetics, and advanced technologies, investing in our core therapeutic areas and future opportunities to impact health at scale.

We operate responsibly for all our stakeholders by prioritising Innovation, Performance and Trust.

Our culture

Ambitious for patients
to deliver what matters better and faster

Accountable for impact
with clear ownership and support to succeed

Do the right thing
with integrity and care because people count on us

Our Global Footprint



Ahead Together

We are a global biopharma company with a purpose to unite science, technology and talent to get ahead of disease together. We aim to positively impact the health of 2.5 billion people over the next 10 years. Our bold ambitions for patients are reflected in new commitments to growth and a step-change in performance. We are a company where outstanding people can thrive.

Our priorities: Innovation, Performance and Trust

Innovation

We're uniting science, technology and talent to make a difference in more people's lives. We don't just want to find new, better medicines and vaccines. We're working to get better at finding them in ways that are faster, more effective, and more predictable

In 2022:

18

in phase 3/
registration

7

new collaborations and
acquisitions

Performance

We're confident in our future. Our bold ambitions for patients are reflected in new commitments to growth and a significant step-change in delivery over the next five years. This means more GSK vaccines and medicines, including innovative new products, will reach more people who need them than ever before.

In 2022:

£29.3bn

medicines and
vaccines sales

1.85bn

packs of medicines and
vaccine doses delivered

10

products exceeding
£1bn sales

Trust

Being a responsible business is an integral part of our strategy. We apply our strengths and take action in the areas that can most positively impact patients, society and our people over the long-term.

In 2022:

1st

in the Access to
Medicine Index

2nd

in our industry for the S&P Global
Corporate Sustainability Assessment

Group Ownership Structure



Country of origin: Netherlands

*Ultimate Holding Company is GSK Plc, incorporated in UK, operating in more than 80 countries worldwide.





Associated parties with which the Company has had transactions during the year are disclosed on page 189, Note 36.2.

Our Presence

Global Landscape



Our Footprint in Pakistan

-  Head Office
-  Sales Office
-  Warehouse
-  Factory



For addresses of all business units including sales offices and plants, refer to page 251.

GSK Pakistan

GSK is a global biopharma company with a purpose to unite science, technology and talent to get ahead of disease together. In Pakistan, the Company has been providing trusted quality medicines and vaccines to more than 200 million patients for over seven decades. We aspire to capitalise on our leadership position by growing our general medicines portfolio, introducing innovative therapies, and using digital solutions.

Our culture of being ambitious for patients, accountable for impact and doing the right thing are the foundations for how, together, we'll deliver for our patients and shareholders, making GSK a company where people can thrive. To achieve this, GSK has built an extensive manufacturing and distribution network, committed to growth and delivering a step-change in performance.

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.

In Pakistan, GSK is one of the leading companies in the pharmaceutical industry in terms of volume, value and prescriptions generated. We have evolved into a highly diverse portfolio and profitable business that employs over 1,700 people across our manufacturing and commercial functions. Our Global Supply Chain (GSC) division, which manufactures over 420 million packs annually, consists of three facilities, all of which are situated in Karachi at West Wharf, F-268 SITE and Korangi.



GSC, F-268, SITE, Karachi

GSK's F-268 facility is situated in the Sindh Industrial Trading Estate (SITE), Karachi. The facility comprises of three separate manufacturing sections – Liquids Block, Tablets Block, and a dedicated Penicillin Block. It is one of the largest manufacturing facilities in Pakistan with an annual volume of around 215 million packs and over 91 unique SKUs.

GSC, West Wharf, Karachi

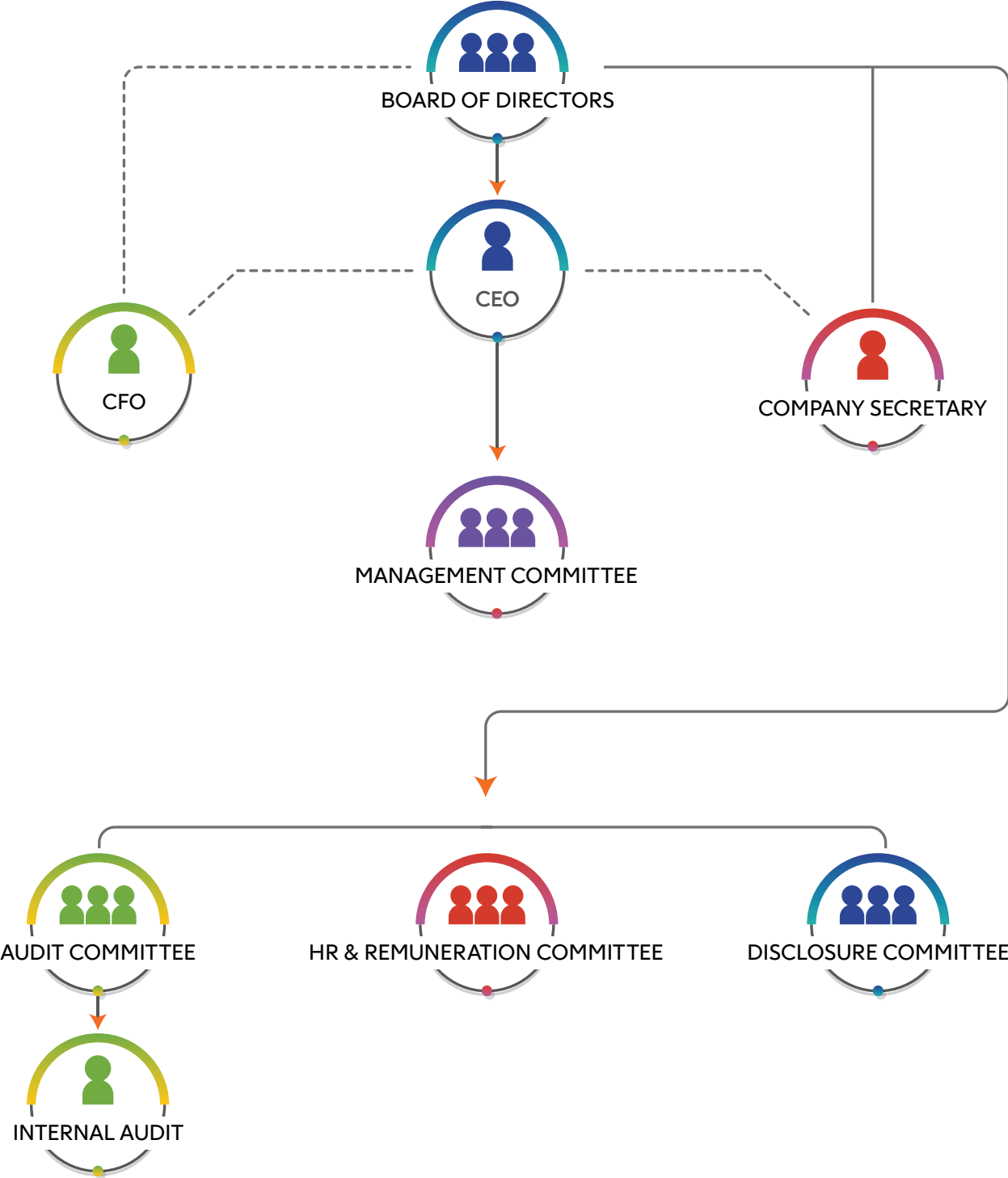
GSK West Wharf is one of the pioneering multinational pharmaceutical facilities in Pakistan, located on the seashore close to the Karachi Port and city centre. The major manufacturing operations are of Dermatology products including ointments, creams and lotions. The site manufactures 61 SKUs with an annual volume of around 170 million packs.



GSC, 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, eye drops and a unit for tablets. The site manufactures 73 SKUs and produces an annual volume of around 43 million packs.

Organisational Chart



Corporate Information

As at December 31, 2022

Board of Directors

Ms. Lai Kuen Goh*
Chairperson –
Non-Executive Director

Ms. Erum Shakir Rahim
CEO – Executive Director

Mr. Hasham Ali Baber
CFO – Executive Director

Ms. Maheen Rahman
Independent Director

Mr. Muneer Kamal
Independent Director

Mr. Mehmood Mandviwalla
Non-Executive Director

Mr. Simon Foster**
Non-Executive Director

Audit Committee

Mr. Muneer Kamal
Chairperson

Ms. Lai Kuen Goh*
Member

Mr. Simon Foster**
Member

Mr. Mehmood Mandviwalla
Member

Ms. Maheen Rahman
Member

Mr. Ovais Farooq***
Secretary

Human Resource and Remuneration Committee

Ms. Maheen Rahman
Chairperson

Mr. Mehmood Mandviwalla
Member

Ms. Lai Kuen Goh*
Member

Mr. Simon Foster**
Member

Ms. Erum Shakir Rahim
Member

Mr. Farqaleet Iqbal
Secretary

Disclosure Committee

Ms. Erum Shakir Rahim
Chairperson

Ms. Lai Kuen Goh*
Member

Ms. Mehar-e-Daraksha Ameer
Member

Mr. Hasham Ali Baber
Secretary

Chief Financial Officer

Mr. Hasham Ali Baber

Company Secretary

Ms. Mehar-e-Daraksha Ameer

Chief Internal Auditor

Mr. Ovais Farooq***

Bankers

Standard Chartered Bank (Pakistan) Ltd.
Citibank NA
Deutsche Bank AG, Pakistan Operations
Habib Bank Limited
Meezan Bank Limited

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)
Website: www.pk.gsk.com

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal
Karachi – 74400, Pakistan
Tel: Customer Support Services
(Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

*Ms. Lai Kuen Goh appointed as Chairperson and Non-Executive Director of GSK Pakistan Limited w.e.f. August 5, 2022

**Mr. Simon Foster appointed as Non-Executive Director of GSK Pakistan Limited w.e.f. September 28, 2022

*** Mr. Ovais Farooq was appointed as Chief Internal Auditor of GSK Pakistan Limited w.e.f. May 23, 2022

Corporate Leadership Team



Ms. Erum Shakir Rahim
Chief Executive Officer



Mr. Hasham Ali Baber
Chief Financial Officer



Ms. Mehar-e-Daraksha Ameer
Legal Director and
Company Secretary



Dr. Tariq Farooq
Director Business Unit 1



Syed Nasir Farid
Director Business Unit 2



Dr. Naved Masoom Ali
Director Business Unit 3
and CTC



Mr. Rafay Ahmed*
Director Commercial Operations



Dr. Gohar Nayab Khan
Head of Regulatory Affairs




Mr. Abdul Haseeb Pirzada
Director Corporate Affairs and
Administration



Ms. Esra Mezrea***
Interim Country Compliance Officer




Dr. Yousuf Hasan Khan
Director Medical



Syed Nabigh Raza Alam
Tech Head



Mr. Farqaleet Iqbal
HR Country Head



Mr. Yasir Rehman**
Head of Transformation



Mr. Imtiaz Hussain
Site Director – F-268



Mr. Muhammad Kashif Ayub****
Site Director – Korangi



Mr. Khurshand Iqbal
Site Director – West Wharf

*Mr. Rafay Ahmed appointed as Director Commercial Operations on October 01, 2022
 **Mr. Yasir Rehman appointed as Head of Transformation on October 04, 2022
 ***Ms. Esra Mezrea was appointed as Interim Country Compliance Officer of GSK Pakistan Limited wef. June 20, 2022
 ****Mr. Javed Tariq retired as Site Director on June 30, 2022 and Mr. Mohammad Kashif Ayub appointed as Interim Site Director Korangi effective 1st July 2022

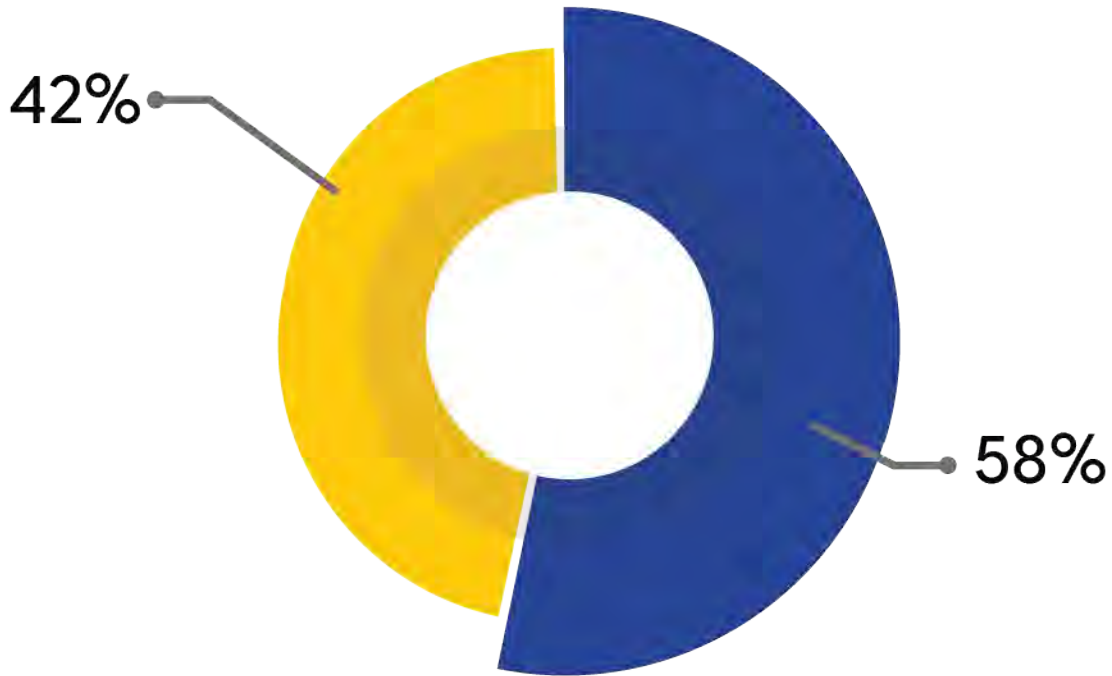
Position of Reporting Organisation in Value Chain

Suppliers of Raw and Packaging Materials
(Local and Imported)



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:



Composition of Local vs. Imported Materials

■ Imported ■ Local

Foreign Currency Sensitivity Analysis

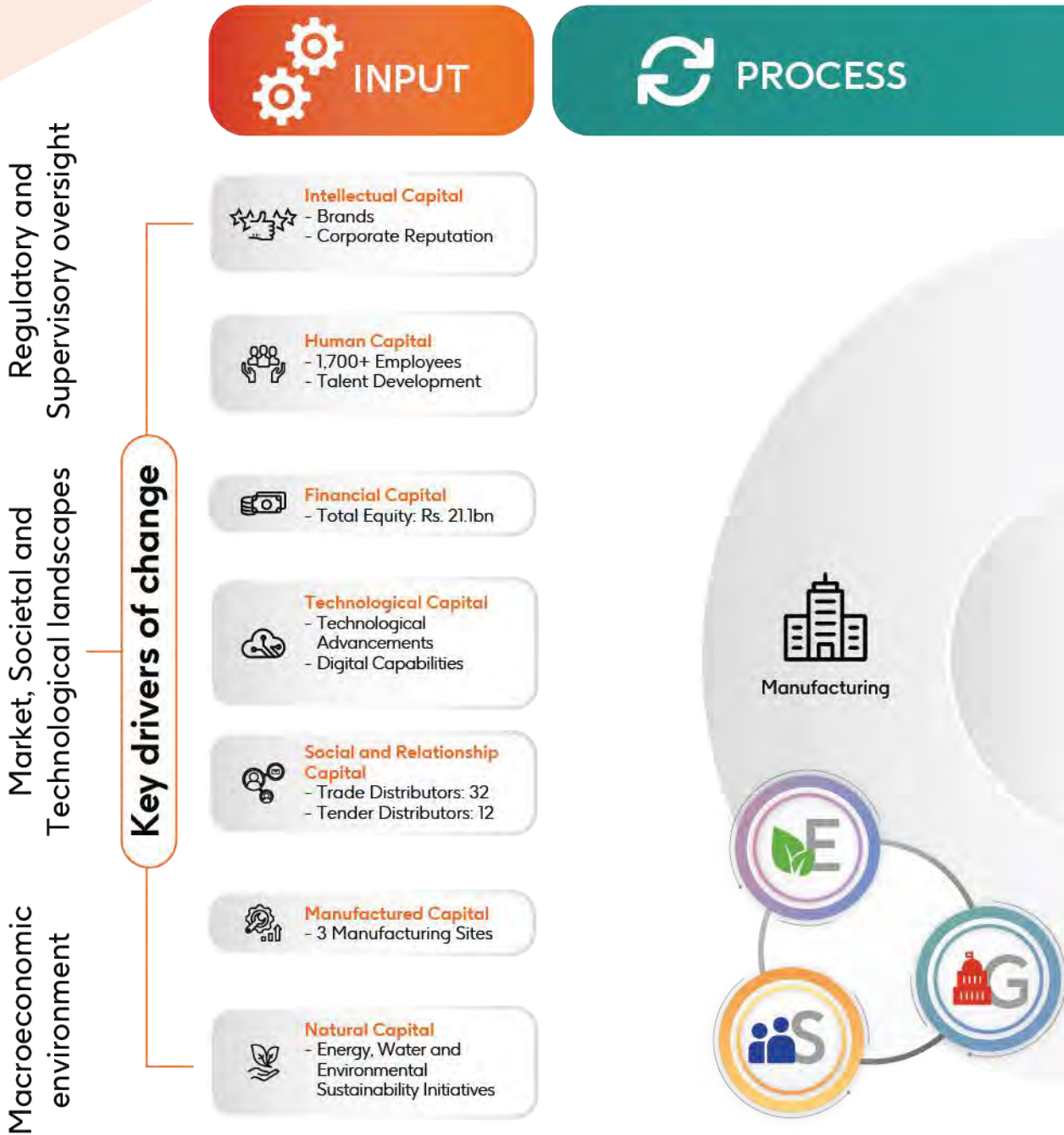
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as at December 31, 2022 amount to Rs. 1,490.41mn (2021: Rs. 682.92mn)

At December 31, 2022, 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. 74.52mn (2021: Rs. 34.15mn), mainly as a result of foreign exchange gains or losses on translation of US Dollar-denominated trade payables and other receivables.

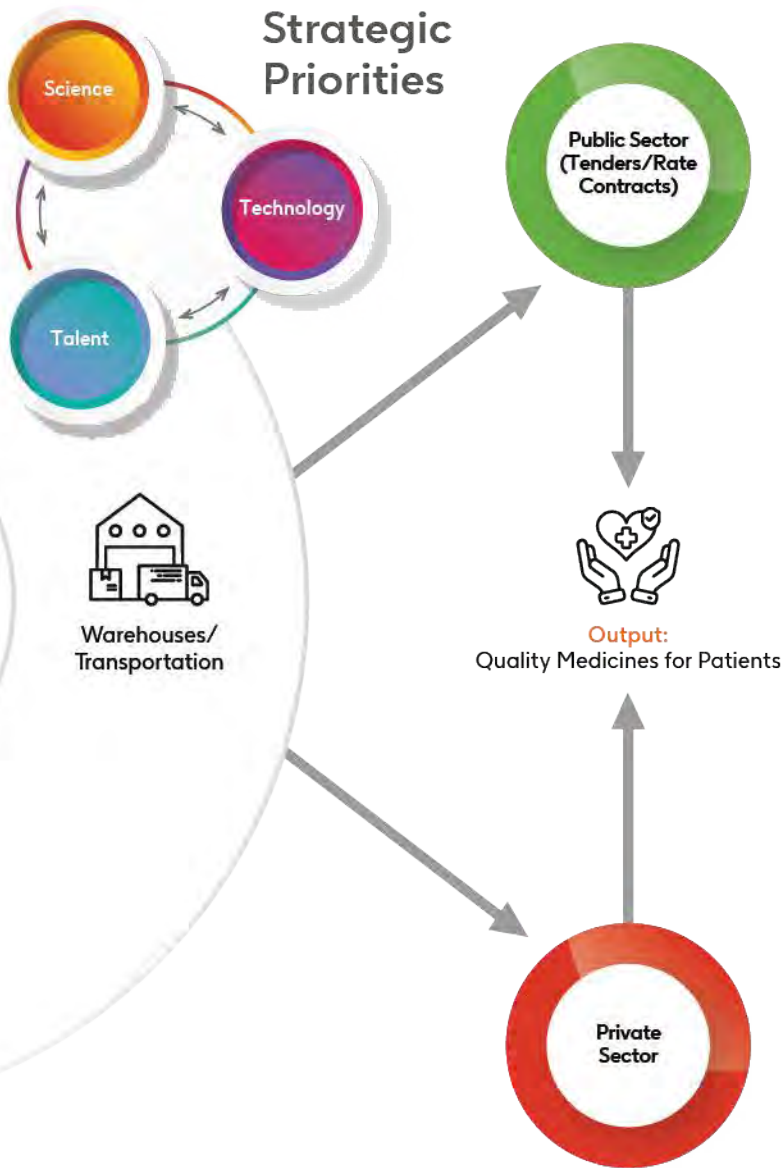


Business Model

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.



✓ **OUTCOME**



- Intellectual Capital**
 - Brand Equity
- Human Capital**
 - Diverse & Engaged Workforce
 - Improved & Balanced Work Environment
 - Improved Culture
- Financial Capital**
 - Profit after Tax: Rs. 2.5bn
- Technological Capital**
 - Effective & Efficient HCP Engagement Models
 - Operational Efficiency
 - Automated & Simplified Processes
- Social and Relationship Capital**
 - Uninterrupted Supply of our Products
 - Improved Collaboration with Industry Partners
- Manufactured Capital**
 - Annual Turnover: Rs. 41.8bn
 - Number of Units manufactured: 428mn Packs
- Natural Capital**
 - Conscious use of Natural Resources
 - Sustained Progress towards 2030 Carbon Neutral Goal







Top Brands

Augmentin

(Co-amoxiclav)

Augmentin, a broad-spectrum prescription antibiotic used to treat various bacterial infections in adult & children, is the first ever antibiotic to achieve the Rs. 8 billion mark in Pakistan Pharmaceutical Industry*. In 2022, Augmentin generated 32 million prescriptions (Rx)* i.e. 1 Rx generated every second.

Augmentin continues to build upon its 4 decades strong legacy while maintaining its number one position in terms of value, volume, and prescription in the overall anti-infectives market.



*IQVIA: MAT Dec'22 | MIP Dec'22

Velosef

(cephradine)

Velosef is a key strategic antibiotic for Pakistan, that has established its legacy in skin and soft tissue infections. It is the no. 1 prescribed cephalosporin brand of Pakistan*.

In line with our customer centric approach and commitment to being ambitious for patients, the Velosef team emphasises on building sales force capability and content enrichment.



*IQVIA: MIP MAT S2 2022

Amoxil

(amoxicillin)

Amoxil is a broad-spectrum antibiotic indicated for the treatment of upper respiratory tract infections & helicobacter pylori. It is GSK's third largest brand on value in the market, with ~13 million prescriptions being generated annually*. With its 45+ years of legacy, Amoxil continues to deliver top quality and efficacious offerings to its patients. Amoxil has an extensive range of SKUs for patients of all age groups.



*IQVIA: MAT Dec'22 | MIP Dec'22

Vates

For decades, GSK Pakistan's dermatology portfolio has operated with a steadfast commitment and dedication to provide quality and best-in-class skin related treatments and therapies to patients across all age groups and demographics. With a rich and unparalleled heritage of leading the dermatology market, across value, volume and prescriptions, our legacy brands continue to enable millions of patients to achieve positive treatment outcomes, improving their quality of life.

Our Vates portfolio, comprises of 4 key brands namely, Dermovate, Clobevate, Cutivate, and Betnovate. Vates are widely prescribed and actively promoted to address a broad category of steroid responsive dermatoses indications, including but not limited to Psoriasis, Contact, and other kinds of dermatitis. Combined, the Vates portfolio is worth an Rs. ~7 billion and is available in a versatile range of formulations, ranging from creams, ointments, and lotions.



*IQVIA: MAT Dec'22

CALPOL

(Paracetamol)

Calpol, indicated for treatment of mild to moderate fever & pain, is the third largest Analgesic brand in Pakistan Pharmaceutical Industry, valued at Rs. ~3 billion*. The brand has experienced a significant double digit growth in 2022.

The Calpol team continued accelerating its promotional thrust by focusing on enhancing in-chamber selling excellence capabilities.



*IQVIA: MAT Dec'22

Ventolin

(Salbutamol sulphate)

Ventolin is the most prescribed brand in asthma, playing a pivotal role in providing symptomatic asthma relief through ~1 million prescriptions* generated in Pakistan.

GSK Pakistan, being ambitious for patients, continues to reinforce Ventolin's legacy, efficacy, safety, and quality among HCPs. To cater to millions of patients of all age groups in the Country, GSK Pakistan offers multiple Ventolin SKUs.



*IQVIA: MAT Dec'22 | MIP Dec'22

Vaccines

Globally, our Vaccines have been protecting people of all ages from serious diseases for over a century. Today, our global Vaccines portfolio continues to bring innovation in fighting diseases such as: Shingles, Influenza, Rotavirus, Pneumococcal, Hepatitis, Meningitis, etc.

The GSK Pakistan private Vaccine business consists of the following products adequately available in the market to help build immunity against: Hepatitis, Rotavirus, Diphtheria, Tetanus and Pertussis.



boostrix
(Tetanus, diphtheria and pertussis
(acellular, component))

Boostrix – 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
With only 2 oral doses

Rotarix – Rotavirus Vaccine

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™
Hepatitis A Vaccine

Havrix – Hepatitis A Vaccine

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.

Key Quantitative Information

1,768

Total Number of Employees for the year

Pharma Commercial

881

887

Pharma Supply Chain

Average Number of Employees for the year

1,635

Our People

Human Resources

We are a global biopharma company with a purpose to unite science, technology, and talent to get ahead of disease together. 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 focused on building an organisation with stronger purpose and a culture dominated by our code so that together we can deliver remarkable impact for patients, and employees.

Performance and Development

At GSK, we view people development as one of the key priorities that contributes in building their experience and capability. Our continued commitment towards developing and sustaining our talent pipeline has been a contributing factor towards our performance.

In 2022, we were able to move our exceptional internal talent to various senior roles after competitive assessments which



reflects our dedicated focus towards talent development. We inspire our managers to promote a culture where open and honest conversations are encouraged, and diverse opinions are accepted. This is further strengthened through regular check-in sessions and the use of our survey tools through which employees provide feedback to their managers to help them adopt a better leadership style, suited for their team's needs.

Trust

Trust will continue to be our key priority, aligned across all our performance measures. We are committed to enable this value by inculcating a culture of clear communication and openness. We also continue to build trust through our employee engagement efforts thereby enhancing employee experience.

Diversity and Inclusion (D&I)

In 2022, the Company further progressed its D&I agenda. The team organised an 'Embrace Diversity' Workshop to educate employees about conscious inclusion by overcoming microaggressions and biasness. The workshop intended to promote an inclusive environment where every employee feels a strong sense of belonging.

Apart from various local initiatives, the Leadership is also undergoing a comprehensive Inclusive Leadership Coaching to ensure the agenda is driven from the top.

GSK's Women Leadership Initiative (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 about inclusivity and better ways of communication by overcoming subconscious biases and gender stereotypes.

The recruitment campaigns continued with focus on Inclusion and Diversity. GSK Pakistan currently has 17% females in the total workforce with 21% females in the Commercial Leadership Team.

Employee Health and Wellbeing

To keep the physical and mental wellbeing of employees in check, GSK promoted the use of Employee Assistance Programme (EAP) which gives employees access to a free, confidential telephone helpline and website that they can use whenever they need practical advice, information or support. All calls are confidential, and they can call at any time 24 hours a day and as often as they wish. EAP is also available to dependents, anyone in their immediate family, spouse or children over 16. EAP consultation service is now available in Urdu and can be accessed 24/7 through a local phone number for employee convenience. GSK also organised various health and wellbeing Webinars and sessions under the banner. To name a few, sessions on 'Mindfulness', 'Menopause', 'Financial Wellbeing' were organised to educate employees.

At GSK, we are also focused on promoting the Environment, Health and Safety agenda





by reporting of unsafe incidents. To have a well-trained staff fully equipped to handle emergency situations, we conducted workshops on 'First Aid' and 'Fire Fighting'.

Future Leaders Programme

GSK's flagship Future Leaders Programme is one of the key drivers of our talent pipeline, thoughtfully designed to attract, develop, and nurture talented individuals. The robust programme provides various opportunities that develop them as leaders of tomorrow and enable them to lead GSK Pakistan into the future whilst developing their own long-term careers.

Culture at GSK

Resilience and Work-Life Balance

We, at GSK Pakistan are committed to provide our employees with congenial work environment that makes them feel included and valued.

As part of a global initiative, GSK facilitates its employees with flexible work options and Performance with Choice guidelines where they can choose how and where they work.

Engagement at GSK

Employee engagement is one of the core elements of our culture that ensures everyone in the Organisation has strong sense of

belonging and value. Some of our various employee engagement interventions included driving the Diversity and Inclusion agenda (WLI Pakistan Chapter), supporting Employee Health and Wellbeing initiatives, engagement events including celebrations, picnics and talent shows, promotion of modern employer agenda; as well as arrangement of workshops, to develop and upskill our employees.

Driving Culture through ColourYourGSK

In 2022, GSK Pakistan launched "ColourYourGSK", as a part of its culture enhancement initiative.

Through interactive workshops on various opportunity areas, the team came up with a robust action plan that entailed:

- Creating a gender equal environment with multiple opportunities to excel
- Investing and focusing on employee development
- Enhancing focus by simplifying processes and keeping teams energised

2022 has been a successful year for ColourYourGSK with all its planned initiatives delivered, and desired impact on culture achieved.



Our Code

Our Code sets out the commitments GSK and our people make to get ahead together – so that we can deliver on our ambition, bring our culture to life, and make GSK an exciting and inspiring place to work. Our Code applies to employees and anyone who works for or on behalf of GSK. It shows how we can deliver on our bold ambitions in the right way and powers our purpose of getting ahead of disease together by being ambitious for patients, accountable for impact and doing the right thing.

Every employee and complementary worker is required to complete mandatory training on

the Code 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 2022, GSK renamed its Code of Conduct to 'The Code' 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](https://www.gsk.com), together with details of our confidential Speak Up lines for reporting and investigating unlawful conduct.





Our Business Units and Functions

GSK's Business Units and Functions are the driving force behind delivering shareholders' value with a patient-focused approach, ensuring business growth and leadership. Some of the key functions at GSK Pakistan are as follows.

Commercial Team

Sales and Marketing

Two of the biggest verticals within the commercial organisation at GSK Pakistan are the Sales and Marketing functions. With a rich heritage of nurturing some of the biggest brands in the pharmaceutical industry, we employ the best-in-class talent to collectively drive patient health, welfare and market performance while ensuring compliance with ethical standards and policies.

Year on year, we impart the latest medical guidelines and treatment recommendations through in-chamber discussions and tailor-made medical education initiatives,

workshops, and symposiums, to HCPs nationwide. Our insight-based strategies, ensure the right positioning and messaging for defined customer segments, bringing science and awareness to HCPs.

Commercial Operations

Customer Engagement

The strategy of customer engagement manoeuvres around the continuous evolution in multichannel engagement and salesforce effectiveness with the objective of enhancing healthcare professional experience. With the best-in-class sales professionals, the ambition of customer engagement is to deliver an exceptional experience for our healthcare professionals with the right channel at the right frequency on the right time through the right content. With over 3.5 million engagements in 2022, the focus on customer-centric content with integrated digital solutions for impactful interactions with healthcare professionals has never been greater.





Business Intelligence

Data-based decision making provides businesses with the capabilities to generate real time insights and predictions to optimise their performance. With a vast amount of data at our disposal and the right analytical tools, the Business Intelligence Function ensures that the right parameters and key performance indicators are supporting in business delivery to make the right decisions.

Selling Excellence

At GSK Pakistan, the selling excellence function is responsible for building the capabilities of all sales professionals with training and initiatives that make them the best-in-class field force across the pharmaceutical industry. In this function, GSK Pakistan fosters a culture for sales professionals to learn, grow and inspire themselves by establishing meaningful interactions with healthcare professionals upon the highest standards of ethics and compliance.

Commercial Trade Channel (CTC)

The core priority of the Commercial Trade Channel (CTC) team is to ensure timely access of GSK medicines to our patients. The

CTC team focuses on extended coverage and product availability across all the geographies of Pakistan through efficient route to market and strong distribution network. Operational efficiencies are leveraged through capacity and capability building of our channel intermediaries by imparting multiple training and coaching sessions for their teams to ensure GSK products are easily available to patients at the pharmacy nearest to them.

Customer Services and Logistics

Customer Services and Logistics in Pakistan is responsible for supporting demand generation and ensuring demand fulfilment. This end-to-end process is efficiently operated by achieving sustainable operating business model which includes managing our warehouses across the Country and effective execution of last mile achievements through our widespread network of transportation.

Finance

The finance function plays a critical role in managing the financial resources of the Organisation. Finance is responsible for ensuring that the Organisation has the necessary financial resources to operate

effectively and meet its strategic objectives. 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 driving performance of the Company. It helps business to set up targets for sustainable growth, while adding value through various initiatives. They are responsible for developing and maintaining financial models and work closely with various departments within the Organisation to ensure appropriate allocation of resources. This enables the Organisation to make informed decisions, take cost efficiency measures, and optimise value creation for shareholders.

Financial Reporting

Finance is responsible for the preparation and delivery of annual and quarterly financial statements of the Company. It engages with the Board Audit Committee for review of interim and annual financial statements.

Taxation and Treasury

Treasury is responsible for the overall liquidity management and insurance coverage of the Company. The key Treasury functions include financing strategy, investment and working capital management.

The Corporate tax department ensures effective tax planning and strategy implementation through close coordination with Global Tax team and Tax consultants, to mitigate all potential tax related risk exposures for the Company.

In-Country Shared Services

Shared services are part of Global Financial Services within GSK and is primarily responsible for management reporting, credit management and payment processing with increased focus, performance is tracked





through defined Key Performance Indicators (KPIs), which help to monitor the performance with the overall objective of simplifying and standardising the processes for better monitoring and efficient operations.

Legal

Our Legal team works with internal stakeholders to provide accurate, relevant, quality and timely legal advice and support. The team regularly collaborates with its stakeholders to create understanding and knowledge of new laws, regulations, and



policies of the Company and continues its focus on its “Business Partner Guardian” role to provide smart, effective, quality advice and support to the business.

Corporate Secretariat and Shares

Corporate Secretariat plays a vital role in ensuring adherence to GSK’s governance structure in conformity with best practices. The Corporate Secretariat 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.

Human Resources

Human Resources is a strategic function that supports GSK Pakistan’s Ahead Together agenda by aligning People Strategy with Business Objectives. HR facilitates Talent and Succession Planning to ensure healthy talent pipeline and strong bench strength for our leadership positions. Talent Acquisition Function supports this by building an Employer Brand inside and outside the Organisation, attracting best-in-class talent.



Our Total Rewards Function ensures fair and competitive pay as well as benefits, while People Services Team has evolved to provide HR transactional support to our people using efficient systems with special emphasis on enhancing 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.

Medical

Medical Affairs is a strategic function of GSK Pakistan. The Medical Department targets the unmet needs of the medical community by delivering scientific information to key stakeholders and generation of scientific evidence to support local data gaps. The members of this department work with key opinion leaders of various therapy areas in activities to educate primary care physicians. This helps ensure that optimal care can be made available for all patients.

To improve the health of patients, we aim for better medical education events for practicing doctors. GSK Pakistan Medical Department has embarked on a journey of digital interactions with our physicians. This

enables them to have educational activities in the comfort of their clinics or homes. This is in addition to the regular face-to-face medical education events.

We also manage the needs of our medical community through society collaborations. The notable societies that we work with on a regular basis include Pakistan Medical Association (PMA), Medical Microbiology and Infectious Diseases Society of Pakistan (MMIDSP), Pakistan Association of Urological Surgeons (PAUS), National Institute of Health (NIH).

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.

Information Technology

GSK Pakistan Information Technology Department continued its digital transformation journey this year, by introducing innovative solutions for our customers, which eventually create a positive impact in patients' lives. Tech business partnering is a strong pillar in which we liaise with numerous business functions to provide them cutting-edge digital solutions.

In addition to these initiatives, we worked on strengthening our information protection and cybersecurity 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.

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 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.

Regulatory Affairs

Regulatory Affairs (RA) plays an integral part as strategic business partner of the Organisation. Product lifecycle management, New Drug Applications (NDA) and strict adherence to the Drug Laws of Pakistan avoiding any breach of law, are few major attributes of the function. As trust agenda, availability of life saving medicines is also one of the focused areas of RA delivery along with other functions.



Quality

The core objective of the Quality Function is to ensure the supply of quality product to patients or customers and ensuring compliance with applicable regulations. Our Quality Function is responsible for the provision of quality services related to storage, wholesale, and distribution of products. GSK Quality Management System (QMS) is a comprehensive system to manage responsibilities, quality culture expectations, and documented policies and procedures. GSK QMS encompasses regulations applicable throughout product lifecycle and throughout supply chain, including good manufacturing practice, good distribution practice, and other industry standards.

Environment, Health and Safety (EHS)

GSK is committed to providing a safe workplace for its employees and protecting the environment. Our EHS Department helps fulfill this purpose by safeguarding our people, protecting our assets and the environment through strong leadership commitment. We do this by establishing an effective control framework and 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.

Employee Health and Wellbeing

At GSK, people health, business continuity and providing wellbeing solutions remained our priority. The Company took multiple initiatives to keep the workforce updated on local health issues and coaching them on how they can adopt our digital capabilities.

At GSK, we are focused on promoting Occupational Health Agenda by reporting of occupational illness and incidents. GSK is committed to develop programmes and facilities that enable employees to understand and protect their health, make healthy choices.

Compliance

Compliance Function collaborates with teams across GSK to support effective and holistic risk management. GSK's Internal Control Framework (ICF) helps identify and prioritise





risk, mitigate it, check if 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.

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.

Procurement

Procurement Function provides vital support to the business units in achieving the desired goals by deploying sourcing strategies that address their needs (whether services or goods) and delivering best value against the allocated budgets. While doing so the Procurement Function also ensures that compliance and transparency are always upheld according to the GSK standards.

Security

GSK Pakistan 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.

Our team achieves its objectives by protecting people, places, products, and being crisis-ready.

Global Supply Chain (GSC)

Our Global Supply Chain Function works collaboratively to ensure the manufacture and supply of safe, efficacious, and compliant products in a cost-effective and timely manner. The function also ensures that its people perform in a safe, enabling and culture-driven work environment.

The GSC operates with a standardised yet continuously improving mindset that makes us better at driving and sustaining improvement across all aspects of our business. With its Supply Chain 2030 Vision, GSC aims to deliver on its business imperatives of – accelerating innovation, using technology and smart manufacturing, leveraging quality as a competitive advantage, ensuring environmental sustainability, whilst creating an environment where everyone thrives.

Awards and Recognitions

Top Employer 2022



GSK Pakistan was recognised as a Top Employer for 2022 by the Top Employers Institute. GSK Pakistan has won this prestigious global certification for the second consecutive year.

This accolade reinforced GSK Pakistan as an industry leading Modern Employer, excelling in People Strategy, Work Environment, Talent Acquisition, Learning, Well being, Diversity, and Inclusion, among others.

OICCI Women Empowerment Award 2022



GSK Pakistan received a special recognition award for its Notable Growth in Women Empowerment by the Overseas Investors Chamber of Commerce and Industry at OICCI Women Empowerment Awards 2022. This award reaffirms GSK Pakistan's continuous commitment towards building an inclusive culture.

Best Corporate and Sustainability Report Award 2021



GSK Pakistan secured 3rd place in the Best Corporate and Sustainability Report Award jointly organised by ICMA Pakistan and ICAP. The reward is a representation of continued hard work during the year and a motivation to keep improving in the coming years.

Industrial Hygiene (IH) Award

Industrial Hygiene is one of the core areas of Environment Health and Safety. In 2022, GSK's Global Supply Chain (GSC) Industrial Hygiene team rolled out bi-annual awards programme results to recognise commitment to industrial hygiene and health risk mitigation.

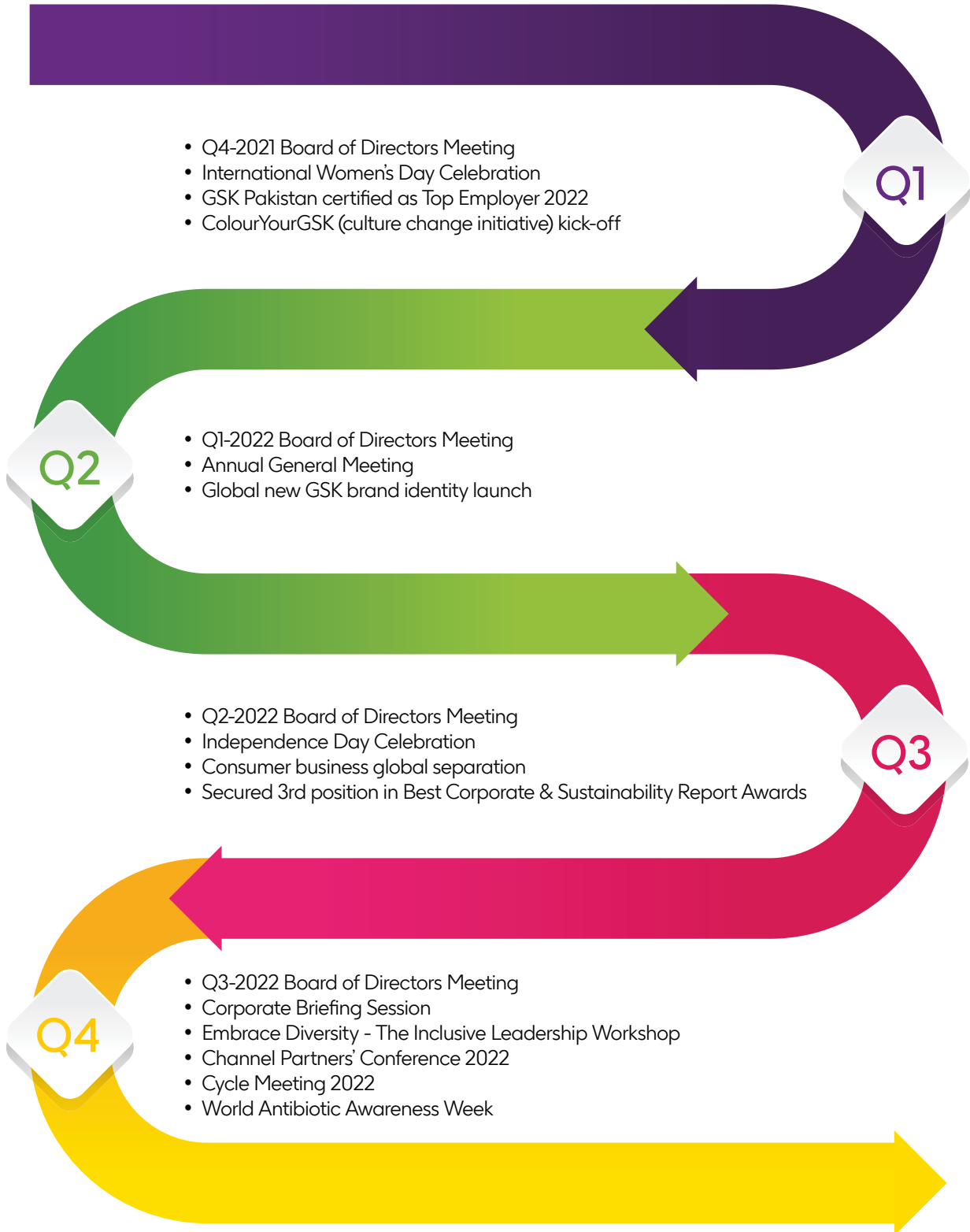
GSK Pakistan's Korangi and West Wharf Sites were recognised and awarded for EHS improvements in the IH domain for the following categories:

- Physical Agents category - Our Korangi Site took 3rd place for noise reduction at Cephalosporin bottle blowing
- Chemical Agent Award category - West Wharf Site secured 1st place in the Chemical Agent Award category for reducing exposure risk of OHC 3 compounds in ENO manufacturing and taking effective and sustainable engineering controls
- Industrial Hygiene All-Rounder category - Korangi site also won 1st position for improvements in various IH elements such as containment systems, noise reduction, chemical transfer and ergonomics

F-268 GSC Water Trophy 2022

Our F-268 Site was recognised as GSC Water Trophy 2022 winner in recognition of the Site's efforts towards implementing measures such as rainwater harvesting, installing efficient cooling towers, and effective monitoring and governance to conserve water resources. This award is a testament to GSK's focus on environmental sustainability.

Timeline and History of Key Events



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 90 to 96. Other significant changes which the Company has implemented or announced during the year ended December 31, 2022 are as follows:

- Effective 05 August 2022, Ms. Lai Kuen Goh was appointed as Chairperson and Non-Executive Director on the GSK Pakistan Board of Directors
- Effective 28 September 2022, Mr. Simon Foster was appointed as Non-Executive Director on the GSK Pakistan Board of Directors
- Effective 23 May 2022, Mr. Ovais Farooq was appointed as Chief Internal Auditor for GSK Pakistan

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.



Key Initiatives

ColourYourGSK

In 2022, GSK Pakistan launched the “ColourYourGSK” campaign as a part of its culture change initiative. For further details about this initiative, please refer to the “Our People” section of this report on pages 23 to 25.

Environmental Sustainability

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 protecting the natural resources with clear objectives for reducing carbon, water and waste consumption. Some of the key initiatives taken included installation of solar panels, Single Use Plastic Reduction, rainwater harvesting, installation of RO filtration facility, etc.

As a result of our efforts in this area, our GSK sites recorded a 3.77% decrease in our carbon footprint, 2.09% reduction in water consumption, 3.57% waste reduction and a cumulative Single Use Plastic Reduction of 8,568 kilograms over the previous year.

Robotics and Automation

GSK's manufacturing sites are at the forefront of advanced manufacturing, implementing high-end systems and machinery to streamline production operations. Examples include a cost-effective, in-house developed 5-axis robotic arm at the Uhlmann 2 packaging line and an automated case packing mechanism at Penicillin Line 4, helping achieve fast, efficient and automated manufacturing operations.

Digitization


With the pharmaceutical industry focused on becoming more customer-centric, 2022 was a rewarding year for GSK Pakistan in commercial operations. Through the launch of new digital channels and by leading the digital footprint of the industry, GSK not only empowers its sales professionals with personalised communication for their customers, but also enhances their capabilities leading to omnichannel transformation.







Significant Factors affecting the External Environment

| Factor |  Political | Organisational Response |
|--|--|--|
| <ul style="list-style-type: none"> Vote of no confidence led to a new Government setup involving a coalition of 14 political parties which resulted in political uncertainty and widespread protests across the Country | | <ul style="list-style-type: none"> To mitigate the impact of these disruptions, GSK, while ensuring the safety of its employees, through a robust BCP and supply chain network, ensured the uninterrupted availability of its medicines across Pakistan |


| Factor |  Economic | Organisational Response |
|---|---|--|
| <ul style="list-style-type: none"> Rising global inflation and currency devaluation FX liquidity, import constraints and outward remittance challenges Impact of Russia-Ukraine war on global fuel and commodities Change in tax regime from exempt to Zero-Rated and thereafter to reduced tax regime Introduction of new income and sales taxes causing undue burden to businesses including a retrospective Super Tax for tax year 2022 | | <p>Impact analysis conducted; steps taken thereafter include:</p> <ul style="list-style-type: none"> Building advocacy with SBP, commercial banks and corporate treasury to ensure LC facilitation for continued supply of medicines Energy conservation and sustainability measures adopted across all manufacturing sites and commercial offices including enhancement of ongoing resource optimisation and alternative energy projects Engaged with relevant Government bodies/FBR to explain its impact and requesting reversal for pharmaceutical industry Engaged with stakeholders directly and through Public Policy Groups for reversal of the same |

| Factor |  Social | Organisational Response |
|--|---|---|
| <ul style="list-style-type: none"> Unprecedented Pakistan floods 2022 | | <ul style="list-style-type: none"> GSK partnered with Karachi Relief Trust (KRT), a disaster management voluntary organisation, by contributing Rs. 10 million for flood relief efforts to provide flood victims with food and household items In addition, GSK Plc has committed a £200,000 donation to the Pakistan Red Crescent Society, to provide life-saving humanitarian assistance to families affected by the floods |




Technological

| Factor | | Organisational Response |
|--|--|---|
| <ul style="list-style-type: none"> Latest technological advancements to empower businesses on growth trajectory | | <ul style="list-style-type: none"> Aligned with the global dynamics, GSK Pakistan actively assesses the need and invests in emerging technologies to enhance HCP interactions. In 2022, several new digital channels were introduced to increase customer engagement |



Legal

| Factor | | Organisational Response |
|--|--|--|
| <ul style="list-style-type: none"> Compliance with complex and frequent changes in the laws and regulations related to various regulatory and statutory authorities | | <ul style="list-style-type: none"> The Company remains vigilant and reviews updates issued by various law regulating authorities and coordinates with them to ensure understanding and compliance |



Environmental

| Factor | | Organisational Response |
|--|--|--|
| <ul style="list-style-type: none"> Safe and healthy work environment for employees and community at large | | <ul style="list-style-type: none"> GSK has set out firm commitments to achieve environmental goals, which are detailed in the Governance Section of this report under "Social and Environmental Responsibility Policy on page 110. Our Global Supply Chain Sites also ensure compliance as per ISO 14001 Environmental Management System and other relevant GSK standards GSK has several initiatives to help protect the environment. These include, 1) Net zero impact on climate by 2030, 2) Net positive impact on nature, across our entire value chain. We've set clear and measurable targets to help achieve these goals |

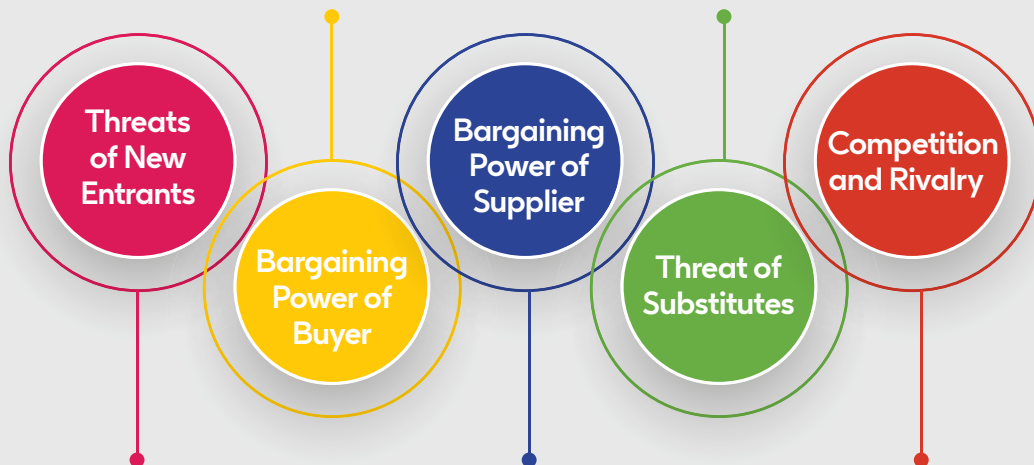
Competitive Landscape and Market Positioning

Over the last 7 decades, GSK has established itself as Pakistan's leading multinational company that enjoys volume leadership by producing and supplying quality, essential medicines. We have three state-of-the-art manufacturing facilities and extensive established distribution networks through which our products are delivered to patients across the Country. GSK has demonstrated a strong commitment towards being an innovative, high performing, and trusted healthcare company that creates value for patients, healthcare professionals, chemists, distributors, and employees.

In Pakistan, patients rely upon prescriptions issued by healthcare professionals. GSK has a history of established trust by healthcare professionals for their patients. As a result, our brand loyalty is very strong, and the percentage of prescriptions switch by the patients is negligible.

GSK has a very well-established brand image and a strong loyalty for all its key brands in the market. This has been possible due to the strong commercial capability of the team. Over a period of time, generics have been and continue to be launched in the market, which hasn't had any significant impact on the market share due to our established legacy and product quality.

Moreover, as per market norm, product switch against prescribed brands remains negligible. Counterfeit products is a challenge for which we are working with our Brand Protection Team and other Governmental agencies.



The Pakistan Pharmaceutical Industry is highly fragmented with 650+ registered manufacturers, of these, the top 100 companies account for 98%* of the total market share. This, coupled with the fact that the market is prescription driven, the threat of new entry and loss of market share remains low.

GSK Pakistan's growth is supported by strong business partnership with reputable local and international suppliers for high-quality drug manufacturing process. Although faced with strong economic headwinds in 2022, we were able to maintain competitive pricing and uninterrupted supply.

GSK maintains a competitive edge through its patient-focused scientific selling approach, maintaining the highest quality standards at state-of-the-art manufacturing facilities and leveraging a robust distribution network.

The Company strictly adheres to international cGMP standards, implementation of policies and local laws which enables the Organisation to operate in a highly ethical manner and produce quality products.

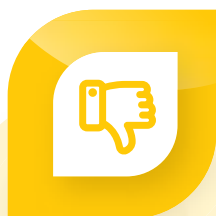
*IQVIA: MAT Dec'22

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 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. 2.5 4bn
- Recognition as Top Employer since 2 consecutive years
- Won the OICCI Women Empowerment Award 2022 for Notable Growth in Women Empowerment
- Every second over 4 prescriptions are generated*
- Well-established and mature portfolio
- Best-in-class digital engagement in Pharma Industry



Weaknesses

- Dependence on imported raw materials
- Lack of innovative molecules in our portfolio



Opportunities

- Global GSK pipeline for future launches in Pakistan
- Leveraging new digital technology for the benefit of patients



Threats

- Counterfeit products
- Frequent changes in Government policies
- Unstable economic situation
- Currency fluctuation and inflation
- Introduction of new generics by local competitors

*IQVIA: MAT Dec'22 | MIP Dec'22

The needs of Key Stakeholders and Industry Trends

Pakistan's Pharmaceutical Industry delivered a double-digit growth of 15%* with a value of Rs. 653 billion* despite the volatile status of the Country's economy in 2022. Out of 650* companies currently operating in the industry, GSK has remained one of the leading multinational pharmaceuticals for the past 70 years.

With pharmaceutical companies operating in over 80* therapy areas and 12,000* brands, the

need for new medicines in the treatment of widespread diseases has never been greater. Approximately 250* products were launched in Pakistan in 2022. Key therapy areas in GSK Pakistan constitute Anti-infectives, Dermatology, Respiratory, Analgesics, Urology, and Vaccines. Aligned with its purpose of uniting science, technology and talent to get ahead of disease together, GSK Pakistan is leading in volume within its operating markets in the pharmaceutical industry.

**IQVIA: MAT Dec'22*

Legislative and Regulatory Environment in which the Organisation operates

GSK Pakistan, being a pharmaceutical company, is subject to a strict legislative and regulatory environment with oversight of multiple regulatory bodies. The primary policies which govern the pharmaceutical sector include the Drug Act 1976, and the 2018 Drug Pricing Policy.

GSK takes pride in ensuring strict compliance with and adherence to all applicable laws therein. The Company also strongly endorses the implementation of intellectual property rights and advocates their enforcement through interaction with various regulatory bodies and public policy groups.

The Political Environment in which the Organisation operates

The ongoing political instability and volatility since Q4 2021 culminated in an inhouse regime change in April 2022. This has added to the economic uncertainty in the Country, an economy that was already overburdened by external debt, macroeconomic issues, and the pressure for timely conclusion of the long pending IMF agreement.

The impact of the Russia-Ukraine war on global fuel and commodities is also being felt within Pakistan, where we have witnessed a sharp escalation in POL, freight, utilities, and commodity prices.

In addition to the above, other factors that have challenged the economic environment include:

- Change in tax regime from exempt to Zero-Rated and thereafter to reduced tax regime
- Introduction of new income and sales taxes causing undue burden to businesses including a retrospective Super Tax for tax year 2022
- Rising global inflation and currency devaluation
- FX liquidity, import constraints and outward remittance challenges

Significant Events that occurred during the year

Change in Government

Imposition of additional taxes

Pakistan Floods

Upsurge in fuel and energy prices

Launch of new GSK brand identity

GSK Consumer Healthcare business global separation

Announcement of new Finance Bill

Depleting foreign reserves and LCs/FX challenge






















Strategy and Resource Allocation

Strategy and Resource Allocation

| Objective | Strategy | Value created for whom | Value created by whom |
|---|--|---------------------------------------|---|
| Accelerating performance through focus on high potential portfolios | Focus on key brands by strategic allocation of resources and excellence in execution. | HCPs Patients Shareholders | High-quality medicine Disease awareness Patient access Transfer of scientific knowledge |
| Enhance operational efficiency and optimise cost in the current challenging economic environment | Strategically investing behind key brands to deliver strong topline growth with high ROI. Taking initiatives to improve operational efficiency by cost optimisation without compromising on quality standards. Several sustainability initiatives rolled out. | Shareholders | Cost optimisation Promotional focus and efficiency |
| Develop a high performing team by embedding strong cultural pillars | Driving wider teams to embed new GSK cultural pillars while instilling ownership and accountability. | Employees Patients Shareholders | Positive & high performing culture High employee engagement & satisfaction Talent retention |
| Develop and retain employees, and promote diversity & inclusion across the Organisation | Cultivating a conducive work environment focusing on Diversity & Inclusion. Providing equal opportunities in unconventional roles to attract talent from diverse cultural backgrounds. Driving the Women Leadership Initiative (WLI) and encouraging allies to support it. | Employees Shareholders | Positive corporate image Diversity & Inclusion Conducive work environment |
| Demonstrate our commitment towards our Environmental, Social and Corporate Governance (ESG) Agenda | Our work across Environmental, Social and Governance (ESG) factors is integral to our overall strategy. Our approach to ESG helps us deliver sustainable performance and long-term growth, as well as in building trust with our stakeholders. It also reduces risk to our operations and helps us make a positive social impact. Further, in line with UN sustainability goals, achieve net zero impact on climate and a net positive impact on nature by 2030, in order to deliver a future ready, safe and sustainable business. | Society People Environment | ESG agenda Sustainable Development Goals |

| | | | |
|--|--------------------------|--|---|
| | Resources allocated | Human Resource Capital and Financial Capital. |  Timeline Long-term  Status Ongoing  Priority High |
| | KPI monitored | Market Share Growth, Evolution Index and ROI. | |
| | Future relevance of KPIs | The KPIs will remain relevant in the future. | |
| | Resources allocated | Financial Capital |  Timeline Long-term  Status Ongoing  Priority High |
| | KPI monitored | Gross Profit, Net Profit Margin and ROI. | |
| | Future relevance of KPIs | The KPIs will remain relevant in the future. | |
| | Resources allocated | Human Resource Capital and Social and Relationship Capital |  Timeline Long-term  Status Ongoing  Priority High |
| | KPI monitored | Business performance successes, Employee Engagement Index and Employer branding. | |
| | Future relevance of KPIs | The KPIs will remain relevant in the future. | |
| | Resources allocated | Human Resource Capital and Financial Capital |  Timeline Long-term  Status Ongoing  Priority High |
| | KPI monitored | Percentage of female employees, Employee Engagement Index and Percentage of diverse talent in key roles. | |
| | Future relevance of KPIs | The KPIs will remain relevant in the future. | |
| | Resources allocated | Human Resource Capital, Natural Capital, Financial Capital and Social Capital. |  Timeline Long-term  Status Ongoing  Priority High |
| | KPI monitored | Reduction in carbon emission, Net energy efficiency, Waste & water reduction, Employee Engagement Index, Percentage of female employees and Percentage of diverse talent in key roles. | |
| | Future relevance of KPIs | The KPIs will remain relevant in the future. | |



Key Resources and Capabilities providing Sustainable Competitive Advantage

GSK Pakistan Limited, being the largest producer of pharmaceutical products in Pakistan, strives to efficiently deploy and manage its resources and capabilities, while ensuring that it remains the market leader in sustainable performance. Due to the Company's various strategic decisions and initiatives, following are some of the key resources and capabilities, which provide the Company a sustainable competitive advantage:

GSK culture and thriving people

At GSK, culture is something we all own. It's powered by the little things we do every day to help us get ahead of disease together. It drives delivery of our strategy and makes GSK a place where people can thrive - supporting each other to feel included, to feel good and keep growing.

Extensive distribution network

GSK works with numerous distributors who provide goods/services that support us in delivering high-quality, safe products for our patients and consumers. Our distributors help us reach the patients and remain competitive in the market.

Digital capabilities

We believe in empowering sales professionals with personalised communication with the HCPs by actively assessing the patients' needs and investing in emerging technologies.

Quality Management System (QMS)

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.

Environmental sustainability

To help get ahead of disease and deliver real human health impact, we want to play our part in looking at the interconnections of climate, nature and health. We continue to work hard to do more to protect the environment with the aim of a net zero impact on climate and a net positive impact on nature by 2030 across our entire value chain – from lab to patient. We've set clear and measurable targets to help achieve these goals.

The effects of Technological Change, Societal Issues, and Environmental Challenges

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

Due to the rapidly changing global technological landscape, investing in emerging technologies has become essential. To enhance the digital capabilities of our

resources and make customer interactions more flexible, several new digital channels were introduced in 2022. The introduction of these new, digital platforms has led to faster information flow and strong collaboration within and outside the Organisation.

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 focusing on employee wellbeing. These measures included providing assistance to employees affected and displaced during the unprecedented floods in the Country, a one-time inflation payment to address rapidly rising cost-of-living, continued provision of PPEs for protection against COVID-19, employee awareness campaigns and mental health sessions.

Several initiatives were also taken to improve gender diversity and inclusivity in the Organisation. One of such initiatives included conducting a sensitisation workshop on practising inclusion and overcoming bias and microaggressions at workplace.

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

To help get ahead of disease and deliver real human health impact, GSK looks broadly and deeply at the interconnections of climate, nature and health. We continue to work hard to do more to protect the environment, with the aim of a net zero impact on climate and a net positive impact on nature by 2030 across our entire value chain. Our target is to reduce our environmental impact across water, materials and biodiversity and invest in protecting and restoring nature.

Over the previous year, our Global Supply Chain sites recorded 3.8% decrease in our carbon footprint, 2.1% reduction in water consumption, 3.6% reduction in waste generation and a cumulative Single Use Plastic Reduction of 8.6 tonnes. In 2022, our manufacturing sites were also awarded with a GSC Water Trophy and achieved a sustained reduction of carbon footprint with our 1.7 MW solar power generation.

Processes used to make Strategic Decisions

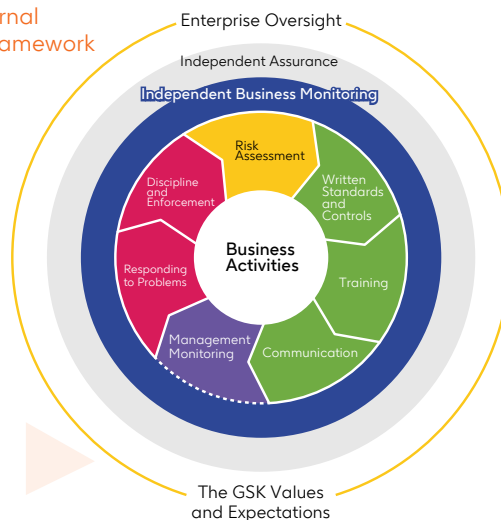
Internal Control Framework Overview

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 our 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 it 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).

GSK's Internal Control Framework



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 (VMA): In 2021, GSK Pakistan went through a Values Maturity Audit and Assurance, a method to provide formal assurance about GSK Values and Expectations. VMA provided a unique opportunity for GSK Pakistan to gain insights into what employees know, think and feel about working at GSK.

The VMA results were very positive and encouraging for proactivity, and the outcome even highlighted a few areas of focus for GSK Pakistan. Considering these areas of focus identified, GSK Pakistan developed a robust action plan and launched the "ColourYourGSK" initiative to track further progress and overcome the challenges highlighted.

Employee Engagement Index: GSK Pakistan's Employee Engagement Index has remained above 90% over the past few years. This demonstrates the positive engagement of our teams, which is evident from the extraordinary participation rates in our Employee Engagement Surveys.

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 Risk Management (TPRM) 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 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.

Significant Plans and Decisions

Being a market volume leader, the Management of GSK Pakistan is fully committed to deliver our business objectives amidst a volatile and challenging working environment. Some of the initiatives taken are:

- Continue to invest in manufacturing facilities/infrastructure to drive

efficiencies, ensure safe working environment and optimise costs

- Continue to invest in renewable energy and environmental sustainability projects to meet our Sustainability Goals

Business rationale of major Capital Expenditure

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 during the year along with their rationales are mentioned below:

- Automation of redundant, slow and prone to error manual processes through advanced robotic machinery e.g. robotic arm and automated case packer

- Upgradation of engineering assets (such as, AHU systems, GENSETs, compressors and chillers) to be more efficient and cost effective
- In line with GSK sustainability agenda of “net zero impact on climate”, we enhanced the capacity of our solar PV systems

In 2023, in line with the modern employer concept, the Company plans on upgrading to accessible, safe, efficient, and state-of-the-art building facilities.

Significant changes in Objectives and Strategies

There have been no significant changes in objectives and strategies from prior years.





Risks and Opportunities

Risks and Opportunities

GSK Pakistan is affected by the macroeconomic policies. The Company regularly monitors the same to respond effectively to both risks and opportunities present in the environment.

★★★★
Rating

Magnitude/
Impact

★★★★
Likelihood

Risk

Political instability hampers business due to non-continuity of and frequent changes in policies

| Nature | Capital | Source |
|---|-----------------|----------|
| ▶▶▶ Long-term | Human/Financial | External |
| Objective To mitigate the risk and minimise the impact on business | | |
| Mitigation Measure Proactively engage with key external stakeholders by leveraging multiple platforms to communicate business challenges and impact thereof. This includes direct interaction, through trade associations and diplomatic missions | | |

★★★★
Rating

Magnitude/
Impact

★★★★
Likelihood

Risk

Non-viability in manufacturing of essential products due to increase in API prices on account of devaluation

| Nature | Capital | Source |
|---|-------------------------|----------|
| ▶▶▶ Long-term | Social and Relationship | External |
| Objective To ensure continuity of supplies and meet patients' needs | | |
| Mitigation Measure <ul style="list-style-type: none"> Hardship cases filed to offset devaluation impact & balance commercial viability of products Mobilisation of trade associations and diplomatic missions to engage with Federal Government for approval of pending hardship cases | | |

★★★★
Rating

Magnitude/
Impact

★★★★
Likelihood

Risk

Currency devaluation and high inflation risk

| Nature | Capital | Source |
|--|-----------|----------|
| ▶▶▶ Long-term | Financial | External |
| Objective Mitigating the impact of devaluation on operating profits to ensure maximum ROI | | |
| Mitigation Measure <ul style="list-style-type: none"> Cost saving initiatives and operational efficiencies Monthly cash flow forecasting, weekly cash tracking against forecasted closing cash balances | | |

★★★★
Rating

Magnitude/
Impact

★★★★
Likelihood

Risk

Volatile and uncertain law and order situation

| Nature | Capital | Source |
|--|--------------------|----------|
| ▶▶▶ Medium-term | Human/Manufactured | External |
| Objective To ensure the safety and security of Company assets | | |
| Mitigation Measure <ul style="list-style-type: none"> Ensuring that crises management plans are in place. Security team, 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 Providing live and updated risk assessment, maintaining proactive approach and issuing Security Advisories to all GSK employees/field force as and when needed | | |

| Nature | Capital | Source |
|--|--|-----------------|
| <p>▶▶▶ Long-term</p> <p>Objective To ensure patient access to genuine products</p> <p>Mitigation Measure Intimation to Local Regulatory Authorities/Provincial Drug Inspectors</p> | <p>Social and Relationship Capital</p> | <p>External</p> |

| Nature | Capital | Source |
|--|--------------|-----------------|
| <p>▶▶▶ Medium-term</p> <p>Objective Creating a high performance culture and a conducive work environment</p> <p>Mitigation Measure</p> <ul style="list-style-type: none"> Ensuring that the Company continues to invest in the training and development of our people and provide meaningful opportunities to foster a thriving work environment and a high performance culture Implementing robust succession plans | <p>Human</p> | <p>Internal</p> |

| Nature | Capital | Source |
|--|---------------------|-----------------|
| <p>▶▶▶ Long-term</p> <p>Objective Ensuring that all types of information are protected from external threats</p> <p>Mitigation Measure Implementing security protocols and raising employee awareness through training, internal communications and simulations to reduce the threat</p> | <p>Intellectual</p> | <p>Internal</p> |

| Nature | Capital | Source |
|--|------------------------|-----------------|
| <p>▶▶▶ Medium-term</p> <p>Objective To ensure the safety and security of employees records and property</p> <p>Mitigation Measure Implementing robust SOPs, conducting employee trainings and drills, creating operational discipline and performing regular safety audits</p> | <p>Human/Financial</p> | <p>Internal</p> |



| Nature | Capital | Source |
|--|---|--------------------------------|
| <p>▶▶▶ Long-term</p> <p>Objective To ensure business continuity</p> <p>Mitigation Measure Ensuring that all Business Continuity Plans are ready to deal with any natural disaster and calamity</p> | <p> Natural/Human/Financial </p> | <p> External </p> |



| Nature | Capital | Source |
|--|------------------------------------|--------------------------------|
| <p>▶▶▶ Long-term</p> <p>Objective To achieve business growth through latest technological advancements</p> <p>Mitigation Measure Develop and implement emerging digital technologies to provide analytical tools, and develop platforms for more meaningful and effective HCP interactions</p> | <p> Intellectual </p> | <p> Internal </p> |



| Nature | Capital | Source |
|--|---|--------------------------------|
| <p>▶▶▶ Long-term</p> <p>Objective To support the long-term sustainability of the business</p> <p>Mitigation Measure Offsetting the impact of inflation and devaluation by building advocacy with key stakeholders for favourable policies and timely implementation of price increases</p> | <p> Social and Relationship </p> | <p> External </p> |

Risk Management Framework

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 controls to manage these risks.

Risk Management and Compliance Board (RMCB)

RMCB is responsible for effectively identifying, assessing, mitigating, monitoring and reporting 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 significant risks relevant to their function. Each Functional Head then performs a review of the risks identified, thereby taking a corrective and preventive approach to ensure appropriate controls are in place. RMCB 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 meeting is held at least once in a quarter or more frequently when required.

Country Executive Board (CEB)

The Country Executive Board (CEB) is a forum to ensure consistency in decision making especially policy making at a country-level for

its employees, external stakeholders, and customers. It meets at least twice a year and membership of the Board includes senior representatives from Business Units, Global Support Functions and Sites present in the Country. Core members will include General Manager (Chairperson), Site Directors, Finance, Legal, Corporate Affairs, HR, Regulatory, Medical, Compliance and Hub leads. The CEB has the following roles and responsibilities:

External Matters

- Country-level alignment on Government Affairs activity and communications
- Consistent approach with external customers and stakeholders
- Alignment on country-level external reputation data and plans (e.g. Corporate Social Responsibility and statutory requirements)
- Alignment on industry practices and external regulations

Internal Matters

- Consistency on employee related programmes and requirements (e.g. Modern Employer plans, EHS, diversity targets and action plans), employee communications and decisions on country-wide mandatory training
- Alignment on real estate decisions (prior to CFO/CEO approval as per Grant of Authority)
- Alignment on global policies and thresholds e.g. Travel & Entertainment
- Ownership of the Country crisis management plan to ensure a coordinated and consistent response throughout the Country

Commercial Quality Council

Management periodically identifies any potential risks/opportunities by reviewing whether the performance and effectiveness of the quality processes and systems in place are operating as expected. Such management reviews include:

- 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 and encourage a factual approach towards decision making.

Strategy for Mitigating Risks

At GSK, several processes and oversight mechanisms are in place to mitigate risks. These processes and mechanisms include:

Audit Committee

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.

Standard Operating Procedures

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

Control Activities

Senior Management has placed controls to mitigate risks. There is regular management monitoring to ensure compliance.

Internal Audit

The internal audit is conducted as per the internal audit plan which is 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 reports 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.

Initiatives taken by the Company to enable 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 in robust online channels to

accelerate digital engagement initiatives; hence remaining agile and adaptive, 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 40.

Board's efforts for determining the Company's level of Risk Tolerance

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 culture of doing the right thing ensures 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.

Board's assessment of the Principal Risks faced by the Company

The Board monitors the principal risks faced by 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 comprises of GSK Management Team. RMCB provides supports in establishing a framework for ensuring that risk management is embedded throughout the Organisation and is an integral part of 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.

In addition to RMCB, GSK has implemented Third Party Risk Management Programme to ensure all third parties are risk assessed against the enterprise-wide risks and accordingly, fully compliant contracts are entered into.

Strategy to overcome Liquidity Problems

Liquidity position of the Company

The Company is adequately liquid and has Rs. 4.5 billion of cash and cash equivalents as of December 31, 2022 to manage its cash flow 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.

Capital Structure and its adequacy

Total equity value increased by over 0.3% to Rs. 21 billion comprising of share capital amounting to Rs. 3.2 billion which consists of issued share capital of 318,467,278 shares of Rs. 10 each. GSK International Holding and Finance 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.







Sustainability and Corporate Social Responsibility

Sustainability and Corporate Social Responsibility

At GSK, we're guided by our purpose to unite science, technology, and talent to get ahead of disease together. We deliver this purpose by taking into consideration the social, environmental and governance impacts across everything we do, from the lab to the patient.

Our approach to being a responsible Company

We know that we need to get ahead of disease in the right way. This means being conscious of how we do things and the impact we have on the world around us - however big

or small - while we strive to maximise the impact of the products we provide.

Central to our purpose is a defining measure of delivering health impact at scale. Our plan shows that we can positively impact the health of 2.5 billion people worldwide over the next 10 years. Acting as a responsible business by considering our social, environmental and governance therefore supports sustainable performance and long-term growth; builds trust with all our stakeholders; reduces risk to our operations and enables delivery of positive social impact.

CSR Initiatives

GSK Pakistan has a rich legacy of partnering with communities and supporting the environment in which it operates. These partnerships are critical to understanding the

needs of the communities and formulate strategies accordingly, to maximise outreach and impact.



Our response to Pakistan floods

In 2022, torrential monsoon rains triggered the most severe flooding in Pakistan's recent history, washing away entire villages, damaging, and destroying homes, schools, public health facilities, and water delivery systems. Millions of persons were left homeless and in urgent need of humanitarian assistance.

Therefore, the focus of our Company's CSR efforts was to provide relief and assistance to the many lives impacted by these floods. The main initiatives taken included:

Partnering with Karachi Relief Trust (KRT)

GSK partnered with Karachi Relief Trust (KRT), a disaster management voluntary organisation, to help ease the hardships of those affected by the recent floods in Pakistan. GSK has contributed **Rs. 10 million** for flood relief efforts to KRT, which will be utilising this grant to provide food and household items to people in the most heavily impacted areas of Sindh and Baluchistan.

Donation by GSK to the Pakistan Red Crescent Society

GSK allocated a **GBP 200,000** grant to the Pakistan Red Crescent Society (through Red Cross UK), to provide life-saving humanitarian assistance to help families that have been affected by the floods. The fund will be utilised to provide:

- Financial support for basic needs like buying food and clean drinking water
- Emergency tents for families who have lost their homes
- Mosquito nets to protect people from malaria and dengue

Internal Fund Contribution Drive

To facilitate employee contribution, GSK set up a global fundraising page to collect employee donations to those impacted by the floods in Pakistan. All GSK employees can contribute to this fund and the amount donated by the employees will be matched by GSK.

Extending support to the affected employees

GSK Pakistan also extended support to employees and their families who were affected and displaced by the floods.

Other Initiatives

Some of the other initiatives taken by the Company to alleviate the hardships of the less privileged segments of society, and positively impact the environment included:

Beach Cleaning Activity

In line with our goal of becoming an environmentally sustainable healthcare Company, our employees participated in a beach cleaning drive to clean up our coastline and improve the oceanic ecosystem.

Tree Plantation Activity in support of World Environment Day

To play our part in helping offset global warming and supporting the need to re-build our eco-system, our employees celebrated World Environment Day by carrying out several tree plantation activities.

Employee Wellbeing, Health and Safety

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 resilience.

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.

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 impact on the environment.

Health and Wellbeing Initiatives

Employee Assistance Programme (EAP)

GSK Pakistan introduced its Employee Assistance Programme (EAP) consultation service in Urdu as well in 2022. The service can be accessed 24/7 by employees and their family members through a local phone number. EAP gives access to a free,

confidential telephone helpline and website that employees can use whenever they need practical advice, information, or support.

Safety at Work Initiatives

Different activities were conducted throughout the year focusing on the safety culture and mindset. The programmes comprised blended learning techniques such as simulations, rapid compliance check, drill down exercises, process improvement, and capability development sessions to strengthen our people's knowledge.



Safe Working Hours

In 2022, our three Manufacturing Sites recorded a cumulative 18.65 million safe working hours since the last Loss Time Incident (LTI).

Safety Exhibitions, Capability Building and Simulations

Throughout the year, several exhibitions, capability building exercises and simulations on various EHS&S topics were carried out across our Sites, which included an exhibition on process safety, LOTO (Lock Out Tag Out), fire safety and other emergency scenarios. The objectives of these demonstrations were to enhance the capability of our employees with

respect to handling adverse situations and to refresh their knowledge on relevant hazards such as chemical exposure, noise and fire. These hands-on and physical demonstrations were well received and appreciated by our employees.

Workplace Traffic Safety Improvement

In 2022, our Workplace Traffic Safety Improvement initiative was further enhanced as Sites continued to improve workplace traffic safety wherever required. 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 situation suitability.

Warehouse Safety Improvement Plan

In 2022, the Warehouse Safety Improvement Plan featured as one of the key Environment, Health and Safety global programmes to strengthen warehouse and racking safety across Sites. Some of the safety measures that were part of this plan were:

- Installation of netting on the rear of single-sided racks
- Installation of wire deck/pallet supports across warehouses

Webinars on Physical and Mental Wellbeing

Throughout the year, various webinars on physical and mental health related topics were conducted for all our employees. At GSK, we are focused on promoting our Occupational Health agenda by actively reporting occupational illness and incidents. GSK is committed to develop programmes and take initiatives that enable employees to better understand and protect their health to make healthy choices.

World Day for Safety and Health Celebration

Annual World Day for Safety and Health at Work is celebrated on 28th April every year. It promotes the prevention of occupational accidents and diseases globally. It is an awareness campaign intended to focus on the magnitude of the problem and on how promoting and creating a safety and health culture can help reduce the number of work-related deaths and injuries. Safety and Health at Work Day was celebrated across GSK Pakistan facilities where the importance of health and safety at workplace was discussed and reinforced.

Sports Week 2022

In 2022, a sports week was organised at our West Wharf & F-268 Sites. The event featured various fun and engaging games and sports activities.



Environmental Sustainability

In order to deliver real human health impact, it is important to look broadly and deeply at the interconnections of climate, nature, and health. We continue to work hard to do more to protect the environment with the aim of a net zero impact on climate and a net positive impact on nature by 2030 across our entire value chain. We've set clear and measurable targets to help achieve these goals.

Our Sustainability Goals and Targets

Scientific evidence is increasingly demonstrating how climate change and nature loss are impacting the world and human health. As a global biopharma leader, addressing our environmental impact is fundamental to our purpose. That's why in November 2020 we set ambitious climate and nature targets.

Net Zero Impact On Climate By 2030

- Net zero emissions across all operations by 2030
- 100% renewable electricity by 2025
- Net zero emissions across our full value chain by 2030

Net Positive Impact On Nature By 2030

1. Water

- 100% of our Sites to achieve good water stewardship by 2025 and reduce overall water use by 20% by 2030

- Water neutral in operations and with key suppliers in water-stressed regions by 2030
- Zero impact active pharmaceutical ingredient levels for all Sites and key suppliers by 2030

2. Waste and materials

- Zero operational waste, including eliminating single use plastics by 2030
- 25% environmental impact reduction for our products and packaging by 2030
- 10% waste reduction from supply chain by 2030

3. Biodiversity

- Positive impact on biodiversity at all Sites by 2030
- 100% of agricultural, forestry and marine derived materials sustainably sourced and deforestation free by 2030

Delivering our goals

Delivering our climate and nature goals is now a fundamental part of our business. That's why we continue to integrate sustainability into our operations.

Achieving these new goals will require collaboration across our entire value chain – from discovery to disposal - and so we will continue to work closely on sustainability with our suppliers, customers, consumers, patients, and external experts.



GSK Pakistan 2022 Sustainability Numbers at a glance

| | |
|---|---------------------|
| Total Safe Working Hours | 2.27 million hours |
| Total Safe Man Hours since last LTI | 18.65 million hours |
| Energy Usage Reduction % compared to 2021* | 3.77% |
| Carbon Footprint Reduction % compared to 2021* | 3.77% |
| Water Consumption Reduction % compared to 2021* | 2.09% |
| Waste Reduction % compared to 2021* | 3.57% |
| Total SURP Reduction | 8,568 kilograms |
| Total Solar Generation Capacity | 1,694 kW |

*Average across the 3 Manufacturing Sites (%)

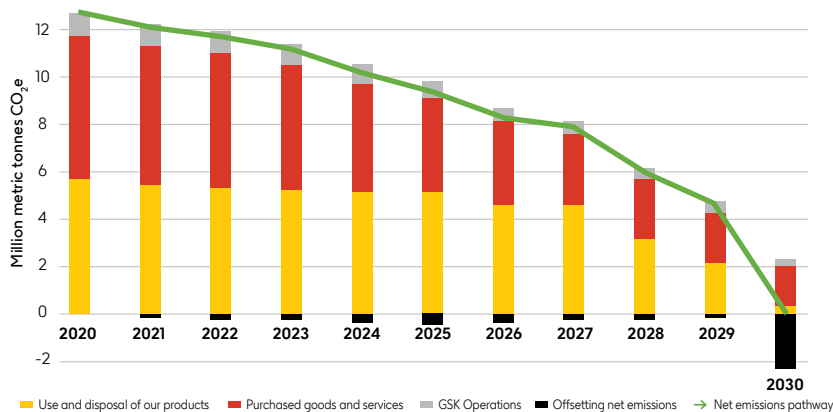
Carbon Footprint Reduction

Our 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 projected carbon reduction pathway to 2030 across the different parts of our carbon footprint.

[Find out more at GSK.com](https://www.gsk.com)



*The new goals apply principally to GSK's Biopharma business and portfolio. Our Consumer Healthcare business will also contribute towards these goals through delivery of its own targets, whilst it is part of GSK.

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**

As part of the “Think 2030” goal, our three manufacturing Sites managed to reduce their carbon footprint by 3.77% on average in 2021, as compared to the previous year.

Some of the steps taken in 2022 to reduce energy usage across the three GSK Sites include:

- Installation of solar panels
- Shifting warehouse refrigerants units to chilled water network to reduce electricity consumption
- Installation of High Efficiency Air Compressor in the Tablet Value Stream at our F-268 Site
- Switching from Absorption chiller to Electric chiller
- Installation of Fan Coil Units in canteens
- Adapting a sustainability mindset and culture through awareness campaigns, implementing controls and monitoring, such as:
 - Implementing a Solar Energy Monitoring Plan through digital dashboards
 - Implementing a Solar PV Maintenance and Monitoring Plan
 - Implementing an Energy Metering and Monitoring Plan to analyse energy data of the Site to help teams identify the root causes for energy losses

Reducing Water Consumption

In 2022, our three Sites managed to reduce their water consumption by 2.09% on average as compared to 2021. Steps taken to control water consumption at our Sites include:

- Installation of recovery RO filtration facility for reusing wastewater to help reduce water consumption
- Optimising the utilisation of water through rainwater harvesting and a condensate water recovery system which recovers water from manufacturing areas

- Optimisation of water consumption through installation of a high efficiency cooling tower at our F-268 Site
- Installation of Flo Meters as part of the Water Monitoring Plan to identify high water consumption areas and implementing controls by establishing accountability and ownership
- Adapting a sustainability mindset and culture through awareness campaigns, implementing controls and monitoring

Waste Reduction

In 2022, our Sites saw a 3.57% reduction in total waste as compared to 2021. This reduction in waste is a result of the various initiatives that our Sites have taken from across all value streams.

- Single Use Plastics Reduction Programme (SUPR): Single Use Plastics have a devastating impact on the environment. Through our Single Use Plastics Reduction (SUPR) Programme, we managed to reduce our usage by 8,568 kilograms of our use of single use plastic across our Sites in 2022 as compared to 2021

Biodiversity

Biodiversity is a key part of our nature goal and spans both our operations and value chain. GSK has committed to positive biodiversity at GSK-owned Sites by 2030, with all Sites to have biodiversity action plans in place by 2025 and investment in programmes that improve habitats, protect species, and improve soil and water quality. Specific Site-based actions might include tree plantation, adding bird boxes on-site and pond maintenance.

In 2022, an initial survey was conducted across our 3 GSC Sites in Pakistan, for a baseline biodiversity assessment and to come up with enhancement options for the habitats at these Sites.

Certifications

F-268

In 2022, the F-268 Site maintained its certifications with zero major non-conformance against the following international standards:

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO 45001:2018 (Occupational Health & Safety Management System)

Further, the Site also sustained its Drug Manufacturing License issued by the Drug Regulatory Authority of Pakistan.

West Wharf

The Surveillance Audit for ISO 9001, ISO 45001 and ISO 14001 certifications was conducted at

GSK West Wharf Site, resulting in sustaining its ISO certification status. The facility 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, ISO 45001, ISO 14001 and ISO 9001, without any non-conformities.

The Site also sustained its Drug Manufacturing License issued by the Drug Regulatory Authority of Pakistan.

Audits

Audit & Assurance

As a part of GSK's Global Warehouse Safety Improvement Programme, two of GSK Pakistan Sites were selected among all GSK sites globally for an A&A Audit. This was a three-day risk based on-site audit which covered all warehouses at these manufacturing sites and included witnessing docking activities, reviewing risk assessments, documentation, and deployment plans in detail. The audit concluded successfully without any thematic finding.

EHS IBM Audit

An EHS IBM Audit was concluded in 2022 at F-268, whereby the Site obtained satisfactory results.





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 the pharmaceutical, 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 Chairperson of the Board at the first quarter meeting of the year. Ms. Maheen Rahman and Mr. Muneer Kamal

are the Independent Directors of GSK Pakistan Limited.

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 140 to 142.

Changes in Board Composition

During the year 2022, there have been two notable changes within the Board. Mr. Dmytro Oliinyk resigned as Chairperson and Non-Executive Director of the Board on August 04, 2022 and was replaced by Ms. Lai Kuen Goh who was appointed on August 05, 2022 to fill in the casual vacancy created. Mr. Mark Dawson also resigned as Non-Executive Director of the Board on June 30, 2022 and was replaced by Mr. Simon Foster who was appointed on September 28, 2022 to fill up the vacancy.

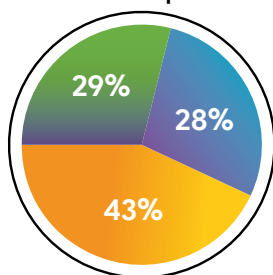
Executive Director in the Company serving as Non-Executive Director

No Executive Director of GSK Pakistan is serving on any other Board, as a Non-Executive Director.

Diversity in Board

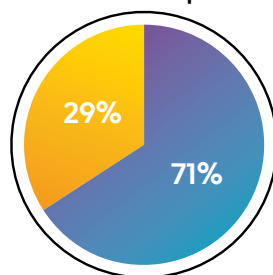
Three out of seven members of the Board are women and the Company Secretary is also a female.

Board Composition



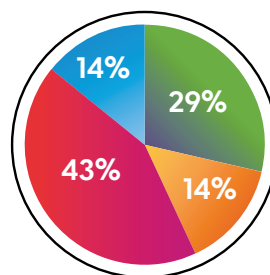
■ Executive
■ Non-Executive
■ Independent

International Experience



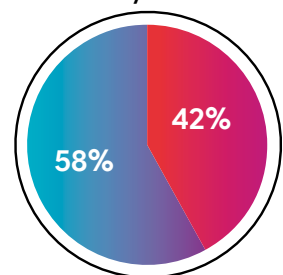
■ Local
■ Foreign

Director Tenure



■ Less than 1 Year
■ 1-2 Years
■ 2-5 Years
■ 10-15 Years

Diversity in Board



■ Male
■ Female

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 117 to 120.

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

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



Attendance at scheduled Board and Committee Meetings during 2022

| S. No. | Name of Board Director | Status | Scheduled Board Meetings | | | |
|--------|-------------------------|---------------|--------------------------|-----------|-----------|-----------|
| | | | 25-Feb-22 | 25-Apr-22 | 23-Aug-22 | 25-Oct-22 |
| 1 | Ms. Lai Kuen Goh | Non-Executive | | | | |
| 2 | Ms. Erum Shakir Rahim | Executive | | | | |
| 3 | Mr. Hasham Ali Baber | Executive | | | | |
| 4 | Mr. Muneer Kamal | Independent | | | | |
| 5 | Mr. Mehmood Mandviwalla | Non-Executive | | | | |
| 6 | Ms. Maheen Rahman | Independent | | | | |
| 7 | Mr. Simon Foster | Non-Executive | | | | |
| 8 | Mr. Mark Dawson* | Non-Executive | | | | |
| 9 | Mr. Dmytro Oliinyk* | Non-Executive | | | | |

*Casual vacancies filled through the year

| Name of Director | Date of Resignation | Name of Director | Date of Joining |
|---------------------|---------------------|------------------|-----------------|
| Mr. Mark Dawson* | 30.06.2022 | Mr. Simon Foster | 28.09.2022 |
| Mr. Dmytro Oliinyk* | 04.08.2022 | Ms. Lai Kuen Goh | 05.08.2022 |

Other Directorships

| S. No. | Name of Board Director | Directorships Held |
|--------|-------------------------|--|
| 1 | Ms. Lai Kuen Goh | – |
| 2 | Ms. Erum Shakir Rahim | – |
| 3 | Mr. Hasham Ali Baber | – |
| 4 | Mr. Muneer Kamal | Member, Board of Directors of InfraZamin Pakistan Member, Board of Governors of National University of Medical Sciences Director of Cordoba Logistics & Ventures Member, Board of Karachi Education Initiative Member, Board of Governors National School of Public Policy |
| 5 | Mr. Mehmood Mandviwalla | Chairperson - The Securities and Exchange Commission of Pakistan Policy Board Member - 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 Directors of InfraZamin Pakistan Member, Board of Governors, British Overseas School Member, Centre of Economic Research in Pakistan (CERP) Nominee Director - Nasra Public School (Private) Limited |
| 7 | Mr. Simon Foster | – |

Corporate Leadership Team

In addition to the Board of Directors, our Leadership Team constitutes our leadership structure. The team comprises of 17 Functional Heads 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.

Please refer to page number 10 for a complete list of our Corporate Leadership Team.

Roles of the Team

- Reviewing business risks
- Reviewing business strategy
- Reviewing business plans
- Reviewing issues and progress of the same for respective functions
- Reviewing and advising improvements to policies/procedures
- Monitoring implementations of the same
- Cross-functional alignment



Profiles of Board Directors



Lai Kuen Goh

*Chairperson – Non-Executive Director
Vice President of Finance,
Emerging Markets*

Education: Bachelor's Honours
degree in Accountancy
Nationality: Malaysian
Appointed: 05 August 2022



Lai Kuen leads GSK's Finance Emerging Markets region – the Company's third largest business unit by sales and most diverse, extending across Latin America, the Middle East, CIS, Africa and Asia with headquarters in GSK's Asia House in Singapore.

Lai Kuen holds a Bachelor's Honours degree in Accountancy from the National University of Singapore.

Lai Kuen has more than 20 years of experience in finance and has assumed commercial, supply chain finance roles of increasing responsibility across Asia and Europe. She has led SAP implementation and finance transformation projects in Asia Pac before taking on Commercial Finance Director roles in Philippines and France. She was based in London, leading the Emerging Finance team for 1 year before returning to Singapore where the EM HQ is currently based.

Erum Shakir Rahim, VP & General Manager of GSK Pakistan Limited 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, then as a journalist and later joined GSK in Pakistan.

At GSK Pakistan, Erum has held multiple commercial roles in the marketing, sales, communication, and Government affairs department enabling her to become a strong business development expert. She led the BMS, Stiefel and UCB acquisitions and has launched around 20 assets across oncology, vaccines and specialty medicines, growing GSK's core assets. During her tenure, GSK Pakistan has maintained its leadership position in the Pharmaceutical Industry.

In 2013, Erum was appointed General Manager for GSK Malaysia and Brunei. In 2016, she became the Managing Director & General Manager of GSK Bangladesh and the Developing Countries Asia Cluster. Following this, she was GM Indonesia from mid-2018. Erum took over as Vice President & General Manager of GSK Pakistan in April 2020. Having worked in multiple geographies and led diverse teams across 9 countries in Asia, she has been able to launch, sustain and grow key brands and portfolios whilst managing public, Government and regulatory challenges.

Across all her roles, Erum has delivered GSK objectives consistently by focusing on driving high-quality and disciplined execution, ensuring there is strong focus on doing the right thing across the Organisation, and developing strong teams by setting clear objectives.

Erum has been on GSK Pakistan, GSK Bangladesh, and GSK Consumer Healthcare Boards 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 currently a member of the Managing Committee of OICCI. Erum is the first woman from the subcontinent to be appointed as GM Malaysia, Bangladesh and now Pakistan by GSK. Her passion is people development and focusses on creating an environment where everyone thrives.

She has a Master's degree in Mass Communication and is a gold medalist in both BA Honours and MA.



Erum Shakir Rahim

*CEO – Executive Director
Vice President &
General Manager*

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





Hasham Ali Baber

CFO - Executive Director
Finance Director

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

Mr. Hasham Ali Baber is Finance Director and Chief Financial Officer with a professional career spanning over 12 years in the Pharmaceutical Industry. As a Chartered Accountant, prior to joining GSK, Mr. Baber 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 LOC, 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 & business partnering of the region comprising of ~50 countries (Latin America, Africa, Middle East, India/Pakistan and South East Asia). As a member of Emerging Markets Finance Leadership team, he has led several cross functional strategic projects while driving the One Finance Mindset.

Maheen has over twenty years of experience in investment banking, research and asset management. Currently she serves as the Chief Executive Officer of InfraZamin Pakistan, a Private Infrastructure Development Group (UK) company, and has played a crucial part in setting up operations and developing a project pipeline. Under her stewardship, InfraZamin is fast establishing itself as a key player in financial markets with a view to catalyse private sector investment into infrastructure projects.

In her previous appointment, Maheen Rahman served as the Chief Executive of Alfalah GHP Investment Management where, under her leadership, Alfalah Investments has grown to be one of the largest asset management companies in Pakistan. Prior to that, Ms. Rahman was the Chief Executive of IGI Funds, Head of Research at BMA Capital Management, Corporate Finance Associate at ABN AMRO Bank and Investment Banking 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. She is currently Independent Director at GlaxoSmithKline Pakistan, Director for the British Overseas School, Director Nasra Public School, Advisor to KatalystLabs and Director of Centre for Economic Research in Pakistan. She is also the former Director of Special Technology Zones Authority, Pakistan, former Chairperson and Director of the Mutual Funds Association of Pakistan, former Director Pakistan Institute of Corporate Governance and former Member of the Prime Minister's Task Force on Restructuring of Evacuee Property Trust Board.

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 also has several capital markets certifications including Series 7 from the New York Stock Exchange and is a certified Independent Director from the Pakistan Institute of Corporate Governance.



Maheen Rahman

Independent Director

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





Muneer Kamal

Independent Director

Education: MBA
Nationality: Pakistani
Appointed: 02 April 2020



Muneer Kamal's diverse Corporate Governance experience includes having served as Chairperson Pakistan Stock Exchange, Chairperson National Bank of Pakistan, Director Engro Corp, Director DH Corp, Trustee Shaukat Khanum Memorial Hospital and Director Government Holding Private Ltd.,

Muneer Kamal's career in banking and financial services, spanning four decades, started with Citibank Pakistan and served in many local and international positions. He served as President & CEO of Faysal Bank, Union Bank and KASB Bank successively.

More recently, Muneer Kamal in his roles as CEO Karachi Education Initiative and Member of Board of Governor, Karachi School of Business and Leadership, 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.

He has an MBA Degree from the Institute of Business Administration, Karachi.

Mr. Mehmood Mandviwalla is the Senior Partner of the law firm "Mandviwalla & Zafar". He obtained his LLB (Hons.) from London School of Economics and Political Science and qualified as a Barrister from Hon'ble Society of Lincoln's Inn, London, United Kingdom.

Mr. Mehmood Mandviwalla has extensive experience, spanning over 39 years in all aspects of commercial and corporate law including mergers and acquisitions in the field of banking, corporate and financial restructuring privatisations.

Mr. Mehmood Mandviwalla is the Chairperson of The Securities and Exchange Commission of Pakistan Policy Board, Director of The Deposit Protection Corporation – Subsidiary of The State Bank of Pakistan, Director of the Shariah Advisory Committee (SAC) of State Bank of Pakistan, Director on the Board of Directors of GlaxoSmithKline Pakistan Limited.

Mr. Mehmood Mandviwalla is The Honorary Consul of The Democratic Socialist Republic of Sri Lanka.



Mehmood Mandviwalla

Non-Executive Director

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





Simon Foster

*Non-Executive Director
MEA Cluster Lead*

Education: Executive MBA
Nationality: Australian
Appointed: 28 September 2022



Mr. Simon Foster is MEA Cluster Lead from March 2021. He is responsible for operations of 7 sites across the region plus a further 2 under construction. Simon is an engaging, people-focused business leader with an operational and supply chain career spanning 14 years in the Pharmaceutical Industry. He is skilled in the development and execution of strategic direction. He is a collaborative and critical thinker, who develops and implements solutions delivering strong business outcomes.

He is currently based in Singapore. Simon's previous engagements include Head of Non-Sterile Supply Chain from January 2011 - December 2012 in Victoria Australia, Head of Logistics and Operational Excellence from January 2013 - September 2013, Lean Manufacturing Consultant - Asia Pacific from September 2013 - February 2015, providing business improvement and strategy development/deployment support for sites in AP and Japan, Site Director for Tianjin China from 2017 - May 2019 and Director for two manufacturing sites and Supply Chain operators, Site Director for Worthing, West Sussex UK from June 2019 - November 2021.

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

Commercial Leadership Team



Sitting (Left to Right): Ms. Erum Shakir Rahim & Mr. Hasham Ali Baber
Standing (Left to Right): Syed Nasir Farid, Dr. Naved Masoom Ali, Mr. Farqaleet Iqbal, Syed Nabigh Raza Alam, Dr. Yousuf Hasan Khan, Dr. Gohar Nayab Khan, Mr. Rafay Ahmed, Ms. Mehar-e-Daraksha Ameer, Mr. Yasir Rehman, Dr. Tariq Farooq & Mr. Abdul Haseeb Pirzada



Chairperson's Review



The Review Report has been prepared under the requirement of Section 192 of the Companies Act, 2017.

The economy of Pakistan is at a critical junction with low foreign reserves, high inflation, interest rates and devaluation of the Pak rupee. The political uncertainty and the recent floods are adding to the pressure on the economy.

The rise in income and sales tax rates and its current and retrospective application to support the above, further aggravated the situation with the financial and commodity markets feeling these shockwaves resulting in increase in energy and food prices.

Globally, the Russia-Ukraine conflict, in early 2022, created uncertainty in the economic outlook, increase in energy prices and thus resulted in higher commodity prices, disruption of trade and supply chains.

Despite an extremely challenging operating

environment, GSK Pakistan was able to deliver a double-digit topline growth of 14%. Underlying growth excluding sales to GSK CH was 12%. This was done through strong execution and momentum behind key brands. The Gross Margin of the Company, however, declined by 9% from last year driven by factors mentioned above. Operating expenditure as a percentage of sales only increased by 1% despite high inflation.

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

Our unwavering focus on Culture, Talent, Integrity and Compliance has helped us 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

The GSK Board of Directors comprises of highly professional members with profound knowledge and experience of the Pharmaceutical Industry, sound business acumen and are committed to meeting the strategic demands of the industry. The Board ensures that a strategic planning process is in place, is used and produces sound choices.

The Board and its associated Committees also ensure that the Company has adequate information, control, and audit systems in place to tell it and Senior Management whether the Company is meeting its business objectives as well as preventing and managing crises.

As per requirement of the Companies Act and Code of Corporate Governance, the Directors have performed their responsibilities diligently and 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.

The increasing governance and compliance requirements placed on Boards of organisations include the expectation that they evaluate their performance regularly. In accordance with Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has carried out an evaluation of performance of its individual members, and the performance of its Committees, CEO and Chairperson.

Annual evaluation questionnaire was prepared and developed by the HR&R Committee Secretary, in conformity with the Code of Corporate Governance and Global Best Practices and was circulated to the Directors for performance evaluation and to provide clarifications and further insights and perspectives on the performance of the Board. Strict level of confidentiality was exercised while conducting the evaluation process.

Results from performance evaluation for the year 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

I am also extremely pleased to share that your Company has been awarded with several accolades this year. This included being recognised by Top Employer Agency as one of 'Top Employer' and was also recognised as 'Best Place to Work'. 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. HR and Remuneration Committee
3. Disclosure Committee
4. Risk Management Committee*

The details about the Committees are provided in detail on pages 94 to 95 in Directors' Report.

*RMCB consisting of the Management Team

Culture

Culture at GSK is something we all own. It powers our purpose, drives delivery of our strategy and helps make GSK a place where people can thrive. Your Company strives to maintain an inclusive workplace, which is supported by a strong culture of progress and belonging.

Acknowledgment

I express sincere thanks to our employees for their continued passion and commitment, to all our partners for their unwavering support, and to all our shareholders for your continued trust and confidence.



Lai Kuen Goh
Chairperson

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, 2022.

This Directors' Report has been prepared in accordance with Section 227 of the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations 2019, and will be submitted to Members at the Seventy Sixth Annual General Meeting of the Company to be held on April 27, 2023.

Principal Activities

For principal activities refer Note 1.1 of the Financial Statements on page 155.

Business and Economic Environment

The business environment continued to be challenging post the Government change in April

leading to political instability and impacting the economy. High international fuel prices (having a direct impact on our local fuel prices), commodity prices and widening trade deficit exerted pressure on foreign exchange reserves resulting in significant depreciation of PKR against USD, which in turn resulted in high inflationary pressures. As a response, the State Bank of Pakistan, introduced capital controls on US dollar transactions and increased regulatory requirements for importers, to slow the outflow of dollars.

Pakistan also experienced some of the worst flooding in its history in 2022. This natural disaster underscored the Country's high vulnerability to the adverse consequences of climate change and severely impacted the economy.

In addition to the above, cost pressures have also risen because of the Russia-Ukraine conflict, impacting fuel prices, the commodity market and disrupting supply chain and production.

While maintaining cost consciousness in these volatile economic conditions, the Company strategically invested behind key brands to deliver strong topline growth.

The Company regularly engaged with key external stakeholders and influencers through relevant public policy groups, to ensure that GSK's agenda and priorities are represented at the time of formulation of policies.

Effective July 18, 2022, the global separation of GSK Pharma and Consumer Business took place resulting in demerger of Consumer Healthcare Business of GSK plc to Haleon plc. As a result, GSK Consumer Healthcare Pakistan Limited is no longer a related party of the Company.

Financial Performance

| Particulars | Rs. in million For the year ended Dec 31, 2022 | Rs. in million For the year ended Dec 31, 2021 |
|-------------------|---|---|
| Revenue | 41,841 | 36,660 |
| Gross Profit | 7,281 | 9,737 |
| Profit Before Tax | 5,106 | 7,424 |
| Profit After Tax | 2,463 | 5,354 |

For the year 2022, the Company achieved net sales of Rs. 41.8 billion. The total net sales also include sales of Rs. 1.66 billion (as compared to Rs. 0.9 billion in the same period last year) to GlaxoSmithKline Consumer Healthcare Pakistan Limited (GSK CH) on account of products manufactured by the Company for which market authorisation rights remain with GlaxoSmithKline Pakistan Limited. The underlying sales growth, excluding sales to GSK CH, is 12%. The growth is mainly driven by sharpened execution, robust HCP engagement, use of digital channel, and price increase vs. same period last year. Resulting in key brands showing double digit growth.

The gross margin of the Company for the year was 17.4% showing decline by 9% from last year. The lower gross profit % this year was due to increased costs levers driven by devaluation of currency, inflation and increased cost of fuel.

During the year, the Company continued to prudently invest behind key business drivers to deliver competitive growth and higher return on investment. Administrative expenses as a % of sales remained flat at 3% vs. LY, whereas Selling,

Marketing and Distribution as a % of sales only increased by 1% despite high inflation rate.

Profit was negatively impacted by increase in tax expense mainly due to higher tax rate and imposition of super tax on tax year 2022, in accordance with the Finance Act, 2022.

Changes in Tax Laws

Prior to promulgation of the Finance (Supplementary) Act, 2022 dated January 15, 2022, pharmaceutical products were under the sales tax 'exempt' category. Therefore, any sales tax paid either on raw/packing material or on any other goods/services directly attributable to taxable activity was not claimable, while Active Pharmaceutical Ingredients (APIs) were under the 'exempt' category. Through the aforesaid Act, the following major changes were announced for the Pharmaceutical Sector:

- APIs were classified as 'sales taxable' at the rate of 17% as claimable input sales tax; and
- Pharmaceutical products were brought under the 'zero rated' regime. Hence sales tax paid on goods/services directly attributable to taxable activity became claimable.

The abrupt change directly impacted the Pharmaceutical Industry as a whole and had a significant impact on our working capital. The Company was able to recover around 50% of refundable amount by advocacy building and successful escalation of the issue on multiple forums.

Through the Finance Act 2022 (June 2022), pharmaceutical final products as well as APIs have been classified under the 'taxable' category at the reduced rate of 1% as final discharge of sales tax liability on the entire supply chain, but without any input sales tax adjustment.

During the year, the Government of Pakistan through Finance Act, 2022 has introduced Section 4C in the Income Tax Ordinance, 2001, through which Super Tax has been levied on high earnings persons (including the Company). The tax has been imposed at the rate of 4% from tax year 2022 onwards. However, for tax year 2022 (year ended December 31, 2021 being special tax year), the tax has been imposed at the rate of 10% on certain industry groups including the Pharmaceutical Sector. The Company, along with various other companies both in Pharmaceutical

and other sectors, filed a petition before Sindh High Court (SHC) to challenge the retrospective application of Super Tax. The SHC, on October 3, 2022, granted interim relief to the petitioners, including the Company, and directed to secure the disputed amount of Super Tax with the Nazir of the SHC, by furnishing either a pay order, bank guarantee or cheque within the stipulated time. The Company provided this in the form of undated cheque.

Subsequently, on December 22, 2022, the SHC issued an order declaring that Section 4C shall not be applicable for TY 2022 and would apply from tax year 2023 (i.e., financial year ended December 31, 2022). The SHC, however, suspended the operation of this judgement for a period of sixty days, due to which the Company has maintained the provision of Super Tax for TY 2022 in the current year.

Accordingly, the current year tax charge includes Rs. 687.07 million (included in prior year tax as it pertained to financial year ended December 31, 2021) and Rs. 197.88 million for tax years 2022 and 2023 respectively on account of Super Tax.

Reasons for not declaring dividend

The Company has delivered profit and EPS for the year. However, in the interest of long-term shareholders' return, by investing in growth and to offset the strain on working capital due to recent economic conditions, the Board of Directors has decided against recommending dividend for the year ended 2022.

Holding Company

As of December 31, 2021, GSK International Holding and Finance B.V. (formerly 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 GSK plc, UK.

Pattern of Shareholding

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding as of December 31, 2022 and other related information is set out on pages 220 to 221.

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 after taxation from operations was Rs. 7.73 (2021: Rs. 16.81).

Corporate Social Responsibility (CSR)

GSK Pakistan has a rich legacy of partnering with communities and supporting the environment in which it operates. These partnerships are critical to understanding the needs of the communities and formulate strategies accordingly, to maximise outreach and impact.

In 2022, torrential monsoon rains triggered the most severe flooding in Pakistan's recent history, washing away entire villages, damaging and destroying homes, schools, public health facilities, and water delivery systems. Millions of citizens were left homeless and in urgent need of humanitarian assistance.

Therefore, the focus of our Company's CSR efforts was to provide relief and assistance to the many lives impacted by these floods. The main initiatives taken included:

Partnering with Karachi Relief Trust (KRT)

GSK partnered with Karachi Relief Trust (KRT), a disaster management voluntary organisation, to play its role in easing the hardships of those affected by the recent floods in Pakistan. GSK has contributed Rs. 10 million for flood relief efforts to KRT, for utilising this grant to provide food and household items to the people impacted by this calamity.

In addition, GSK Plc. has committed to make a £200,000 donation to the Pakistan Red Crescent Society (through The Red Cross Society).

To facilitate employee contribution, GSK also set up a global fundraising page to collect employee donations for those impacted by the floods in Pakistan. The amounts contributed by GSK employees to this fund will be matched by GSK.

The Company also participated in initiatives related to the environment and supporting the underprivileged in our society.

Our People

We unite Science, Technology and Talent to get ahead of disease together

We believe, a positive employee experience is critical to attract, retain and motivate the best people at GSK Pakistan. We want our employees to be empowered 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 have been repeatedly recognised as a “Top Employer for 2021 and 2022”. Being certified as a “Top Employer” showcases GSK Pakistan’s dedication being a better workplace, and exhibits this through excellent HR policies and people practices.

Our strategic commitment to being an organisation where people can thrive with a strong employee experience is critical to attracting and retaining key talent to deliver our Innovation, Performance and Trust priorities, accelerated by our Culture Pillars.

Culture at GSK is something we all own. It powers our purpose, drives delivery of our strategy and helps make GSK a place where people can thrive.

The #ColorYourGSK initiative showcases our Inclusion, Diversity and Development agenda and empowers employees as they develop their personal leadership, knowledge, and skills. The Women Leadership Initiative (WLI), of which GSK Pakistan is an active member, continues to be the flagship programme involving women and men. 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)

We are committed to providing a safe workplace to our employees as well as protecting the environment by safeguarding our people, protecting our assets and environment through strong leadership commitment. We do this by establishing an effective control framework and embedding a strong EHS culture throughout the business. In addition to our ongoing work to

protect our environment, we have set challenging sustainability targets to reduce our longer-term environmental impact.

In 2022, the main initiatives included:

- Completion of several energy saving, and green energy projects;
- Tree plantation activity in support of World Environment Day; and
- Beach cleaning activity to clean the coastline and improve the oceanic ecosystem

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 impact on the environment through ecologically sustainable practices across the value chain.

Business Ethics and Anti-Corruption Measures

Bribery and corruption represent the failure of employees, consultants and third-parties to comply with GSK’s Anti-Bribery and Corruption (ABAC) principles and standards, along with other applicable in-country legislation. The GSK code of conduct goes beyond that. It 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 on the combined actions of each employee to comply with GSK’s purpose, strategy and culture.

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 Risk Management (TPRM) 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 TPRM 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 operate. 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 any unethical practices. It is our combined responsibility to be aware of what is expected from 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 26.

Composition of the Board of Directors

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

| | |
|--------|----|
| Male | 04 |
| Female | 03 |

The composition of the Board is as follows:

| Category | Name |
|-------------------------|--|
| Independent Director | • Ms. Maheen Rahman • Mr. Muneer Kamal |
| Executive Directors | • Ms. Erum Shakir Rahim • Mr. Hasham Ali Baber |
| Non-Executive Directors | • Mr. Mehmood Mandviwalla • Ms. Lai Kuen Goh* • Mr. Simon Foster** |

*Ms. Lai Kuen Goh appointed as Chairperson and Non-Executive Director of GSK Pakistan Limited w.e.f. August 5, 2022

**Mr. Simon Foster appointed as Non-Executive Director of GSK Pakistan Limited w.e.f. September 28, 2022

Board Committees

The Board has formed Committees comprising of members given below:

a) Audit Committee

| | |
|-------------------------|-------------|
| Mr. Muneer Kamal | Chairperson |
| Ms. Maheen Rahman | Member |
| Mr. Mehmood Mandviwalla | Member |
| Ms. Lai Kuen Goh* | Member |
| Mr. Simon Foster** | Member |
| Mr. Ovais Farooq*** | Secretary |

***Mr. Ovais Farooq appointed as Chief Internal Auditor from May 23, 2022

b) HR and Remuneration Committee

| | |
|-------------------------|-------------|
| Ms. Maheen Rahman | Chairperson |
| Mr. Mehmood Mandviwalla | Member |
| Ms. Lai Kuen Goh* | Member |
| Mr. Simon Foster** | Member |
| Ms. Erum Shakir Rahim | Member |
| Mr. Farqaleet Iqbal | Secretary |

c) Disclosure Committee

| | |
|----------------------------|-------------|
| Ms. Erum Shakir Rahim | Chairperson |
| Ms. Lai Kuen Goh* | Member |
| Ms. Mehar-e-Daraksha Ameer | Member |
| Mr. Hasham Ali Baber | Secretary |

d) Risk Management Committee

- i. RMCB – consisting of GSK'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 78 to 123.

Board of Directors' Meetings and Attendance

The Board of Directors met four times in 2022 and all these meetings were held in Pakistan. Further details are covered under our Governance Section on page 79.

Management Committee

Further details are covered under our Governance Section on page 10.

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, 2023, 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.

Challenges and Future Outlook

The Country is going through extreme economic volatility with depleting foreign reserves and the Rupee at an all-time low. Consumer price inflation, already at a historic high, is expected to increase further, impacting the Government policy on interest rates. This is further aggravated by the damage caused by the floods. The political instability is expected to remain until fresh elections are held in 2023.

This has resulted in challenging and uncertain economic conditions, especially for the Pharmaceutical Industry where the price of every product is fixed by the regulator. Even when annual adjustments are given, these are capped and do not cater to the volatile economic environment we are operating in and hence do not commensurate to the actual level of inflation and devaluation. The current cost increases are putting unprecedented significant pressure on operations of the Pharmaceutical Industry. Policy makers need to take steps for sustainability of the industry.

We expect that the Government will make all efforts to resolve our long outstanding challenges and ensure a fair and transparent policy, aligned with industry expectations is implemented for pharmaceutical pricing that would support the availability and supply of quality medicines for patients and revive investors' confidence. There is a need to allow for price increase that caters to the unprecedented inflation and devaluation. This and the swift approval of hardship cases is the pressing need of the hour.

Strict pricing control has been counter-productive and will eventually force companies to stop producing negative margin products and will also deter the introduction of new therapies.

Despite being classified as a priority sector by the State Bank of Pakistan (SBP), the Pharmaceutical Industry remains impacted by its inability to import raw material as banks are not opening Letters of Credit (LCs) because of dollar shortage. We urge the Government to look into the matter to ensure continued access to essential and life saving medicines for patients.

Despite the pressure the industry is facing, the Company remains committed to ensure supply of quality medicine to patients in Pakistan. For this, the Company continues to engage with the stakeholders and build advocacy to ensure that GSK's point of view is represented at relevant forums to safeguard the Company's investment.

Value of Investments of Provident, Gratuity and Pension 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, 2022 are as follows:

| | 2022 Rs. in million |
|----------------|------------------------|
| Provident Fund | 2,619 |
| Gratuity Fund | 1,758 |

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 determines it by market benchmark 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 189

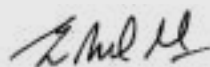
Corporate and Financial Reporting Framework

- 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 judgment.
- 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 131 to 133.

In this period of extreme uncertainty, the employees of the Company have extended their relentless support and made significant contribution to ensure uninterrupted supply of medicines to patients across the Country. 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.

By order of the Board



Erum Shakir Rahim
Chief Executive Officer



Hasham Ali Baber
Director

Karachi
February 9th, 2023

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 حدود خیال اور چیلنجز

ملک انتہائی معاشی عدم استحکام کے دور سے گزر رہا ہے جہاں غیر ملکی ذخائر کی کمی اور روپے کی قدر تاریخ کی کم ترین سطح پر ہے۔ کمزیر مگر قیمتوں میں افراط زر پہلے ہی تاریخی بلندی پر ہے اور اس میں مزید اضافے کی توقع ہے، جس کے باعث حکومتی پالیسی انٹرسٹ ریٹ پرائز انداز ہوگی۔ اس میں سیلاب سے ہونے والے نقصان کی وجہ سے بھی مزید اضافہ ہوا ہے۔ 2023 میں نئے انتخابات ہونے تک سیاسی عدم استحکام برقرار رہنے کی توقع ہے۔

اس کے نتیجے میں چیلنجز اور غیر یقینی معاشی صورت حال پیدا ہوئی ہے، خاص طور پر فارماسیوٹیکل انڈسٹری کے لیے جہاں ہر پروڈکٹ کی قیمت ریگولیشن کی جانب سے طے کی جاتی ہے۔ یہاں تک کہ جب سالانہ ایڈجسٹمنٹ دی جاتی ہیں، وہ محدود ہوتی ہیں اور اس غیر مستحکم اقتصادی ماحول کو پورا نہیں کرتی ہیں جس میں کام کر رہے ہیں اور اس وجہ سے افراط زر اور روپے کی قدر میں کمی کی اصل سطح سے ہم آہنگ نہیں پاتے۔ موجودہ لاگت میں اضافہ فارما انڈسٹری کے آپریٹنگ پر غیر معمولی دباؤ ڈال رہا ہے۔ پالیسی سازوں کو صنعت کی پائیداری کے لیے اقدامات کرنے کی ضرورت ہے۔

ہم توقع کرتے ہیں کہ حکومت ہمارے دیرینہ چیلنجز کو حل کرنے کے لیے تمام کوششیں بروئے کار لائے گی اور فارماسیوٹیکل قیمتوں کے تعین کے لیے یقینی توقعات کے مطابق صاف اور شفاف پالیسی کو یقینی بنائے گی جو مریضوں کے لیے معیاری ادویات کی دستیابی اور فراہمی میں معاون ہوگی اور سرمایہ کاروں کا اعتماد بحال کرے گی۔ بے انتہا ہنگامی اور روپے کی قدر میں کمی کو پورا کرنے کے لیے قیمتوں میں اضافے کی ضرورت ہے۔ اور ان مشکل فیصلوں کی فوری منظوری وقت کی اہم ضرورت ہے۔

سخت قیمتوں کا کنٹرول غیر پیداواری رہا اور ممکنہ طور پر کمپنیز کو پروڈکٹس کی منفی مارجن کی پیداوار بند کرنے پر مجبور کر دے گا اور نئے علاج کے تعارف کو بھی روک دے گا۔

اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے ترجیحی شعبے کے طور پر درجہ بندی کیے جانے کے باوجود، فارماسیوٹیکل انڈسٹری خام مال درآمد تاکر سکنے سے متاثر رہتی ہے کیونکہ ٹیکس وائرڈ کی کمی کی وجہ سے لیٹر آف کریڈٹ (LCS) نہیں کھول رہے ہیں۔ ہم حکومت سے درخواست کرتے ہیں کہ وہ مریضوں کے لیے ضروری اور جان بچانے والی ادویات تک مسلسل رسائی کو یقینی بنانے کے لیے اس معاملے پر غور کرے۔

صنعت کو درپیش دباؤ کے باوجود، کمپنی پاکستان میں مریضوں کو معیاری ادویات کی فراہمی کو یقینی بنانے کے لیے پرعزم ہے۔ اس کے لیے کمپنی اسٹیک ہولڈرز کے ساتھ مشغول رہتی ہے اور اس بات کو یقینی بنانے کے لیے تائید کرتی ہے کہ کمپنی کی سرمایہ کاری کے تحفظ کے لیے متعلقہ فورمز پر GSK کے نقطہ نظر کی نمائندگی کی جارہی ہو۔

پروڈیونٹ، گریجویٹ اور مینٹن فنڈز کی سرمایہ کاری کی قدر

کمپنی اپنے ملازمین کے لیے ریٹائرمنٹ فوائد کے منصوبوں کو برقرار رکھتی ہے، 31 دسمبر 2022 تک غیر آڈٹ شدہ اکاؤنٹس پر مبنی پروڈیونٹ اور گریجویٹ فنڈز کی سرمایہ کاری کی قیمتیں درج ذیل ہیں:

| 2022 روپے بلین میں | |
|--------------------|--------------|
| 2,619 | پروڈیونٹ فنڈ |
| 1,758 | گریجویٹ فنڈ |

ڈائریکٹرز کا معاوضہ

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

- آزاد اور نان ایگزیکٹو ڈائریکٹرز صرف بورڈ اور کمپنی کے اجلاسوں میں معاوضہ کے عوض مقررہ فیس وصول کرنے کے حقدار ہیں۔
- بورڈ مجاز ہے کہ وہ بورڈ اور کمپنی کے اجلاسوں میں شرکت کرنے کے لیے اپنے ڈائریکٹرز کے معاوضہ کا تعین کرے اور اسے فارما انڈسٹری کے بیچ مارک کے ذریعے طے کرے۔
- صفحہ نمبر 189 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

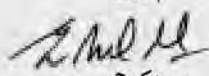
- کمپنی کی انتظامیہ کے ذریعے تیار کردہ مالی بیانات اس کے امور، اس کے آپریٹنگ نتائج، یکیش فلوا اور ایکویٹی میں بدلاؤ کو منصفانہ انداز میں پیش کرتے ہیں۔
- کمپنی کے اکاؤنٹ کی موزوں کتابوں کو برقرار رکھا گیا ہے۔
- مالی بیانات کی تیاری میں مناسب اکاؤنٹ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ 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۔
- تعمینی زبردست 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 قاعدگی 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 آپریٹنگ اور مالیاتی اعداد و شمار صفحات نمبر 131 سے 133 پر ترتیب دیے گئے ہیں۔

اس انتہائی غیر یقینی کی صورت حال میں، آپ کی کمپنی کے ملازمین اور ساتھیوں نے اپنی انتہک محنت کے ساتھ ملک بھر کے مریضوں کو بلا تعطل ادویات کی فراہمی کو یقینی بنانے میں اہم کردار ادا کیا۔ ڈائریکٹرز اپنے ملازمین اور شرکاء کے جذبے اور عزم کے لیے، اور ہمارے شیئر ہولڈرز کے مسلسل اعتماد اور تعاون کے لیے سہ ہمدلی سے شکر گزار ہیں۔

بجگم از بورڈ



حامد باغ
ڈائریکٹرز



ارم شاہ کریم
چیف ایگزیکٹو آفیسر

کراچی: 9 فروری 2023

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 نگرانگ 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۔

ہمارے پاس ABAC کے خطرات سے نمٹنے کے لیے واضح گورننس اور تحریر شدہ اصولوں کے ساتھ اندرونی انضباط کا فریم ورک موجود ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے ”کوڈ آف کنڈکٹ/اخلاقی ضابطہ کار 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۔ ان 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۔ اس ضابطہ کار کے چیدہ نکات صفحہ نمبر 26 پر ملاحظہ کئے جاسکتے ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد 7 ہے:

| | |
|--------|----|
| مرد | 04 |
| خواتین | 03 |

بورڈ کی تشکیل حسب ذیل ہے:

| کمپنی | نام |
|------------------------|--------------------------|
| آزاد ڈائریکٹرز | • محترمہ ماہین رحمان |
| ایگزیکٹو ڈائریکٹرز | • جناب منیر کمال |
| | • محترمہ ارم شاکر رحیم |
| | • جناب حشام علی باہر |
| نان ایگزیکٹو ڈائریکٹرز | • جناب محمود مانڈوی والا |
| | • محترمہ لائی کون گوہ* |
| | • جناب سائمن فوسٹر** |

* محترمہ لائی کون گوہ کا تقرر GSK پاکستان لمیٹڈ کی چیئر پرسن اور نان ایگزیکٹو ڈائریکٹر کے طور پر کیا گیا ہے، جو کہ 15 اگست 2022 سے مؤثر ہے۔

** جناب سائمن فوسٹر کا تقرر GSK پاکستان لمیٹڈ کے نان ایگزیکٹو ڈائریکٹر کے طور پر کیا گیا جو کہ 28 ستمبر 2022 سے مؤثر ہے۔

بورڈ کی کمیٹیاں

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

(a) آڈٹ کمیٹی

جناب منیر کمال چیئر پرسن

محترمہ ماہین رحمان ممبر
جناب محمود مانڈوی والا ممبر
محترمہ لائی کون گوہ* ممبر
جناب سائمن فوسٹر** ممبر
جناب اویس فاروق*** سیکریٹری
*** جناب اویس فاروق کو 23 مئی 2022 سے چیف انٹرنل آڈیٹر مقرر کیا گیا ہے۔

(b) انفرادی قوت اور معاوضہ کمیٹی

محترمہ ماہین رحمان چیئر پرسن
جناب محمود مانڈوی والا ممبر
محترمہ لائی کون گوہ* ممبر
جناب سائمن فوسٹر** ممبر
محترمہ ارم شاکر رحیم ممبر
جناب فرحانہ اقبال سیکریٹری

(c) ڈسکلوزر کمیٹی

محترمہ ارم شاکر رحیم چیئر پرسن
جناب حشام علی باہر سیکریٹری
محترمہ لائی کون گوہ* ممبر
محترمہ مہرا ممبر ممبر

(d) ریسک مینجمنٹ کمیٹی

i - 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، بشریت اور تہذیبوں کا پروفائل 78 سے 123 صفحات پر کارپوریٹ گورننس سیکشن کے تحت شامل ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس اور حاضری

بورڈ آف ڈائریکٹرز نے 2022 میں چار مرتبہ ملاقات کی اور یہ تمام ملاقاتیں پاکستان میں ہوئیں۔ مزید تفصیلات ہمارے گورننس سیکشن کے تحت صفحہ نمبر 79 میں دستیاب ہیں۔

مینجمنٹ کمیٹی

مزید تفصیلات کے لیے ہمارے گورننس سیکشن کے تحت صفحہ نمبر 79 میں ملاحظہ کریں۔

آئینہ

موجودہ آئینہ، ممبرز۔ یوسف عادل، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ اور اہل ہونے کی حیثیت سے خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز باہمی متفقہ فیصلے پر، 31 دسمبر 2023 کو ختم ہونے والے مالی سال کے لیے کمیٹی کے آئینہ کے طور پر ان کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی شفافیت کی توثیق کرتے ہیں۔

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 مریطوں کا طریقہ کار عمل کرتے ہوئے جو ملازمین کی صحت اور حفاظت کے لیے موثر اقدامات کرنے میں ہماری مدد کرتے ہیں۔

ہم انوائزمنٹ سوشل اینڈ گورنس (ESG) کی ترجیحات پر اپنی توجہ مرکوز رکھتے ہوئے ہیں۔ صحت اندرونی طور پر ماحول سے بڑی ہوئی ہوتی ہے اسی وجہ سے ہم اپنی سرگرمیوں میں ماحولیاتی طور پر پائیدار طریقوں کے ذریعے ماحولیات پر اپنے اثرات کو کم کر کے موسمیاتی تبدیلیوں کو کم کرنے کے راستے تلاش کرتے رہتے ہیں۔

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

رشتہ ستانی اور بدعنوانی ملازمین، کسٹلمنس اور تیسرے فریق کے GSK کے انسداد رشوت ستانی اور بدعنوانی (ABAC) کے اصولوں اور معیارات کے ساتھ ساتھ ملک میں نافذ دیگر قابل اطلاق قوانین کی تعمیل میں ناکامی کو ظاہر کرتے ہیں۔ GSK کا ضابطہ اخلاق اس سے بالاتر ہے۔ یہ ایسے معیارات اور پالیسیاں قائم کرتا ہے جو ہماری انضامی 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 ذریں اصولوں پر مبنی ہونے کے ساتھ انڈسٹری کو چلانے والے قواعد اور قوانین کی مکمل پاسداری کرتی ہیں۔

ہماری ساکھ ہمارا سب سے قیمتی اثاثہ ہے اور یہ GSK کے مقصد، حکمت عملی اور ثقافت کی تعمیل کرنے کے لیے ہر ملازم کے مشترکہ اقدامات پر منحصر ہے۔

ہمارا رسک منیجمنٹ اور کیمپلینس بورڈ (RCMB) کاروبار کو درپیش بڑے خطرات کی موثر طریقے سے شناخت، تشخیص، تخفیف، نگرانی اور رپورٹ کرنے کا ذمہ دار ہے۔ تمام ہم کاروباری رسک یونٹس RCMC کے زیر نگرانی ہیں، جو اعلیٰ عہدیداران کے اقتساب 'tone from the top' کو فروغ دیتا ہے، رسک کے حوالے سے اقدار قائم کرتا ہے اور اندرونی کنٹرول کی نگرانی کرتا ہے۔

تھروپارٹی رسک منیجمنٹ پروگرام (TPRM)

اپنے مقصد کو حاصل کرنے کے لیے، ہم اکثر تھروپارٹیز کے ساتھ شراکت میں کام کرتے ہیں، جو اپنی صلاحیت، مہارت یا نیٹ ورک سے ہمارے مشن کو پورا کرنے میں ہماری مدد کرتے ہیں۔ ہم صرف ان سپلائرز، تقسیم کاروں، ایکویٹی اسٹیک ہولڈنگز اور دیگر کاروباری پارٹنرز/تھروپارٹیز کے ساتھ کاروباری کرتے ہیں جو 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 تھروپارٹی کی نگرانی کا ایک جامع پروگرام TPRM نافذ کیا ہے۔ اس کا مقصد اس بات کو یقینی بنانا ہے کہ تمام فریق ثالث کا انٹراپرائز وسیع خطرات کے خلاف جائزہ لیا جائے اور اس کے بعد ہی مکمل طور پر تعمیلی معاہدوں میں داخل ہوں۔

رشتہ 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

ہم سائنس، ٹیکنالوجی اور ٹیلنٹ کو یکجا کر کے ایک ساتھ بیماریوں سے آگے نکلنے ہیں۔

ہمارا ماننا ہے کہ، ملازمین کا مثبت تجربہ باصلاحیت 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 یا اختیار نہیں، 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 آجروں کا کام کرنے کی بہترین جگہ" کے طور پر تسلیم کیا گیا۔ ایک سرٹیفائیڈ "بہترین آجروں کا کام کی جگہ" 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۔

ایک تنظیم ہونے کی حیثیت سے ہماری اسٹریٹجک وابستگی اس سے ہے جہاں لوگ ہمارے مضبوط ملازم کے تجربے کے ساتھ فائدہ اٹھا سکتے ہیں، جو کہ کلیدی صلاحیتوں کو اپنی طرف متوجہ کرنے اور برقرار رکھنے کے لیے اہم ہوتا ہے تاکہ ثقافتی ستونوں کے ذریعے ہماری استخراج، کارکردگی اور اعتماد کی ترجیحات کو فراہم کیا جاسکے۔

GSK میں ثقافت ایک ایسی چیز ہے جو ہم سب کی ملکیت ہے۔ یہ ہمارے مقصد کو تقویت دیتا ہے، ہماری حکمت عملی کو آگے بڑھاتا ہے اور GSK کو ایک ایسی جگہ بنانے میں مدد کرتا ہے جہاں لوگ ترقی کر سکیں۔

#ColorYourGSK اقدام ہمارے شمولیت، تنوع اور ترقی کے ایجنڈے کو ظاہر کرتا ہے اور ملازمین کو اپنی ذاتی قیادت، معلومات اور صلاحیتوں کو فروغ دیتا ہے۔ دو مین کیڈر شپ ایوشیو (WLI)، جس کا GSK پاکستان ایک فعال رکن ہے، خواتین اور مردوں پر مشتمل ایک فلٹیک شپ پروگرام بدستور جاری ہے۔ WLI کا ڈاٹن مردوں اور خواتین کے شانہ بشانہ کام کرنے کے لیے شمولیت اور تنوع کے کلچر کو فروغ دیتا ہے اور ہر کسی قدغن کے بغیر اپنی صلاحیتوں کے ادراک کا اختیار فراہم کرتا ہے۔

ماحول، صحت اور حفاظت (EHS)

ہم اپنے ملازمین کو ایک محفوظ کام کی جگہ فراہم کرنے کے ساتھ ساتھ مضبوط قیادت کے عزم کے ذریعے اپنے لوگوں کی حفاظت، اپنے اثاثوں اور ماحول کی حفاظت کے لیے کوشاں ہیں۔ ہم یہ ایک موثر کنٹرول فریم ورک قائم کر کے اور پورے کاروبار میں مضبوط EHS کلچر کو فروغ دے کر کرتے ہیں۔ ماحول کے تحفظ کے لیے ہمارے جاری کام کے علاوہ، ہم نے اپنے طویل مدتی ماحولیات اثرات کو کم کرنے کے لیے چیلنجنگ ایسٹیمائیٹس مقرر کئے ہیں۔

2022 میں اہم اقدامات شامل ہیں:

- متعدد انرجی سٹیوگ اور گرین انرجی پروڈیکشن کی بحالی
- عالمی یوم ماحولیات کی حمایت میں درخت لگانے کی سرگرمی
- کنارہ صاف کرنے کے لیے ساحل سمندر کی صفائی اور سمندری ماحولیاتی نظام کی بہتری

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 آپریٹنگز کی تعمیل کو یقینی

ہولڈنگ کمپنی

31 دسمبر 2021 تک، GSK انٹرنیشنل ہولڈنگ اور ٹرانس B.V. (سابقہ S.R. ون انٹرنیشنل B.V. نیدرلینڈ) 10 روپے فی شیئر کے حساب سے 263,029,794 شیئرز کی حامل تھی۔ کمپنی کا حتمی بیزنس پلان گھنٹا گھنٹا اسٹاکس کاؤنٹری ایبل سی، UK ہی ہے۔

شیئر ہولڈنگ کا نمونہ

کمپنی کے شیئرز کا کاروبار پاکستان اسٹاک ایکسچینج میں ہوتا ہے۔ 31 دسمبر 2021 تک شیئر ہولڈنگ اور دیگر متعلقہ معلومات صفحہ نمبر 220 سے 221 پر موجود ہیں۔

سال کے دوران ڈائریکٹرز سی ای او، سی 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

جاری آپریشنز سے بعد از ٹیکس فی شیئر بنیادی آمدنی 7.73 روپے (2021: 16.81 روپے) تھی۔

کارپوریٹ سوشل ریسپانسیبلٹی (CSR)

GSK پاکستان کے پاس ان کی وینٹور کے ساتھ شراکت داری کا ایک وسیع ورثہ موجود ہے جن میں یہ کام کرتی ہے۔ یہ شراکت داری کیونٹری کی ضروریات کو سمجھنے اور اس کے مطابق حکمت عملی وضع کرنے کے لیے معاہدوں کا بنیاد ہوتی ہے، تاکہ ان کی رسائی اور اثر کو زیادہ زیادہ بڑھایا جاسکے۔

2022 میں، مون سون کی طوفانی بارشیں پاکستان کی حالیہ تاریخ میں شدید سیلاب کا باعث بنی، جس میں پورے گاؤں بہ گئے، گھروں، اسکولوں، صحت عامہ کی سہولیات اور پانی کی ترسیل کے نظام کو نقصان پہنچا اور تباہ ہو گئے۔ لاکھوں افراد بے گھر ہوئے جنہیں انسانی امداد کی فوری ضرورت ہے۔

لہذا، ہماری کمپنی کی CSR کی کوششوں کا مرکز اس سیلابی تباہ کاریوں سے متاثر ہونے والی زندگیوں کو ریلیف اور امداد فراہم کرنا تھا۔ اہم اقدامات میں شامل ہیں:

کراچی ریلیف ٹرسٹ (KRT) کے ساتھ شراکت داری

GSK نے کراچی ریلیف ٹرسٹ (KRT) کے ساتھ شراکت داری کی، جو کہ ڈیڑھ سو ملین روپے کی ایک رضا کار تنظیم ہے، تاکہ پاکستان میں حالیہ سیلاب سے متاثرہ افراد کی مشکلات کو کم کرنے میں اپنا کردار ادا کر سکے۔ GSK نے KRT کو سیلابی امدادی سرگرمیوں کے لئے 10 ملین روپے کی امداد دی ہے، جو کہ آفت سے متاثرہ لوگوں کو پکا ہوا کھانا، پناہ گاہ، گھریلو اشیاء اور دیگر امداد فراہم کرنے کے لیے استعمال کیا جائے گا۔

اس کے علاوہ، GSK Plc نے پاکستان ریڈ کریسنٹ سوسائٹی کو (بڈ ریڈریٹس کراس سوسائٹی) 200,000 روپے فراہم کرنے کا عہد کیا ہے۔

ملازمین کے تعاون کو آسان بنانے کے لیے، GSK نے پاکستان میں سیلاب سے متاثرین کے لیے ملازمین کے عطیات جمع کرنے کے لیے ایک عالمی فنڈ ریزنگ چیلنج قائم کیا۔ اس فنڈ میں GSK کے ملازمین کی طرف سے دی گئی رقم کو GSK کے ذریعے ملایا جائے گا۔ کمپنی نے ماحولیات سے متعلق اقدامات اور ہمارے معاشرے میں پسماندہ افراد کی حمایت میں بھی حصہ لیا۔

- APIs کو 17 فیصد کے ریٹ پر قابل ٹیکس سٹیز کے طور پر درجہ بندی کیا گیا تھا بطور قابل دعویٰ ان پٹ سٹیز ٹیکس؛ اور
- دواسازی کی مصنوعات کو زیرو ریٹ ریٹنگ نظام کے تحت لایا گیا تھا۔ لہذا ٹیکس کے قابل سرگرمی سے براہ راست منسوب اشیاء، خدمات پر اداکرہ سٹیز ٹیکس قابل دعویٰ ہو جائے گا۔

اس اچانک تبدیلی نے مجموعی طور پر فارما انڈسٹری کو براہ راست متاثر کیا اور ہمارے ورکنگ کیپٹل پر نمایاں اثر ڈالا۔ کمپنی شفاف تعمیر اور متعدد فورمز پر مسئلہ کو کامیابی کے ساتھ اٹھا کر تقریباً 50 فیصد قابل واپسی رقم وصول کرنے میں کامیاب رہی۔

فنانس ایکٹ 2022 (جون 2022) کے ذریعے، فارماسیوٹیکل حتمی مصنوعات کے ساتھ ساتھ APIs کو قابل ٹیکس کیٹیگری کے تحت 1 فیصد کی شرح پر درجہ بندی کیا گیا ہے، پوری سلائی چین پر سٹیز ٹیکس کی ذمہ داری کے حتمی اخراج کے طور پر، لیکن بغیر کسی ان پٹ سٹیز ٹیکس ایڈجسٹمنٹ کے۔

سال کے دوران، حکومت پاکستان نے فنانس ایکٹ 2022 کے ذریعے آکر ٹیکس آرڈیننس، 2001 میں سیکشن 4C متعارف کرایا ہے، جس کے ذریعے زیادہ آمدنی والے افراد (بشمول کمپنی) پر سٹیز ٹیکس عائد کیا گیا ہے۔ ٹیکس سال 2022 کے بعد 4 فیصد کے ریٹ پر ٹیکس عائد کیا جائے گا۔ تاہم، ٹیکس سال 2022 (31 دسمبر 2021) کو ختم ہونے والا سال خصوصی ٹیکس سال ہے۔ ٹیکس کچھ ضمنی گروپس بشمول فارماسیوٹیکل سیکٹر پر 10 فیصد کے ریٹ سے لگایا ہے۔ کمپنی نے، فارماسیوٹیکل اور دیگر سیکٹرز میں مختلف دیگر کمپنیوں کے ساتھ سٹیز ٹیکس کی سابقہ درخواست کو پیش کرنے کے لیے سندھ ہائی کورٹ (SHC) میں درخواست دائر کی ہے۔ SHC نے 13 اکتوبر 2022 کو درخواست گزاروں بشمول کمپنی کو عبوری ریلیف فراہم کیا اور ہدایت کی کہ سٹیز ٹیکس کی متنازع رقم کو SHC کے ناظر کے ساتھ یا تو پے آرڈر، بینک گارنٹی یا مقررہ وقت کے اندر چیک پیش کر کے محفوظ کیا جائے۔ کمپنی نے اسے بغیر تاریخ کے چیک کی شکل میں فراہم کیا۔

اس کے بعد، 22 دسمبر 2022 کو SHC کی جانب سے حکم جاری کیا گیا جس میں کہا گیا کہ سیکشن 4C ٹیکس سال 2022 کے لیے لاگو نہیں ہوگا اور اس کا اطلاق ٹیکس سال 2023 (یعنی 31 دسمبر 2022 کو ختم ہونے والا مالی سال) سے ہوگا۔ تاہم، SHC نے اس فیصلے کی کارروائی کو ساٹھ دنوں کے لیے معطل کر دیا، جس کی وجہ سے کمپنی نے رواں سال 2022 کے لیے سٹیز ٹیکس کی فراہمی کو برقرار رکھا۔

اس کے مطابق، موجودہ سال ٹیکس چارجز میں 687.0 ملین روپے شامل ہیں (گزشتہ سال کے ٹیکس میں شامل ہے جیسا کہ یہ 31 دسمبر 2021 کو ختم ہونے والے مالی سال سے متعلق تھا) اور سٹیز ٹیکس کی مد میں بالترتیب ٹیکس سال 2022 اور 2023 کے لیے 197.88 ملین روپے شامل ہیں۔

ڈیویڈنڈ کا اعلان نہ کرنے کی وجوہات

کمپنی نے سال کے لیے منافع اور EPS فراہم کیا ہے۔ تاہم، شیئر ہولڈرز کے طویل مدتی منافع کے لیے، ہمیں سرمایہ کاری کر کے اور حالیہ معاشی صورت حال کی وجہ سے ورکنگ کیپٹل پر پڑنے والے دباؤ کو دور کرنے کے لیے بورڈ آف ڈائریکٹرز نے 2022 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ تجویز کرنے کے خلاف فیصلہ کیا ہے۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

مالیاتی کارکردگی

| تفصیلات | روپے ملین میں 31 دسمبر 2022 کو ختم ہونے والے سال کے لئے 2022 | روپے ملین میں 31 دسمبر 2021 کو ختم ہونے والے سال کے لئے 2021 |
|-------------------|---|---|
| ریونیو | 41,841 | 36,660 |
| مجموعی منافع | 7,281 | 9,737 |
| منافع قبل از ٹیکس | 5,106 | 7,424 |
| منافع بعد از ٹیکس | 2,463 | 5,354 |

سال 2022 کے دوران کمپنی نے 41.8 ارب روپے کی خالص فروخت کی۔ اس خالص فروخت میں گلیکسو اسمتھ کلائن کنزیومریلٹھ کیئر پاکستان لمیٹڈ (GSK CH) کو کمپنی کی جانب سے تیار کردہ مصنوعات کی مدد میں جس کی تیار کردہ مصنوعات کی مارکیٹنگ کا اختیار گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کے پاس ہے (گزشتہ سال کی 0.9 ارب روپے کی فروخت کے مقابلے میں) GSK کنزیومریلٹھ کیئر پاکستان لمیٹڈ کی 1.66 ارب روپے کی سیلز بھی شامل ہے۔ زیر جائزہ فروخت GSK CH کی فروخت کو چھوڑ کر 12 فیصد ہے۔

ترقی بنیادی طور پر تیز عملدرآمد، مضبوط HCP مشغولیت، ڈیجیٹل چینل کے استعمال، اور گزشتہ سال کی اسی مدت کے مقابلے میں قیمتوں میں اضافے سے ہوتی ہے۔ جس کے نتیجے میں بنیادی براؤنڈ دوہرے ہندسے کی نمونہ کھارے ہیں۔

سال کے لیے کمپنی کا مجموعی مارجن 17.4 فیصد تھا جو کہ گزشتہ سال کے مقابلے میں 9 فیصد کی کمی کا باعث بنا ہے۔ اس سال کم مجموعی منافع % کرنسی کی قدر میں کمی، افراط زر اور فیول کی بڑھتی ہوئی لاگت کے باعث بڑھتے ہوئے اخراجات کے سبب حاصل ہوا۔

سال کے دوران، کمپنی نے مسابقتی نموار سر مایہ کاری پر زیادہ منافع فراہم کرنے کے لیے اہم کاروباری اداروں کے پیچھے سمجھداری سے سرمایہ کاری جاری رکھی ہوئی ہے۔ انتظامی اخراجات میں فروخت کا فیصد کے طور پر گزشتہ سال کے مقابلے میں 3 فیصد پر برقرار رہا، جبکہ فروخت، مارکیٹنگ اور ڈسٹریوشن میں فروخت کے فیصد کے طور پر افراط زر کی بلند شرح کے باوجود صرف 1 فیصد اضافہ ہوا۔

مالیاتی ایکٹ 2022 کے مطابق، ٹیکس سال 2022 میں ٹیکس کی بلند شرح اور سپرنٹیکس کے نفاذ کی وجہ سے ٹیکس کے اخراجات میں اضافے سے منافع منفی طور پر متاثر ہوا۔

ٹیکس قوانین میں تبدیلیاں

مالیاتی (منفی) ایکٹ، 2022 مورخہ 15 جنوری 2022 کے نفاذ سے قبل، فارماسیوٹیکل مصنوعات سیلز ٹیکس، منسٹی، کے زمرے کے تحت تھیں۔ لہذا، کوئی بھی سیلز ٹیکس جو خام / پینٹنگ میٹریل یا کسی دوسرے سامان / خدمات پر ادا کیا گیا ہے جو براہ راست ٹیکس کے قابل سرگرمی سے منسوب ہے وہ قابل دعوئی نہیں ہیں، جبکہ ایکٹیو فارماسیوٹیکل اجزاء (APIs) اسٹیٹسٹی 'زمرے کے تحت ہیں۔ مذکورہ ایکٹ کے ذریعے فارماسیوٹیکل سیکٹر کے لیے درج ذیل بڑی تبدیلیوں کا اعلان کیا گیا:

گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز مسرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالی گوشواروں کے ساتھ آپ کو سالانہ رپورٹ پیش کرتے ہیں۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، 2017 کی دفعہ 227 اور سٹاک ایکٹ (کارپوریٹ گورننس کے ضابطہ اخلاق) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے اور 27 اپریل 2023 کو منعقد ہونے والے کمپنی کے چھتر ویں (76) سالانہ اجلاس عام میں ممبران کو پیش کی جائے گی۔

بنیادی سرگرمیاں:

بنیادی سرگرمیوں کے لیے صفحہ 155 پر مالی بیانات کا نوٹ 1.1 دیکھیں۔

معیشت اور کاروبار کا جائزہ:

اپریل میں حکومت کی تبدیلی کے بعد کاروباری ماحول کو مسلسل چیلنجز کا سامنا رہا جس کے نتیجے میں سیاسی عدم استحکام پیدا ہوا اور معیشت متاثر ہوئی۔ فیول کی بڑھتی ہوئی انٹرنیشنل قیمتیں (جس کا اثر براہ راست ہماری مقامی فیول قیمتوں پر پڑتا ہے)، اشیاء کی قیمتیں اور بڑھتے ہوئے تجارتی خسارے نے زبرد بالہ کے ذخائر پر دباؤ ڈالا جس کے باعث امریکی ڈالر کے مقابلے میں روپے کی قدر میں خاصی کمی واقع ہوئی جو کہ افراط زر پر دباؤ کا باعث بنا۔ اس کے پیش نظر، اسٹیٹ بینک آف پاکستان نے ڈالر کے اخراج کو کم کرنے کے لیے، امریکی ڈالر کی ٹرانزیکشن پر کپٹل کنٹرول متعارف کرایا اور درآمدگان کے لیے ریگولیٹری ضروریات میں اضافہ کیا۔

پاکستان نے 2022 میں اپنی تاریخ کے بدترین سیلابی تباہ کاریوں کا سامنا بھی کیا۔ اس قدرتی آفت نے ملک کو موسمیاتی تبدیلی کے منفی نتائج سے ہونے والے خطرات کو واضح کیا اور معیشت کو بری طرح متاثر کیا۔

اس کے علاوہ، روس اور یوکرین تنازعہ کی وجہ سے بھی لاگت کے دباؤ میں اضافہ ہوا ہے، جس سے فیول کی قیمتوں، اشیاء کی مارکیٹ متاثر ہو رہی ہے اور سپلائی چین اور پیداوار میں رکاوٹ پیدا ہو رہی ہے۔

ان غیر مستحکم معاشی حالات میں لاگت کی حساسیت کو برقرار رکھتے ہوئے کمپنی نے مضبوط ٹاپ لائن بڑھوتری فراہم کرنے کے لیے اہم براؤنڈ میں حکمت عملی کے ساتھ سرمایہ کاری کی۔

کمپنی مختلف پبلک پالیسی گروپس کے ذریعے اہم بیرونی اسٹیک ہولڈرز اور بااثر افراد کے ساتھ باقاعدگی سے مشغول رہتی ہے، تاکہ یہ یقینی بنایا جاسکے کہ پالیسیوں کی تشکیل کے وقت GSK کے ایجنڈے اور ترجیحات کی نمائندگی کی گئی ہے۔

18 جولائی 2022 سے، GSK فارما اور کنزیومریلٹھ کی عالمی علیحدگی ہوئی جس کے نتیجے میں GSK plc کے کنزیومریلٹھ کیئر بزنس کو Haleon plc سے الگ کر دیا گیا۔ جس کے بعد GSK کنزیومریلٹھ کیئر پاکستان لمیٹڈ کمپنی کی متعلقہ فریق نہیں ہے۔

A statement of how the Board operates

Board Operation and Responsibilities

Our Board of Directors' key responsibility is to ensure the Company's prosperity, by collectively monitoring and directing Company's affairs whilst protecting the interests of Company'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 the Company'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 to increase growth, deliver results, and simplify performance as well as to create long-term value for its shareholder.

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. In view of the Company's policy of diversity, GSK maintains female representation on the Board with 3 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 GSK's overall performance is evaluated. All matters that are considered significant or material are approved. In cases where urgent approvals are required, these are approved through circular resolutions, 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 its 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 the Performance of the Board

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

Annual evaluation questionnaire was prepared and developed by the HR&R Committee Secretary, in conformity with the Code of Corporate Governance and Global

best practices and was circulated to the Directors for performance evaluation and to provide clarifications and further insights and perspectives on the performance of the Board. Strict level of confidentiality was exercised while conducting the evaluation process.

Following are the broad categories to evaluate the performance of the Board of Directors, along with 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.

Disclosure of the Board's Performance Evaluation

In conformity with the Code of Corporate Governance and Global best practices, the Board's performance evaluation was carried out by Pakistan Institute of Corporate Governance (PICG) in 2021. Moreover, during

the year, annual evaluation questionnaire was prepared and developed by the HR&R Committee Secretary in order to evaluate Board's performance.

Board 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 with the purpose of familiarising new Directors with our industry, organisation, governance, and long-term priorities. These programmes are designed to acquaint all incoming Directors with a

general induction, which includes their duties and responsibilities as a Director of a listed company, the Company's Corporate Governance structure and an understanding of 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

Chairperson 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 an investor's perspective. We at GSK believe that our Directors should develop and 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, Corporate Social Responsibility
- Any recent investor presentations such as 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:
 - Role and responsibility of the Directors under the Companies Act, 2017;
 - Roles 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.

In relation to this, 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 Programme was held on 10 November 2022 to onboard 2 (two) Directors namely, Ms. Lai Kuen Goh and Mr. Simon Foster. The training included the following salient features (but not limited to):

- 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 duties; and
- Explanation of the fiduciary duties of Directors – duty of loyalty, duty of disclosure, and duty of skill and care along with Director liabilities.

Directors' Training Programme

As per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, it is encouraged that all Directors on the Board are trained by SECP approved institutions. As disclosed in the statement of compliance, five Directors have obtained their director training certification or are otherwise exempt. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of corporate bodies.

The names of the Director/Senior Executive/Female Executive who have successfully completed the Directors' Training Programme certification from SECP approved institution in 2022 are provided below:

- Mr. Hasham Ali Baber
- Mr. Farqaleet Iqbal
- Ms. Neha Azhar

All the other Directors possess sufficient skills and experience of the Board as described in the Code of Corporate Governance.

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

The Company 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.

Details of the Directors' Training Programme attendance are given below:

Directors' Training Programme was attended by the CFO, Mr. Hasham Ali Baber in April 2022, Legal Manager, Ms. Neha Azhar in June 2022 and HR Country Head, Mr. Farqaleet Iqbal in December 2022. Directors' Training Programme was conducted by Pakistan Institute of Corporate Governance.

Description of External Oversight of various Functions

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 reports on the effectiveness and adequacy of the internal controls.

Policy for Related Party Transactions

Approved 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 with regards to Related Party Transactions for reviewing, approving, ratifying and in providing disclosures as required under Section 208 of Companies Act 2017.

Contract other than ordinary cause of business

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.

Director's interest in Related Party Transactions

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 their review and approval.

Details of all Related Party Transactions

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 36.2 and detailed disclosure regarding related party transactions has been presented in Note 36 of the Financial Statements.

How a Conflict of Interest is Managed and Monitored by the Board

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 requires 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" and

the 'Corporate and Financial Reporting Framework' of the Securities & 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 of insider trading and avoiding in 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.

Policy on Governance of Risk and Internal Controls

GSK's Risk and Internal Control Framework is designed to ensure the risks associated with conducting our business activities are effectively assessed, mitigated, and controlled. Some key aspects of our Internal Control Framework include the following:

Risk Assessment

This establishes a reference point for controls. It identifies the potential risks to the Organisation, assesses their impact and likelihood and implements mitigation measures to overcome these risks.

Enterprise Oversight

This ensures 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).

Third Party Risk Management (TPRM)

TPRM helps control risks from third party business engagements with suppliers, distributors, and other business partners. We want to work with business partners who share our commitment of high ethical standards and operating in a responsible way.

Anti-Bribery and Corruption (ABAC)

ABAC programme is part of GSK's response to the threat and risk of bribery and corruption. The programme includes an ABAC Policy and Standard, which have been designed to help staff and external parties understand bribery and corruption risk, and their responsibilities to actively combat it.

Policy on 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 character, 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. GSK's Board believes that 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.

Together, these unique perspectives and wide variety of personal experiences make our business stronger, enhancing our ability to innovate and respond to the diverse needs. 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, and supporting employee health, wellbeing, and personal development. GSK invests in developing a culture that focuses on the Organisation's positive social impact through its engagement with employees, suppliers, customers, stakeholders, and communities.

GSK has set new aspirational targets for gender and for race and ethnicity, to improve representation at all levels, and in order to embed the same within the culture of the Company, GSK has introduced inclusion and diversity training for all employees.

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

Some of the milestones for the year 2022 are:

- GSK has worked tremendously on our diversity ratio in the last couple of years and increased diversity in our overall strength of GSK employees
- To successfully embed inclusion and diversity into our culture, GSK has conducted various training programmes
- 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. Keeping in line with the same, GSK has conducted various trainings to reinforce the zero-tolerance approach
- GSK actively rolls out women leadership initiatives

Directors' Interest in Significant Contracts and Arrangements

In order to avoid any known or perceived conflict of interest, formal disclosure of vested interests is encouraged under the Code of Business Ethics and the Policy for Conflict of Interest relating to Board of Directors, approved by the Board.

The Code and the Policy comprises of not only the principles provided under the regulatory requirements but encompasses global best practices as well. The Board Members are

responsible for appropriate self-disclosure in a transparent manner and in the case of doubtful situation, are advised to discuss it with the chair of the meeting for guidance. Board Members' suggestions and comments during their proceedings are accordingly recorded for evaluation, in addition to description and quantification of any foreseen conflict of interest prior to finalisation of the proceedings' agenda.

Policy for Remuneration to Non-Executive Directors

The Company'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 his/her own remuneration and nor 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 operates an independent and transparent method to fix Non-Executive and Independent Directors' remuneration. The key element for determining the remuneration is by market benchmarking against key players of the Pharmaceutical Industry. 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;
- Independent Directors are only entitled to meeting fees together with travelling and lodging costs borne by the Company; 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 is disclosed in the Financial Statement on page 189.

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

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.

Security Clearance Policy 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, the Company 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.

Board Meetings held outside Pakistan

All Board Meetings in the year 2022 were held in Pakistan.

Human Resource Management Policy

GSK encourages a culture where everyone thrives every day. Part of this is about providing support, feedback and career development opportunities to everyone so that they keep growing. It's also 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 who deliver outstanding

- performance and champion the culture;
- Aligns our best people with the most critical roles and supports our diversity aspirations; and
- Is focused on our business-critical roles.

Through this mechanism, we aspire to increase visibility and access to growth opportunities. It's one of the ways we support our people to develop their careers and continue to make talent appointment into specific roles enabling us to build on our key capabilities and a diverse workforce.

Social and Environmental Responsibility Policy

We're guided by our purpose to unite science, technology, and talent to get ahead of disease together. We deliver this purpose considering the social, environmental and governance impacts across everything we do, from the lab to the patient. Acting as a responsible business by considering our social, environmental and governance therefore supports sustainable performance and long-term growth; builds trust with all our stakeholders; reduces risk to our operations and enables delivery of positive social impact.

At GSK, we look broadly and deeply at the interconnections of climate, nature, and health. We continue to work hard to do more to protect the environment with the aim of a net zero impact on climate and a net positive impact on nature by 2030 across our entire value chain. We've set clear and measurable targets to help achieve these goals.

For more details on our environmental sustainability related goals and initiatives, please refer to 'Sustainability and Corporate Social Responsibility' Section of this Report.

Policy for Communication with Stakeholders

GSK Pakistan is fully committed to developing effective working relationships with all our stakeholders. Throughout all its business dealings, GSK has provided stakeholders with opportunities to provide meaningful input into management decision-making. The Company endeavours to provide full and fair disclosure of all material information to its stakeholders besides providing a wide range of information about strategy and financial information through its Annual Report and website for all stakeholders.

The policy enables GSK to utilise a variety of methods to stimulate stakeholder's engagement and to understand how to best deal with them. The strategies resulting from various engagements are tailored to suit business decisions, activities and processes. Frequency of communication with stakeholders is based on the corporate and business requirements as laid down by the Code of Corporate Governance, contractual obligations or as and when required.

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 Investor's Grievance Policy through which we have established an internal mechanism for managing stakeholder grievances. The detailed policy (Investor's Communication/Relation & Grievance) is also available.

GSK has a Shares Department and has appointed an independent Share Registrar (CDC Shares Registrar Services Limited) to resolve grievances of our stakeholders. As per the approved process, investor 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's equity and debt instruments. All such disclosures made are available on our website (pk.gsk.com/en-pk/) in a timely manner.

Policy for Employee Health, Safety and Protection

At GSK Pakistan, we are completely devoted to ensuring the health and safety of our employees and associated stakeholders. We are focused on ensuring zero incidents by implementing controls and complying with applicable local regulatory requirements to deliver a safe and sustainable business

environment, while creating awareness and fostering a culture of continuous improvement.

For more details on our employee health and wellbeing related initiatives, please refer to 'Sustainability and Corporate Social Responsibility' Section of this Report.

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 Purpose, Strategy and Culture. This includes our Speak Up arrangements, which enables our employees to raise matters confidentially or anonymously without fear of reprisal. Our Speak Up channels and reports are managed by an independent third-party, 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 doing the right thing, 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 Company 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.

Policy for Safety of Records

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 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-site and off-site locations;
- Storage of data at secure location with state-of-the-art protection against physical deterioration, fire, natural disasters;
- Management hierarchy-based record retrieval authorisation coupled with password security, including the Company's SAP-ERP System;
- Whistle Blowing – Immediate reporting of breach of security or damage of record to the Management;
- Establishment of remote Disaster Recovery site to provide immediate back-up of all primary data, in line with business continuity practices;
- Delegation of responsibility for all Company departments regarding safeguarding of their respective record; and
- Electronic back-up of printed data, enabling prompt retrieval of relevant documents in a secure environment based on appropriate access controls and authorisation systems.

Shareholders' participation in the AGM

An Annual General Meeting (AGM) is a yearly gathering of a company's interested shareholders. At an AGM, the directors of the company present the company's financial performance and strategy and shareholders vote on the issues at hand. Annual General Meetings (AGMs) are important for the transparency they provide, the ability to include shareholders, as well as bringing the Management to accountability.

The following items, by law, must be discussed at an AGM:

- The minutes of the previous year's AGM must be presented and approved
- The company presents its annual financial statements to its shareholders for approval
- The shareholders approve and ratify (or not) the decisions made by the Board of Directors over the previous year
- The shareholders elect the Board of Directors for the upcoming years, if applicable
- At an AGM, there is often a time set aside for shareholders to ask questions to the directors of the company

Shareholders are invited to attend the AGM via a notice issued to the members of the company, which is done via newspaper and also by email, as per timeline provided in the law.

For attending the AGM, in case of individuals, the shareholder shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting. Shareholders who do not attend the meeting in person may usually vote by proxy by appointing another member as their

Proxy to attend, speak and vote at the AGM on their behalf.

GSK Pakistan shall communicate any relevant updates regarding the meeting, 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 the Company's website.

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.

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.

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.

Disclosure of Ownership and Group Shareholding Structure

The disclosure of beneficial ownership and flow chart of group shareholding are mentioned in section 1, page 04 of the Annual Report 2022.

Compliance with the 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.

- 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;
- GSK while preparing financial statements follows 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's also leading in the best reporting practices recommended by ICAP/ICMAP as evidenced through the Best Corporate Awards in the Pharmaceutical Industry;
- GSK strictly abides by a stringent insider trading policy;
- GSK rigorously ensures the adoption of Pakistan Stock Exchange criteria for selecting top companies;
- GSK ensures disclosure of various financial analysis including ratios, reviews, risk matrices and graphs in its Annual Reports;
- 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 143.

Role of the Chairperson and CEO

Board Roles and Responsibilities

To promote a culture of transparency and good governance, positions of the Chairperson of the Board of Directors and the office of the CEO are held by separate incumbents with clear demarcation of roles and responsibilities. At GSK, the Chairperson 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 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 Chairperson

The Chairperson has all the powers vested in her under the Code of Corporate Governance and presides over all Board Meetings.

The primary role of the Chairperson is to ensure that the Board of Directors remains effective in its tasks of setting and implementing GSK's direction and strategy. The Chairperson 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 Chairperson 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 Chairperson 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 CEO

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;
- 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;
- Provide strategic input and leadership on decision making issues affecting the Organisation;
- 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;
- 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 and Directors

GSK's Independent Directors traded a total of 3 shares during the year. Besides this, no other trading was carried out by the Associated Companies, Directors, Senior Management

Officers/Executives, their spouses, and minor children. Number of shares held at the year-end are 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 220 of the Annual Report.

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 five members which include three Non-Executive Directors and two Independent Directors. The Chairperson of the Audit Committee is an Independent Director.



Audit Committee Report

The Audit Committee composition is made up of one member who is M.Sc. in Finance and Economics, two members with an MBA degree, a lawyer with an LLB degree, and the fifth member holds a Bachelor's Degree in Accountancy. Therefore, Audit Committee members have an extensive experience in the fields of financial management, accounting, business, and economics.

During the year 2022, the Committee engaged with the CEO and CFO, to review the financial aspects and appropriateness of resources, corporate accounting and financial reporting process, the effectiveness and adequacy of internal controls, management of risks, as well as external and internal audit processes. The Committee also reviewed key risks based on their impact and likelihood on different

functions during the year with a focus on economic challenges.

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 with internal control systems.

The Committee was apprised on the progress of internal audit throughout the year with a risk

assessment approach towards preparation of annual internal audit plan.

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 2022 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 | | | |
|------|--------------------------|-------------|------------------------------|-----------|-----------|-----------|
| | | | 25-Feb-22 | 25-Apr-22 | 23-Aug-22 | 25-Oct-22 |
| 1 | Mr. Muneer Kamal | Chairperson | | | | |
| 2 | Ms. Maheen Rahman | Member | | | | |
| 3 | Mr. Mehmood Mandviwalla | Member | | | | |
| 4 | Mr. Lai Kuen Goh | Member | | | | |
| 5 | Mr. Simon Foster | Member | | | | |
| 6 | Mr. Mark Dawson* | Member | | | | |
| 7 | Mr. Dmytro Oliinyk** | Member | | | | |
| 8 | Mr. Syed Ahsan Ejaz*** | Secretary | | **** | | |
| 9 | Mr. Ovais Farooq | Secretary | | | | |

*Mr. Mark Dawson resigned on 30.06.2022 and was replaced on the Committee by Mr. Simon Foster

**Mr. Dmytro Oliinyk resigned on 04.08.2022 and was replaced on the Committee by Ms. Lai Kuen Goh

***Syed Ahsan Ejaz resigned as Chief Internal Auditor (CIA) on 20.02.2022 and was replaced by Mr. Ovais Farooq

****Ms. Mehwish Dhanani was assigned as interim CIA

The Committee also met with the external auditors without the Chief Executive Officer, Chief Financial Officer and Chief Internal Auditor being present. All internal audit reports were made available for review to the external auditors during the year. The external auditors Yousuf Adil Chartered Accountants were engaged as external auditors of the Company and have completed their audit assignment and review of the Statement of Compliance in line with the Listed Regulations. Being eligible for reappointment as auditors of the Company, the Audit Committee has

recommended the appointment of Yousuf Adil Chartered Accountants as external auditors of the Company for the year 2023 as well.

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

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, 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 Directors; consisting of mainly Non-Executive Directors, including one Independent Director.



Schedule of HR and Remuneration Meetings

This Committee meets at least once in a year.

| Sr # | Name of Committee Member | Designation | Scheduled Meetings |
|------|--------------------------|-------------|--------------------|
| | | | 25-Feb-22 |
| 1 | Ms. Maheen Rahman | Chairperson | |
| 2 | Ms. Erum Shakir Rahim | Member | * |
| 3 | Mr. Mehmood Mandviwalla | Member | |
| 4 | Mr. Farqaleet Iqbal | Secretary | |
| 5 | Mr. Mark Dawson | Member | |
| 6 | Mr. Dmytro Oliinyk | Member | |

*Ms. Erum Shakir recused herself in the meeting held on February 25, 2022 due to fixing of her remuneration.

| Name of Director | Date of resignation | Name of Director | Date of appointment |
|--------------------|---------------------|------------------|---------------------|
| Mr. Mark Dawson | 30.06.2022 | Mr. Simon Foster | 28.09.2022 |
| Mr. Dmytro Oliinyk | 04.08.2022 | Ms. Lai Kuen Goh | 05.08.2022 |

Terms of Reference of the Human Resource and Remuneration Committee

- Comprising at least 3 members; consisting of mainly Non-Executive Directors, including one Independent Director; CEO can be a member, but not the Chairperson of this Committee. The CEO cannot participate in the proceedings of the Committee on matters related directly to 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, COO, 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 the CEO or COO
- Approve and ensure dissemination of Company's Code of Conduct across the Company
- Undertake a formal process of evaluation of performance of the Board as a whole and its Committees annually

Timely Communication

The Financial Statements for the half year ended June 30, 2022 were authorised for issuance on August 23, 2022. The Financial

Statements for December 31, 2022 were authorised for issue on February 9, 2023.

Presence of the Chairperson 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 other Directors, the Chairperson 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.

Board's Disclosure of Enterprise Resource Planning (ERP)

Management and integration with business processes

SAP is the world leading ERP software that provides integrated business modules to capture day-to-day business transactions. GSK uses SAP to conduct business transactions and for financial reporting. It consists of several domains, such as, planning, sourcing, manufacturing, distribution, financial accounting and controlling. All available modules are integrated with each other to ensure data integrity and process control. Close integration and a central database ensures that information flows from one ERP component to another without the need of redundant data entry. SAP ERP system provides the automation, integration, and intelligence that is essential to efficiently run all day-to-day business operations. Most of the Organisation's data reside in the SAP system to provide a single source of data across the business.

ERP management support

There are dedicated Enterprise Resource Planning teams who are responsible for implementation of ERP in all GSK countries, in coordination with local subject matter experts. Fit gap analysis and detailed planning is done amongst these global and local teams to successfully deploy the system in a country. The team is also responsible for bringing continuous improvements in the system as per the legal/regulatory changes, new security upgrades and business process enhancements.

Details about user training of ERP software

A very detailed learning curriculum is in place, based on different roles and responsibilities required within GSK's ERP system. Our enterprise learning platform is used to attend these trainings in order to access the roles,

which cannot be provided unless the trainings associated to the requested role has been completed. The learning modules are designed by our global ERP experts and offer an interactive and creative learning experience to users.

Managing risks/control risk factors on ERP projects

There is a dedicated team, known as Tech Security & Risk, which is responsible for highlighting risks in the systems and ensuring there are robust controls in place to mitigate or protect against these risks. Moreover, strong standard control matrices are implemented to avoid any non-compliance. In addition to this, an integrated risk

management system known as Archer is in place, to manage risks.

Company's assessment of system security, access to sensitive data and segregation of duties

The SAP Governance Risk and Control (GRC) module is deployed where the roles and authorisation matrix are embedded as per the segregation of duties. All new role access requests are gone through GRC and in case of any conflicts in them, manager must define proper mitigation steps before approving any of them. In this way, access rights management and controls are ensured.

External Search Consultancy

GSK did not appoint an external search consultancy for new appointments in the year 2022.

Chairperson's Significant Commitments and any changes thereto

Ms. Lai Kuen Goh was elected Chairperson of the Board in August 2022. Her significant commitments are mentioned in the

Chairperson's Review Report earlier in the "Governance" Section of this report on pages 88 to 89.

Government of Pakistan Policies related to Company's Business in Directors' Report

All relevant disclosures have been made within the Director's Report available on pages 90 to 96.

Governance Practices that have been 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 operate transparent, consistent, and timely compliance with all prevailing laws and regulations in our jurisdiction.

In addition to all the mandatory requirements of the laws and regulations of Pakistan, some examples are given below:

In order to exceed legal requirements, GSK robustly focuses on environment, health and safety. GSK's Trust priority is to focus on a broad range of environment, health, and safety aspects 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 directors on the Board of a Company must

have completed the Directors' Training Programme by 30th June 2022. As per the prescribed timeframe, more than 50% of the Directors are either trained or exempted from the programme;

GSK's also leading in the best reporting practices recommended by ICAP/ICMAP as evidenced through the Best Corporate Awards in the Pharmaceutical Industry;

GSK always strives to exceed legal requirements; therefore, we strictly abide by a stringent insider trading policy; In order to create value for our shareholders, GSK conducts yearly corporate briefing sessions to actively interact with its stakeholders;

GSK rigorously ensures the adoption of Pakistan Stock Exchange criteria for selecting top companies; and

To continuously improve, achieve and exceed legal requirements, GSK ensures disclosure of various financial analysis including ratios, reviews, risk matrices and graphs in its Annual Reports.





Performance and Position

Financial Highlights

**Sales
Revenue**

Rs. 41,842M

2021: Rs. 36,661 M

Growth: 14.13%

**Earnings
per share**

Rs. 7.73

2021: Rs. 16.81

Decline: -54%

**Return on
capital employed**

10.9%

2021: 24.2%

Decline: -55%

**Return on
equity**

11.7%

2021: 25.5%

Decline: -54.1%

**Net Assets
per share**

Rs. 66.1

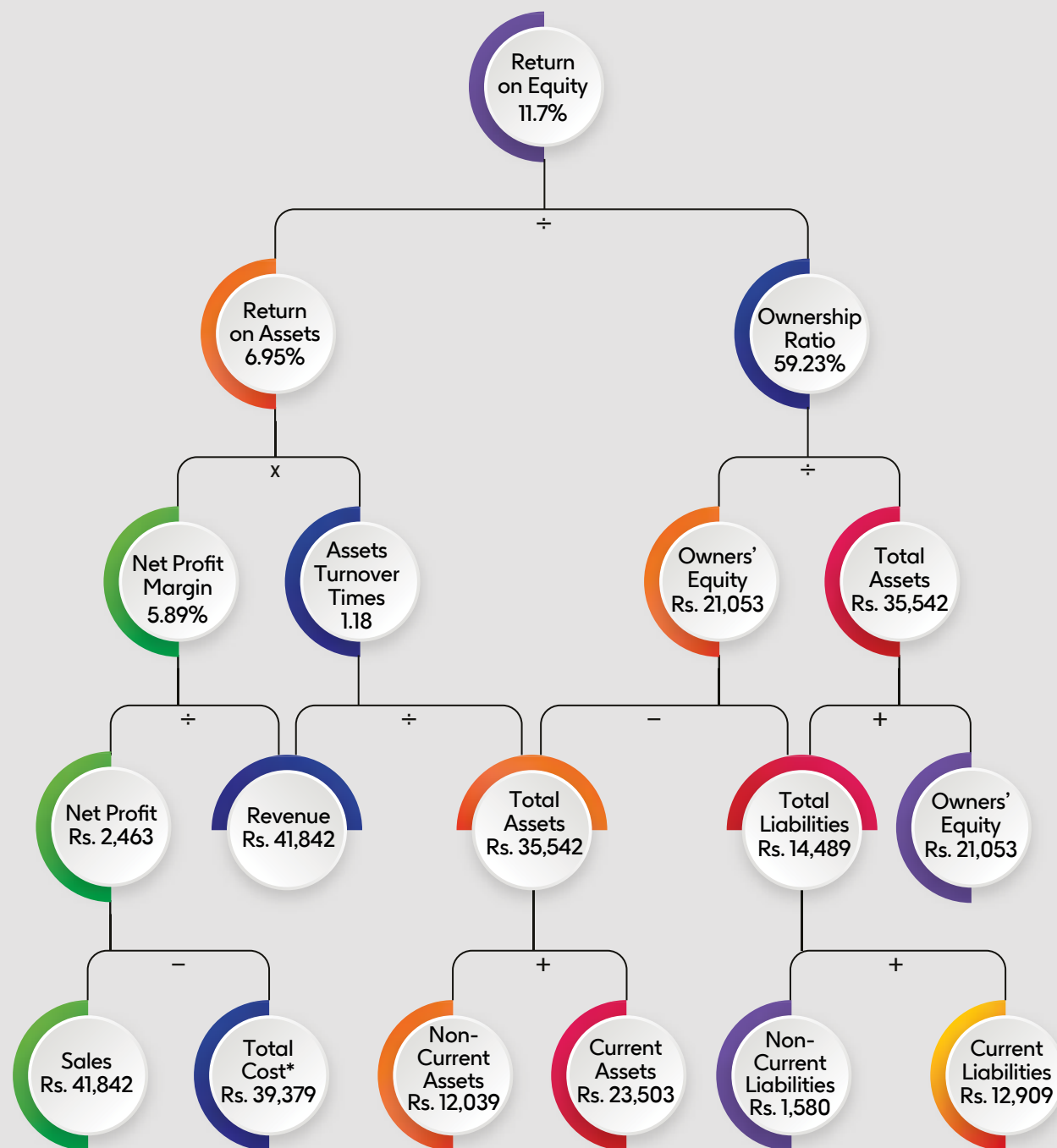
2021: Rs. 65.9

Growth: 0.3%

DuPont Analysis

Rupees in million

For the year ended December 31, 2022



**Total Cost includes COGS, Selling, Admin, Other Expenses, Financial charges and Taxation (less: Other income).

Comments on Dupont analysis:

Return on equity has declined from previous year mainly as a result of decrease in Company's profit due to devaluation of currency and high inflation, which has impacted Company's operating cost.

Financial Performance at a glance

Rupees in million

| | 2022 | 2021 |
|---------------------------------------|---------|---------|
| Revenue from contracts with customers | 41,842 | 36,661 |
| Gross Profit | 7,282 | 9,737 |
| Operating Profit | 5,822 | 7,589 |
| Profit Before Tax | 5,106 | 7,424 |
| Taxation | (2,643) | (2,070) |
| Profit after taxation | 2,463 | 5,354 |
| Dividend - cash* | - | 2,229 |
| - per share - Rs. | - | 7 |
| Paid-up Capital | 3,185 | 3,185 |

* This represents final cash dividend of Rs. Nil (2021: Rs. 7 per share), proposed by the Board of Directors subsequent to the year end.

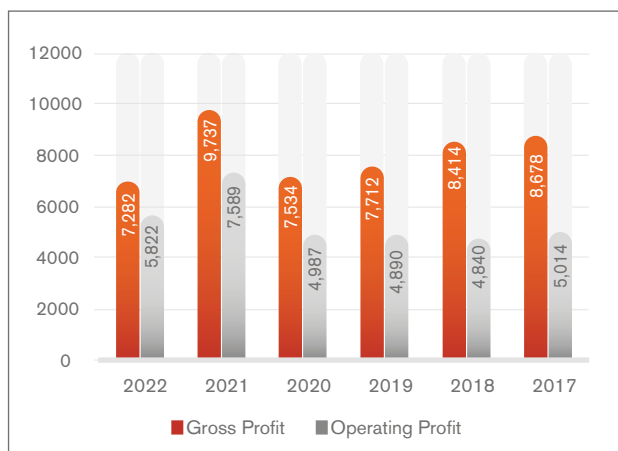
Key Performance Indicators

| | Unit | 2022 | 2021 |
|---------------------------------------|----------------|--------|--------|
| Revenue from contracts with customers | Rs. in million | 41,842 | 36,661 |
| Return on Equity | % | 11.7% | 25.5% |
| Earnings per share | Rs. | 7.73 | 16.81 |
| Shareholders' Equity | Rs. in million | 21,053 | 20,987 |
| Total Assets Turnover Ratio | Times | 1.18 | 1.20 |
| Current Ratio | Times | 1.82 | 2.28 |
| Market Capitalization | Rs. in million | 27,952 | 43,474 |

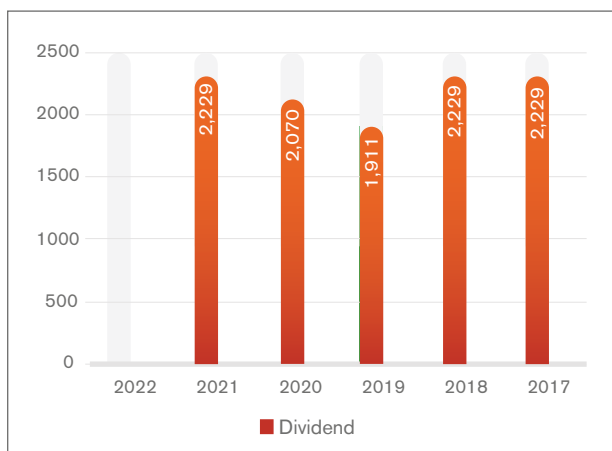
Explanation of Negative Changes in Performance

An evident from above, the Company has not experienced any major negative changes in terms of performance considering the current economic condition.

Gross and Operating Profit (Rupees in million)



Payout to Shareholders (Rupees in million)



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 2022, the Company achieved net sales of Rs. 41.8 billion. Core pharma sales (excluding sales to GSK CHC) showed a growth of 12%. The key portfolios which contributed towards this growth were Antibiotics, dermatologicals and Analgesics therapy areas.

GROSS PROFIT

The GP% decreased from 26.6% to 17.4% due to devaluation of currency, high inflation coupled with increased cost of energy.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses, during the year, increased mainly due to significant increase in fuel costs and increase in field activities.

ADMINISTRATIVE EXPENSES

Administrative expenses, during the year, increased mainly due to high inflation.

FINANCIAL CHARGES

Financial charges increased due to exchange loss as a result of massive devaluation of currency during the year.

COMMENTS ON STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

Property, plant and equipment has increased due to investment in production facilities and infrastructure. Major capital expenditure incurred during the year was for enhancement of productivity and improvement of plant efficiency.

CURRENT ASSETS

The increase in current assets is mainly attributable to increase in refund due from Government, as a result of zero rating of pharmaceutical products in HI 2022. Moreover, loans and advances, also increased due to increase in margin held by the bank.

CURRENT LIABILITIES

Increase in current liabilities is on account of final dividend for the year ended December 31, 2021, which remained unpaid to GSK International Holding and Finance B.V. due to pending approval from Statement bank of Pakistan.

EQUITY

Equity increased from prior year primarily due to profits during the year which was off set by dividend and remeasurement loss on staff retirement benefits.

COMMENTS ON STATEMENT OF CASHFLOWS

CASHFLOWS FROM OPERATING ACTIVITIES

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

CASHFLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities increased as compared to previous year in which capital expenditure was off setted by proceeds from disposal of non current assets held for sale.

CASHFLOWS FROM FINANCING ACTIVITIES

Cash outflow from financing activities decreased during the current year primarily on account of unpaid dividend to the holding company.

COMMENTS ON RATIOS

PROFITABILITY RATIOS

Profitability ratios of the Company have decreased mainly due to devaluation of currency, inflation and high energy cost.

Profit after tax has declined 54% as compared to previous year. Gross profit percentage has also declined from 26.6% to 17.4%.

LIQUIDITY RATIOS

Cash outflows from operating activities of Rs. 31.6bn, mainly on account of unfavourable working capital changes. The Company remains sufficiently liquid and has Rs. 4.5 billion of cash and cash equivalents to meet its investment and operational cash requirements.

Quick / acid test ratio (2022: 1.08 times; 2021: 1.5 times), cash to current liabilities (2022: 0.35 times; 2021: 0.9 times) and current ratio (2022: 1.82 times; 2021: 2.3 times) decreased versus last year.

ACTIVITY / TURNOVER RATIO

Operating cycle days has remained constant as compared to previous year (2022: 75 days; 2021: 75 days).

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

INVESTMENT / MARKET RATIO

Earning per share decreased to Rs. 7.73 from Rs. 16.81 mainly due to decline in gross profit and higher operating expenses.

Price Earning ratio has increased to 11.4 in 2022 from 8.1 in 2021.

Dividend yield ratio has decreased to zero as no dividend was announced.

Dividend payout ratio decreased to zero in 2022 from 0.4 times in 2021 as no dividend was announced.

Breakup value per share to 66.11 from 65.90 due to increase in total equity.

Market capitalisation has decreased from Rs. 43,474 million to Rs. 27,952 million in 2022 due to decrease in market price per share from Rs. 136.51 to Rs. 87.77.

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 12% 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 and use of renewable energy.

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 presentation 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 it believes 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 2022, GSK paid Rs. 4.94 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.

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

December 31, 2022

Statement of Financial Position

| | 2022 | 2021 | 2020 | 2019 | 2018* | 2017* |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| ----- Rupees in million ----- | | | | | | |
| Assets employed | | | | | | |
| Fixed Assets-tangible | | | | | | |
| - property, plant and equipment | 10,997 | 10,408 | 9,936 | 9,480 | 8,921 | 8,865 |
| Assets-intangible | 956 | 992 | 992 | 1,042 | 1,082 | 1,039 |
| Long-term loans and deposits | 85 | 87 | 95 | 125 | 99 | 114 |
| Net current assets | 10,595 | 10,638 | 7,588 | 6,408 | 6,304 | 4,121 |
| Non-current asset held for sale | - | - | 82 | - | - | - |
| | 22,633 | 22,125 | 18,693 | 17,055 | 16,406 | 14,139 |
| Less: Non-Current Liabilities | | | | | | |
| Staff retirement benefits-Staff gratuity | 578 | 299 | 509 | 228 | 371 | 294 |
| Long-term portion of lease liabilities | 45 | 32 | 31 | 43 | - | - |
| Deferred taxation | 957 | 807 | 675 | 646 | 616 | 537 |
| | 1,580 | 1,138 | 1,215 | 917 | 987 | 831 |
| Net assets employed | 21,053 | 20,987 | 17,478 | 16,138 | 15,419 | 13,308 |
| Financed by | | | | | | |
| Issued, subscribed and paid-up capital | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 |
| Reserves | 17,868 | 17,802 | 14,293 | 12,953 | 12,234 | 10,123 |
| Shareholders' equity | 21,053 | 20,987 | 17,478 | 16,138 | 15,419 | 13,308 |

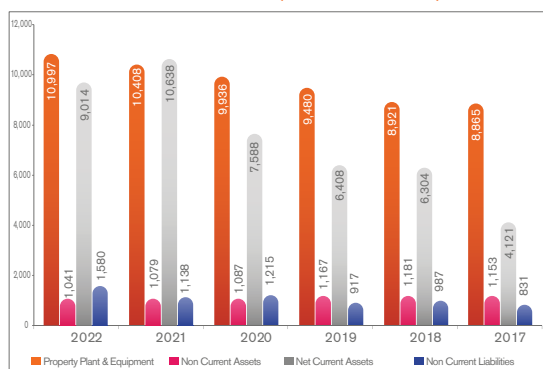
Statement of Profit or loss

| | 2022 | 2021 | 2020 | 2019 | 2018* | 2017* |
|---------------------------------------|---------|---------|---------|---------|---------|---------|
| ----- Rupees in million ----- | | | | | | |
| Revenue from contracts with customers | 41,842 | 36,661 | 35,090 | 36,582 | 34,007 | 32,774 |
| Gross profit | 7,282 | 9,737 | 7,534 | 7,712 | 8,414 | 8,678 |
| Operating profit | 5,822 | 7,589 | 4,987 | 4,890 | 4,840 | 5,014 |
| Profit before taxation | 5,106 | 7,424 | 4,903 | 4,600 | 4,692 | 4,925 |
| Taxation | (2,643) | (2,070) | (1,527) | (1,559) | (1,460) | (1,898) |
| Profit after taxation | 2,463 | 5,354 | 3,375 | 3,041 | 3,232 | 3,027 |
| EBTIDA | 5,934 | 8,205 | 5,621 | 5,464 | 5,396 | 5,739 |
| Cash dividend** | - | 2,229 | 2,070 | 1,911 | 2,229 | 2,229 |

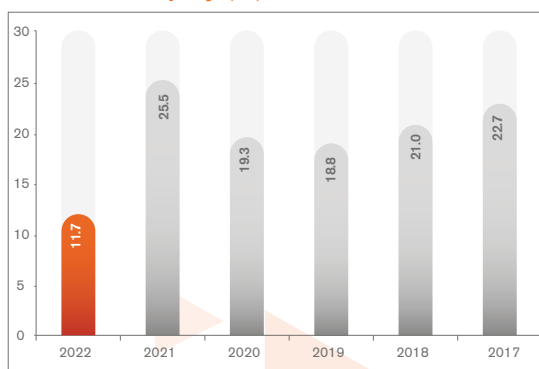
* FY 2018 & 2017 representing continuing operations for meaningful comparison.

** This represents final cash dividend of Rs. Nil (2021: Rs. 7 per share), proposed by the Board of Directors subsequent to the year end.

Assets and Liabilities (Rs. in million)



Return on Equity (%)



| | Unit | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|----------------|---------|---------|---------|---------|---------|---------|
| Cashflows | | | | | | | |
| Operating Activities | Rs. in million | (3,161) | 4,987 | 5,960 | 2,566 | 3,001 | 2,135 |
| Investing Activities | Rs. in million | (462) | (152) | (1,026) | (1,081) | (479) | (1,348) |
| Financing Activities | Rs. in million | (390) | (2,073) | (1,903) | (2,228) | (1,257) | (2,929) |
| Changes in cash and cash equivalents | Rs. in million | (4,012) | 2,762 | 3,031 | (743) | 1,265 | (2,142) |
| Cash and cash equivalents - year end | Rs. in million | 4,470 | 8,483 | 5,721 | 2,690 | 3,433 | 2,168 |
| Financial Highlights | | | | | | | |
| Market value per share - year end | Rupees | 87.8 | 136.5 | 191.8 | 160.6 | 112.7 | 167.9 |
| Market value per share - high | Rupees | 142.7 | 195.0 | 199.4 | 187.7 | 219.8 | 274.0 |
| Market value per share - low | Rupees | 87.8 | 127.5 | 149.3 | 82.0 | 109.4 | 153.0 |
| Market price to Book value with surplus | Times | 1.3 | 2.1 | 3.5 | 3.2 | 2.3 | 4.0 |
| Market capitalization | Rs. in million | 27,952 | 43,474 | 61,092 | 51,061 | 35,832 | 53,424 |
| Profitability Ratios | | | | | | | |
| Profit before tax ratio | % | 12.2 | 20.3 | 14.0 | 12.6 | 13.8 | 15.0 |
| Gross yield on earning assets | % | 17.8 | 5.4 | 4.0 | 5.1 | 3.8 | 8.2 |
| Gross spread ratio | Times | 0.3 | 0.5 | 0.5 | 0.4 | 0.4 | 0.3 |
| Cost / Income ratio | Times | 0.5 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Return on equity / shareholders' fund | % | 11.7 | 25.5 | 19.3 | 18.8 | 21.0 | 22.7 |
| Return on capital employed | % | 10.9 | 24.2 | 18.1 | 13.4 | 14.7 | 14.2 |
| Gross profit ratio | % | 17.4 | 26.6 | 21.5 | 21.1 | 24.7 | 26.5 |
| Net profit to sales | % | 5.9 | 14.6 | 9.6 | 8.3 | 9.5 | 9.2 |
| EBITDA margin to sales | % | 14.2 | 22.4 | 16.0 | 14.9 | 15.9 | 17.5 |
| Operating leverage ratio | Times | (0.4) | 11.5 | (1.1) | (0.3) | (1.3) | 0.7 |
| Shareholders' funds | Rs. in million | 21,053 | 20,987 | 17,478 | 16,138 | 15,419 | 13,308 |
| Investment/Market Ratios | | | | | | | |
| Earnings per share (EPS) and diluted EPS* | Rupees | 7.73 | 16.8 | 10.6 | 9.5 | 10.1 | 9.5 |
| Price earnings ratio | Times | 11.4 | 8.1 | 18.1 | 16.8 | 11.1 | 17.7 |
| Price to book ratio | Times | 1.3 | 2.1 | 3.5 | 3.2 | 2.3 | 4.0 |
| Dividend yield ratio | % | - | 5.1 | 3.4 | 3.7 | 6.2 | 4.2 |
| Dividend payout ratio | Times | - | 0.4 | 0.6 | 0.6 | 0.7 | 0.7 |
| Dividend cover ratio | Times | - | 2.4 | 1.6 | 1.6 | 1.5 | 1.4 |
| Cash dividend per share | Rupees | - | 7.0 | 6.5 | 6.0 | 7.0 | 7.0 |
| Stock dividend per share | Rupees | - | - | - | - | - | - |
| Capital Structure Ratios | | | | | | | |
| Earning assets to total assets ratio | % | 13.1 | 28.1 | 22.4 | 11.6 | 15.5 | 10.0 |
| Breakup value per share | Times | 66.1 | 65.9 | 54.9 | 50.7 | 48.4 | 41.8 |
| Debt to equity ratio | Times | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Financial leverage ratio | Times | 0.7 | 0.5 | 0.5 | 0.4 | 0.4 | 0.6 |
| Interest cover ratio | Times | 8.1 | 46.2 | 59.3 | 16.2 | 31.8 | 55.8 |
| Weighted average cost of debt** | % | - | - | - | - | - | - |
| Liquidity Ratios | | | | | | | |
| Advances to deposits ratio | Times | 7.8 | 2.6 | 1.2 | 1.1 | 1.9 | 3.4 |
| Current ratio | Times | 1.8 | 2.3 | 2.0 | 2.0 | 2.1 | 1.5 |
| Quick / Acid test ratio | Times | 1.1 | 1.5 | 1.2 | 1.0 | 1.0 | 0.7 |
| Cash to current liabilities | Times | 0.35 | 1.0 | 0.8 | 0.4 | 0.6 | 0.3 |
| Cash flow from operations to sales | % | (7.6) | 13.6 | 17.0 | 7.0 | 8.8 | 6.5 |
| Cash flow to capital expenditures | % | (206.2) | 382.5 | 452.9 | 191.1 | 351.4 | 130.0 |
| Cash flow coverage ratio | Times | (0.2) | 0.5 | 0.7 | 0.4 | 0.4 | 0.3 |
| Activity / Turnover Ratios | | | | | | | |
| Inventory turnover ratio | Times | 4.3 | 4.3 | 4.5 | 4.7 | 4.0 | 4.0 |
| No. of days in inventory | Days | 85 | 86 | 81 | 79 | 91 | 92 |
| Debtor turnover ratio | Times | 28.9 | 29.1 | 30.1 | 26.9 | 17.2 | 22.7 |
| No. of days in receivables | Days | 13 | 13 | 12 | 14 | 22 | 17 |
| Creditor turnover ratio | Times | 15.7 | 15.0 | 14.9 | 14.9 | 13.0 | 12.0 |
| No. of days in creditors | Days | 23 | 24 | 25 | 25 | 29 | 31 |
| Total assets turnover ratio | Times | 1.2 | 1.2 | 1.3 | 1.6 | 1.5 | 1.5 |
| Fixed assets turnover ratio | Times | 3.8 | 3.5 | 3.5 | 3.9 | 3.8 | 3.7 |
| Operating cycle | Days | 75 | 75 | 68 | 68 | 84 | 77 |

| | Unit | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------------------|-----------------|---------|---------|---------|---------|---------|---------|
| Employee Productivity ratios | | | | | | | |
| Sales per employees*** | Rs. in thousand | 23,666 | 20,701 | 18,547 | 18,532 | 17,201 | 15,467 |
| Staff turnover ratio | % | 15.0 | 15.0 | 11.2 | 14.6 | 13.4 | 14.1 |
| Production per employee | Packs | 242,081 | 221,909 | 215,116 | 200,608 | 231,158 | 190,656 |

Non-Financial ratios

| | | | | | | | |
|-------------------------|---|------|------|------|------|------|------|
| % of Plant availability | % | 76.4 | 70.2 | 72.7 | 70.7 | 81.6 | 72.1 |
|-------------------------|---|------|------|------|------|------|------|

Others

| | | | | | | | |
|--|---|------|------|-----|-----|-----|-----|
| Spares inventory as % of assets cost | % | 0.5 | 0.6 | 0.7 | 0.9 | 1.2 | 1.0 |
| Maintenance Cost as % of operating expense | % | 10.9 | 11.2 | 9.1 | 8.5 | 8.5 | 9.2 |

* Company did not have any convertible instruments in issue as at December 31, 2022 which would have any effect on the earnings per share.

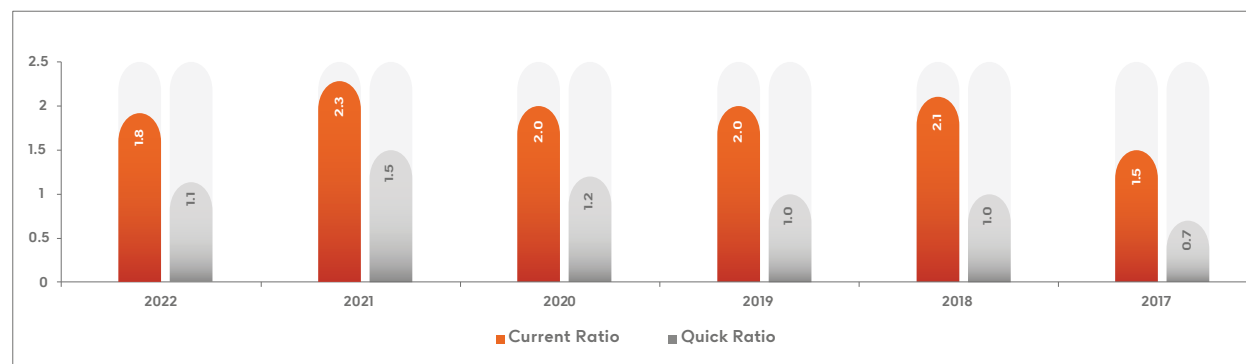
** The Company's Statement of Financial Position is entirely financed via equity. The Company generates adequate liquidity through its business operations and does not need any secondary financing.

*** Closing number of employee including contractual employees

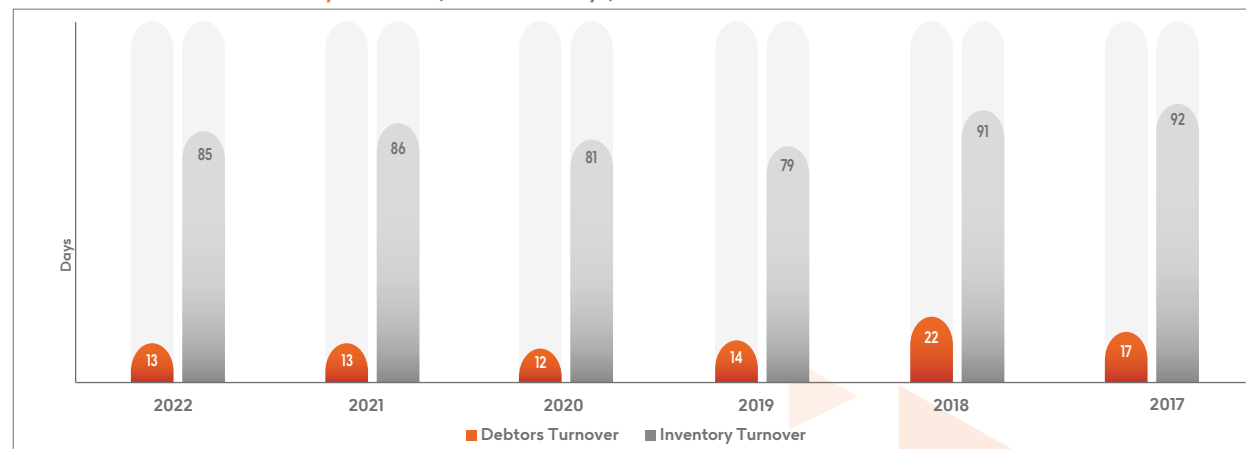
Methods and assumptions used in compiling the indicators

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

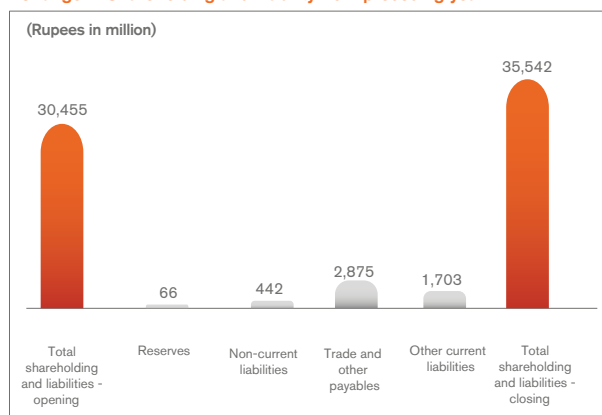
Statement of Financial Position Analysis

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------------------|--|-------|------|-------|--------|-------|
| | ----- Change from preceding year (%) ----- | | | | | |
| Share Capital and Reserves | 0.3 | 20.1 | 8.3 | 4.7 | 15.9 | (0.1) |
| Non Current Liabilities | 38.8 | (6.3) | 32.5 | (7.1) | 18.7 | 14.9 |
| Current Liabilities | 55.0 | 12.9 | 19.5 | 6.8 | (23.9) | 11.0 |
| Total Equity and Liabilities | 16.7 | 16.8 | 12.2 | 4.7 | 2.1 | 4.0 |
| Non Current Assets | 4.8 | 4.2 | 3.5 | 5.4 | 0.8 | 6.2 |
| Current Assets | 23.9 | 26.7 | 19.1 | 4.1 | 3.2 | 2.2 |
| Total Assets | 16.7 | 16.8 | 12.2 | 4.7 | 2.1 | 4.0 |

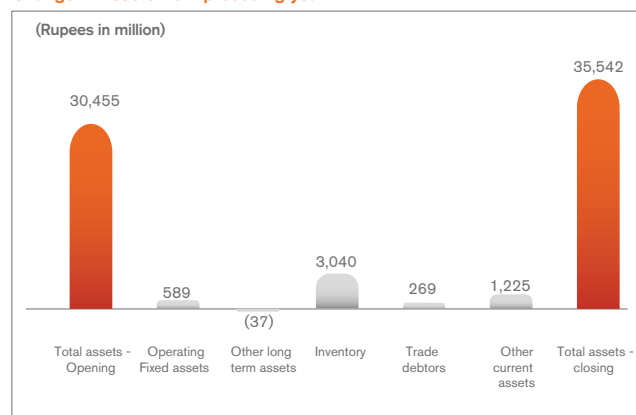
Statement of Profit or Loss Analysis

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--|--------|--------|-------|--------|-------|
| | ----- Change from preceding year (%) ----- | | | | | |
| Revenue from contracts with customers | 14.1 | 4.5 | (4.1) | 7.6 | 3.8 | 18.9 |
| Cost of sales | 28.4 | (2.3) | (4.6) | 12.8 | 6.2 | 19.9 |
| Gross profit | (25.2) | 29.2 | (2.3) | (8.3) | (3.1) | 16.3 |
| Selling, marketing and distribution expenses | 29.5 | 7.9 | (16.7) | (7.0) | 8.9 | 16.4 |
| Administrative expenses | 32.4 | (19.5) | 21.2 | 2.1 | 9.5 | 4.1 |
| Other operating expenses | (33.4) | 51.4 | 8.3 | (1.0) | (9.5) | 17.9 |
| Other income | 66.6 | 29.2 | (0.7) | 35.3 | 42.0 | (0.4) |
| Operating profit | (23.3) | 52.2 | 2.0 | 1.0 | (3.5) | 14.7 |
| Financial charges | 335.6 | 95.5 | (71.0) | 96.5 | 67.0 | 363.9 |
| Profit before taxation | (31.2) | 51.4 | 6.6 | (2.0) | (4.7) | 13.2 |
| Taxation | 27.7 | 35.6 | (2.0) | 6.8 | (23.1) | 11.1 |
| Profit after taxation | (54.0) | 58.6 | 11.0 | (5.9) | 6.8 | 14.5 |

Change in Shareholding and Liability from preceding year



Change in Assets from preceding year



Vertical Analysis

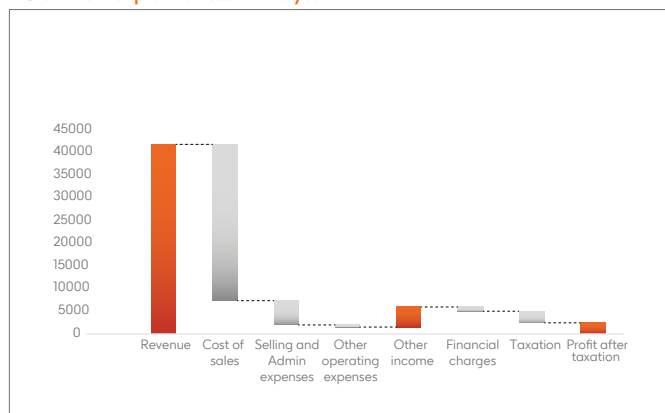
Statement of Financial Position Analysis

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------------------|-------|-------|-------|-------|-------|-------|
| | | | | (%) | | |
| Share Capital and Reserves | 59.2 | 68.9 | 67.0 | 69.5 | 69.5 | 61.3 |
| Non Current Liabilities | 4.4 | 3.7 | 4.6 | 3.9 | 4.4 | 3.8 |
| Current Liabilities | 36.3 | 27.4 | 28.4 | 26.6 | 26.0 | 34.9 |
| Total Equity and Liabilities | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Non Current Assets | 33.9 | 37.7 | 42.2 | 45.9 | 45.6 | 46.1 |
| Current Assets | 66.1 | 62.3 | 57.8 | 54.1 | 54.4 | 53.9 |
| Total Assets | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

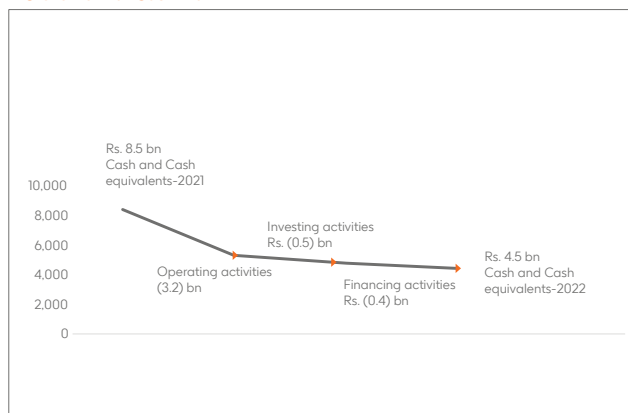
Statement of Profit or Loss Analysis

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------|--------|--------|--------|--------|--------|
| | | | | (%) | | |
| Revenue from contracts with customers | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Cost of sales | (82.6) | (73.4) | (78.5) | (78.9) | (75.3) | (73.5) |
| Gross profit | 17.4 | 26.6 | 21.5 | 21.1 | 24.7 | 26.5 |
| Selling, marketing and distribution expenses | (9.2) | (8.1) | (7.9) | (9.1) | (10.5) | (10.0) |
| Administrative expenses | (3.4) | (2.9) | (3.8) | (3.0) | (3.2) | (3.0) |
| Other operating expenses | (1.0) | (1.8) | (1.2) | (1.1) | (1.2) | (1.3) |
| Other income | 10.2 | 6.9 | 5.6 | 5.4 | 4.3 | 3.2 |
| Operating profit | 13.9 | 20.7 | 14.2 | 13.3 | 14.1 | 15.4 |
| Financial charges | (1.7) | (0.4) | (0.2) | (0.8) | (0.4) | (0.3) |
| Profit before taxation | 12.2 | 20.3 | 14.0 | 12.5 | 13.7 | 15.1 |
| Taxation | (6.3) | (5.6) | (4.4) | (4.3) | (4.3) | (5.8) |
| Profit after taxation | 5.9 | 14.7 | 9.6 | 8.2 | 9.4 | 9.3 |

Statement of profit or loss for the year



Statement of Cash Flow



Quarterly Analysis

For the year ended December 31, 2022

| | Q1 | Q2 | Q3 | Q4 | Total |
|--|-------------------------|------------------|------------------|------------------|---------------------|
| | ----- Rupees '000 ----- | | | | |
| Revenue from contracts with customers - net | 8,625,964 | 9,542,377 | 11,925,662 | 11,747,582 | 41,841,585 |
| Cost of sales | (6,388,456) | (7,888,241) | (10,304,734) | (9,978,458) | (34,559,889) |
| Gross profit | 2,237,508 | 1,654,136 | 1,620,928 | 1,769,124 | 7,281,696 |
| Selling, marketing and distribution expenses | (696,750) | (807,622) | (985,581) | (1,375,855) | (3,865,808) |
| Administrative expenses | (391,983) | (317,647) | (593,149) | (116,608) | (1,419,387) |
| Other operating expenses | (120,561) | (70,950) | (17,952) | (220,388) | (429,851) |
| Other income | 474,037 | 602,712 | 688,453 | 2,490,045 | 4,255,247 |
| Operating profit | 1,502,251 | 1,060,629 | 712,699 | 2,546,318 | 5,821,897 |
| Financial charges | (115,789) | (244,719) | (430,363) | 74,615 | (716,256) |
| Profit before taxation for the year | 1,386,462 | 815,910 | 282,336 | 2,620,933 | 5,105,641 |
| Taxation - net | (461,421) | (1,109,739) | (133,672) | (937,917) | (2,642,749) |
| Profit after taxation for the year | 925,041 | (293,829) | 148,664 | 1,683,016 | 2,462,892 |

Analysis of Variation in Interim Results

Revenue from contracts with customers

Higher contribution of revenue from contracts with customers in third and fourth quarter as compared to early quarters as a result of increased demand due to floods.

Gross profit

Declining trend of gross margin due to high inflation, devaluation of currency and increased fuel prices.

Profit before taxation for the year

Last quarter remains major contributor due to increased in other income.

Profit after taxation for the year

Last quarter remains major contributor due to increased in other income.

Direct Cash Flow Statement

For the year ended December 31, 2022

| | 2022 | 2021 |
|--|-------------------------|--------------|
| | ----- Rupees '000 ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 42,101,432 | 36,640,573 |
| Cash paid to suppliers / service providers | (35,203,463) | (25,940,906) |
| Cash paid to employees | (4,805,679) | (4,298,768) |
| Payment of indirect taxes and other statutory duties | (2,282,497) | (49,672) |
| Payment of royalty and technical services fee | (199,694) | (366,181) |
| Staff Retirement benefits paid | (132,329) | (126,353) |
| Income tax paid | (2,638,936) | (871,587) |
| Net cash from operating activities | (3,161,166) | 4,987,106 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed Capital Expenditure | (1,533,169) | (1,303,769) |
| Proceeds from disposal of operating assets | 244,467 | 100,718 |
| Proceeds from disposal of non-current assets held for sale | - | 676,549 |
| Return received on bank balances and investments | 827,104 | 374,941 |
| Net cash used in investing activities | (461,598) | (151,561) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (375,031) | (2,061,811) |
| Lease rentals paid | (14,596) | (11,462) |
| Net cash used in financing activities | (389,627) | (2,073,273) |
| Net (decrease) / increase in cashflow | (4,012,391) | 2,762,272 |
| Cash and cash equivalents at beginning of the year | 8,482,773 | 5,720,501 |
| Cash and cash equivalents at end of the year | 4,470,382 | 8,482,773 |

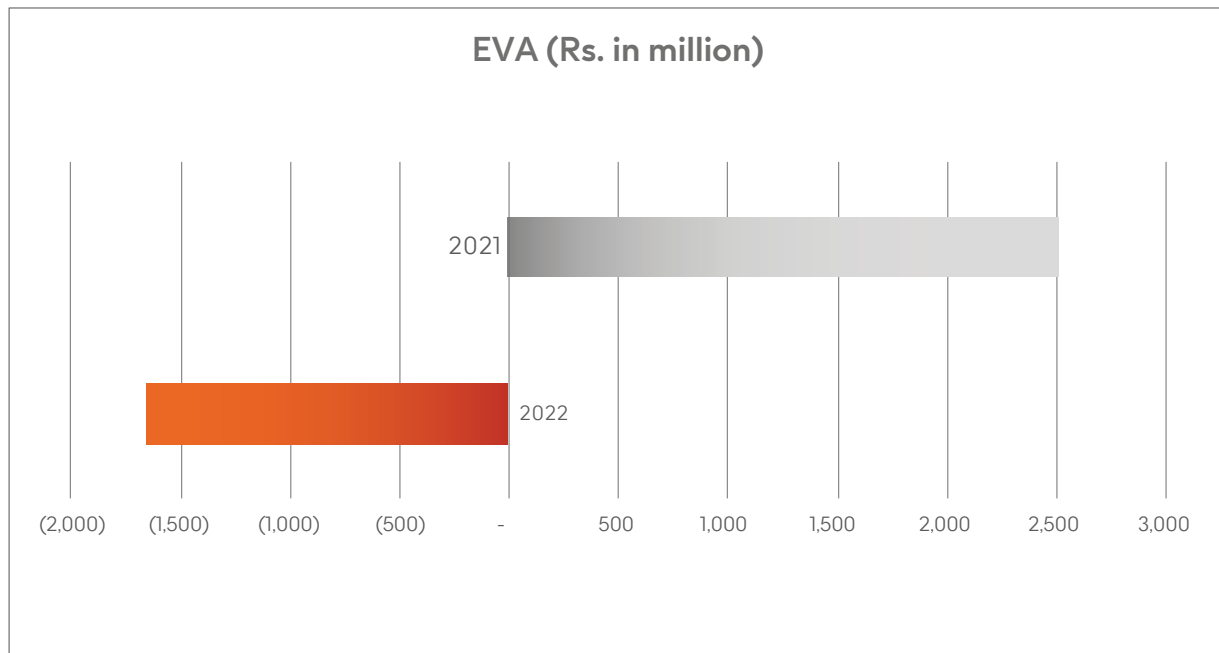
Free Cash flows

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------------------------|---------|---------|---------|-------|---------|
| | ----- Rupees in million ----- | | | | | |
| Net cash (used in) / generated from operating activities | (3,161) | 4,987 | 5,960 | 2,566 | 3,001 | 2,135 |
| Fixed Asset capital expenditure | (1,533) | (1,304) | (1,316) | (1,343) | (855) | (1,642) |
| Free cashflow | (4,694) | 3,683 | 4,644 | 1,223 | 2,146 | 493 |

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)



Standards applicable in Preparation and Presentation of the Financial Statements

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 allows the Company to retire 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 Price Sensitivity Analysis

The Market capitalisation of the Company at the end of the year was Rs. 279 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

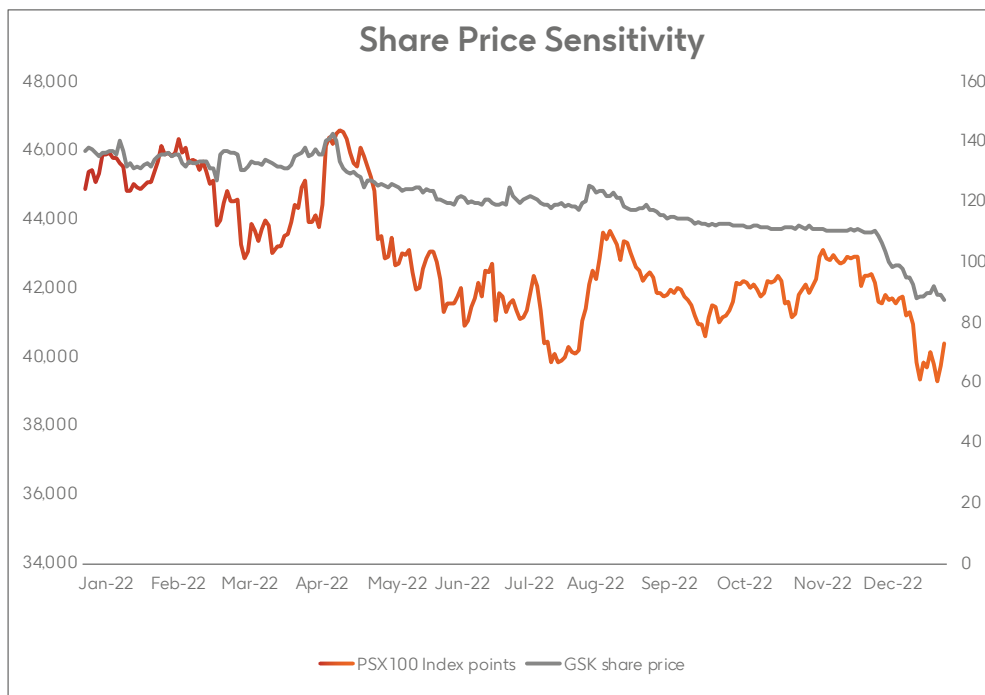
The Company's profitability and EPS have a direct bearing on its market share price.

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.



* This represents maximum and minimum price for the year December 31, 2022.

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019 GlaxoSmithKline Pakistan Limited Year ended December 31, 2022

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: | 4 |
| b. | Female: | 3 |

2. The composition of the Board is as follows:

| Category | Name |
|-------------------------|--|
| * Independent Directors | <ul style="list-style-type: none">● Ms. Maheen Rahman● Mr. Muneer Kamal |
| Executive Directors | <ul style="list-style-type: none">● Ms. Erum Shakir Rahim● Mr. Hasham Ali Baber |
| Non-Executive Directors | <ul style="list-style-type: none">● Mr. Mehmood Mandviwalla● Ms. Lai Kuen Goh **● Mr. Simon Foster *** |
| Female Directors | <ul style="list-style-type: none">● Maheen Rahman● Erum Shakir Rahim● Ms. Lai Kuen Goh** |

* 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.

** Ms. Lai Kuen Goh was appointed as the Chairperson and Non-Executive Director of the Board on August 05, 2022.

***Mr. Simon Foster was appointed as the Non-Executive Director of the Board on September 28, 2022.

- 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).
- 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.
- 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.
- 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.
- 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.
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. 5 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 onboarding directors in 2023. The Board has arranged Directors' Training Program for the following, in 2022:

- ❖ Mr. Hasham Ali Baber – CFO
- ❖ Ms. Neha Azhar – Female Executive
- ❖ Mr. Farqaleet Iqbal – Senior 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 Head of Internal during the year ended December 31, 2022. Mr. Ovais Farooq was appointed as the Head of Internal Audit of GSK Pakistan Limited on May 23, 2022.

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. | Ms. Lai Kuen Goh | |
| v. | Mr. Simon Foster | |

b. HR and Remuneration Committee

- | | | |
|------|-------------------------|---------------|
| i. | Ms. Maheen Rahman | • Chairperson |
| ii. | Mr. Mehmood Mandviwalla | |
| iii. | Ms. Lai Kuen Goh | |
| iv. | Mr. Simon Foster | |
| v. | Ms. Erum Shakir Rahim | |

c. Disclosure Committee

- | | | |
|------|----------------------------|---------------|
| i. | Ms. Erum Shakir Rahim | • Chairperson |
| ii. | Ms. Lai Kuen Goh | |
| iii. | Ms. Mehar-e-Daraksha Ameer | |
| iv. | Mr. Hasham Ali 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 | February 25, 2022 |
| c. | Disclosure Committee | April 21, 2022 and November 25, 2022 |
| d. | Risk Management Committee (if applicable) | Ad hoc 8 meetings in 2022 |

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) |



Ms. Lai Kuen Goh
Chairperson
February 09, 2023
Karachi



Ms. 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, 2022 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, 2022.

Yasir Adil

Chartered Accountants

Place: Karachi

Date: March 28, 2023

UDIN: CR202210091QfdyONUFW

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, 2022, 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, 2022 and of the profit and other comprehensive loss, 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 (2021: 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, 2022.</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 data-bbox="271 288 586 314">Valuation of stock-in-trade</p> <p data-bbox="271 339 848 365">Refer to notes 2.13 and 7 to the financial statements.</p> <p data-bbox="271 443 848 588">As at December 31, 2022, the Company held stock-in-trade of Rs. 9,545.32 million, which is 26.91% of total assets and against which provision for slow moving, obsolete and damaged stock of Rs. 504.22 million has been recorded.</p> <p data-bbox="271 666 848 844">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 data-bbox="863 339 1378 396">In this respect, we performed the following audit procedures:</p> <ul data-bbox="863 474 1378 1794" style="list-style-type: none"> <li data-bbox="863 474 1378 588">- Obtained an understanding of policies and procedures followed by the Company with respect to valuation of stock-in-trade; <li data-bbox="863 666 1378 844">- 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; <li data-bbox="863 880 1378 966">- On a sample basis, verified supporting documents for purchases of stock-in-trade and the production costs; <li data-bbox="863 1003 1378 1181">- 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; <li data-bbox="863 1259 1378 1494">- 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; <li data-bbox="863 1530 1378 1671">- 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 <li data-bbox="863 1708 1378 1794">- 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 |
|---|---|--|
| <p data-bbox="197 288 217 314">3</p> | <p data-bbox="274 288 736 314">Tax related litigations and contingencies</p> <p data-bbox="274 394 833 451">Refer to notes 22.1 (b) and (c) to the financial statements.</p> <p data-bbox="274 527 840 703">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="274 778 843 1079">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="274 1154 840 1330">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="867 394 1361 451">In this respect, we performed following audit procedures:</p> <ul data-bbox="867 506 1372 1263" style="list-style-type: none"> <li data-bbox="867 506 1361 594">- Obtained and reviewed details of the pending litigations and discussed the same with the Company's management. <li data-bbox="867 670 1372 907">- 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="867 983 1372 1099">- 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="867 1175 1361 1263">- 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, 2022, 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 regard.

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.

Nadeem Adil

Chartered Accountants

Place: Karachi

Date: March 28, 2023

UDIN: AR202210091c2irmqNpD

Statement of Financial Position

As at December 31, 2022

| | Note | 2022 | 2021 |
|--------------------------------------|------|--------------------------|--------------------------|
| ----- Rupees in '000 ----- | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 10,997,341 | 10,407,875 |
| Intangibles | 4 | 955,742 | 991,742 |
| Long-term loans to employees | 5 | 58,052 | 64,521 |
| Long-term deposits | | 27,520 | 22,010 |
| | | <u>12,038,655</u> | <u>11,486,148</u> |
| Current assets | | | |
| Stores and spares | 6 | 181,140 | 190,666 |
| Stock-in-trade | 7 | 9,545,315 | 6,505,401 |
| Trade receivables | 8 | 1,584,526 | 1,315,550 |
| Loans and advances | 9 | 1,644,515 | 412,422 |
| Trade deposits and prepayments | 10 | 211,029 | 157,963 |
| Interest accrued | | 2,433 | - |
| Refunds due from Government | 11 | 1,250,816 | 43,643 |
| Other receivables | 12 | 4,328,953 | 1,624,991 |
| Investments - at amortised cost | 13 | - | 1,633,183 |
| Cash and bank balances | 14 | 4,754,525 | 7,085,344 |
| | | <u>23,503,252</u> | <u>18,969,163</u> |
| Total assets | | <u><u>35,541,907</u></u> | <u><u>30,455,311</u></u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 15 | 3,184,672 | 3,184,672 |
| Reserves | 16 | 17,868,435 | 17,801,993 |
| Total equity | | <u>21,053,107</u> | <u>20,986,665</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Staff retirement benefits | 17 | 577,804 | 298,885 |
| Deferred taxation | 18 | 957,001 | 806,632 |
| Lease liabilities | | 45,424 | 32,710 |
| | | <u>1,580,229</u> | <u>1,138,227</u> |
| Current liabilities | | | |
| Trade and other payables | 19 | 9,911,009 | 7,035,632 |
| Taxation - provision less payments | | 936,806 | 1,116,360 |
| Provisions | 20 | 65,069 | 32,591 |
| Current portion of lease liabilities | | 16,502 | 20,891 |
| Unpaid dividend | 21 | 1,841,209 | - |
| Unclaimed dividend | | 137,976 | 124,945 |
| | | <u>12,908,571</u> | <u>8,330,419</u> |
| Total liabilities | | <u>14,488,800</u> | <u>9,468,646</u> |
| Total equity and liabilities | | <u><u>35,541,907</u></u> | <u><u>30,455,311</u></u> |
| Contingencies and commitments | 22 | | |


The annexed notes from 1 to 47 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, 2022

| | Note | 2022 ----- Rupees in '000 ----- | 2021 ----- |
|--|--------|------------------------------------|---------------------|
| Revenue from contracts with customers - net | 23 | 41,841,585 | 36,660,772 |
| Cost of sales | 24 | (34,559,889) | (26,923,923) |
| Gross profit | | 7,281,696 | 9,736,849 |
| Selling, marketing and distribution expenses | 25 | (3,865,808) | (2,984,593) |
| Administrative expenses | 26 | (1,419,387) | (1,072,086) |
| Other operating expenses | 27 | (429,851) | (645,605) |
| Other income | 28 | 4,255,247 | 2,554,318 |
| Operating profit | | 5,821,897 | 7,588,883 |
| Financial charges | 29 | (716,256) | (164,433) |
| Profit before taxation | | 5,105,641 | 7,424,450 |
| Taxation - net | 30 | (2,642,749) | (2,070,041) |
| Profit after taxation | | 2,462,892 | 5,354,409 |
| Other comprehensive (loss) / income | | | |
| Items that will not be reclassified subsequently to statement of profit or loss | | | |
| Remeasurement of staff retirement benefits | 17.1.7 | (200,177) | 315,398 |
| Impact of taxation | 18 | 32,998 (167,179) | (91,369) 224,029 |
| Total comprehensive income | | 2,295,713 | 5,578,438 |
| ----- Rupees ----- | | | |
| Earnings per share - basic and diluted | 31 | 7.73 | 16.81 |

The annexed notes from 1 to 47 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, 2022

| | 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, 2021 | 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) |
| Total comprehensive income for the year | | | | | |
| Profit after taxation | - | - | - | 5,354,409 | 5,354,409 |
| Other comprehensive income | - | - | - | 224,029 | 224,029 |
| | - | - | - | 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 |
| Transactions with owner recorded directly in equity - distribution | | | | | |
| Final dividend for the year ended December 31, 2021 @ Rs. 7 per share | - | - | - | (2,229,271) | (2,229,271) |
| Total comprehensive income for the year | | | | | |
| Profit after taxation | - | - | - | 2,462,892 | 2,462,892 |
| Other comprehensive loss | - | - | - | (167,179) | (167,179) |
| | - | - | - | 2,295,713 | 2,295,713 |
| Balance as at December 31, 2022 | 3,184,672 | 1,126,923 | 3,999,970 | 12,741,542 | 21,053,107 |

The annexed notes from 1 to 47 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, 2022

| | 2022 | 2021 |
|---|----------------------------|--------------------|
| | ----- Rupees in '000 ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash (used in) / generated from operations | (390,860) | 5,976,729 |
| Contribution to retirement benefits fund | (132,329) | (126,353) |
| Income taxes paid | (2,638,936) | (871,587) |
| Decrease in long-term loans to employees and long-term deposits | 959 | 8,317 |
| Net cash (used in) / generated from operating activities | (3,161,166) | 4,987,106 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditures | (1,533,169) | (1,303,769) |
| Proceeds from disposal of operating assets | 244,467 | 100,718 |
| Proceeds from disposal of non-current assets held for sale | - | 676,549 |
| Return received on bank balances and investments | 827,104 | 374,941 |
| Net cash used in investing activities | (461,598) | (151,561) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (375,031) | (2,061,811) |
| Lease rentals paid | (14,596) | (11,462) |
| Net cash used in financing activities | (389,627) | (2,073,273) |
| Net (decrease) / increase in cash and cash equivalents | (4,012,391) | 2,762,272 |
| Cash and cash equivalents at the beginning of the year | 8,482,773 | 5,720,501 |
| Cash and cash equivalents at the end of the year | 4,470,382 | 8,482,773 |

The annexed notes from 1 to 47 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, 2022

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 research based ethical specialties and pharmaceutical products.

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

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) (now Haleon Pakistan Limited from January 03, 2023) 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. 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.

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 accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results 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. Revisions 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.

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) Impairment of Intangibles (notes 2.11 and 4);
- ii) Provision for retirement benefits (notes 2.4 and 17);
- iii) Residual value, useful lives and impairment of property, plant and equipment (notes 2.9 and 3);
- iv) Provision for obsolete and slow moving stock-in-trade (notes 2.13 and 6);
- v) Allowance for impairment of trade receivables (notes 2.17.4 and 8);
- vi) Taxation (notes 2.6, 18 and 30); and
- vii) Impairment of non-financial assets (note 2.10).

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

2.2.1 Amendments to IFRS that are effective for the year ended December 31, 2022

The following amendments are effective for the year ended December 31, 2022. 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 extended beyond June 30, 2021 | April 01, 2021 |
| - Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework | January 01, 2022 |
| - Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use | January 01, 2022 |
| - Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract | January 01, 2022 |
| - Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41) | January 01, 2022 |

2.2.2 Amendments to IFRS that are not yet effective

The following amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. 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 |
|--|---|
| - Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies | January 01, 2023 |
| - Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates | January 01, 2023 |
| - Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction | January 01, 2023 |
| - Amendments to IFRS 16 'Leases' - clarification on how seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |

Effective from accounting period beginning on or after

- | | |
|--|-----------------------|
| - Amendments to IAS 1 'Presentation of Financial Statements' - Classification liabilities as current or non-current | January 1, 2024 |
| - Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred indefinitely |

2.2.3 Other than the aforesaid amendments, the 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. Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the Plan.

Provision is made to cover the obligation under the scheme on the basis of actuarial recommendation. The actuarial valuations is carried out using the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in Other Comprehensive Income. 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 Statement of Profit or Loss and Other Comprehensive Income.

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. Company's contribution is charged to the Statement of Profit or Loss and Other Comprehensive Income.

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

Income tax expense comprises current and deferred tax. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.6.1 Current

The charge for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and rebates available, if any.

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 and Other Comprehensive Income, 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 requirement 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 and Other Comprehensive Income 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

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, stock-in-trade and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. 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 (being higher of value in use and fair value less costs to sell), these are written down to their recoverable amount and the resulting impairment is charged to the 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

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed. 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 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 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.

2.15 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 the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

2.16 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 or scrap sales is recognised when control of goods have been transferred to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.
- Revenue from services is recognised as and when services are rendered.
- 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.

2.17 Financial assets and liabilities

2.17.1 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.

2.17.2 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 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.

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.

2.17.3 Subsequent measurement

(i) 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 and Other Comprehensive Income when financial instruments are derecognised or impaired or through the amortisation process.

(ii) 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 the Other Comprehensive (Loss) / Income.

(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 and Other Comprehensive Income 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.

2.17.4 Impairment of financial assets

For financial assets measured at amortised cost, recognition of impairment is 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.

2.17.5 Derecognition

(i) Financial assets

The Company derecognizes 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 and Other Comprehensive Income. 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 and Other Comprehensive Income. 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 and Other Comprehensive Income, but is transferred to Statement of Changes in Equity.

(ii) Financial liabilities

The Company derecognises 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.

2.17.6 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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 the Statement of Profit or Loss and Other Comprehensive Income 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.

Note **2022** 2021
----- Rupees in '000 -----

3. PROPERTY, PLANT AND EQUIPMENT

| | | | |
|--|-----|-------------------|------------|
| Operating assets | 3.1 | 9,522,602 | 9,007,834 |
| Major spare parts | 3.3 | 194,608 | 177,333 |
| Capital work-in-progress | 3.5 | 1,235,589 | 1,178,022 |
| Right-of-use assets - land and buildings | 3.6 | 44,542 | 44,686 |
| | | 10,997,341 | 10,407,875 |

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, 2022 | | | | | | | |
| Opening net book value | 256,192 | 2,206,420 | 5,295,589 | 135,212 | 554,366 | 560,055 | 9,007,834 |
| Additions (at cost) | - | 72,997 | 728,444 | 61,347 | 384,083 | 211,456 | 1,458,327 |
| Disposals | | | | | | | |
| - Cost | - | (1,814) | (199,611) | (9,166) | (349,326) | (190,640) | (750,557) |
| - Accumulated depreciation | - | 309 | 158,788 | 8,761 | 235,806 | 189,751 | 593,415 |
| - Accumulated impairment | - | 1,505 | 35,010 | 388 | - | 389 | 37,292 |
| | - | - | (5,813) | (17) | (113,520) | (500) | (119,850) |
| Depreciation charge | (4,543) | (78,945) | (394,702) | (27,130) | (151,229) | (149,144) | (805,693) |
| Impairment charge | - | - | (17,709) | (20) | - | (287) | (18,016) |
| Closing net book value | 251,649 | 2,200,472 | 5,605,809 | 169,392 | 673,700 | 621,580 | 9,522,602 |
| Gross carrying value | | | | | | | |
| At December 31, 2022 | | | | | | | |
| Cost | 316,412 | 3,024,113 | 10,111,631 | 407,318 | 1,111,418 | 1,370,983 | 16,341,875 |
| Accumulated depreciation | (64,763) | (800,528) | (4,278,819) | (237,790) | (437,718) | (748,135) | (6,567,753) |
| Accumulated impairment | - | (23,113) | (227,003) | (136) | - | (1,268) | (251,520) |
| Net book value | 251,649 | 2,200,472 | 5,605,809 | 169,392 | 673,700 | 621,580 | 9,522,602 |
| 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, 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% | |

3.2 Details of assets sold, having net book value in excess of Rs. 500,000:

| Category | Cost | Accumulated depreciation and impairment | Book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|----------------------------|--------|---|------------|---------------|---------------|------------------|--|
| ----- Rupees in '000 ----- | | | | | | | |
| Plant and machinery | 1,981 | 1,024 | 957 | 126 | (831) | Tender | M/s Bilal Electronics - Shop#14, Street#1, Block-C, Shershah Karachi |
| Vehicles | 1,855 | 1,237 | 618 | 933 | 314 | Company Policy | Mr Abdul Hannan - Ex-Employee |
| " | 4,996 | 3,747 | 1,249 | 1,249 | - | Company Policy | Mr Abdul Samad - Ex-Director |
| " | 2,735 | 897 | 1,838 | 1,545 | (293) | Company Policy | Mr Abdul Samad Farooq - Ex-Executive |
| " | 2,647 | 1,985 | 662 | 662 | - | Company Policy | Mr Abid Subhan - Executive |
| " | 2,896 | 272 | 2,625 | 2,625 | - | Company Policy | GlaxoSmithKline Consumer Healthcare Pakistan Limited, Sandoz Nazar, Petaro Poad, Jamshoro, Sindh |
| " | 2,577 | 1,933 | 644 | 644 | - | Company Policy | Mr Ahsan Iqbal - Ex-Executive |
| " | 2,755 | 1,334 | 1,421 | 2,204 | 783 | Company Policy | Mr Ashhad Ahmed Farooqui - Ex-Executive |
| " | 4,246 | 730 | 3,516 | 3,516 | - | Company Policy | GlaxoSmithKline Consumer Healthcare Pakistan Limited, Sandoz Nazar, Petaro Poad, Jamshoro, Sindh |
| " | 2,605 | 1,425 | 1,180 | 1,563 | 383 | Company Policy | Mr Fahad Masood - Ex-Executive |
| " | 4,059 | 1,522 | 2,537 | 3,307 | 770 | Company Policy | Mr Faheem Uddin Bhutto - Ex-Executive |
| " | 2,647 | 1,985 | 662 | 1,456 | 794 | Company Policy | Mr Ghufuran Naqvi - Ex-Executive |
| " | 5,379 | 3,026 | 2,353 | 4,859 | 2,506 | Company Policy | Mr Haris Jabbar - Ex-Executive |
| " | 6,594 | 4,709 | 1,885 | 2,164 | 279 | Company Policy | Mr Haseeb Pirzada - Director |
| " | 2,299 | 1,437 | 862 | 1,264 | 402 | Company Policy | Mr Hashmat Siddiqui - Executive |
| " | 2,897 | 2,173 | 724 | 2,945 | 2,221 | Company Policy | Mr Imtiaz Hussain - Site Director |
| " | 14,425 | 10,392 | 4,033 | 6,002 | 1,969 | Company Policy | Mr Javed Tariq - Ex-Site Director |
| " | 2,647 | 1,985 | 662 | 1,588 | 926 | Company Policy | Mr Kamran Yamin - Ex-Executive |
| " | 2,093 | 1,570 | 523 | 837 | 314 | Company Policy | Mr Kanwar Omair - Ex-Executive |
| " | 2,647 | 1,985 | 662 | 662 | - | Company Policy | Mr Kashif Ayub - Site Director |
| " | 5,407 | 4,055 | 1,352 | 2,800 | 1,448 | Company Policy | Mr Khurram Amjad - Ex-Director |

| Category | Cost | Accumulated depreciation and impairment | Book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|----------------------------|-------|---|------------|---------------|---------------|------------------|--|
| ----- Rupees in '000 ----- | | | | | | | |
| " | 2,647 | 1,985 | 662 | 1,059 | 397 | Company Policy | Mr Khurshand Iqbal - Site Director |
| " | 2,154 | 1,447 | 707 | 1,508 | 801 | Company Policy | GlaxoSmithKline Consumer Healthcare Pakistan Limited, Sandoz Nazar, Petaro Poad, Jamshoro, Sindh |
| " | 3,850 | 1,925 | 1,925 | 2,370 | 445 | Company Policy | Mr Malik M Rehan - Ex-Executive |
| " | 2,849 | 490 | 2,359 | 2,208 | (151) | Company Policy | Mr Muhammad Afzal - Executive |
| " | 2,849 | 579 | 2,270 | 2,498 | 228 | Company Policy | Mr Muhammad Asim - Ex-Executive |
| " | 2,717 | 1,401 | 1,316 | 1,902 | 586 | Company Policy | Mr Muhammad Faheem - Ex-Executive |
| " | 2,093 | 1,570 | 523 | 1,256 | 733 | Company Policy | Mr Muhammad Khan - Ex-Executive |
| " | 6,550 | 3,121 | 3,430 | 4,158 | 728 | Company Policy | Mr Obaid Siddiqui - Ex-Executive |
| " | 2,498 | 1,874 | 625 | 628 | 4 | Company Policy | Mr Qasim A Naqvi - Ex-Executive |
| " | 2,219 | 1,595 | 624 | 1,886 | 1,262 | Company Policy | Mr Raheel Ansar - Executive |
| " | 8,498 | 6,374 | 2,125 | 4,674 | 2,549 | Company Policy | Mr S Azeem Abbas Naqvi - Ex-Director |
| " | 2,093 | 1,570 | 523 | 1,151 | 628 | Company Policy | Mr Sajjad Rana - Executive |
| " | 2,735 | 897 | 1,838 | 1,530 | (308) | Company Policy | Mr Sufyan Qazi - Ex-Executive |
| " | 2,755 | 1,636 | 1,119 | 2,797 | 1,678 | Company Policy | Mr Syed Arsalan Hussain - Ex-Executive |
| " | 2,849 | 935 | 1,914 | 2,359 | 445 | Company Policy | Mr Tallal Saifuddin - Ex-Executive |
| " | 2,154 | 1,616 | 539 | 1,104 | 565 | Company Policy | Mr Umair Ahmed - Ex-Executive |
| " | 2,797 | 2,098 | 699 | 2,377 | 1,678 | Company Policy | Mr Usman Bin Rizwan - Ex-Executive |
| " | 2,797 | 2,098 | 699 | 1,958 | 1,259 | Company Policy | Mr Yasir Adnan - Ex-Executive |
| " | 2,495 | 1,871 | 624 | 626 | 2 | Company Policy | Mr Zahid Iqbal - Executive |
| " | 2,735 | 630 | 2,105 | 2,105 | - | Company Policy | GlaxoSmithKline Consumer Healthcare Pakistan Limited, Sandoz Nazar, Petaro Poad, Jamshoro, Sindh |
| " | 2,043 | 1,532 | 511 | 1,634 | 1,124 | Company Policy | Ms Amun Durrani - Ex-Executive |
| " | 2,735 | 726 | 2,009 | 2,009 | - | Company Policy | GlaxoSmithKline Consumer Healthcare Pakistan Limited, Sandoz Nazar, Petaro Poad, Jamshoro, Sindh |

| Category | Cost | Accumulated depreciation and impairment | Book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|----------------------------|-------|---|------------|---------------|---------------|------------------|---|
| ----- Rupees in '000 ----- | | | | | | | |
| " | 2,577 | 1,933 | 644 | 628 | (16) | Company Policy | Ms Gohar Siddiqui - Executive |
| " | 1,894 | 1,361 | 533 | 1,028 | 496 | Company Policy | Ms Kanwal Iftikhar - Executive |
| " | 3,909 | 2,199 | 1,710 | 1,620 | (90) | Company Policy | Ms Madiha Hasware - Ex-Executive |
| " | 3,850 | 2,225 | 1,624 | 3,272 | 1,648 | Company Policy | Ms Mehar-e-Daraksha Ameer - Director |
| " | 2,093 | 1,341 | 752 | 1,465 | 713 | Company Policy | Ms Palwasheen Agha - Ex-Executive |
| " | 2,093 | 1,374 | 719 | 1,151 | 432 | Company Policy | Ms Rida Ahmed - Ex-Executive |
| " | 6,807 | 4,573 | 2,234 | 6,126 | 3,893 | Company Policy | Ms Samreen H Kidwai - Ex-Director |
| " | 2,154 | 1,481 | 673 | 1,267 | 594 | Company Policy | Ms Shumaila Ashraf - Executive |
| " | 2,717 | 1,486 | 1,231 | 1,359 | 127 | Company Policy | Ms Sofia Hasan - Executive |
| " | 2,054 | 1,541 | 514 | 1,438 | 924 | Company Policy | Ms Tasmiya Sharmeen - Ex-Executive |
| " | 2,647 | 1,985 | 662 | 662 | - | Company Policy | Ms Unaiza Maliha Saeed - Executive |
| " | 2,647 | 1,985 | 662 | 662 | - | Company Policy | Ms Uzma Pirzada - Executive |
| " | 2,717 | 1,613 | 1,104 | 2,309 | 1,206 | Company Policy | Ms Yamna Arshad - Ex-Executive |
| " | 1,855 | 812 | 1,043 | 1,842 | 798 | Tender | M/s Augmentech Business Solution - Plot #167-J, Ground Floor, Sawera Residency, Khalid Bin Waleed Road, PECHS, Block-3, Karachi |
| " | 2,759 | 647 | 2,112 | 2,645 | 533 | Tender | M/s Augmentech Business Solution - Plot #167-J, Ground Floor, Sawera Residency, Khalid Bin Waleed Road, PECHS, Block-3, Karachi |
| " | 5,920 | 3,515 | 2,405 | 5,478 | 3,073 | Tender | Mr Almas Faruqui - House # 43/1, Street-15, Khayaban-e-Mujahid, Phase-5, DHA, Karachi |
| " | 1,855 | 928 | 928 | 1,920 | 992 | Tender | Mr Ehsan Moin - House # KMC-925, Sector-II, Block-L, Orangi Town, Karachi |
| " | 1,433 | 627 | 806 | 1,596 | 790 | Tender | Mr Muhammad Aamir Khan - LS-40/41, Sector # 5, North Karachi, Karachi |

| Category | Cost | Accumulated depreciation and impairment | Book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|----------------------------|----------------|---|---------------|----------------|---------------|------------------|---|
| ----- Rupees in '000 ----- | | | | | | | |
| " | 2,849 | 445 | 2,403 | 2,790 | 387 | Tender | Mr Saeed Ur Rehman - House # 56, North Nazimabad, Block-D, Karachi |
| " | 7,760 | 3,281 | 4,479 | 7,788 | 3,309 | Tender | Mr Waseem Mirza - Lasania Restaurant, House # 32-A, Block-10, Gulshan-e-Iqbal, Karachi |
| " | 2,647 | 1,985 | 662 | 2,936 | 2,275 | Tender | Mr Zahid Ali - House # 1181, PIB Colony, Karachi |
| | 212,735 | 124,728 | 88,007 | 136,729 | 48,724 | | |

3.3 Major spare parts

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|----------------------------------|------|------------------------------------|----------------|
| Balance at beginning of the year | | 177,333 | 161,100 |
| Additions during the year | | 65,648 | 36,867 |
| Transfers made during the year | | (48,373) | (20,634) |
| Balance at end of the year | | 194,608 | 177,333 |

3.4 Depreciation charge for the year has been allocated as follows:

| | Note | 2022 | 2021 |
|--|------|----------------|----------------|
| Cost of sales | 24 | 613,432 | 588,410 |
| Selling, marketing and distribution expenses | 25 | 107,204 | 108,435 |
| Administrative expenses | 26 | 102,748 | 78,428 |
| | | 823,385 | 775,273 |

3.5 Capital work-in-progress

| | Note | 2022 | 2021 |
|------------------------|-------|------------------|------------------|
| Civil work | | 99,970 | 84,479 |
| Plant and machinery | | 483,921 | 761,391 |
| Furniture and fixtures | | - | 21,526 |
| Office equipment | | 215,564 | 236,255 |
| Advances to suppliers | 3.5.2 | 436,134 | 74,371 |
| | 3.5.1 | 1,235,589 | 1,178,022 |

3.5.1 Capital work-in-progress is net off of accumulated impairment of Rs. 12.15 million (2021: Rs. 12.15 million).

3.5.2 The advances to suppliers do not carry any interest or mark up.

| | 2022 | 2021 |
|---|----------------------------|---------------|
| | ----- Rupees in '000 ----- | |
| 3.6 Right-of-use assets - land and buildings | | |
| Balance at beginning of the year | 44,686 | 39,191 |
| Additions during the year | 17,547 | 20,300 |
| Depreciation for the year | (17,691) | (14,805) |
| Balance at end of the year | <u>44,542</u> | <u>44,686</u> |

3.7 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-9/23, Industrial Area, Islamabad | Sales office | 4,645 |

| | | 2022 | 2021 |
|--------------------------------|-----------|----------------------------|----------------|
| | Note | ----- Rupees in '000 ----- | |
| 4. INTANGIBLES | | | |
| Market authorisation rights | | | |
| Cost | 4.1 | 126,330 | 126,330 |
| Less: Provision for impairment | 4.1 & 4.2 | (126,330) | (90,330) |
| | | - | 36,000 |
| Goodwill | 4.2 | 955,742 | 955,742 |
| | | <u>955,742</u> | <u>991,742</u> |

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. During the year, the Company has made an additional provision for impairment of Rs. 36 million in respect of market authorisation rights of Traxon.

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 pre-tax 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 of sales and margins 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 | 19.5% |

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 | 2022 ----- Rupees in '000 ----- | 2021 |
|---|------|------------------------------------|----------|
| 5. LONG - TERM LOANS TO EMPLOYEES | | | |
| Loan to employees - secured - considered good | 5.1 | 108,232 | 123,770 |
| Less: Recoverable within one year | 9 | (50,180) | (59,249) |
| | | 58,052 | 64,521 |

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 (2021: 5% to 8% per annum). All loans are secured against the retirement fund balances.

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|--|------|------------------------------------|----------|
| 6. STORES AND SPARES | | | |
| Stores and spares | | 209,565 | 216,691 |
| Less: Provision for slow moving and obsolete stores and spares | 6.1 | (28,425) | (26,025) |
| | | 181,140 | 190,666 |

6.1 Provision for slow moving and obsolete stores and spares

| | | | |
|-------------------------------------|----|---------------|---------|
| Balance at beginning of the year | | 26,025 | 27,304 |
| Provision / (reversal) for the year | 24 | 2,400 | (1,279) |
| Balance at end of the year | | 28,425 | 26,025 |

7. STOCK-IN-TRADE

| | | | |
|--|-----|-------------------|-----------|
| Raw and packing materials [including in transit Rs. 286.3 million (2021: Rs. 90.85 million)] | | 4,779,770 | 3,529,190 |
| Work-in-process | | 170,043 | 130,296 |
| Finished goods [including in transit Rs. 356.62 million (2021: Rs. 300.32 million)] | | 5,099,721 | 3,394,172 |
| | | 10,049,534 | 7,053,658 |
| Less: Provision for slow moving, obsolete and damaged items | 7.1 | (504,219) | (548,257) |
| | | 9,545,315 | 6,505,401 |

| | Note | 2022 | 2021 |
|--|------|----------------|----------------|
| | | Rupees in '000 | |
| 7.1 Provision for slow moving, obsolete and damaged items | | | |
| Balance at beginning of the year | | 548,257 | 584,710 |
| Provision for the year | | 328,502 | 309,980 |
| Stock written-off against provision | | (372,540) | (346,433) |
| Balance at end of the year | | <u>504,219</u> | <u>548,257</u> |

7.2 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 | 614,708 | 1,279,447 |
| - Connect Logistics (Private) Limited | 3,506,621 | 273,301 |

7.3 Finished goods include items costing Rs. 3.5 billion (2021: Rs. 1.4 billion) valued at net realisable value of Rs. 2.40 billion (2021: Rs. 1.07 billion). Raw and packing materials have been lowered by Rs. 406.9 million (2021: Rs. 204.3 million) and WIP has been lowered by Rs. 20.2 million (2021: Rs. 7.6 million) respectively to recognise them at Net Realizable Value.

| | Note | 2022 | 2021 |
|---|------|------------------|------------------|
| | | Rupees in '000 | |
| 8. TRADE RECEIVABLES | | | |
| Trade receivables | | | |
| - Associated companies | 8.1 | - | 140,277 |
| - Others | 8.2 | 1,924,489 | 1,425,540 |
| | | <u>1,924,489</u> | <u>1,565,817</u> |
| Less: Allowance for impairment of trade receivables | 8.3 | (339,963) | (250,267) |
| | | <u>1,584,526</u> | <u>1,315,550</u> |

8.1 Due from associated companies

The prior year balance pertains to GSK Consumer Healthcare Pakistan Limited, which has not remained associated company as disclosed in note 36.1.

8.2 The ageing analysis of trade receivables is as follows:

| | 2022 | | 2021 | |
|----------------|---------------------|--------------------------|---------------------|--------------------------|
| | Outstanding balance | Allowance for impairment | Outstanding balance | Allowance for impairment |
| | Rupees '000 | | | |
| Not yet due | 533,923 | 1,943 | 256,763 | 1,074 |
| Upto 3 months | 492,757 | 6,591 | 493,419 | 6,307 |
| 3 to 6 months | 240,888 | 7,669 | 354,305 | 5,841 |
| 6 to 12 months | 77,082 | 4,220 | 117,647 | 3,977 |
| Over 1 year | 579,839 | 319,540 | 343,683 | 233,068 |
| Total | <u>1,924,489</u> | <u>339,963</u> | <u>1,565,817</u> | <u>250,267</u> |

8.3 Allowance for impairment of trade receivables

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|----------------------------------|------|------------------------------------|----------------|
| Balance at beginning of the year | | 250,267 | 207,525 |
| Provision for the year | 25 | 89,696 | 42,742 |
| Balance at end of the year | | <u>339,963</u> | <u>250,267</u> |

8.4 The maximum aggregate amount due from GSK Consumer Healthcare Pakistan Limited at the end of any month during the year was Rs. 94.28 million (2021: Rs. 304.47 million) till the date as disclosed in note 36.1.

9. LOANS AND ADVANCES

Considered good

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|---|------|------------------------------------|----------------|
| Current portion of long-term loans to employees | 5 | 50,180 | 59,249 |
| Advances: | | | |
| - to employees | 9.1 | 9,814 | 14,420 |
| - to suppliers | | 302,735 | 254,205 |
| - against letters of credit | | 1,281,786 | 84,548 |
| | | <u>1,644,515</u> | <u>412,422</u> |

Considered doubtful

| | | | |
|---------------------------------------|--|------------------|----------------|
| Advances to suppliers | | 6,387 | 6,387 |
| | | <u>1,650,902</u> | <u>418,809</u> |
| Less: Provision for doubtful advances | | (6,387) | (6,387) |
| | | <u>1,644,515</u> | <u>412,422</u> |

9.1 Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.

10. TRADE DEPOSITS AND PREPAYMENTS

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|---------------------------------------|------|------------------------------------|----------------|
| Trade deposits | | | |
| - considered good | | 88,034 | 150,754 |
| - considered doubtful | | 38,121 | 60,184 |
| | | <u>126,155</u> | <u>210,938</u> |
| Less: Provision for doubtful deposits | 10.1 | (38,121) | (60,184) |
| | | <u>88,034</u> | <u>150,754</u> |
| Prepayments | | 122,995 | 7,209 |
| | | <u>211,029</u> | <u>157,963</u> |

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|---|------|------------------------------------|---------------|
| 10.1 Provision for doubtful deposits | | | |
| Balance at beginning of the year | | 60,184 | 65,039 |
| Reversal for the year | 25 | (22,063) | (4,855) |
| Balance at end of the year | | <u>38,121</u> | <u>60,184</u> |

11. REFUNDS DUE FROM GOVERNMENT

Custom duty and sales tax

| | | | |
|--------------------------------------|--|------------------|----------------|
| - considered good | | 1,250,816 | 43,643 |
| - considered doubtful | | 65,556 | 65,556 |
| | | <u>1,316,372</u> | <u>109,199</u> |
| Less: Provision for doubtful refunds | | (65,556) | (65,556) |
| | | <u>1,250,816</u> | <u>43,643</u> |

11.1 Prior to enactment of Finance (Supplementary) Act, 2022 (The Act) issued on January 15, 2022, the pharmaceutical sector was exempt from levy of sales tax. The Act converted the aforesaid exemption regime into a zero-rating regime for import and local supplies for finished items of pharmaceutical sector, however, sales tax was imposed on purchase / import of Active Pharmaceutical Ingredients (API). As a result, the pharmaceutical sector was allowed to claim sales tax refund on all purchases including APIs and provincial sales tax on services. As of December 31, 2022, Sales tax refund amounting to Rs. 1.12 billion has been processed by the Tax Authorities. However, sales tax refund amounting to Rs. 1.17 billion has not yet been processed by the Tax Authorities as of year end.

Through Finance Act, 2022, effective from July 1, 2022, a special tax regime for pharmaceutical sector was introduced whereby manufacture or import of substances registered as drugs under the Drugs Act, 1976 shall be subject to 1% sales tax with the condition that such tax shall be final discharge of tax in the supply chain and no input tax shall be allowed to the importer and manufacturer of such goods. Therefore, the input tax is becoming part of cost.

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|---|------|------------------------------------|------------------|
| 12. OTHER RECEIVABLES | | | |
| Considered good | | | |
| Due from related parties - Associated companies | 12.1 | 3,942,355 | 1,568,277 |
| Others | | | |
| - Considered good | | 386,598 | 56,714 |
| - Considered doubtful | | 20,775 | 20,775 |
| | | <u>4,349,728</u> | <u>1,645,766</u> |
| Less: Provision for doubtful receivables | | (20,775) | (20,775) |
| | | <u>4,328,953</u> | <u>1,624,991</u> |

12.1 Due from associated companies

| | Note | 2022 | 2021 |
|--|-------|------------------|------------------|
| ----- Rupees in '000 ----- | | | |
| GlaxoSmithKline Trading Services Limited | | 3,443,964 | 1,255,422 |
| GlaxoSmithKline Biologicals, S.A. | | 59,685 | 47,322 |
| Stiefel Laboratories (Pte) Limited, Singapore | 12.11 | 380,391 | 222,203 |
| GSK Business Service Centre Sdn Bhd | | - | 1,097 |
| Glaxo Operations UK Limited | | - | 3,424 |
| GlaxoSmithKline Export Limited | | 21,905 | 3,658 |
| GSK Services Unlimited, UK | | 17,407 | 8,734 |
| ViiV Healthcare UK Limited | | - | 1,582 |
| GSK UAE | | - | 1,787 |
| Human Genome Sciences, Inc. | | - | 4,789 |
| GlaxoSmithKline South Africa (Pty) Limited | | 12,351 | 6,813 |
| GlaxoSmithKline Research & Development Limited | | 2,158 | - |
| GSK Services SP. Zo.o. | | 4,494 | - |
| GSK CH (UK) Trading Limited | | - | 11,446 |
| | | 3,942,355 | 1,568,277 |

12.1.1 The Company also has Rs. 380.39 million (2021: Rs. 222.20 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. 3.94 billion (2021: Rs. 1.57 billion).

12.3 As at December 31, 2022, the age analysis of these related party receivables past due but not impaired is as follows:

| | 2022 | 2021 |
|----------------------------|------------------|------------------|
| ----- Rupees in '000 ----- | | |
| Upto 3 months | 3,561,964 | 1,346,074 |
| More than 3 months | 380,391 | 222,203 |
| | 3,942,355 | 1,568,277 |

13. INVESTMENTS - AT AMORTISED COST

These represent Nil treasury bills (2021: four treasury bills) which were held with Company's banker for safe custody yielding Nil per annum (2021: 8.17% to 10.66% per annum).

14. CASH AND BANK BALANCES

| | 2022 | 2021 |
|---|------------------|------------------|
| ----- Rupees in '000 ----- | | |
| With banks | | |
| in deposit accounts (financial asset at amortised cost) | 2,000,000 | - |
| in PLS savings accounts | 2,668,416 | 6,912,173 |
| in current accounts | | |
| [including foreign currency account | | |
| Rs. 59.51 million (2021: Rs. 46.32 million)] | 85,930 | 172,992 |
| Cash and cheques in hand | 179 | 179 |
| | 4,754,525 | 7,085,344 |

14.1 This represents one term deposit receipt, which is held with Company's banker for safe custody yielding 14.80% per annum with maturity by January 30, 2023.

14.2 At December 31, 2022 the rates of mark-up on PLS savings accounts and on term deposit accounts were 10.52% to 11.55% (2021: 7.25% to 7.85%) per annum and 14.80% (2021: Nil) per annum respectively.

14.3 These include Rs.1.45 million (2021: Rs. 1.45 million) under lien with bank against bank guarantee issued on behalf of the Company.

15. SHARE CAPITAL

Authorised share capital

| 2022 | 2021 | | 2022 | 2021 | |
|------------------------------|-------------|-------------------------------|----------------------------|-----------|--|
| ----- Number of shares ----- | | | ----- Rupees in '000 ----- | | |
| 500,000,000 | 500,000,000 | Ordinary shares of Rs.10 each | 5,000,000 | 5,000,000 | |

Issued, subscribed and paid up capital

| 2022 | 2021 | | 2022 | 2021 | |
|------------------------------|-------------|---|----------------------------|-----------|--|
| ----- Number of shares ----- | | | ----- 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 | |
| 318,467,278 | 318,467,278 | | 3,184,672 | 3,184,672 | |

15.1 As at December 31, 2022 GSK International Holding and Finance B.V. (formerly S.R One International B.V.), Netherlands and its nominees held 263,029,794 shares (2021: 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 | 2022 | 2021 |
|-------------------------|------|----------------------------|------------|
| | | ----- Rupees in '000 ----- | |
| 16. RESERVES | | | |
| Capital reserve | 16.1 | 1,126,923 | 1,126,923 |
| Revenue reserves | | | |
| General reserve | | 3,999,970 | 3,999,970 |
| Unappropriated profit | | 12,741,542 | 12,675,100 |
| | | 16,741,512 | 16,675,070 |
| | | 17,868,435 | 17,801,993 |

16.1 This represents reserve created on various schemes of arrangements involving the Company.

| | Note | 2022 | 2021 |
|--|--|----------------------------|-------------|
| | | ----- Rupees in '000 ----- | |
| 17. STAFF RETIREMENT BENEFITS | | | |
| 17.1 Staff retirement benefit plans | | | |
| GlaxoSmithKline Pakistan Limited Employees' Gratuity Fund | 17.3 | 577,804 | 298,885 |
| 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, 2022 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. | | |
| | Note | 2022 | 2021 |
| | | ----- Rupees in '000 ----- | |
| 17.1.3 Statement of financial position - Reconciliation | | | |
| Present value of defined benefit obligation | 17.1.4 | 2,336,114 | 2,123,752 |
| Fair value of plan assets | 17.1.5 | (1,758,310) | (1,824,867) |
| Deficit | | 577,804 | 298,885 |
| 17.1.4 Movement in the present value of defined benefit obligation | | | |
| Balance at January 1 | | 2,123,752 | 2,314,763 |
| Benefits paid during the year | | (302,656) | (267,729) |
| Transfer (to) / from GSK Consumer Healthcare Pakistan Limited Employees' Gratuity Fund - net | | (14,258) | 307 |
| Current service cost | | 172,627 | 179,225 |
| Interest cost | | 247,733 | 225,857 |
| Re-measurement loss / (gain) on obligation | | 108,916 | (328,671) |
| Balance at December 31 | | 2,336,114 | 2,123,752 |
| 17.1.5 Movement in the fair value of plan assets | | | |
| Balance at January 1 | | 1,824,867 | 1,806,141 |
| Contributions made during the year | | 132,329 | 126,353 |
| Benefits paid during the year | | (302,656) | (267,729) |
| Transfer (to) / from GSK Consumer Healthcare Pakistan Limited Employees' Gratuity Fund | | (14,258) | 307 |
| Interest income | | 209,289 | 173,068 |
| Re-measurement loss on plan assets | | (91,261) | (13,273) |
| Balance at December 31 | | 1,758,310 | 1,824,867 |
| 17.1.6 Expense recognised in the statement of profit or loss | | | |
| Current service cost | | 172,627 | 179,225 |
| Net interest cost | | 38,444 | 52,789 |
| | | 211,071 | 232,014 |

| | 2022 | 2021 |
|---|----------------------------|------------------|
| | ----- Rupees in '000 ----- | |
| 171.7 Re-measurements recognised in other comprehensive income | | |
| Re-measurement loss / (gain) on obligation arising due to change in: | | |
| Financial assumptions gain | (48,294) | (203,600) |
| Demographic assumptions loss | 18,763 | - |
| Experience adjustments loss / (gain) | 138,447 | (125,071) |
| Re-measurement loss on plan assets | 91,261 | 13,273 |
| | 200,177 | (315,398) |

| | | |
|---|----------------|----------------|
| 171.8 Net recognised liability | | |
| Net liability at the beginning of year | 298,885 | 508,622 |
| Expense recognised in statement of profit or loss | 211,071 | 232,014 |
| Contribution made to the plan during the year | (132,329) | (126,353) |
| Re-measurements recognised in other comprehensive loss / (income) | 200,177 | (315,398) |
| Recognised liability as at December 31 | 577,804 | 298,885 |

| | 2022 | 2021 |
|---|---------------|---------------|
| | % | % |
| 171.9 Plan assets comprise of the following: | | |
| - Equity and mutual funds | 18.74 | 19.07 |
| - Bonds | 65.74 | 77.50 |
| - Others | 15.52 | 3.43 |
| | 100.00 | 100.00 |

| | | |
|-------------------------------------|-------|-------|
| 171.10 Actuarial Assumptions | | |
| Discount rate | 14.50 | 11.75 |
| Future salary increases | 14.50 | 11.75 |

171.11 Mortality was assumed to be based on SLIC (2001-05) ultimate mortality tables rated down one year.

171.12 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 2022 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, 2023 is expected to be Rs. 273.02 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% | (124,951) | 139,675 |
| Future salary increases | 1% | 100,795 | (92,242) |

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.

18. DEFERRED TAXATION

| | 2022 | | | | 2021 | | | |
|---|--------------------------------|--|--|--------------------------------|--------------------------------|--|---------------------------------------|--------------------------------|
| | Opening liabilities / (assets) | Charged / (reversal) to profit or loss note 30 | Reversal to other comprehensive income | Closing liabilities / (assets) | Opening liabilities / (assets) | Charged / (reversal) to profit or loss note 30 | Charged to other comprehensive income | Closing liabilities / (assets) |
| | ----- Rupees in '000 ----- | | | | | | | |
| Deferred tax liabilities on taxable temporary differences | | | | | | | | |
| - Accelerated tax depreciation and amortisation | 1,178,941 | 209,851 | - | 1,388,792 | 1,105,233 | 73,708 | - | 1,178,941 |
| - Right-of-use assets- land and buildings | 12,945 | 1,739 | - | 14,684 | 11,347 | 1,598 | - | 12,945 |
| Deferred tax assets on deductible temporary differences | | | | | | | | |
| - Allowance for impairment of trade receivables, provision for doubtful other receivables and refunds due from government | (97,512) | (43,032) | - | (140,544) | (85,080) | (12,432) | - | (97,512) |
| - Lease liabilities | (15,528) | (4,888) | - | (20,416) | (11,389) | (4,139) | - | (15,528) |
| - Provision for trade deposits and doubtful advances | (19,284) | 4,612 | - | (14,672) | (20,679) | 1,395 | - | (19,284) |
| - Provision for slow moving and stock-in-trade and stores and spares | (166,375) | (9,239) | - | (175,614) | (177,207) | 10,832 | - | (166,375) |
| - Staff retirement benefits | (86,555) | 24,324 | (32,998) | (95,229) | (147,258) | (30,666) | 91,369 | (86,555) |
| | 806,632 | 183,367 | (32,998) | 957,001 | 674,967 | 40,296 | 91,369 | 806,632 |

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|---|------|------------------------------------|------------------|
| 19. TRADE AND OTHER PAYABLES | | | |
| Creditors | | 560,521 | 652,171 |
| Bills payable | | | |
| - Associated companies | | 2,216,704 | 760,205 |
| - Others | | 34,159 | 171,476 |
| Royalty and technical assistance fee payable | | | |
| - Associated companies | 19.2 | 250,229 | 92,377 |
| - Others | | 181,909 | 165,883 |
| Accrued liabilities | 19.1 | 3,197,332 | 2,719,931 |
| Contract liabilities | 19.3 | 2,367,838 | 1,050,831 |
| Contractors' retention money | | 5,806 | 5,806 |
| Taxes deducted at source and payable to statutory authorities | | 93,055 | 68,751 |
| Workers' Welfare Fund | | 154,627 | 410,460 |
| Workers' Profits Participation Fund | 19.6 | 277,259 | 382,913 |
| Book overdraft | 19.5 | 284,143 | 235,754 |
| Central Research Fund | | 55,452 | 83,547 |
| Others | | 231,975 | 235,527 |
| | | 9,911,009 | 7,035,632 |

19.1 This includes liability for share based compensation amounting to Rs. 332.44 million (2021: Rs. 278.51 million).

19.2 The Royalty pertains to GlaxoSmithKline Intellectual Property Limited and GlaxoSmithKline Intellectual Property (No.2) 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 includes Rs. 862.59 million (2021: Rs. 333.76 million) as advance from customers and Rs. 1,505.25 million (2021: Rs. 717.01 million) as accrual for return and allowance. All the advances from customers included in the contract liabilities balance at the beginning of the year were converted into revenue during the year.

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 for these cheques will be made by transferring the amount from savings account as and when presented.

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|---|------|------------------------------------|----------------|
| 19.6 Workers' Profits Participation Fund | | | |
| Opening balance liability / (asset) | | 382,913 | (20,590) |
| Allocation for the year | 27 | 277,259 | 403,503 |
| Payment to the fund | | (382,913) | - |
| Closing balance liability | | 277,259 | 382,913 |

20. PROVISIONS

Provisions include restructuring costs and government levies of Rs. 28.47 million and Rs. 36.6 million (2021: Rs. 28.47 million and Rs. 4.12 million) respectively.

21. UNPAID DIVIDEND

This represents part of final dividend for the year ended December 31, 2021, which remained unpaid to GSK International Holding and Finance B.V. (formerly S.R One International B.V.), Netherlands (The Holding Company) due to pending approval from the State Bank of Pakistan.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

(a) Claims against the Company not acknowledged as debt for reinstatement of employment and other labour cases amounting to Rs. 103.56 million as at December 31, 2022 (2021: Rs. 84.65 million).

(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. Further, certain other additions were also made by AO. 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 decisions in favor of the Company for tax years 2001-02 & 2002-03 whereas against the Company for tax years 1999-2000 & 2000-2001. Both department and the Company filed appeal 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's 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 |

| S. No. | Tax/ assessment year | Tax impact (Rs. in million) | Description/ further comments | Current appellate forum |
|--------|----------------------------|--------------------------------|--|----------------------------|
| 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 |
| 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, 2015 & 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 |
| j. | 2018 | 120.7 | Against the demand raised by order of the AO of Rs. 613.6 million on account of disallowance of various expenses and provisions including royalty and certain imported raw materials, CIRA granted relief from certain additions against order dated 21 February 2022 while maintaining the decision on account of royalty, raw materials, and some other provisions. Against the decision of CIRA, the Company has filed an appeal before ATIR 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 ended December 31, 2021, the AO raised aggregate demand of Rs. 801.87 million in tax year 2017 on account of disallowance of various expenses. CIRA granted relief from certain additions against order dated 7 March 2022 reducing demand to Rs. 222.9 million. Against the decision of CIRA, the Company has filed an appeal before ATIR which is pending adjudication

(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.

22.2 Commitments

Commitments for capital expenditure outstanding as at December 31, 2022 amount to Rs. 601.33 million (2021: Rs. 241.04 million).

2022 2021
 Note ----- Rupees in '000 -----

23. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Gross sales

| | | | |
|--|------|-------------------|------------|
| Local | 23.1 | 44,269,996 | 38,118,978 |
| Export | | 26,465 | 28,878 |
| | | 44,296,461 | 38,147,856 |
| Less: Commissions, returns and discounts | | 2,198,985 | 1,483,298 |
| Less: Sales tax | | 255,891 | 3,786 |
| | | 41,841,585 | 36,660,772 |

23.1 This includes sales of OTC Products amounting to Rs. 1.66 billion (2021: Rs. 0.93 billion) to GSK CH being manufactured by the Company due to pending transfer of marketing authorisations by Drug Regulatory Authority of Pakistan ('DRAP').

23.2 Sales of major product categories i.e. antibiotics, dermatologicals and respiratory during the year amounted to Rs. 18.7 billion, Rs. 8.1 billion and Rs. 1.4 billion (2021: Rs. 16.10 billion, Rs. 7.50 billion and Rs. 1.57 billion) respectively.

23.3 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 (2021: two distributors) exceeds 10 percent of the net sales during the year, amounting to Rs. 6.55 billion and Rs. 8.07 billion (2021: 6.26 billion and Rs. 7.24 billion).

24. COST OF SALES

| | 2022 | 2021 |
|--|----------------------------|-------------|
| Note | ----- Rupees in '000 ----- | |
| Raw and packing materials consumed | 26,841,174 | 17,907,289 |
| Stores and spares consumed | 198,809 | 164,820 |
| Salaries, wages and other benefits | 24.1 2,658,700 | 2,740,769 |
| Fuel and power | 928,077 | 782,566 |
| Rent, rates and taxes | 8,671 | 4,459 |
| Royalty and technical assistance fee | 19.2 373,572 | 409,666 |
| Insurance | 99,501 | 107,191 |
| Publication and subscriptions | 6,274 | 17,282 |
| Repairs and maintenance | 561,051 | 479,998 |
| Training expenses | 626 | 1,368 |
| Travelling and entertainment | 37,679 | 56,562 |
| Depreciation | 3.4 613,432 | 588,410 |
| Provision for impairment on operating assets | 18,016 | 15,536 |
| Provision for impairment on intangibles | 36,000 | - |
| Provision for slow moving, obsolete and damaged stock-in-trade | 7.1 328,502 | 309,980 |
| Provision / (reversal) of slow moving and obsolete stores and spares | 6.1 2,400 | (1,279) |
| Canteen expenses | 161,254 | 120,255 |
| Laboratory expenses | 68,900 | 111,930 |
| Communication and stationery | 23,399 | 20,801 |
| Security expenses | 43,345 | 37,333 |
| Stock written-off | 1,255 | 9,873 |
| Restructuring cost | 24.2 69,810 | 168,535 |
| Other expenses | 63,870 | 82,142 |
| | 33,144,317 | 24,135,486 |
| Opening stock of work-in-process | 130,296 | 243,699 |
| Closing stock of work-in-process | (170,043) | (130,296) |
| | 33,104,570 | 24,248,889 |
| Opening stock of finished goods | 3,394,172 | 3,345,686 |
| Purchase of finished goods | 3,160,868 | 2,723,520 |
| | 39,659,610 | 30,318,095 |
| Closing stock of finished goods | (5,099,721) | (3,394,172) |
| | 34,559,889 | 26,923,923 |

24.1 Salaries, wages and other benefits include Rs. 87.38 million and Rs. 64.1 million (2021: Rs. 112.94 million and Rs. 73.21 million) in respect of charge for defined benefit plans and contributory provident fund.

24.2 This represents charge for severance costs recognised in respect of cost savings initiatives.

25. SELLING, MARKETING AND DISTRIBUTION EXPENSES

| | | 2022 | 2021 |
|--|------|----------------------------|-----------|
| | Note | ----- Rupees in '000 ----- | |
| Salaries, wages and other benefits | 25.1 | 1,489,438 | 1,082,349 |
| Sales promotion and symposiums | | 627,889 | 457,822 |
| Advertising | | 14,891 | 4,195 |
| Restructuring cost | 24.2 | 44,083 | 131,780 |
| Handling, freight and transportation | | 871,799 | 655,014 |
| Travelling and entertainment | | 201,162 | 160,877 |
| Depreciation | 3.4 | 107,204 | 108,435 |
| Vehicle running | | 193,109 | 147,104 |
| Publication and subscriptions | | 80,985 | 61,446 |
| Fuel and power | | 59,456 | 44,382 |
| Communication | | 2,996 | 6,214 |
| Charge for impairment of trade receivables | 8.3 | 89,696 | 42,742 |
| Reversal for doubtful deposits | 10.1 | (22,063) | (4,855) |
| Repairs and maintenance | | 14,056 | 16,576 |
| Insurance | | 18,025 | 9,163 |
| Printing and stationery | | 3,094 | 8,060 |
| Security expenses | | 19,741 | 19,526 |
| Rent, rates and taxes | | 1,849 | 4,282 |
| Canteen expenses | | 377 | 401 |
| Training expenses | | 649 | - |
| Other expenses | | 51,085 | 41,027 |
| | | 3,869,521 | 2,996,540 |
| Less: Recovery of expenses | 25.2 | 3,713 | 11,947 |
| | | 3,865,808 | 2,984,593 |

25.1 Salaries, wages and other benefits include Rs. 74.11 million and Rs. 54.67 million (2021: Rs. 66.76 million and Rs. 50.24 million) in respect of defined benefit plans and contributory provident fund respectively.

25.2 These represent cost reimbursements from GSK CH against various functions / services provided under cost sharing agreements. However, GSK CH has not remained associated company with effect from July 18, 2022 as disclosed in note 36.1.

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|------------------------------------|------|------------------------------------|------------------|
| 26. ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and other benefits | 26.1 | 888,756 | 733,995 |
| Depreciation | 3.4 | 102,748 | 78,428 |
| Communication | | 8,097 | 7,821 |
| Legal and professional charges | | 121,762 | 93,624 |
| Travelling and entertainment | | 39,526 | 19,206 |
| Repairs and maintenance | | 48,737 | 30,312 |
| Printing and stationery | | 6,992 | 8,558 |
| Auditors' remuneration | 26.2 | 11,527 | 10,252 |
| Vehicle running | | 6,348 | 7,333 |
| Security expenses | | 37,950 | 33,071 |
| Publication and subscriptions | | 15,403 | 8,416 |
| Rent, rates and taxes | | 7,143 | 5,282 |
| Insurance | | 12,580 | 11,543 |
| Canteen expenses | | 27,381 | 21,472 |
| Restructuring cost | 24.2 | 32,617 | 21,252 |
| Donations | 26.3 | 10,000 | - |
| Other expenses | | 50,129 | 30,304 |
| | | 1,427,696 | 1,120,869 |
| Less: Recovery of expenses | 25.2 | 8,309 | 48,783 |
| | | 1,419,387 | 1,072,086 |

26.1 Salaries, wages and other benefits include Rs. 49.52 million and Rs. 35.41 million (2021: Rs. 52.31 million and Rs. 23.6 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|--|------|------------------------------------|---------------|
| 26.2 Auditor's remuneration | | | |
| Audit fee | | 7,259 | 6,290 |
| Fee for review of half yearly financial statements, special certifications and others | | 3,760 | 3,648 |
| Out-of-pocket expenses | | 508 | 314 |
| | | 11,527 | 10,252 |

26.3 Donations to single party exceeding 10% of total donations are as follows:

| | | |
|----------------------|---------------|---|
| Karachi Relief Trust | 10,000 | - |
|----------------------|---------------|---|

26.3.1 Donations did not include any amount paid to any organization in which a director or his/her spouse hold any interest.

| | Note | 2022 ----- Rupees in '000 ----- | 2021 |
|-------------------------------------|------|------------------------------------|----------------|
| 27. OTHER OPERATING EXPENSES | | | |
| Workers' Profits Participation Fund | 19.6 | 277,259 | 403,503 |
| Workers' Welfare Fund | | 97,140 | 161,401 |
| Central Research Fund | | 55,452 | 80,701 |
| | | 429,851 | 645,605 |

28. OTHER INCOME

Income from financial assets

Return on Treasury Bills
Income on savings and deposit accounts

Income from non-financial assets

Gain on disposal of operating assets
- Non-current asset held for sale
- Operating assets

Others

Liabilities no longer required written back
Scrap sales
Promotional allowance
Service fee
Others

| Note | 2022 ----- Rupees in '000 ----- | 2021 |
|------|------------------------------------|-----------|
| | 171,897 | 31,892 |
| | 657,640 | 343,049 |
| | 829,537 | 374,941 |
| | - | 594,564 |
| | 124,617 | 39,332 |
| | - | 43,881 |
| | 66,101 | 55,557 |
| 28.1 | 3,179,051 | 1,421,011 |
| 1.2 | 12,600 | 12,000 |
| | 43,341 | 13,032 |
| | 4,255,247 | 2,554,318 |

28.1 This represents allowance from GSK Group against various promotional activities for brand building and sustainable investments.

29. FINANCIAL CHARGES

Exchange loss - net
Bank charges
Interest on lease liability

| Note | 2022 ----- Rupees in '000 ----- | 2021 |
|------|------------------------------------|---------|
| | 703,514 | 156,486 |
| | 7,368 | 2,520 |
| | 5,374 | 5,427 |
| | 716,256 | 164,433 |

30. TAXATION - NET

Current
- for the year
- for prior year charge / (reversal)

Deferred

| | | |
|----|------------------|-----------|
| | 1,788,487 | 2,242,961 |
| | 670,895 | (213,216) |
| | 2,459,382 | 2,029,745 |
| 18 | 183,367 | 40,296 |
| | 2,642,749 | 2,070,041 |

2022 2021
----- Rupees in '000 -----

30.1 Relationship between tax expense and accounting profit

| | | |
|---|------------------|------------------|
| Profit before taxation for the year | 5,105,641 | 7,424,450 |
| Applicable tax rate | 29% | 29% |
| Tax calculated at applicable tax rate | 1,480,636 | 2,153,091 |
| Impact of taxability at reduced rates, minimum tax and Final Tax Regime | (7,566) | 105,003 |
| Impact of change in rate | 111,260 | - |
| Impact of super tax | 201,261 | - |
| Effect of prior year charge | 670,895 | (213,216) |
| Effect of tax credits | (2,900) | - |
| Impact of permanent differences | 181,642 | 5,262 |
| Tax effect of other than temporary differences | 7,521 | 19,901 |
| | 2,642,749 | 2,070,041 |

30.2 During the year, the Government of Pakistan through Finance Act, 2022 introduced section 4C in the Income Tax Ordinance, 2001 through which super tax has been levied on high earning persons. The tax will be applicable at different rates on all persons (including the Company) earning more than Rs. 150 million. Further, entities operating in various sectors, including pharmaceutical sector, and earning more than Rs. 300 million are liable to super tax at 10% (for TY 2022) of income as specified in the Finance Act, 2022. Accordingly, the current year tax charge includes Rs. 687.07 million (included in prior year tax as it pertained to financial year ended December 31, 2021) and Rs. 201.26 million for tax years 2022 and 2023 respectively on account of super tax.

During the year, the Company along with other entities (petitioners), in connected petitions, challenged the vires of section 4C related to super tax in the Honourable Sindh High Court (SHC) on the grounds that such tax has been applied retrospectively for tax year 2022 (financial year ended December 31, 2021). The SHC, on October 3, 2022, granted interim relief to the petitioners, including the Company, and directed to secure the disputed amount of super tax before the Nazir of the SHC by furnishing either the pay order, bank guarantee or cheque within stipulated time, which the Company provided in the form of undated cheque.

Subsequently, on December 22, 2022, the SHC issued an order declaring that section 4C shall not be applicable for TY 2022 and would apply from tax year 2023 (i.e., financial year ended December 31, 2022). However, the SHC has suspended the operation of the judgement for a period of sixty days. Henceforth, the Company has maintained the provision of super tax for TY 2022 in the current year.

2022 2021
----- Rupees in '000 -----

31. EARNINGS PER SHARE - BASIC AND DILUTED

| | | |
|---|-----------|-----------|
| Profit after taxation | 2,462,892 | 5,354,409 |
| Weighted average number of outstanding shares (in thousand) | 318,467 | 318,467 |

----- Rupees -----

| | | |
|--|------|-------|
| Earnings per share - basic and diluted | 7.73 | 16.81 |
|--|------|-------|

31.1 A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

32. CASH GENERATED FROM OPERATIONS

| | 2022 | 2021 |
|---|----------------------------|-------------|
| | ----- Rupees in '000 ----- | |
| Profit before taxation | 5,105,641 | 7,424,450 |
| Add / (less): Adjustments for non-cash charges and other items | | |
| Depreciation and impairment | 877,400 | 790,809 |
| Gain on disposal of: | | |
| Non-current asset held for sale | - | (594,564) |
| Operating assets | (124,617) | (39,332) |
| Interest income | (829,537) | (374,941) |
| Provision for slow moving, obsolete and damaged stock-in-trade and stock written off directly | 329,757 | 319,853 |
| Liabilities no longer required written back | - | (43,881) |
| Provision / (reversal) of provision for slow moving and obsolete stores and spares | 2,400 | (1,279) |
| Interest on lease liabilities | 5,374 | 5,427 |
| Charge for impairment of trade receivables | 89,696 | 42,742 |
| Reversal for doubtful deposits | (22,063) | (4,855) |
| Provision for staff retirement benefits | 211,071 | 232,014 |
| | 539,481 | 331,993 |
| Profit before working capital changes | 5,645,122 | 7,756,443 |
| Effect on cash flow due to working capital changes | | |
| Decrease / (increase) in current assets | | |
| Stores and spares | 7,126 | 4,930 |
| Stock-in-trade | (3,369,671) | (1,081,749) |
| Trade receivables | (358,672) | (154,149) |
| Loans and advances | (1,232,093) | (33,940) |
| Trade deposits and prepayments | (31,003) | 154,185 |
| Refunds due from Government | (1,207,173) | 1,000 |
| Other receivables | (2,703,962) | (626,924) |
| | (8,895,448) | (1,736,647) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 2,826,988 | (36,694) |
| Provisions | 32,478 | (6,373) |
| | (6,035,982) | (1,779,714) |
| | (390,860) | 5,976,729 |

33. CASH AND CASH EQUIVALENTS

| | 2022 | 2021 |
|---------------------------------|----------------------------|-----------|
| | ----- Rupees in '000 ----- | |
| Cash and bank balances | 4,754,525 | 7,085,344 |
| Investments - at amortised cost | - | 1,633,183 |
| Book overdraft | (284,143) | (235,754) |
| | 4,470,382 | 8,482,773 |

34. 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.

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The amounts charged in these financial statements for remuneration of the Chief Executive, Director and Executives are as follows:

| | Chief Executive | | Director | | Executives | |
|----------------------------|-----------------|---------------|---------------|---------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| ----- Rupees in '000 ----- | | | | | | |
| Management remuneration | 19,538 | 18,550 | 8,615 | 8,886 | 539,637 | 539,893 |
| Bonus - note 35.1 | 32,520 | 29,328 | 9,291 | 8,000 | 255,222 | 235,268 |
| Retirement benefits * | 3,858 | 3,649 | 2,010 | 1,736 | 119,510 | 101,765 |
| House rent | 8,792 | 8,347 | 3,877 | 3,999 | 225,001 | 223,131 |
| Utilities | 1,954 | 1,855 | 861 | 889 | 50,005 | 49,585 |
| Others | 897 | 441 | 1,572 | 2,735 | 112,954 | 109,934 |
| | 67,559 | 62,170 | 26,226 | 26,245 | 1,302,329 | 1,259,576 |
| Number of person(s) | 1 | 1 | 1 | 2 | 222 | 239 |

* Retirement benefits represent amount contributed towards various retirement benefit plans.

- 35.1** Bonus includes share based payments as Share Appreciation Rights (SARs) given to the Chief Executive, Executive Director and certain executives amounting to Rs. 211.58 million (2021: Rs. 156.58 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, GSK plc, UK.

In addition to the above, fee to three (2021: three) non-executive Directors during the year amounted to Rs. 1.30 million (2021: Rs. 1.25 million).

Chief Executive, Executive Director and certain executives are also provided with free use of the Company maintained cars in accordance with the Company policy.

36. TRANSACTIONS WITH RELATED PARTIES

The related parties includes holding company, associated companies, directors and key management personnel of the Company and 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 | 2022 | 2021 |
|--|--|----------------------------|-----------|
| | | ----- Rupees in '000 ----- | |
| Holding Company: | a. Dividend paid | - | 1,709,694 |
| | b. Dividend payable | 1,841,209 | - |
| Associated companies / undertakings: | a. Purchase of goods | 6,037,064 | 5,949,088 |
| | b. Sale of goods | 843,822 | 958,184 |
| | c. Royalty expense charged | 355,859 | 393,603 |
| | d. Recovery of expenses | | |
| | - GlaxoSmithKline Consumer Healthcare Pakistan Limited | 12,022 | 60,703 |
| | - Others | 598,567 | 660,487 |
| e. Service fee charged to GlaxoSmithKline Consumer Healthcare Pakistan Limited | 6,000 | 12,000 | |
| f. Promotional allowance | 3,179,051 | 1,421,011 | |

Relationship

Nature of transactions

2022

2021

----- Rupees in '000 -----

| | | | | |
|---------------------------|----|--------------------------------------|----------------|---------|
| Staff retirement funds: | a. | Payments to retirement benefit plans | 287,652 | 279,414 |
| Key management personnel: | a. | Salaries and other employee benefits | 340,681 | 298,400 |
| | b. | Post employment benefits | 28,327 | 28,554 |
| | c. | Sale of assets - sales proceeds | 30,953 | 629 |

36.1 As a result of demerger of the Consumer Healthcare business from GSK plc (the Ultimate Parent Company) on July 18, 2022, GlaxoSmithKline Consumer Healthcare Pakistan Limited is now a group company of Haleon plc and accordingly, it is not a related party of the Company with effect from July 18, 2022.

36.2 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 | GSK International Holding and Finance B.V | Netherlands | Holding Company | 82.59% |
| 2 | GSK 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 Limited | England | Associated company | N/A |
| 6 | GlaxoSmithKline Intellectual Property (No.2) Limited | England | Associated company | N/A |
| 7 | GlaxoSmithKline Consumer Trading Services Limited | England | Associated company | N/A |
| 8 | Glaxo Operations UK Limited | England | Associated company | N/A |
| 9 | GlaxoSmithKline Pte Ltd | Singapore | Associated company | N/A |
| 10 | GlaxoSmithKline Export Limited | England | Associated company | N/A |
| 11 | P.T. SmithKline Beecham Pharmaceuticals | Indonesia | Associated company | N/A |
| 12 | GlaxoSmithKline Services Unlimited | England | Associated company | N/A |
| 13 | GlaxoSmithKline Inc | Canada | Associated company | N/A |
| 14 | Glaxo Wellcome Production S.A.S | France | Associated company | N/A |
| 15 | GlaxoSmithKline Research & Development Limited | England | Associated company | N/A |
| 16 | Glaxo Saudi Arabia Limited | Saudi Arabia | Associated company | N/A |
| 17 | GlaxoSmithKline South Africa (Pty) Limited | South Africa | Associated company | N/A |
| 18 | GlaxoSmithKline Consumer Healthcare Pakistan Limited | Pakistan | Associated company | N/A |
| 19 | GlaxoSmithKline Holdings Pty Ltd | Australia | Associated company | N/A |
| 20 | Human Genome Sciences, Inc. | United States of America | Associated company | N/A |
| 21 | GSK Business Service Centre Sdn Bhd | Malaysia | Associated company | N/A |
| 22 | GSK Services SP. Zo.o. | Poland | Associated company | N/A |

37. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

The facility for running finance available from banks amounted to Rs. 3.07 billion (2021: Rs. 2.88 billion). Rate of mark-up ranges from one / three month KIBOR plus 0.3% to one month KIBOR plus 1% (2021: one / three month KIBOR plus 0.3% to one month KIBOR plus 1%) per annum. The arrangements are secured by Intra Group Guarantee.

The facilities for opening letters of credit and guarantees as at December 31, 2022 amounted to Rs. 2.5 billion (2021: Rs. 2.4 billion) of which unutilised balances at the year end amounted to Rs. 1.9 billion (2021: Rs. 1.84 billion).

2022 2021

Rupees in '000

38. FINANCIAL INSTRUMENTS BY CATEGORY

38.1 Financial assets as per statement of financial position

Financial assets measured at amortised cost

| | | |
|---------------------------------|-------------------|-------------------|
| Investments - at amortised cost | - | 1,633,183 |
| Loans to employees | 108,232 | 123,770 |
| Advances and deposits | 1,407,154 | 271,732 |
| Trade receivables | 1,584,526 | 1,315,550 |
| Interest accrued | 2,433 | - |
| Other receivables | 4,328,953 | 1,624,991 |
| Cash and bank balances | 4,754,525 | 7,085,344 |
| | 12,185,823 | 12,054,570 |

38.2 Financial liabilities as per statement of financial position

Financial liabilities measured at amortised cost

| | | |
|-----------------------------|-------------------|------------------|
| Trade and other payables | 8,468,028 | 5,756,198 |
| Provision for restructuring | 28,471 | 28,471 |
| Unpaid dividend | 1,841,209 | - |
| Unclaimed dividend | 137,976 | 124,945 |
| Lease liabilities | 61,926 | 53,601 |
| | 10,537,610 | 5,963,215 |

38.3 Fair values of financial assets and liabilities

- (a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

(b) Fair value estimation

The Company discloses the financial instruments carried at fair value in the statement of financial position in accordance with the following fair value hierarchy:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2022, the Company does not have any financial instruments carried at fair value.

39. FINANCIAL RISK MANAGEMENT

39.1 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 only exposed to currency risk and interest rate 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, 2022 amount to Rs. 1,490.41 million (2021: 682.92 million).

At December 31, 2022, 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. 74.52 million (2021: Rs. 34.15 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.

| | 2022 | 2021 |
|--|----------------------------|-----------|
| | ----- Rupees in '000 ----- | |
| Fixed rate instruments | | |
| Financial assets | | |
| - bank balance on deposit accounts | 2,000,000 | - |
| - Investments - at amortised cost | - | 1,633,183 |
| Variable rate instruments - carrying amount | | |
| Financial assets | | |
| - bank balance on savings accounts | 2,668,416 | 6,912,173 |

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 before tax by Rs. 26.68 million (2021: Rs. 69.12 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2021.

(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.

| | 2022 | 2021 |
|--|----------------------------|-------------------|
| | ----- Rupees in '000 ----- | |
| Trade receivables | 1,584,526 | 1,315,550 |
| Loans to employees, interest accrued and other receivables | 4,439,618 | 1,748,761 |
| Advances and deposits | 1,407,154 | 271,732 |
| Investments - at amortised cost | - | 1,633,183 |
| Bank balances | 4,754,346 | 7,085,165 |
| | 12,185,644 | 12,054,391 |

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. 1.39 billion (2021: Rs. 1.31 billion) are past due of which Rs. 339.96 million (2021: Rs. 250.27 million) have been impaired. Past due but not impaired balances include Rs. 897.81 million (2021: Rs. 815.64 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. As at year end all the financial liabilities, as disclosed in note 38.2, are due within one year except for long term lease liabilities.

| Carrying Amount | Contractual cash flow | Up to 1 year | Greater than 1 year |
|-----------------|-----------------------|--------------|---------------------|
|-----------------|-----------------------|--------------|---------------------|

----- Rupees in '000 -----

December 31, 2022

Non-interest bearing

| | | | | |
|-----------------------------|-------------------|-------------------|-------------------|----------|
| Trade and other payables | 8,468,028 | 8,468,028 | 8,468,028 | - |
| Provision for restructuring | 28,471 | 28,471 | 28,471 | - |
| Unpaid dividend | 1,841,209 | 1,841,209 | 1,841,209 | - |
| Unclaimed dividend | 137,976 | 137,976 | 137,976 | - |
| | 10,475,684 | 10,475,684 | 10,475,684 | - |

Interest bearing

| | | | | |
|-------------------|--------|--------|--------|--------|
| Lease liabilities | 61,926 | 72,473 | 22,299 | 50,174 |
|-------------------|--------|--------|--------|--------|

December 31, 2021

Non-interest bearing

| | | | | |
|-----------------------------|------------------|------------------|------------------|----------|
| Trade and other payables | 5,756,198 | 5,756,198 | 5,756,198 | - |
| Provision for restructuring | 28,471 | 28,471 | 28,471 | - |
| Unclaimed dividend | 124,945 | 124,945 | 124,945 | - |
| | 5,909,614 | 5,909,614 | 5,909,614 | - |

Interest bearing

| | | | | |
|-------------------|--------|--------|--------|--------|
| Lease liabilities | 53,601 | 64,565 | 15,876 | 48,889 |
|-------------------|--------|--------|--------|--------|

| | | |
|---|--------------|-------|
| 40. NUMBER OF EMPLOYEES | 2022 | 2021 |
| Number of employees including contractual employees at the end of year | 1,768 | 1,771 |
| Average number of employees including contractual employees during the year | 1,635 | 1,842 |

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Jan 01, 2022 | Non-cash changes | | | Cash flows | Dec 31, 2022 |
|----------------------------|-----------------|----------------------|---------------------|-----------|-------------|-----------------|
| | | Acquisition - net | Interest charged | Dividend | | |
| ----- Rupees in '000 ----- | | | | | | |
| Lease liabilities | 53,601 | 17,547 | 5,374 | - | (14,596) | 61,926 |
| Unpaid dividend | - | - | - | 1,841,209 | - | 1,841,209 |
| Unclaimed dividend | 124,945 | - | - | 388,062 | (375,031) | 137,976 |
| ----- Rupees in '000 ----- | | | | | | |
| | 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 |

42. 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.

43. 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.

44. 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 – 9/23, Industrial Area, Islamabad
- 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

45. 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.

46. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on February 09, 2023 proposed a final cash dividend of Rs. Nil per share (2021: Rs. 7 per share) amounting to Rs. Nil (2021: Rs. 2.23 billion) subject to the approval of the members in the forthcoming annual general meeting of the Company.

47. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on February 09, 2023.



Chief Executive Officer



Chief Financial Officer



Director

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 01 to 47
- Governance - Pages 78 to 123
- Business Model - Pages 14 to 15
- Risks and Opportunities - Pages 58 to 65 6
- Strategy and Resource Allocation - Pages 50 to 55
- Performance - Pages 126 to 196
- Outlook - Pages 206 to 209
- Basis of Presentation - Page 138 for statement of compliance to IFRS





Disclosures on IT Governance and Cybersecurity

Legal and Regulatory implications of Cyber Risks

As the Board oversees all risks to the business, they are informed on the enforcement of legal and regulatory implications related to cyber risks and in case of any breaches.

For GSK, information protection, privacy, cyber security, tech governance and regulations are high priority areas, which is why it ensures that

all global and local processes are adequately followed. Further, the information protection and risk assessment committees in place also take measures to maintain continuity and robustness of essential controls.

IT Governance and Cybersecurity Programmes, Policies and Procedures

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.

Therefore, GSK has put into place an IT Governance Policy to align IT-related decisions and actions with the 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:

- Meeting stakeholders' requirements relating to risk optimisation, resource optimisation and value delivery;
- To be updated with change and technology to ensure maximum customer reach;
- To 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;
- Ensuring that the business goals and controls for IT are aligned;
- Keeping 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;
- To optimise IT risk management process, GSK ensures the necessary protection of its assets;
- Compliance with legal and regulatory requirements, internal controls and monitoring, and related policies and procedures.

How Cybersecurity fits into the Board's Risk Oversight Function

At GSK Pakistan, multiple forums such as RMCB and GM confirmation are in place through which risk assessment and compliance evaluations are performed and then the outputs shared with the Board for feedback. Also, the information protection

team ensures that the Board is updated in case of any critical cyber risk or breaches. In addition, there are regular audits on network and cyber security which are then presented to the Board as well, for its information.

Board Committee's oversight of IT Governance and Cybersecurity matters

The Board administers the IT risk oversight via the Board Audit Committee, which regularly audits IT governance and cybersecurity activities and processes with the help of the Information Protection Team. The Information Protection Team is responsible for designing

policies and ensuring awareness about protecting GSK information and systems against cyber threats. In case of any breaches or cyber-attacks, they apprise the Board on the same.

Company's controls and procedures about an "early warning system"

As an early warning system, GSK has robust mechanisms and efficient teams in place for Cyber Security Threat Detection (CSTD) and Cyber Security Incident Reporting (CSIR). These channels are used for reporting any

breaches or incidents, carrying out investigations related to such events, and disseminating communication to relevant stakeholders, including Board Members.

Independent comprehensive security assessment of Technological Environment

The Third Party Risk Management (TPRM) process ensures that all new and existing vendors are assessed and evaluated for any potential risks. This process is responsible for checking all third-party controls related to cybersecurity and in case of any risk, it prompts the vendor to take specific actions to mitigate the risk and once those actions are

taken, only then the vendor is taken onboard. In addition to this, frequent assessments of our technology environment are conducted, and the results of these assessments are used to enhance technological security and risk management. Also, such risks are reviewed on an annual basis.

Disaster Recovery Plan in terms of dealing with a possible IT failure or cyber breach

All systems, hardware and networks at GSK have disaster recovery and business continuity plans in place, which are regularly updated after alignment with the relevant stakeholders. Such plans include information such as Recovery Point Objective (RPO), Recovery Time Objective (RTO) and other specifics on processes or technologies in case there is a

disaster or incident with any technological system or service.

In addition, disaster recovery test exercises are periodically carried out for critical systems and the plans are validated and further improved based on learnings from these exercises.

Disclosure of advancement in Digital Transformation

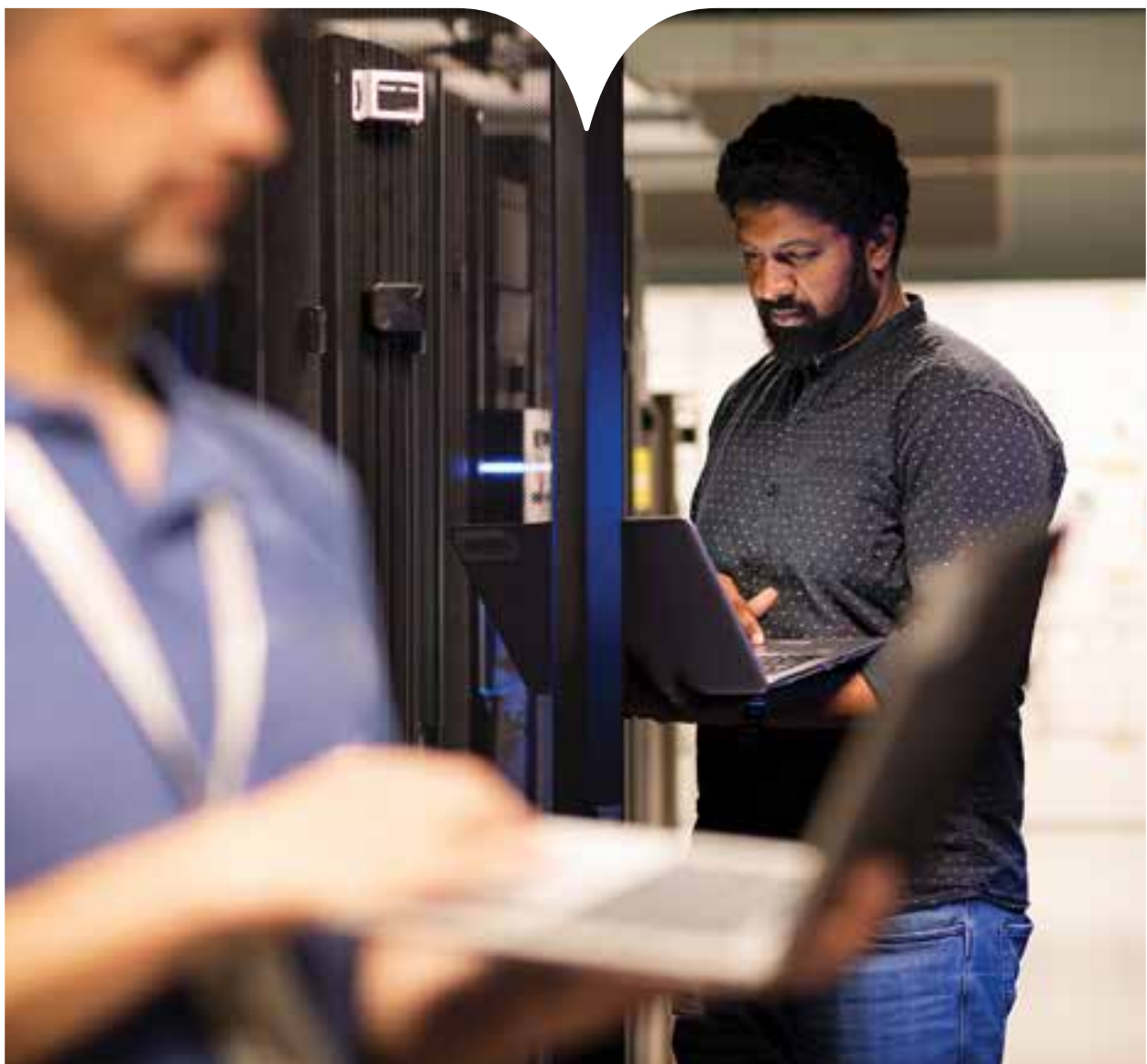
GSK Pakistan is moving to a cloud first strategy and has started the journey to cloud for many of its systems and solutions, whereas our

enterprise platforms are mostly already cloud based. Further, we have also built several RPA bots for various business processes.

Education and training efforts of the Company to mitigate Cybersecurity Risks

We have multiple enterprise platforms with education programmes, courses and learning material to impart cybersecurity training to employees. Some of these courses are mandatory and refreshed every year. In addition to these, we also execute targeted cybersecurity campaigns for specific

employees, on carefully selected topics related to cyber threats and security to strengthen protection against cyber-attacks. For example, phishing simulations are sent out regularly to gauge and measure awareness of employees on phishing emails and how to report them.







Future 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 aim to consistently produce and improve access to quality medicines to help improve the quality of patients' lives and also bring differentiated, high-quality, and needed healthcare products to as many people as possible.

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.

We hope that consistent policy making is in place to ensure the wellbeing of the business.

For detailed insight on the Company's Future Outlook and Challenges, please refer to the Directors' Report on pages 90 to 96 of the Annual Report.

Moreover, for significant factors affecting external environment and the Company's responses to those factors, please refer to pages 42 to 43 of the Annual Report.

Explanation of External Environment that is likely to be faced and how it will affect the Organisation

| External Environment | Factors affecting External Environment | Improvement | Impact on the Organisation |
|----------------------|--|---|---|
| Political | <ul style="list-style-type: none"> Vote of no confidence led to a new Government setup involving a coalition of 14 political parties which resulted in political uncertainty and widespread protests across the Country | <ul style="list-style-type: none"> Political stability | <ul style="list-style-type: none"> An improvement in political situation will result in formation of sustainable long-term policies by the Government which will result in increase in economic activities |

| External Environment | Factors affecting External Environment | Improvement | Impact on the Organisation |
|----------------------|---|---|--|
| Economic | <ul style="list-style-type: none"> • Change in tax regime from exempt to Zero-Rated and thereafter to reduced tax regime • Introduction of new income and sales taxes causing undue burden to businesses including a retrospective Super Tax for tax year 2022 • Rising inflation and currency devaluation • FX liquidity, import constraints and outward remittance challenges | <ul style="list-style-type: none"> • Decrease in input costs • Easing of fiscal and monetary measures • Consistent policy making | <ul style="list-style-type: none"> • Increased margins resulting in greater ROI for our shareholders • Improved cash flow |
| Social | <ul style="list-style-type: none"> • Unprecedented Pakistan floods 2022 | <ul style="list-style-type: none"> • Increase in social upliftment, public welfare and infrastructure development projects | <ul style="list-style-type: none"> • As a socially responsible corporate entity, GSK Pakistan will remain committed to making efforts to alleviate the hardships of the less privileged in the society, for environment conservation, diversity & inclusion, etc. |
| Technological | <ul style="list-style-type: none"> • Latest technological advancements to empower businesses on growth trajectory | <ul style="list-style-type: none"> • Advancements and adoption of digital tools for business | <ul style="list-style-type: none"> • Through the launch of new digital channels and by leading the digital footprint of the industry, GSK empowers its sales professionals with personalised communication for their customers, thereby enhancing their capabilities |

| External Environment | Factors affecting External Environment | Improvement | Impact on the Organisation |
|----------------------|--|---|--|
| Legal | <ul style="list-style-type: none"> Compliance with complex and frequent changes in the laws and regulations related to various statutory and regulatory authorities | <ul style="list-style-type: none"> Relief against taxation measures Timely decisions and actions on pending litigations, etc. | <ul style="list-style-type: none"> Improvement in legal environment will result in Company making consistent and long-term policies resulting in increased ROI for the shareholders |
| Environmental | <ul style="list-style-type: none"> Safe and healthy work environment for employees and community at large | <ul style="list-style-type: none"> Introduction of policies to offset the impact of climate change, global warming, pollution and environmental degradation etc. | <ul style="list-style-type: none"> Introduction of these measures would help the Organisation become self-sustainable, future ready and ecofriendly leading to positive impact on the Organisation's sustainability agenda and easing the reliability on the Country's valuable natural resources |

Forward-looking Disclosures made in the previous year

| Reported in Annual Report last year | Actual performance |
|---|---|
| Take steps to mitigate inflationary impact. | The Company took various cost-saving initiatives during the year and consequently, the operating expenditure increase was below the inflation percentage. |

Status of the Projects in Progress

There were no projects in progress disclosed in the forward-looking statement in the previous year.

Sources of Information and Assumptions used for 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. Essential information for developing the plans such as, macro and microeconomic indicators and difference assumptions are used in preparing the plans, including, but not limited

to, historical figures, market growth rates, trend analysis, pricing policy, foreign currency rates, capital expenditure plans, inflation and expected growth rate of the Pharmaceutical Industry.

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.

How the Organisation is currently equipped in responding to the critical challenges and uncertainties that are likely to arise

The Company has a strong leadership team which takes timely action during crisis. We have robust business continuity plans in place to cater to and mitigate any natural disasters or calamities.

GSK has comprehensive operational processes and thorough risk management procedures that assist in identifying, reporting, and managing the most essential risks in a proportionate and consistent manner. Factors that may potentially affect the Company's resources, revenues and operations are as follows:

- Changes to the discount rate/monetary policy
- Geo-political risks and uncertainties across the geography in which we operate
- Law and order situation
- Changes in Government rules and regulations
- Inflation, devaluation, fuel, and general commodity prices
- Corporate taxation measures

The Organisation remains proactive in developing strategies for mitigation of risks. It continues to upgrade technologies and technical skills of its people in order to be agile and respond to new challenges.

CEO's presentation video on the Corporate Website

CEO's presentation video on Company's performance, strategy and outlook can be seen on the Company's website at www.pk.gsk.com





Stakeholders Relationship and Engagement

Identification of Stakeholders

GSK's stakeholder engagement approach focuses on identification of relevant people or entities that are affected by its business activities. These are profiled, mapped, and

prioritised for consultation based on factors of influence, proximity, responsibility, and the impact they have on business operations.




Stakeholders' Engagement Process


GSK places strong emphasis on the interests of its stakeholders and is conscious of the impact of its decision making on them. The Company considers its key stakeholders such as employees, healthcare professionals (HCPs), investors, analysts, and regulators while formulating its strategies.

We prioritise frequent engagement with our stakeholders through different channels such as internal engagement activities throughout the year for our employees. Our efforts in this direction manifested in GSK Pakistan being recognised as a Top Employer for the past two consecutive years. GSK has always strived to maintain an open and active

engagement with shareholders through, but not limited to, the Annual General Meetings, website updates and the Annual Report.

The Company constantly focuses on doing the right thing and keeping patients at the forefront of all its decisions. To do this, GSK puts in utmost effort to engage healthcare professionals as well as use media outlets to provide accurate information to all its stakeholders. Moreover, we work with governments and regulators to advocate for policies that promote efficient management of healthcare systems in the best interests of patients.

| Stakeholder | Engagement Frequency | Effect on Company's Performance and Values |
|---|---------------------------------------|--|
|  Patients | Infrequent/as and when it is required | GSK's success and performance depends upon patients' trust and preference for our medicine |
|  Employees | Regular | GSK recruits and develops outstanding people who believe in our purpose, live our culture, and want to help us achieve our ambition. Our people help us deliver competitive performance and drive our strategic and operational objectives |
|  Healthcare Professionals | Regular | GSK's success and performance depends upon HCPs' trust and preference for prescribing our medicines for patients benefits |

| Stakeholder | Engagement Frequency | Effect on Company's Performance and Values |
|---|---------------------------------------|---|
|  <p>Government & Regulators</p> | Regular | Laws and regulations, determination of policies and other factors controlled by the Government affect the performance of GSK |
|  <p>Investors, Analysts & Shareholders</p> | Quarterly, Mid-year and Annually | By remaining committed to our Purpose, we aim to deliver strong and sustainable shareholder returns as a Company where our people can thrive. The trust of our Shareholders and Analysts sets the strategic direction of the Company, and their support further facilitates the achievement of our key objectives |
|  <p>Suppliers & Distributors</p> | Regular | They are vital building blocks of our value chain, ensuring supply of quality medicine in the market |
|  <p>Tendering Authorities</p> | Regular | Provide GSK the opportunity to ensure access of quality medicines to patients through Government sponsored healthcare programmes |
|  <p>Trade Associations and other Public Policy Groups (PPGs)</p> | 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 |
|  <p>Media</p> | Infrequent/as and when it is required | Media assists us in creating awareness regarding the Company and its products |
|  <p>Bankers</p> | Regular | Engagement with banks is key to GSK's performance in terms of access to better customer service, competitive exchange rates, and effective planning for the future |
|  <p>Local Community & General Public</p> | Regular | The people of the Country provide the grounds for prosperous future of GSK |

Stakeholder Engagement Process



Patients

Our ambitions for patients are reflected in our commitment to growth and our aim to consistently produce and improve patients' access to quality medicines. Our efforts in this direction include:

- Disease Awareness campaigns such as Anti-Microbial Resistance (AMR) Awareness, World Psoriasis Day, Eczema Awareness Week, etc.



Employees

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, inspiration and overall a nourishing culture. We achieve this by:

- Conducting employee engagement survey to seek employee feedback
- Promoting dialogue and collaboration
- Developing and enhancing skills of our people through coaching, mentoring and on job training
- Holding "Let's Talk" sessions with our Leadership Team



Local Community & General Public

GSK recognises its responsibility towards the society at large and prioritises supporting causes that would create a positive impact on the community in line with the national need. GSK focuses social wellbeing by conducting various CSR activities while also using press releases and print media to engage with the community.



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.



Governments & Regulators

GSK, being a responsible corporate citizen abides by the laws and regulations of Pakistan. We achieve this by:

- Interacting with Governments 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.





Steps taken 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/EOGM notices are published in widely circulated newspapers, both in Urdu and English. GSK encourages all shareholders, irrespective of their shareholding, to appoint proxy, participate through video conference (VC) and vote through e-voting (if needed).

GSK ensures that there is a dedicated time slot for Q&A 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 with 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' Relations Section on the Corporate Website

GSK aims 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-pk/investors/).

This section 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

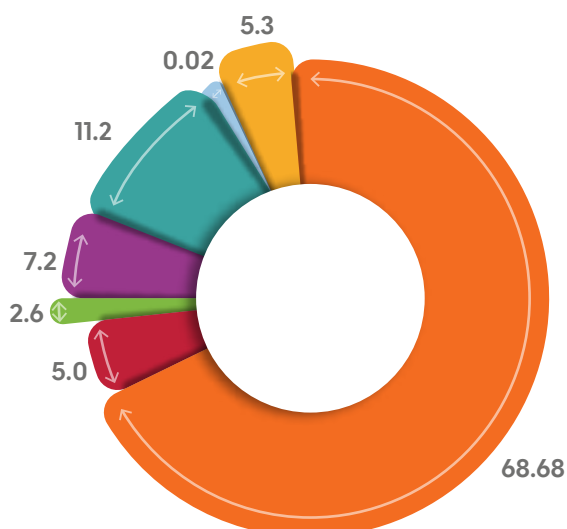
No significant issues were raised by the shareholders at Last Annual General Meeting

April 2022. During the meeting, no significant issue or concern was raised.

Statement of value added and its Distribution

| | 2022 | | 2021 | |
|---|-------------------|-------|-------------------|-------|
| | Rs. 000 | % | Rs. 000 | % |
| Revenue Generated | | | | |
| Total Revenue* | 46,352,723 | 100.0 | 39,218,876 | 100.0 |
| Revenue Distributed | | | | |
| Bought-in-materials and Services | 31,831,379 | 68.68 | 24,014,619 | 61.2 |
| Selling, Marketing and Distribution Expenses | 2,332,287 | 5.0 | 1,770,464 | 4.5 |
| Administrative Expenses and Financial Charges | 1,204,270 | 2.6 | 507,603 | 1.3 |
| Income Tax | 2,642,749 | 5.7 | 2,070,041 | 5.3 |
| Worker's Funds and Central Research Fund | 429,851 | 0.9 | 645,605 | 1.7 |
| Sales Tax | 255,891 | 0.6 | 3,786 | 0.0 |
| To Government | 3,328,491 | 7.2 | 2,719,432 | 7.0 |
| Salaries, Wages and other benefits | 5,183,404 | 11.2 | 4,852,349 | 11.6 |
| To Employees | 5,183,404 | | 4,852,349 | |
| Donation | 10,000 | 0.02 | - | 0.0 |
| To Society | 10,000 | | - | |
| Cash Dividend | - | 0.0 | 2,229,270 | 5.7 |
| To Shareholders | - | | 2,229,270 | |
| Retained in the Business | 2,462,892 | 5.3 | 3,125,139 | 8.7 |
| | 46,352,723 | | 39,218,876 | |

* This represents revenue gross of sales tax



- Bought-in-materials and Services
- Selling, Marketing and Distribution Expenses
- Administrative Expenses and Financial Charges
- To Government
- To Employees
- To Society
- Retained in the Business

Steps taken by the Board to understand the views of Stakeholders through Corporate Briefing Sessions

The Company held its 4th successful Corporate Briefing Session on December 01 2022 at the Auditorium of the Pakistan Stock Exchange. Ms. Erum Shakir Rahim (CEO), Mr. Hasham Ali Baber (CFO) and Ms. Mehar-e-Daraksha Ameer (Company Secretary) presented and briefed the investors on the Company's financial performance and operational overview.

Investors, analysts, and shareholders attended the event and displayed great interest in the affairs of the Company. The presentation was followed by a Q&A session, where the analysts and shareholders raised various queries to the Management of the Company, which were well addressed to the satisfaction of the audience.

During the Corporate Briefing Session, the following topics were discussed:

1. Economic Overview of the Company
2. GSK Footprint
3. Awards and Achievements
4. Financial Performance
5. Company's Future Outlook and Challenges

The presentation from the 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 Investor Complaints

During 2022, there have been no significant investor 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 111.

Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013

The Corporate Social Responsibility (Voluntary) Guidelines, 2013 were issued to promote responsible business practices that support the community in which we operate, eliminating practices that may adversely impact the public sphere, and ensure corporate accountability. The objective of these guidelines was to promote the development of a framework for CSR initiatives for all companies. GSK Pakistan refers to these guidelines and takes them into account for its CSR activities.

CSR Governance

Our CSR priorities are embedded in our Governance Structure. Our Board of Directors lay strong emphasis on our extended responsibility as a Corporate Citizen. CSR commitments are discussed and deliberated in the meetings of Board.

Consultative Committee and Management Systems

Our Medical and CGA functions collaborate to evaluate opportunities for CSR. Opportunities are screened in term of their impact on the community, the number of people reached and financial aspect.

Areas of Interest

As disclosed under the Sustainability and Corporate Social Responsibility section of this Report, GSK Pakistan's CSR contribution in 2022 focused mainly on providing flood relief to those impacted by this calamity and also on the conservation of natural resources through various activities including reduction in water consumption, carbon emissions and generation of waste. Besides undertaking initiatives to make GSK a more sustainable organisation, the company also conducted activities such as tree plantation and beach cleaning.

Implementation Structure

Our Grants and Donations Committee is responsible for the approval, implementation and oversight of our philanthropic activities.

Allocation of Resources

Other than participating in activities for the betterment of the society, the company also provides financial support for worthy causes and alleviate the impact of natural disasters. In 2022, Rs. 10 million was donated to Karachi Relief Trust towards flood relief.

External Assurance

No external assurance was sought on our CSR activities during 2022.

Disclosure and Reporting

The Company has not issued a separate CSR report for the current year; however, our CSR activities and related initiatives have been disclosed in sufficient detail under 'Sustainability and Corporate Social Responsibility' section of this Report.

Pattern of Shareholding

As at December 31, 2022

Form-34

| # of Shareholders | | Shareholding's Slab | | Total Shares Held |
|-------------------|-----------|---------------------|-----------|-------------------|
| 2007 | 1 | to | 100 | 77,005 |
| 1626 | 101 | to | 500 | 493,970 |
| 1258 | 501 | to | 1000 | 967,646 |
| 1376 | 1001 | to | 5000 | 3,371,600 |
| 363 | 5001 | to | 10000 | 2,670,025 |
| 135 | 10001 | to | 15000 | 1,685,570 |
| 71 | 15001 | to | 20000 | 1,280,242 |
| 49 | 20001 | to | 25000 | 1,119,419 |
| 34 | 25001 | to | 30000 | 952,558 |
| 14 | 30001 | to | 35000 | 458,524 |
| 21 | 35001 | to | 40000 | 804,225 |
| 10 | 40001 | to | 45000 | 423,442 |
| 10 | 45001 | to | 50000 | 476,910 |
| 9 | 50001 | to | 55000 | 469,900 |
| 8 | 55001 | to | 60000 | 462,576 |
| 4 | 60001 | to | 65000 | 246,005 |
| 3 | 65001 | to | 70000 | 202,600 |
| 8 | 70001 | to | 75000 | 585,675 |
| 3 | 75001 | to | 80000 | 234,900 |
| 2 | 80001 | to | 85000 | 168,383 |
| 2 | 85001 | to | 90000 | 172,803 |
| 6 | 90001 | to | 95000 | 551,387 |
| 1 | 95001 | to | 100000 | 100,000 |
| 3 | 105001 | to | 110000 | 326,376 |
| 1 | 110001 | to | 115000 | 110,800 |
| 4 | 115001 | to | 120000 | 468,818 |
| 1 | 120001 | to | 125000 | 122,987 |
| 1 | 125001 | to | 130000 | 125,191 |
| 1 | 130001 | to | 135000 | 130,100 |
| 1 | 140001 | to | 145000 | 140,002 |
| 1 | 145001 | to | 150000 | 150,000 |
| 1 | 160001 | to | 165000 | 160,994 |
| 1 | 175001 | to | 180000 | 179,900 |
| 2 | 180001 | to | 185000 | 362,975 |
| 2 | 185001 | to | 190000 | 378,350 |
| 2 | 190001 | to | 195000 | 383,849 |
| 1 | 195001 | to | 200000 | 197,100 |
| 1 | 205001 | to | 210000 | 209,700 |
| 1 | 220001 | to | 225000 | 221,700 |
| 1 | 225001 | to | 230000 | 228,300 |
| 1 | 230001 | to | 235000 | 233,000 |
| 1 | 240001 | to | 245000 | 244,538 |
| 1 | 295001 | to | 300000 | 300,000 |
| 1 | 300001 | to | 305000 | 302,580 |
| 1 | 320001 | to | 325000 | 321,099 |
| 1 | 335001 | to | 340000 | 340,000 |
| 2 | 345001 | to | 350000 | 699,100 |
| 1 | 525001 | to | 530000 | 529,500 |
| 1 | 735001 | to | 740000 | 739,100 |
| 1 | 845001 | to | 850000 | 846,818 |
| 1 | 2225001 | to | 2230000 | 2,225,500 |
| 1 | 2835001 | to | 2840000 | 2,837,200 |
| 1 | 2910001 | to | 2915000 | 2,911,800 |
| 1 | 4490001 | to | 4495000 | 4,494,900 |
| 1 | 7360001 | to | 7365000 | 7,363,156 |
| 1 | 9175001 | to | 9180000 | 9,176,686 |
| 1 | 263025001 | to | 263030000 | 263,029,794 |
| 7063 | | | | 318,467,278 |

Shareholding Information

As at December 31, 2022

| Categories of Shareholders | Shareholders | Shares Held | Percentage |
|---|--------------|--------------------|---------------|
| Directors and their spouse(s) and minor children | | | |
| Ms. MAHEEN RAHMAN | 1 | 1 | 0.00 |
| Mr. MUNEEB KAMAL | 1 | 2 | 0.00 |
| Associated Companies, undertakings and related parties | | | |
| GSK INTERNATIONAL HOLDING AND FINANCE 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 | 19 | 11,691,166 | 3.67 |
| Insurance Companies | 14 | 10,405,319 | 3.27 |
| Modarabas and Mutual Funds | 8 | 8,014,659 | 2.52 |
| General Public | | | |
| a. Local | 6,774 | 19,053,501 | 5.98 |
| b. Foreign | 139 | 303,588 | 0.10 |
| Foreign Companies | 1 | 221,700 | 0.07 |
| Others | 104 | 5,747,440 | 1.80 |
| Totals | 7063 | 318,467,278 | 100.00 |

| Share holders holding 10% or more | Shares Held | Percentage |
|---|-------------|------------|
| GSK INTERNATIONAL HOLDING AND FINANCE B.V | 263,029,794 | 82.59 |

Members Having 10% OR MORE OF VOTING RIGHTS

| Name of Shareholder(s) | No. of Shares Held | Percentage (%) |
|---|--------------------|----------------|
| GSK INTERNATIONAL HOLDING AND FINANCE 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, 2022 to December 31, 2022.

SHAREHOLDING POSITION / IBAN

| | No. of Shareholders | No. of Shares Held | Percentage (%) |
|---|---------------------|--------------------|----------------|
| Shares in Physical Register | 1,898 | 266,336,390 | 83.63 |
| Shares Deposited in Central Depository System | 5,165 | 52,130,888 | 16.37 |
| Total | 7,063 | 318,467,278 | 100.00 |
| IBAN / Account No. Updated (Physical) | 506 | 1,050,386 | 7.16 |
| IBAN / Account No. Updated (CDS) | 4,905 | 51,985,086 | 69.45 |
| Total | 5,411 | 53,035,472 | 76.61 |

Free Float Shares

Free Float Shares of the Company 52,130,887 i.e. (16.37%) Shares out of total 318,467,278 Shares as on December 31, 2022.

Key Shareholding

As at December 31, 2022

| Name of Shareholders | Number of Shares | Percentage (%) |
|---|-------------------|----------------|
| Directors, Spouses and their Children | | |
| Mr. MUNEER KAMAL | 2 | 0.00 |
| Ms. MAHEEN RAHMAN | 1 | 0.00 |
| Total | 3 | 0.00 |
| Associates Companies | | |
| GSK INTERNATIONAL HOLDING AND FINANCE B.V | 263,029,794 | 82.59 |
| Modarabas and Mutual Funds | | |
| FIRST ALNOOR MODARABA | 11,500 | 0.00 |
| CDC - TRUSTEE AKD INDEX TRACKER FUND | 13,273 | 0.00 |
| B.R.R. GUARDIAN MODARABA | 192,130 | 0.06 |
| CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND | 233,000 | 0.07 |
| CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND | 3,000 | 0.00 |
| CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST | 7,363,156 | 2.31 |
| CDC - TRUSTEE NIT ISLAMIC EQUITY FUND | 197,100 | 0.06 |
| MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND | 1,500 | 0.00 |
| Total | 8,014,659 | 2.52 |
| Banks Development Financial Institutions, Non Banking Financial Institutions | | |
| | 11,691,166 | 3.67 |
| 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 |
| Ghaf Limited | 15,000 | 0.00 |
| HABIB INSURANCE CO.LIMITED | 50,825 | 0.02 |
| DAWOOD FAMILY TAKAFUL LIMITED | 160,994 | 0.05 |
| DAWOOD FAMILY TAKAFUL LIMITED | 188,850 | 0.06 |
| DAWOOD FAMILY TAKAFUL LIMITED | 75,200 | 0.02 |
| DAWOOD FAMILY TAKAFUL LIMITED | 2,500 | 0.00 |
| ASKARI GENERAL INSURANCE COMPANY | 8,000 | 0.00 |
| ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF | 228,300 | 0.07 |
| ADAMJEE LIFE ASSURANCE COMPANY LIMITED | 45,600 | 0.01 |
| E. F. U. GENERAL INSURANCE LIMITED | 340,000 | 0.11 |
| Total | 10,405,319 | 3.27 |

Notice of Annual General Meeting

Notice is hereby given to the members that the 76th Annual General Meeting of the Shareholders of GlaxoSmithKline Pakistan Limited (“the Company”) will be held on Wednesday, 24 May 2023 at 10:00 a.m. at Ramada Karachi Creek Hotel, Zulfiqar Street 1, DHA Phase VIII, Karachi, and virtually through video conference facility, to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the 75th Annual General Meeting held on April 25, 2022.
2. To receive, consider and adopt the audited Financial Statements together with the Directors’ and Auditors’ Report thereon for the year ended 31 December 2022.
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 2023.
4. To elect 7 (seven) Directors, as fixed by the Board in accordance with the provision of Section 159 of the Companies Act, 2017, for a term of 3 (three) years commencing immediately upon the conclusion of the 76th AGM of this Company. The names of the retiring Directors of the Company, also eligible to offer themselves for re-election, are as follows:

1. Ms. Lai Kuen Goh

2. Ms. Erum Shakir Rahim

3. Mr. Hasham Ali Baber

4. Ms. Maheen Rahman

5. Mr. Muneer Kamal

6. Mr. Mehmood Mandviwalla

7. Mr. Simon Foster

SPECIAL BUSINESS:

5. To consider, and if deem fit, to pass with or without any amendment/modification the following resolution as special resolution, to obtain consent from the members for the transmission of annual audited account through QR enabled code and weblink, as allowed under S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan.

RESOLVED THAT, notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

RESOLVED THAT, the Company shall be considered compliant with the relevant requirements of Section 223(6) of the Companies Act, 2017 by sending the Audited Financial Statements through e-mail and/or sending a notice of meeting containing a QR code and the weblink address. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

FURTHER RESOLVED THAT the Company Secretary be and is hereby authorised to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution.

ANY OTHER BUSINESS:

6. To transact any other business with the permission of the Chair.

By Order of the Board

Karachi
May 03, 2023

MEHAR-E-DARAKSHA AMEER
Company Secretary

Notes:

1. Book Closure

The share transfer books of the Company will be closed from 18 May 2023 to 24 May 2023 (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 17 May 2023 (Wednesday) will be treated in time for the purpose of attendance of Annual General Meeting and as applicable.

2. Appointment of Proxies

Members entitled to attend and vote at the AGM may appoint another member as his/her Proxy to attend, speak and vote at the AGM 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 of the AGM. A member cannot appoint more than one Proxy. An attested copy of the shareholder's Computerized National Identity Card (CNIC) must be attached with the Proxy Form. For any other relevant aspects and further information, please refer to the contents of Section 137 of the Companies Act, 2017. 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. Election of Directors

- A. Any person who seeks to contest the election for the office of Director shall, whether he is a retiring Director or otherwise, file following documents/information with the Company at its registered office, no later than fourteen (14) days before the date of meeting:
 - i. Notice of his/her intention to offer himself/herself for Election of Directors in terms of Section 159(3) of the Companies Act, 2017.
 - ii. Consent to act as Director on Form-28 under Section 167 of the Companies Act, 2017 along with copy of attested copy of CNIC, NTN or Passport.
 - iii. A detailed profile of the candidate including his/her office address for placement onto the Company's website as required under SECP's SRO 1196(I)/2019 dated October 03, 2019.
 - iv. A declaration confirming that:
 - He/She is aware of his/her duties, liabilities and powers under the Companies Act 2017, the Securities Act 2015, Listed Companies (Code of Corporate Governance) Regulations, 2019, listing regulations of Pakistan Stock Exchange, Memorandum and Articles of Association and all other applicable laws/rules/regulations/codes etc.
 - He/She is not ineligible to become a Director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.
 - He/She is not a minor neither of unsound mind nor an un-discharged insolvent.
 - He/She is borne on the register of National Taxpayers.

- He/She has not been convicted by a court as defaulter in payment of loan to financial institutions, Development Financial Institution and Non-Banking Financial Institution.
 - He/She is not serving as director in more than seven listed companies simultaneously.
 - Neither he/she nor his/her spouse is engaged in the business of stock brokerage.
 - He/She is aware of “Closed Period”, required prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of Company's securities.
- v. Copy of valid CNIC (in case of Pakistani national)/Passport (in case of foreign national), and NTC and Folio Number/CDC Investors Account No./CDC Sub-Account No. (applicable for person filing consent for the first time).
- B. Independent Directors shall be elected through a process of Election of Directors required under Section 159 of the Companies Act, 2017. Independent Director(s) shall meet the criteria laid down in Section 166 of the Companies Act, 2017 as well as the Companies (Manner and Selection of Independent Directors) Regulations, 2018. Accordingly, the following additional documents are to be submitted by the candidates intending to contest Election of Directors as an Independent Director:
- I. Declaration by Independent Director under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - II. Undertaking on the appropriate denomination of non-judicial stamp paper that he/she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Statement of Material Fact in respect of Appointment of Independent Directors under Section 166 (3) of the Companies Act, 2017

Section 166 of the Companies Act, 2017 requires that a statement of material facts is annexed to the notice of the general meeting called for the purpose of Election of Directors which shall indicate the justification for choosing the appointee for appointment as Independent Director.

Accordingly, it will be ensured that the Independent Directors to be elected will meet the criteria set out for independence under Section 166 of the Companies Act, 2017 and Companies (Manner and Selection of Independent Directors) Regulations, 2018 and their names are listed on the data bank of Independent Directors maintained by Pakistan Institute of Corporate Governance duly authorised by SECP. Appropriate competency, diversity, skill set, knowledge and experience of the contestants shall also be assessed during the finalisation of Independent Directors.

No Directors have direct or indirect interest in the above said business, except as shareholders and that they may consent for Election of Directors accordingly.

5. CDC Account Holders

CDC Account Holders will further have to follow the undermentioned guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the AGM

- 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 authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

- ii. 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 CDC 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 AGM.
 - v. In case of a 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. If a member appoints more than one proxy and more than one instruments of Proxy are deposited by a member with the Company, all such instruments of Proxy shall be rendered invalid.
 - vii. The Proxy Form is available on the Company's website (<http://www.pk.gsk.com>)
6. The shareholders holding physical shares are also required to bring their original CNIC and/or copy of CNIC of shareholder(s) of whom he/she/they hold Proxy(ies). Such shareholder(s) shall not be allowed to attend and/or sign the Register of Members at the AGM, without such CNIC(s).
7. The Company shall communicate any relevant updates regarding the meeting, 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>

8. Participation of shareholders through online facility

In order to protect the wellbeing of the shareholders, the Securities and Exchange Commission of Pakistan ("SECP") has, vide its circulars issued from time to time, directed the listed companies to hold their general meetings virtually in addition to the requirements of holding physical meetings. Thus, to facilitate the shareholders, the Company in addition to convening a physical meeting has also arranged attendance of shareholders virtually via video link facility.

Shareholders interested in attending the AGM through electronic means, are requested to register their intent beforehand by submitting their particulars as per the table below, at the Company's designated email address pk.shareinfo@gsk.com, with the subject: "Registration for GSKP AGM" at the earliest, but not later than forty eight (48) hours before the time of AGM i.e. close of business 22 May 2023.

| Shareholder's Name | CNIC No. | Folio/CDC Account No. | Cell No. | No. of Shares Held | Email Address |
|--------------------|----------|-----------------------|----------|--------------------|---------------|
| | | | | | |

The WEBEX video link login facility will only be shared with the shareholders after necessary verification, to the email addresses provided in the above table.

The login facility will be opened at 09:30 a.m. on May 24, 2023 enabling the participants to join the proceedings which will start at 10:00 a.m. sharp.

Please scan the QR code or access the link below to post any questions for the AGM:

Join at: **vevox.app**

ID: **144-963-968**



You can use the Vevox link: <https://vevox.app/#/m/144963968>

Session ID: **144-963-968**

The shareholders can also provide their comments/suggestions on pk.shareinfo@gsk.com

Kindly note that the shareholders attending the AGM virtually will be able to view the Directors and hear the live proceedings of the AGM but will remain on mute so as to avoid any connectivity disruptions.

The shareholders may submit their respective questions/comments/suggestions along with their Name and Folio Number on the link/QR code/email address, provided above; ahead of or during the AGM.

The purpose of the aforementioned arrangements is to ensure maximum participation of the shareholders in the AGM through an online facility. Shareholders are also requested to consolidate their attendance through Proxies, so that the quorum requirement may also be fulfilled.

9. Submission of CNIC/NTN Number on Electronic Dividend (MANDATORY)

- a. Members are requested to provide copy of valid CNIC/NTN Certificate to their respective Participant/CDC Investor Account Services in case of Book-Entry Form, or to Company's Share Registrar in case of Physical Form, duly quoting thereon Company's name and respective Folio Numbers.
- 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 shareholders, in case of non-availability of identification number (CNIC or National Tax Number) of the shareholder or authorised person.
- c. Accordingly, the shareholders, who have not yet submitted a copy of their valid CNIC or NTN certificate, 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 Shahra-e-Faisal, Karachi. Those shareholders who hold shares in dematerialised form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services at the CDC. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorised representative's CNIC copy.

10. Availability of Annual Audited Financial Statements

- a. 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, 2022, are available on the Company's website <http://www.pk.gsk.com>
- b. The Annual Report shall be circulated via email to those shareholders whose email addresses are present in the records/database of the Share Registrar.
- c. 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 the "Standard Request Form".
- d. For convenience of shareholders, the "Standard Request Form" for provision of Annual Audited Financial Statements is available on the Company's website <http://www.pk.gsk.com>
- e. Any shareholder requiring a printed copy of the Annual Audited Financial Statements 2022, shall be provided with a copy free of cost within seven working days of receipt of such request.

11. Mandatory Registration Details of Physical Shareholders

According to Section 119 of the Companies Act 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations 2018, all physical shareholders are advised to provide their

mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at their address, provided in Note 1, immediately, to avoid any non-compliance of law or any inconvenience in future.

12. Intimation of Non-resident Shareholders

Non-resident shareholders shall submit declaration of Undertaking with copy of 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 Shahra-e-Faisal, Karachi) or email at info@cdcsrsl.com at the latest by 17 May 2023. A copy of the declaration form can be downloaded from the Company's website <http://www.pk.gsk.com>

13. Deposit of Physical Shares into CDC Account

Section 72 (2) of the Companies Act, 2017, provides that every existing 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 SECP, within a period not exceeding four (4) years of the date of the promulgation of the Act. Further, SECP vide its letter dated 26 March 2022 has directed listed companies to pursue their shareholders holding securities in physical form to convert the same in the book-entry form. To ensure compliance with the aforementioned provision and to benefit by holding securities in book-entry form, including safe custody, all shareholders holding physical shareholdings are again encouraged to open CDC sub-account or Investor account and convert their shares into book-entry form, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

14. Payment of Cash Dividend through Electronic Mode (Mandatory)

- 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 Shahra-e-Faisal, Karachi. E-Dividend Mandate Form is enclosed and available at our website as well.
- Please note that as per Section 243(3) of the Companies Act, 2017, companies are entitled to withhold payment of dividend, if necessary information is not provided by the shareholders.
- 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, 2022 of GlaxoSmithKline Pakistan Limited Shareholders (Physical & CDS) is as follows:

| Current Total Number of Shareholders as on December 31, 2022 | | | Current Number of IBAN updated as on December 31, 2022 | | | Ratio/Percentage of IBAN updated |
|--|-------|-------|--|-------|-------|----------------------------------|
| Physical | CDS | Total | Physical | CDS | Total | % |
| 1,898 | 5,165 | 7,063 | 506 | 4,905 | 5,411 | 76.6 |

15. Declaration as per Zakat & Usher Ordinance 1980

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarised copy of Zakat Declaration Form "CZ-50" on NJSP of Rs. 50/- to the Share Registrar. In case shares are held in scripless form such Zakat Declaration Form (CZ-50) must be uploaded in the CDC account of the shareholder, through their participant/Investor Account Services. Further, Non-Muslim shareholders are also required to file Solemn Affirmation (on format available on Company's website) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant/Investor Account Services in case shares are in scripless form. No exemption from deduction of Zakat will be allowed unless the above documents complete in all respects have been

made available as above.

16. Deduction of Income Tax from Dividend

- a. 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.
- b. 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.
- c. 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 No. | Total Shares | Principal Shareholder | | Joint Shareholder | |
|------------------------------|-----------------|-----------------------|---|----------------------|---|
| | | Name and CNIC No. | Shareholding Proportion (No. of Shares) | Name and CNIC No. | Shareholding Proportion (No. of Shares) |
| | | | | | |

Notes:

- I. The required information should be forwarded to the Share Registrar office of the Company; 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.

17. Unclaimed Dividend/Shares

Shareholders, whose dividend or bonus shares are still unclaimed or who have not collected 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 regarding their unclaimed dividends 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 & Exchange Commission of Pakistan (SECP).

18. 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 Section 143 and 144 of the Companies Act, 2017, members holding in aggregate 10% 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.

19. Code of Conduct for Shareholders in General Meeting

- I. Section 215 of Companies Act, 2017 (the "Act") and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of the shareholders as follows:
 - a) Shareholders are not permitted to exert influence or approach the Management directly for

decisions which may lead to creation of hurdles in the smooth functioning of Management. The law states that shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation.

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. Additionally, in compliance with Section 185 of Companies Act, 2017; the Company is not permitted to distribute gifts in any form to its members in its meeting.

20. 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 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

Statement of Material Facts under Section 134(3) of the Companies Act, 2017, pertaining to said Special Business in respect of:

Circulation of Annual Audited Financial Statements through QR enabled code and weblink:

The Securities and Exchange Commission of Pakistan (“SECP”) through its Notification No. S.R.O 389(I)/2023 dated March 21, 2023, has allowed companies to circulate the annual balance sheet and profit and loss account, Auditor’s Report and Directors’ Report, etc. (“Annual Audited Financial Statements”) to its members through QR enabled code and weblink.

The approval of the shareholders has to be obtained in the general meeting to circulate the annual audited financial statements to its members through the QR enabled code and weblink.

A shareholder may request the Company Secretary or Share Registrar of the Company to provide a hard copy of Annual Audited Accounts, and the same will be provided at shareholder’s registered addresses, free of cost within one week of the demand. In this regard, the Company’s designated email address/Share Registrar email address will be placed on website of the Company. A shareholder may also prefer to receive hard copies for all future Annual Audited Accounts.

In view of the above, it is proposed that the Special Resolution at Agenda 5 of the Notice of AGM be passed.

None of the Directors of the Company have any personal interest in the aforesaid Special Business except in their capacity as Shareholders or Directors of the Company.

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 برطانیہ رجسٹرڈ فیو/ CDC اکاؤنٹ نمبر _____ بذریعہ ہڈا ویڈیو | |
| کانفرنس منعقدہ بہ مقام _____ | میں شرکت کرنا چاہتا/ چاہتی ہوں/ چاہتے ہیں۔ |
| دستخط ممبر _____ | |

کمپنیز ایکٹ، 2017 کے سیکشن 134(3) کے تحت مادی حقائق کا بیان، مذکورہ بالا خصوصی کاروبار سے متعلق:

QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی سرکولیشن:

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے اپنے نوٹیفکیشن نمبر S.R.O 389(I)/2023 تاریخ 21 مارچ 2023 کے ذریعے کمپنیز کو سالانہ بیلنس شیٹ، منافع اور نقصان کا حساب، آڈیٹر کی رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ ("سالانہ آڈٹ شدہ، مالیاتی بیانات") اپنے ممبران کو QR فعال کوڈ اور ویب لنک کے ذریعے سرکولیت کرنے کی اجازت دی ہے۔

اپنے ممبران کو QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی بیانات سرکولیت کرنے کے لیے شیئر ہولڈرز کی منظوری اجلاس عام میں لی جانی چاہیے۔

شیئر ہولڈر کمپنی سیکریٹری یا کمپنی کے شیئر رجسٹرار سے سالانہ آڈٹ شدہ اکاؤنٹس کی پرنٹ شدہ کاپی کی فراہمی کے لیے درخواست کر سکتا ہے، اور اسے مطالبے کے ایک ہفتے کے اندر شیئر ہولڈر کے رجسٹرڈ پتے پر مفت فراہم کر دی جائے گی۔ اس سلسلے میں، کمپنی کا نامزد ای میل ایڈریس/ شیئر رجسٹرار کا ای میل ایڈریس کمپنی کی ویب سائٹ پر موجود ہے۔ شیئر ہولڈر مستقبل کے تمام سالانہ آڈٹ شدہ اکاؤنٹس کی بھی پرنٹ کاپیاں حاصل کرنے کو ترجیح دے سکتا ہے۔

مندرجہ بالا کے پیش نظر، یہ تجویز ہے کہ AGM نوٹس کے ایجنڈا 51 میں خصوصی قرارداد کو منظور کیا جانا چاہیے۔

کمپنی کے کسی بھی ڈائریکٹرز کی مذکورہ خصوصی کاروبار میں کوئی ذاتی دلچسپی نہیں ہے سوائے اس کے کہ وہ کمپنی کے شیئر ہولڈرز یا ڈائریکٹرز کی حیثیت سے ہوں۔

iii. منافع منقسمہ کی آمدنی پر وہ ہولڈنگ ٹیکس سے استثنیٰ صرف اسی صورت میں دیا جائے گا اگر تک موثر ٹیکس استثنیٰ سرٹیفکیٹ کی نقل کمپنی شیئر رجسٹر کو موصول ہو جاتی ہے۔

17. غیر دعویٰ شدہ منافع منقسمہ/شیئرز

شیئر ہولڈرز جو کسی بھی وجہ سے اپنے منافع منقسمہ یا بونس شیئرز کا دعویٰ دائر نہیں کر سکے یا اپنے فزیکل شیئرز جمع نہیں کروا سکے، انہیں تجویز دی جاتی ہے کہ وہ ہمارے شیئر رجسٹری ڈی سی، شیئر رجسٹری سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی سے اپنے غیر دعویٰ شدہ منافع منقسمہ یا زائر التوا شیئرز، اگر کوئی ہیں، کے بارے میں معلومات حاصل کرنے کے لیے رابطہ کریں۔

براہ مہربانی نوٹ کر لیں کہ کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق، طے شدہ طریقہ کار مکمل کرنے کے بعد، اعلان کروہ منافع منقسمہ، جو اپنی واجب الادا تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ یا ناقابل ادوار 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۔

18. پوسٹل بیلت ای-ووٹنگ

کمپنیز (پوسٹل بیلت) ریگولیشنز، 2018 کے مطابق، ڈائریکٹرز کے انتخاب کے مقصد کے لیے اوپنیز 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 10 فیصد یا اس سے زیادہ شیئرز رکھنے والے ممبران کو پوسٹل بیلت کے ذریعے یعنی ڈاک کے ذریعے یا ای-ووٹنگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔

19. اجلاس عام میں شیئر ہولڈرز کے لیے ضابطہ اخلاق

(i) کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 215 کی دفعہ اوپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز، 2018 کے ریگولیشن 28 کے مطابق شیئر ہولڈرز کے لیے ضابطہ اخلاق بیان کئے گئے ہیں:

(ا) اس ایکٹ کے تحت اس کے حقوق سے تعصب کے بغیر، کمپنی کا کوئی فرد اثر 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۔ قانون کے مطابق کہ شیئر ہولڈرز ایسا مواد نہیں لائیں گے جس سے شرکاء یا احاطے کو خطرہ ہو جہاں AGM منعقد ہو رہی ہو، خود کو AGM کے نوٹس میں شامل ایجنڈا آئٹمز تک محدود رکھیں اور کسی سیاسی وابستگی کو ظاہر کرنے کے طریقے سے کام نہیں کریں گے۔

(ب) کوئی بھی شیئر ہولڈر جو اس سیکشن میں فراہم کردہ طریقہ عمل میں ناکام ہو جاتا ہے اور جیسا کہ کمپنیشن 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۔

(ii) 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۔

20. 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 زیادہ 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 رجسٹریٹر پر سالانہ اجلاس عام سے 7 دن پہلے ارسال کریں۔

| شرح/اپ ڈیٹ ہونے والے IBAN کا تناسب | 31 دسمبر 2022 تک IBAN کی تازہ ترین موجودہ تعداد | | | 31 دسمبر 2022 تک شیئر ہولڈرز کی موجودہ محل تعداد | | |
|------------------------------------|---|-----------|-------|--|-----------|-------|
| | محل | سی ڈی ایس | فزیکل | محل | سی ڈی ایس | فزیکل |
| % | | | | | | |
| 76.6 | 5,411 | 4,905 | 506 | 7,063 | 5,165 | 1,898 |

15. زکوٰۃ اور مشر آرڈیننس 1980 کے مطابق اعلامیہ

زکوٰۃ کی لازماً کٹوتی سے استثنیٰ کا حکم دائر کرنے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ 50/- روپے کے NJSP پر زکوٰۃ اعلامیہ فارم 'CZ-50' کی ایک نوٹری شدہ کاپی شیئر رجسٹرار کو جمع کرائیں۔ شیئرز کے اسکرپ لیس scrippless ہونے کی صورت میں ایسے زکوٰۃ اعلامیہ فارم (CZ-50) کو لازمی طور پر شیئر ہولڈرز کے سی ڈی ایس اکاؤنٹ میں ان کے شریک کنندہ/انوٹسٹراکٹرز کے ڈریبلے اپ لوڈ کیا جانا چاہیے۔ مزید، غیر مسلم پر بھی لازم ہے کہ وہ فزیکل سرٹیفکیٹس شیئرز کی صورت ہونے یا CDC شراکت کنندہ/انوٹسٹراکٹرز کے ڈریبلے اپ لوڈ کیا جانا چاہیے۔ غیر مسلم پر بھی لازم ہے کہ وہ فزیکل سرٹیفکیٹس شیئرز کی صورت ہونے یا فارمیٹ پر (اثباتی اقرار جمع کروائے۔ زکوٰۃ کی کٹوتی سے اس وقت تک استثنیٰ کی اجازت نہیں دی جائے گی جب تک کہ مندرجہ بالا تمام حوالوں سے مکمل دستاویزات دستیاب نہ کر دی جائیں۔

16. منافع مقسمہ پراکٹیکس کی کٹوتی

(ا) 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 مقسمہ پر قوانین کے مطابق ٹیکس کٹوتی ہوگی۔

(ب) 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، جو انٹ اکاؤنٹ ہونے کی صورت میں (ان کے شیئر ہولڈنگ تناسب کی بنیاد پر)، فعال/غیر فعال حیثیت پر علیحدہ علیحدہ ہوگا۔

(ج) 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 پارے میں ہمارے شیئر رجسٹرار کو مندرجہ ذیل تحریری طریقہ کار کے ذریعے، پرنسپل شیئر ہولڈرز اور مشترکہ شیئر ہولڈرز کے شیئرز کا ملکیٹی تناسب فراہم کریں:

| فولیو سی ڈی ایس اکاؤنٹ نمبر | مجموعی شیئرز | پرنسپل شیئر ہولڈرز | | جو انٹ شیئر ہولڈرز | |
|-----------------------------------|--------------|--------------------------|---------------------------------------|--------------------------|---------------------------------------|
| | | نام اور شناختی کارڈ نمبر | شیئرز رکھنے کا تناسب (شیئرز کی تعداد) | نام اور شناختی کارڈ نمبر | شیئرز رکھنے کا تناسب (شیئرز کی تعداد) |
| | | | | | |
| | | | | | |

نوٹس

i. مطلوبہ معلومات کمپنی کے شیئر رجسٹرار تک لازماً پہنچ جانی چاہئیں، بصورت دیگر یہ تصور کیا جائے گا کہ پرنسپل شیئر ہولڈرز اور جو انٹ ہولڈرز دونوں مساوی شیئرز کے مالک ہیں اور ٹیکس کی کٹوتی اسی مناسبت سے کی جائے گی۔

ii. وہ کارپوریٹ شیئر ہولڈرز جو سی ڈی ایس 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۔

۱۰ کوئی بھی شیئر ہولڈر جو سالانہ مالیاتی گوشوارے 2022 کی پرنٹ شدہ کاپی کا خواہ ہے، اسے اس کی درخواست کی وصولی کے ساتھ (7) کاروباری دنوں کے اندر ایک کاپی مفت فراہم کی جائے گی۔

11. فزیکل شیئر ہولڈرز کی ضروری رجسٹریشن کی تفصیلات

کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز 2018 کے ریگولیشن 19 کے مطابق، تمام فزیکل شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے کہ CNIC نمبر، پتہ، ای میل ایڈریس، رابطہ نمبر / ٹیلی فون نمبر، بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) وغیرہ فوری طور پر نوٹ 1 میں فراہم کردہ ہمارے شیئر رجسٹرار کو ان کے پتے پر ارسال کریں، تاکہ قانون کی عدم تعمیل یا مستقبل میں کسی بھی قسم کی تکلیف سے بچا جاسکے۔

12. غیر رہائشی شیئر ہولڈرز کے لیے اطلاع

غیر رہائشی شیئر ہولڈرز رہائشی حیثیت کے تعین کے لیے ایف ایم ٹیکس آرڈیننس، 2001 کے سیکشن 82 میں بیان کردہ ہدایات کے تحت اپنے اقراراتے کا اعلامیہ بمع درست پاسپورٹ کی کاپی، ڈیویڈنڈ پرنٹس کوٹی کے مقصد کے لیے شیئر رجسٹرار (میسرز۔ سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی) پر یا بذریعہ ای میل ایڈریس info@cdcsrsl.com اپنی تازہ ترین معلومات 20 اپریل 2023 تک ارسال کریں۔ ڈیویڈنڈ رجسٹریشن فارم کی کاپی کمپنی کی ویب سائٹ <http://www.pk.gsk.com> سے ڈاؤن لوڈ کی جاسکتی ہے۔

13. سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا جمع کروانا

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق، ایکٹ کے آغاز سے چار (4) سال کی مدت کے اندر ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئر ہولڈر کے ساتھ مخصوص طریقہ کار کے مطابق تبدیل کرنے کی ضرورت ہوگی، جیسا کہ SECP میں بیان کیا گیا ہے۔ مزید، SECP نے اپنے 26 مارچ 2022 کے خط کے ذریعے لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ اپنے شیئر ہولڈرز سے رابطہ کریں جو فزیکل شکل میں سیکورٹیز رکھتے ہیں تاکہ اسے بک انٹری فارم میں تبدیل کر سکیں۔ مذکورہ شیئرز کی تعمیل کو یقینی بنانے اور محفوظ تحویل سمیت بک انٹری فارم میں سیکورٹیز رکھ کر فائدہ حاصل کرنے کے لیے، فزیکل شیئر ہولڈرز کو اپنے تمام شیئر ہولڈرز کی دوبارہ حوصلہ افزائی کی جاتی ہے کہ وہ CDC کا ڈیلی اکاؤنٹ یا انویسٹر اکاؤنٹ کھولیں اور اپنے شیئرز کو بک انٹری فارم میں تبدیل کریں، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

14. نقد منافع مقسمہ کی الیکٹرونک موڈ سے ادائیگی (لازمی)

(ا) کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق پبلک لسٹڈ کمپنی ہونے کی صورت میں، کسی بھی قابل ادائگی ڈیویڈنڈ کی ادائیگی صرف بذریعہ الیکٹرونک موڈ کے ذریعے براہ راست حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں کی جائے گی۔ لہذا اس نوٹس کے ذریعے تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے بینک کی تفصیلات متعلقہ شراکت دار/اسٹاک بروکر کے ذریعے سینٹرل ڈپازٹری 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 سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر ارسال کر دیں۔ ای ڈیویڈنڈ مینڈیٹ فارم منسلک ہے اور ہماری ویب سائٹ پر بھی دستیاب ہے۔

(ب) براہ مہربانی 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 2022 تک گلکسو اسمتھ کا آئن پاکستان لمیٹڈ کے شیئر ہولڈرز (فزیکل اور سی ڈی ایس) کے IBAN کا اسٹیٹس درج ذیل ہے۔

شیر ہولڈرز اپنے تبصرے/تجاویز سے بھی pk.shareinfo@gsk.com پر آگاہ کر سکتے ہیں۔

براہ مہربانی نوٹ کریں کہ AGM میں درجہ اولیٰ شریک ہونے والے شیر ہولڈرز ڈائریکٹرز کو دیکھ سکتے ہیں اور AGM کی براہ راست کارروائی سن سکتے ہیں لیکن وہ میٹ (Mute) رہیں گے تاکہ کنکلیٹیو بیٹن میں رکاوٹوں سے بچا جاسکے۔

شیر ہولڈرز اپنے متعلقہ سوالات/تبصرے/مشورے اپنے نام اور فونو نمبر کے ساتھ اور پروفراہم کردہ لنک/QR کوڈ/ای میل ایڈریس پر AGM سے پہلے یا اس کے دوران بھیج سکتے ہیں۔
 مذکورہ بالا اختیارات کا مقصد آن لائن سہولت کے ذریعے AGM میں شیر ہولڈرز کی زیادہ سے زیادہ شرکت کو یقینی بنانا ہے۔ شیر ہولڈرز سے بھی گزارش ہے کہ وہ پراکسیز کے ذریعے اپنی حاضری کو یقینی بنائیں تاکہ کورم پورا ہو سکے۔

9. الیکٹرونک ڈیویڈنڈ پر CNIC/NTN نمبر جمع کروانا (لازمی)

(ا) ممبران سے درخواست کی جاتی ہے کہ وہ بک انٹری فارم کی صورت میں متعلقہ شراکت کنندہ/CDC انویسٹر کا ڈنٹ سرومز کو اپنے درست CNIC/NTN سرٹیفکیٹ کی کاپی فراہم کریں، یا فریکل فارم کی صورت میں کمپنی کے شیر رجسٹرار کو، اس پر کمپنی کا نام اور متعلقہ فونو نمبر درج کریں۔

(ب) کمپنیز (منافع کی تقسیم) ریگولیشنز، 2017 کے ریگولیشن نمبر 4 اور 6 کے مطابق، شیر ہولڈر یا مجاز شخص کے شناختی نمبر (CNIC یا نیشنل ٹیکس نمبر) کی عدم دستیابی کی صورت میں کمپنی شیر ہولڈرز کی ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

(ج) لہذا وہ شیر ہولڈرز جنہوں نے تا حال 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 شیر رجسٹرار کو سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی ہاؤس، 99-B، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے پتے پر ارسال کر دیں۔ وہ شیر ہولڈرز جو ڈیویڈنڈ میٹرز کے ذریعے فارم میں شیر ز رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ سی ڈی سی میں اپنے شرکت کنندہ/انویسٹر کا ڈنٹ سرومز میں صحیح طریقے سے بھرا ہوا ڈیویڈنڈ بینک مینڈیٹ فارم جمع کرائیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) اور فونو نمبر مع مجاز نمائندے کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل، فراہم کریں۔

10. سالانہ آڈٹ شدہ مالیاتی گوشواروں کی دستیابی

(ا) کمپنیز ایکٹ، 2017 کے سیکشن 223 کی شق کے مطابق، 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشوارے، کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر دستیاب ہیں۔

(ب) ان شیر ہولڈرز کو سالانہ رپورٹ ای میل کے ذریعے بھیجی جائے گی جن کے ای میل ایڈریس شیر رجسٹرار کے ریکارڈ/ڈیٹا بیس میں موجود ہوں گے۔

(ج) SECP کی جانب سے مورخہ 8 ستمبر 2014 کے 2014 (1) SRO787 کے تحت دی گئیں ہدایات کے مطابق، ایسے شیر 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) شیر 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۔

- (ii) پراکسی فارم پر دو افراد گواہوں کے دستخط ہونے چاہئیں جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) نمبر فارم پر موجود ہوں گے۔
- (iii) بیٹیفیشل اونرز کی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ نقول اور پراکسی، پراکسی فارم کے ساتھ پیش کی جائیں گی۔
- (iv) پراکسی، اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی 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 پراکسی فارم کے ساتھ پیش کرنا ہوگا (تا وقتیکہ قبل ازیں پیش نہ کیے گئے ہوں)۔
- (vi) اگر کوئی ممبر ایک سے زیادہ پراکسی کا تقرر کرتا ہے اور ایک ممبر کی طرف سے پراکسی کے ایک سے زیادہ دستاویزات کمپنی کے پاس جمع کرائے جاتے ہیں، تو پراکسی کے ایسے تمام دستاویزات کو غلط قرار دیا جائے گا۔
- (viii) پراکسی، کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر دستیاب ہے۔

6. فزیکل شیئرز رکھنے والے شیئر ہولڈرز کو بھی اپنا اصل CNIC اور/یا شیئر ہولڈرز (ز) کے CNIC کی کاپی ساتھ لانے کی ضرورت ہے جن کے وہ پراکسی (پراکسیز) رکھتا/رکھتی رکھتے ہیں۔ ایسے شیئر ہولڈرز کو (s) CNIC کے بغیر AGM میں شرکت کرنے اور/یا ممبران کے رجسٹر پر دستخط کرنے کی اجازت نہیں ہوگی۔

7. کمپنی اجلاس سے متعلق کسی بھی قسم کی متعلقہ آپ ڈٹس بشمول سالانہ اجلاس عام کے انتظامات کے حوالے سے ہونے والی کسی بھی قسم کی تبدیلیوں کا اعلان ریگولیٹری انفارمیشن سروس (PUCAR) کے ذریعے اور ویب سائٹ <http://www.pk.gsk.com> پر دستیاب کرے گی۔

8. آن لائن سہولت کے ذریعے شیئر ہولڈرز کی شرکت

شیئر ہولڈرز کی فلاح و بہبود کے تحفظ کے لیے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے وقتاً فوقتاً جاری کیے گئے اپنے سرکلرز کے ذریعے، فہرست میں شامل کمپنیوں کو ہدایت کی ہے کہ وہ جسمانی طور پر موجود اجلاس کے انعقاد کی ضروریات کے علاوہ اپنے اجلاس عام کا اہتمام اور چوٹی بھی کریں۔ لہذا، شیئر ہولڈرز کی سہولت کے لیے، کمپنی نے فزیکل میٹنگ بلانے کے ساتھ ساتھ ویڈیو لنک کی سہولت کے ذریعے شیئر ہولڈرز کی حاضری کا بھی انتظام کیا ہے۔

سالانہ اجلاس عام میں الیکٹرونک ذرائع سے شرکت کرنے کے خواہشمند شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ ذیل میں دیے گئے ٹیبل کے مطابق اپنی تفصیلات کمپنی کے متعین کردہ ای میل ایڈریس pk.shareinfo@gsk.com پر بعنوان "GSKP AGM" کے لیے رجسٹریشن کے ساتھ جلد از جلد AGM کے وقت سے یعنی 22 مئی 2023 کو کاروبار کے اختتام سے قبل اڑتالیس (48) گھنٹے کے اندر اندر جمع کرا دیں۔

| ای میل ایڈریس | موجودہ شیئرز کی تعداد | سیل نمبر | فولیو/ CDC کا ڈیٹ نمبر | CNIC نمبر | شیئر ہولڈر کا نام |
|---------------|-----------------------|----------|------------------------|-----------|-------------------|
| | | | | | |

WEBEX ویڈیو لنک لاگ ان کی سہولت ضروری تصدیق کے بعد شیئر ہولڈرز کو مندرجہ بالا ٹیبل میں فراہم کردہ ای میل ایڈریس پر دی جائے گی۔

لاگ ان کی سہولت 24 مئی 2023 کو صبح 09:30 بجے کھولی جائے گی جس سے شرکاء کارروائی میں شامل ہو سکیں گے جو کہ صبح 10:00 بجے شروع ہوگی۔

AGM کے لیے اپنے سوالات پوسٹ کرنے کے لیے براہ مہربانی نیچے دیے گئے QR کوڈ کو اسکین کریں یا لنک کا استعمال کریں:

آپ ویو ایکس لنک (Vevox Link) استعمال کر سکتے ہیں: <https://vevox.app/#/m/144963968>

سیشن آئی ڈی (Session ID): 144-963-968



(v) درست CNIC کی کاپی (پاکستانی شہری ہونے کی صورت میں) / پاسپورٹ (غیر ملکی شہری ہونے کی صورت میں)، اور INTC اور قومی نمبر / CDC انویسٹرز کا وٹنٹ نمبر / CDC ذیلی اکاؤنٹ نمبر (پہلی بار رضامندی پیش کرنے والے شخص کے لیے قابل اطلاق)۔

ب. آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ، 2017 کے سیکشن 159 کے تحت ڈائریکٹرز کے الیکشن کے عمل کے ذریعے کیا جائے گا۔ آزاد ڈائریکٹر (ز) کمپنیز ایکٹ، 2017 کے سیکشن 166 میں درج کردہ اہلیت کے معیار اور ساتھ ہی ساتھ کمپنیز (آزاد ڈائریکٹرز کا انتخاب اور طریقہ کار) ریگولیشنز، 2018 پر پورا اترنا ہوگا۔ اس کے مطابق، آزاد ڈائریکٹر کے طور پر ڈائریکٹرز کے انتخاب میں حصہ لینے کے خواہ امیدواروں کو درج ذیل اضافی دستاویزات جمع کرانی ہوگی:

- ا. سٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق (3) کے تحت آزاد ڈائریکٹر کا اقرار نامہ۔
- اا. نان جوڈیشل اسٹامپ پیپر کی درست مالیت پر معاہدہ کہ کمپنیز (آزاد ڈائریکٹرز کا انتخاب اور طریقہ کار) ریگولیشنز، 2018 کے ریگولیشن 4 کے ذیلی ریگولیشن (1) کے تقاضوں کو پورا کرتا کرتی ہے۔

کمپنیز ایکٹ، 2017 کے سیکشن 166 (3) کے تحت آزاد ڈائریکٹرز کی تقرری کے سلسلے میں مادی حقیقت کا بیان

کمپنیز ایکٹ، 2017 کے سیکشن 166 کا تقاضا ہے کہ ڈائریکٹرز کے انتخاب کے مقصد کے لیے بلائے گئے اجلاس عام کے نوٹس کے ساتھ مادی حقائق کا بیان منسلک کیا جائے جو خود مختار ڈائریکٹر کے طور پر تقرری کے لیے مقرر کردہ کو منتخب کرنے کے جواز کی نشاندہی کرے گا۔

اس کے مطابق، اس بات کو یقینی بنایا جائے گا کہ منتخب ہونے والے آزاد ڈائریکٹرز کمپنیز ایکٹ، 2017 کے سیکشن 166 اور کمپنیز (آزاد ڈائریکٹرز کا انتخاب اور طریقہ کار) ریگولیشنز، 2018 کے تحت آزادی کے لیے مقرر کردہ معیار پر پورا اتریں گے اور ان کے نام پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کے زیر انتظام آزاد ڈائریکٹرز کا ڈیٹا بینک جو کہ SECP کے ذریعے مجاز ہے، میں درج ہیں۔ آزاد ڈائریکٹرز کو تہمتی شکل دینے کے دوران مناسب قابلیت، تنوع، مہارت کا سیٹ، مقابلہ کرنے والوں کے علم اور تجربے کا بھی جائزہ لیا جائے گا۔ کسی بھی ڈائریکٹرز کی مذکورہ کاروبار میں براہ راست یا بالواسطہ دلچسپی نہیں ہے، سوائے شیئر ہولڈرز کے اور وہ اس کے مطابق ڈائریکٹرز کے انتخاب کے لیے رضامندی دے سکتے ہیں۔

5. CDC کا وٹنٹ ہولڈرز

سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ 2000 کے سرکلر نمبر 1 بتاریخ 26 جنوری 2000 میں بیان کردہ مندرجہ ذیل ہدایات پر مزید عمل کرنا ہوگا۔

ا) اجلاس میں شرکت 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، وہ سالانہ اجلاس عام کی کارروائی میں براہ راست شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قوامی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر شناخت کی تصدیق کرے گا/گی۔
- (ii) 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) پراکسی 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 پراکسی فارم جمع کرا سکتے ہیں۔

1. منتقلی کتب کی بندش

کمپنی کی شیئر منتقلی کتب 18 مئی 2023 سے 24 مئی 2023 (بشمول دونوں ایام) بند رہیں گی۔ جو منتقلیاں کمپنی کے شیئرز رجسٹرار سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ہی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی میں 17 مئی 2023 (بروز بدھ) 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 تصویب کی جائیں گی۔

2. پراسیز کی تقرری

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 پراسیز مقرر کر سکتا/کر سکتی ہے۔ پراسیز کی تقرری دستاویز باقاعدہ طور پر دستخط اور مہر لگانے کے بعد کمپنی کے شیئرز رجسٹرار کے دفتر میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازمی جمع کرادی جائے۔ ایک ممبر، ایک سے زیادہ پراسیز مقرر نہیں کر سکتا۔ شیئر ہولڈر 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۔ پراسیز کا تقرر کرنے والے دستاویزات کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر دستیاب ہیں۔

3. شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اگر ان کے پتوں میں کوئی تبدیلی ہو تو کمپنی کو ضرور آگاہ کریں۔

4. ڈائریکٹرز کا انتخاب

1. کوئی بھی شخص جو ڈائریکٹرز کا انتخاب لڑنا چاہتا ہے، خواہ وہ ریٹائر ہونے والا ڈائریکٹر ہو یا اس کے برعکس، اجلاس کی تاریخ سے چودہ (14) دن قبل کمپنی کے پاس اس کے رجسٹرڈ آفس میں اپنی مندرجہ ذیل دستاویزات/معلومات داخل کرے گا:

- کمپنیز ایکٹ 2017 کی دفعہ (3) 159 کے تحت ڈائریکٹرز کے انتخاب کے لیے اپنے آپ کو پیش کرنے کے ارادے کا نوٹس۔
- NTN، CNIC اور پاسپورٹ کی تصدیق شدہ کاپی کے ساتھ کمپنیز ایکٹ، 2017 کے سیکشن 167 کے تحت فارم 28 میں بطور ڈائریکٹر کام کرنے پر رضامندی۔
- سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ایس آر او، 2019 / 1196 (I) مورخہ 03 اکتوبر 2019 کی ضرورت کے تحت کمپنی کی ویب سائٹ پر لگانے کے لیے امیدوار کے اپنے آفس کے ایڈریس کے ساتھ تصدیقی کوائف۔
- یہ اقرار تصدیق کرتا ہے کہ:

- وہ کمپنیز ایکٹ 2017، سیکیورٹیز ایکٹ 2015، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز، میمورنڈم اور ایسوسی ایشن کے آرٹیکلز اور دیگر تمام قابل اطلاق قوانین/قواعد/ریگولیشنز/کوڈز وغیرہ کے تحت اپنے فرائض، ذمہ داریوں اور اختیارات سے واقف ہے۔
- وہ کسی ایکٹ کی دفعات، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور کسی دوسرے قابل اطلاق قانون، قواعد و ضوابط کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔
- وہ نااہل نہیں ہے اور نہ ہی نابالغ و ماغ والا ہے اور نہ ہی نااہل ہے اور نہ ہی نااہل ہے۔
- وہ قومی ٹیکس دہندگان کے رجسٹر میں شامل ہے۔
- وہ عدالت کی جانب سے مالیاتی اداروں، ترقیاتی مالیاتی ادارے اور غیر بینکنگ مالیاتی ادارے کو قرض کی ادائیگی میں ڈیفالٹر کے طور پر سزا یافتہ نہیں ہے۔
- وہ بیک وقت سات سے زیادہ لسٹڈ کمپنیوں میں بطور ڈائریکٹر خدمات انجام نہیں دے رہا ہے۔
- نہ وہ/اور نہ ہی ان کے شریک حیات اسٹاک بروکر کے کاروبار میں مصروف ہے۔
- وہ "بندش کی مدت" سے واقف ہے، جو عبوری اور حتمی نتائج اور کاروباری فیصلوں کے اعلان سے پہلے درکار ہے جو کمپنی کی سیکیورٹیز کی مارکیٹ قیمت کو مادی طور پر متاثر کر سکتے ہیں۔

اطلاع عام برائے سالانہ اجلاس عام

بذریعہ ہذا ممبران کو اطلاع دی جاتی ہے کہ درج ذیل امور کی انجام دہی کے لیے گلیکسو اسمتھ کلائن پاکستان لمیٹڈ ("کمپنی") کے شیئر ہولڈرز کا چھبتر واں (76) سالانہ اجلاس عام مورخہ 24 مئی 2023 بروز بدھ، صبح 10:00 بجے بمقام رما داکراچی کریک ہوٹل، ذوالفقار اسٹریٹ، ڈی ایچ اے فیئر VIII، اور بذریعہ ویڈیو کانفرنس سہولت منعقد کیا جائے گا:

عمومی کاروباری امور

1. 25 اپریل 2022 کو منعقد ہونے والے 75 ویں سالانہ اجلاس عام کی کارروائی کی توثیق۔
2. 31 دسمبر 2022 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۔
3. آئندہ سال کے لیے ایکسٹرنل آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ 31 دسمبر 2023 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۔
4. کمپنی کے 76 ویں AGM کے فوراً بعد شروع ہونے والی 03 (تین) سال کی مدت کے لیے کمپنی ایکٹ 2017 کی دفعہ 159 کی فراہمی کے تحت بورڈ کی جانب سے مختص کردہ کمپنی کے 07 (سات) ڈائریکٹرز کا انتخاب کرنا۔ کمپنی کے ریٹائر ہونے والے ڈائریکٹرز، جو خود کو دوبارہ انتخاب کے لیے پیش کرنے کے لیے بھی اہل ہیں، ان کے نام مندرجہ ذیل ہیں:

| | | |
|------------------------|----------------------------|---------------------|
| 1- محترمہ لائی کون گوہ | 4- محترمہ ماہین رحمان | 7- جناب سائمن فوسٹر |
| 2- محترمہ مارم شا کرجم | 5- جناب منیر کمال | |
| 3- جناب حشام علی باہر | 6- جناب محمود ماٹو دی والا | |

خصوصی کاروباری امور

5. غور کرنا اور اگر مناسب سمجھیں تو، QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ اکاؤنٹ کی ترسیل کے لیے ممبران سے رضامندی حاصل کرنے کے لئے مندرجہ ذیل قرارداد کو بطور خصوصی قرارداد کسی ترمیم/تبدیلی کے ساتھ یا اس کے بغیر پاس کرنا، جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 389 (I) /2023 کے تحت جاری کیا گیا ہے۔

طے کیا گیا ہے کہ، اجلاس کا نوٹس ممبران کو ایکٹ کے تقاضوں کے مطابق، ان کے رجسٹرڈ پتے پر بھیجا جائے گا، جس میں سالانہ آڈٹ شدہ مالیاتی گوشواروں کو رپورٹس اور دستاویزات کے ساتھ دیکھنے اور ڈاؤن لوڈ کرنے کے لیے QR کوڈ اور ویب لنک ایڈریس شامل ہوگا جو کہ ایکٹ کے تحت اس کے ساتھ منسلک ہونا ضروری ہے۔

طے کیا گیا ہے کہ، کمپنی کو، ای میل کے ذریعے آڈٹ شدہ مالیاتی گوشواروں کو ارسال کر کے اور/یا QR کوڈ اور ویب لنک ایڈریس پر مشتمل اجلاس کا نوٹس بھیج کر کمپنیز ایکٹ، 2017 کے سیکشن (6) 223 کے متعلقہ تقاضوں کے مطابق تصور کیا جائے گا۔ آڈٹ شدہ مالیاتی بیانات اور/یا کمپنی کے AGM کے نوٹس کی پرنٹ شدہ کاپی درکار ہونے کی صورت میں مخصوص درخواست کی جائے گی۔

مزید یہ طے کیا گیا کہ کمپنی سیکریٹری اس کے سلسلے میں تمام ضروری کارروائیاں، اعمال اور چیزیں کرنے کا مجاز ہے اور اس سے متعلقہ جو کہ مندرجہ بالا قرارداد کی روح اور ارادے کو عملی جامہ پہنانے کے لیے ضروری یا مناسب ہو۔

دیگر کاروباری امور

6. صدر اجلاس کی اجازت سے دیگر امور پر کارروائی عمل میں لانا۔

حسب الحکم بورڈ

ممبر درخشاں امیر

کمپنی سیکریٹری

کراچی

03 مئی 2023



Affix
Correct
Postage

Share Registrar Department:
CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi - 74400, Pakistan

پراکسی فارم ٹیلیس اسٹیم کاٹن پاکستان لمیٹڈ

میں/ہم، بحیثیت رکن گلیکسو اسمتھ کاٹن پاکستان لمیٹڈ مالک، از _____، بذریعہ _____، کو کھیتی کے دوسرے رکن کے طور پر مقرر کرتا کرتی ہوں/ کرتے ہیں اور ان کی غیر موجودگی میں _____ از _____ کو اپنی غیر حاضری کی صورت میں موقیع پر موجود ہونے اور ووٹ دینے اور میری/ ہماری نمائندگی کرنے اور میری/ ہماری جانب سے کھیتی کے سالانہ اجلاس عام رماوا کراچی کریک ہوٹل، ڈوالفقار اسٹریٹ 1، ڈی ایچ اے، نیر VIII، بدھ مورچہ 24 مئی 2023ء صبح 10:00 بجے یا التوا کی صورت میں کسی اور وقت متفقہ ہونے والے اجلاس عام میں شرکت کے لیے مقرر کرتا کرتی ہوں/ کرتے ہیں۔

5 روپے کا
ریونیو اسٹیپ

مہینہ _____ 2023 کو میری/ ہماری تخریر اور دستخط/ دستخطوں کے ساتھ۔

درج ذیل کی موجودگی میں دستخط کئے گئے:

(گواہ نمبر 2 کے دستخط)
گواہ کا نام: _____

(گواہ نمبر 1 کے دستخط)
گواہ کا نام: _____

CNIC نمبر: _____

CNIC نمبر: _____

پتہ: _____

پتہ: _____

شیئر ہولڈر کے دستخط

(نام بڑے حروف میں)
فولیو نمبر

نوٹ

- 1- رکن سے درخواست کی جاتی ہے کہ:
 - (a) اوپر نشانہ کی جگہ پر 5 روپے کار پوینٹ چسپاں کیا جائے؛
 - (b) ہو پوینٹ دستخط کئے جائیں جو کھیتی میں رجسٹرڈ ہیں؛
 - (c) اپنا فولیو نمبر درج کیا جائے۔
- 2- درج بالا نمائندگی کی تخریری کا عمل مکمل ہونے کے لیے ضروری ہے کہ پراکسی کے تقرر کی دستاویز یا قاعدہ طور پر کھیتی کے رجسٹرڈ آفس کے دفتر بمقام 35، ڈاکٹر ڈروڈ، ویسٹ دہارف کراچی۔ 74000 پر اجلاس کا وقت شروع ہونے کے کم از کم 48 گھنٹے قبل موصول ہو جانی چاہیے۔
- 3- اس دستاویز برائے نمائندگی میں کسی بھی تبدیلی کی صورت میں اس پر زبردستی کے مختصر دستخط و دستخط ہونے چاہئیں۔
- 4- مشترکہ ہولڈرز ہونے کی صورت میں سینئر فریق 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 مقصد کے لیے سینئر ہونے کا تعین امکان کے رجسٹر میں ناموں کی ترتیب سے کیا جائے گا۔
- 5- کوئی بھی شخص پراکسی نہیں ہو سکتا اگر وہ خود کھیتی کا ممبر نہ ہو بجز یہ کہ کارپوریشن کسی ایسے شخص کا تقرر کرے جو کھیتی کا ممبر نہ ہو۔

CDC ایف ایف ہولڈرز/ کارپوریشن اداروں کے لیے:

درج بالا کے علاوہ درج ذیل لوازمات کی تکمیل بھی ضروری ہوگی:

- (i) فارم برائے نمائندگی پر دو افراد کی گواہی ملی جائے گی جن کے نام، پتے اور CNIC نمبر فارم درج کئے جائیں گے۔
- (ii) مستفید ہونے والے مالکان اور نمائندے کی CNIC یا سپورٹ کی تصدیق شدہ نقول، فارم برائے نمائندگی کے ساتھ لازماً منسلک کی جائیں گی۔
- (iii) اجلاس کے وقت نمائندے کو اپنا اصل CNIC یا اصل سپورٹ لازماً پیش کرنا ہوگا۔
- (iv) کارپوریشن اداروں کی صورت میں، پورڈ آف ڈائریکٹرز کی قرارداد اختیار نامہ اور مرنے کے طور پر دیے گئے دستخط، فارم برائے نمائندگی کے ساتھ شیئر رجسٹرار کے پاس لازماً جمع کرانا ہوں گے (اگر انہیں پہلے جمع نہ کروایا گیا ہو)۔



Affix
Correct
Postage

Share Registrar Department:
CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi – 74400, Pakistan

GlaxoSmithKline Pakistan Limited

Company Registration No. K-304 of 1948-49
(Incorporated Under the Companies Ordinance, 1984)

Subject: Request for Hardcopy of Annual Report of GlaxoSmithKline Pakistan Limited

This Request Form pertains to the notification of Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 470(I)/2016 dated May 31, 2016, the Company shall circulate its Annual Balance Sheet, Profit and Loss Account, Auditor's Report and Directors' Report etc. ("Annual Report") to its Members through Email/CD/DVD/USB at their registered addresses, except for those who opt for a hardcopy of the Annual Report. Hence those Shareholders/Members are advised to give their formal consent by filling out the below stated details and sending it to the Company Secretary.

I, _____ S/o, D/o, W/o _____ being a registered Shareholder/Member of **GlaxoSmithKline Pakistan Limited** with the particulars as mentioned below hereby request to send me the Annual Report in Hardcopy at the registered address as contained in the member register, instead of providing the same through Email/CD/DVD/USB.

| PARTICULARS | |
|----------------------------|--|
| Name of Shareholder/Member | |
| Folio No./CDC ID No. | |
| CNIC/NICOP/Passport No. | |
| Email Address | |
| Cell No. (if any) | |

I/We undertake that by sending the Audited Financial Statements and Notices through e-mail by the Company, the Company shall be considered compliant with the relevant requirements of Section 223(6) of the Companies Act, 2017. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

CONTACT DETAILS:

Name : Mr. Faisal Iqbal
Department : Shares Department
Address : 35, Dockyard Road, West Wharf, Karachi-74000.
E-mail : faisal.8.iqbal@gsk.com
Tel : 021-32316331; UAN +92 21 111 475 725 (Ext. 4805)

(Note: The Company will send the printed accounts at the address as per CDC records/shareholders' register.)

گلکسیو آسٹھ کلائن پاکستان لمیٹڈ

کمپنی رجسٹریشن نمبر 49-1948-K-304
(کمپنیز آرڈیننس، 1984 کے تحت شامل)

موضوع: گلکسیو آسٹھ کلائن پاکستان لمیٹڈ کی سالانہ رپورٹ کی پرنٹ شدہ کاپی کے لیے درخواست

یہ درخواست فارم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے S.R.O. 470(I)/2016 بتاریخ 31 مئی 2016 کے نوٹیفکیشن سے متعلق ہے، کمپنی اپنی سالانہ بیلنس شیٹ، منافع اور نقصان کا حساب کتاب، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ ("سالانہ رپورٹ") اپنے ممبرز کو بذریعہ Email/CD/DVD/USB ان کے رجسٹرڈ پتے پر ارسال کرے گی، سوائے ان کے جنہوں نے سالانہ رپورٹ کی پرنٹ شدہ کاپی کا انتخاب کیا ہے۔ اس لیے ان شیئرز ہولڈرز/ممبران کو مشورہ دیا جاتا ہے کہ وہ ذیل میں دی گئی تفصیلات کو پُر کر کے اور کمپنی سیکریٹری کو بھیج کر اپنی باضابطہ رضامندی دیں۔

بجائے رجسٹرڈ شیئرز ہولڈرز/گلکسیو آسٹھ کلائن پاکستان لمیٹڈ کے ممبر کے ذیل _____ W/o, D/o, S/o _____
میں درج تفصیلات کے ساتھ میں بذریعہ سالانہ رپورٹ Email/CD/DVD/USB کے ذریعے فراہم کرنے کے بجائے پرنٹ شدہ کاپی رجسٹرڈ پتے پر ارسال کرنے کی درخواست کرتا ہوں جیسا کہ ممبر رجسٹر میں درج ہے۔

| تفصیلات | |
|-------------------------|--|
| شیئرز ہولڈر کا نام/ممبر | |
| فولیو نمبر/CDC ID/نمبر | |
| NICOP/CNIC/پاسپورٹ نمبر | |
| ای میل ایڈریس | |
| سیل نمبر (اگر کوئی ہے) | |

میں/ہم/آپ/آپ کا کرتا کرتے ہیں کہ کمپنی کی جانب سے ای میل کے ذریعے آڈٹ شدہ مالیاتی بیانات اور نوٹس ارسال کرنے پر، کمپنی کو کمپنیز ایکٹ، 2017 کے سیکشن (6) 223 کے متعلقہ تقاضوں کے مطابق تعمیل کرنے والی سمجھا جائے گا۔ آڈٹ شدہ مالیاتی بیانات اور/یا کمپنی کے AGM کے نوٹس کی پرنٹ شدہ کاپی مطلوب ہونے کی صورت میں، اس کے لیے ایک مخصوص درخواست کی جائے گی۔

شیئرز ہولڈر/آپ کے دستخط

تاریخ

رایٹے کی تفصیلات:

نام : جناب فیصل اقبال

ڈیپارٹمنٹ : شیئرز ڈیپارٹمنٹ

پتہ : 35، ڈاکٹر ڈروڈ، ویسٹ وہارف، کراچی-74000

ای میل : faisal.8.iqbal@gsk.com

ٹیلی فون : 021-32316331،UAN: 92 21 111 475 725 (+) ایکسٹینشن 4805

(نوٹ: کمپنی CDC ریکارڈز/شیئرز ہولڈرز کے رجسٹر کے مطابق پتے پر آڈٹ شدہ کاپی ارسال کرے گی)

GlaxoSmithKline Pakistan Limited

Company Registration No. K-304 of 1948-49
(Incorporated Under the Companies Ordinance, 1984)

The Company Secretary
GlaxoSmithKline Pakistan Limited
35-Dockyard Road, West Wharf,
Karachi-74000.

Dear Sir/Madam,

Request for Receiving of Annual Report of GlaxoSmithKline Pakistan Limited through Email

This Request Form pertains to the notification of Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 787(I)/2014 dated September 8, 2014, for those shareholders/members who desire to receive the Annual Balance Sheet, Profit and Loss Account, Auditor's Report and Directors' Report etc. ("Annual Report") in future through email instead of receiving the same by Post/Courier. Hence those Shareholders/Members are advised to give their formal consent along with their valid/functional email address by filling out the below stated details and sending it to the Company Secretary.

I, _____ S/o, D/o, W/o _____ being a registered Shareholder/Member of **GlaxoSmithKline Pakistan Limited** with the particulars as mentioned below hereby request that my name be added to the list of Shareholders of the Company who opt for receiving Annual Report through email instead of sending the same through post/courier.

| PARTICULARS | |
|----------------------------|--|
| Name of Shareholder/Member | |
| Folio No./CDC ID No. | |
| CNIC/NICOP/Passport No. | |
| Email Address | |
| Cell No. (if any) | |

Yours truly,

Shareholder's Signature

Dated: _____

(Note: The said letter shall be mailed to Company Secretary and Registrar through email or by post.)

گلیکسو آسٹھ کلائن پاکستان لمیٹڈ

کمپنی رجسٹریشن نمبر 49-1948-ک 304-K

(کمپنیز آرڈیننس، 1984 کے تحت شامل)

کمپنی سیکریٹری

گلیکسو آسٹھ کلائن پاکستان لمیٹڈ

35- ڈاکٹر روڈ، ویسٹ وہارف،

کراچی-74000

عزیز محترم / محترمہ،

موضوع: گلیکسو آسٹھ کلائن پاکستان لمیٹڈ کی سالانہ رپورٹ بذریعہ ای میل وصول کرنے کی درخواست

یہ درخواست فارمیٹڈ ایکٹیو ایجنسی کی طرف سے پاکستان (SECP) کے S.R.O. 787(I)/2014 بتاریخ 8 ستمبر 2014 کے نوٹیفیکیشن سے متعلق ہے، ان شیئرز ہولڈرز / ممبرز کے لیے جو مستقبل میں سالانہ بیننس شیٹ، منافع اور نقصان کا حساب کتاب، آڈیٹڈ رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ ("سالانہ رپورٹ") پوسٹ / کوریئر کے بجائے بذریعہ ای میل وصول کرنا چاہتے ہیں۔ اس لیے ان شیئرز ہولڈرز / ممبران کو مشورہ دیا جاتا ہے کہ وہ ذیل میں دی گئی تفصیلات کو پُر کر کے اور کمپنی سیکریٹری کو بھیج کر درست / فعال ای میل ایڈریس کے ساتھ اپنی باضابطہ رضامندی دیں۔

میں، _____ W/o, D/o, S/o _____ بحیثیت رجسٹرڈ شیئر ہولڈر / گلیکسو آسٹھ کلائن پاکستان لمیٹڈ کے ممبر کے ذیل میں درج تفصیلات کے ساتھ بذریعہ ڈاک درخواست کرتا ہوں کہ میرا نام کمپنی کے شیئر ہولڈرز کی فہرست میں شامل کیا جائے جو سالانہ رپورٹ پوسٹ / کوریئر کے بجائے بذریعہ ای میل وصول کرنے کا انتخاب کرتے ہیں۔

| تفصیلات | |
|---------------------------|--|
| شیئر ہولڈر کا نام / ممبر | |
| فولیو نمبر / CDC ID نمبر | |
| NICOP/CNIC / پاسپورٹ نمبر | |
| ای میل ایڈریس | |
| میل نمبر (اگر کوئی ہے) | |

آپ کا مخلص،

_____ شیئر ہولڈر کے دستخط

_____ تاریخ:

(نوٹ: مذکورہ ایملر بذریعہ ای میل یا پوسٹ کے ذریعے کمپنی سیکریٹری اور رجسٹرار کو بھیجا جائے گا۔)

E-DIVIDEND MANDATE LETTER

To:
The Company Secretary
GlaxoSmithKline Pakistan Limited
35-Dockyard Road, West Wharf,
Karachi-74000.

Date: _____

Subject: Bank account details for payment of Dividend through electronic mode

I/We/Messrs., _____,
being a/the shareholder(s) of **GlaxoSmithKline Pakistan Limited** [the "Company"], hereby, authorise the Company, to directly credit cash dividends declared by it, in my/our bank account as detailed below:

| (i) SHAREHOLDER'S DETAILS | |
|--|--|
| Name of the Shareholder | |
| Folio No./CDC ID No. | |
| CNIC/NICOP/Passport/NTN No. (please attach copy) | |
| Contact Number (Landline & Cell Nos.) | |
| Shareholder's Address | |

| (ii) SHAREHOLDER'S BANK ACCOUNT DETAILS | |
|--|--|
| Title of Bank Account | |
| IBAN (See Note 1 below) | |
| Bank's Name | |
| Branch Name & Code No. | |
| Branch Address | |

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
(Please affix company stamp in case of corporate entity)

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.

ای-ڈیویڈنڈ مینڈیٹ لیٹر

تاریخ:

نام:

کمپنی ٹیکسٹ

گلیکسو اسمتھ کلائن پاکستان لمیٹڈ

35- ڈاکٹر ایڈروڈ، ویسٹ وہارٹ،

کراچی-74000

ایلیکٹرونک موڈ کے ذریعے ڈیویڈنڈ کی ادائیگی کے لیے بینک اکاؤنٹ کی تفصیلات

میں/ہم/ہمیںز _____ بحیثیت گلیکسو اسمتھ کلائن پاکستان لمیٹڈ ("کمپنی") کے شیئر ہولڈر (ز)، بذریعہ ہذا کمپنی 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:

| (i) شیئر ہولڈرز کی تفصیلات | |
|--|--|
| شیئر ہولڈر کا نام | |
| فولیو نمبر / CDC ID نمبر | |
| NICOP/CNIC / پاسپورٹ / NTN نمبر (براہ مہربانی کاپی منسلک کریں) | |
| رابطہ نمبر (لینڈ لائن اور سیل فون نمبرز) | |
| شیئر ہولڈرز کا پتہ | |
| (ii) بینک اکاؤنٹ کی تفصیلات | |
| بینک اکاؤنٹ کا نام | |
| IBAN (ذیل میں نوٹ 1 ملاحظہ کریں) | |
| بینک کا نام | |
| برانچ کا نام اور کوڈ نمبر | |
| برانچ کا پتہ | |

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/ہمیںز میں مذکورہ تفصیلات میں کسی تبدیلی کی صورت میں کمپنی کو آگاہ کرتا ہوں گا/کرتے رہیں گے۔

تاریخ

شیئر ہولڈر کے دستخط

(براہ مہربانی کارپوریٹ ادارے کی صورت میں کمپنی کی اسٹیپ لگائیں)

براہ مہربانی نوٹ کریں:

- برائے مہربانی، اپنی متعلقہ بینک کے برانچ سے تصدیق کے بعد ایلیکٹرونک طریقے سے آپ کے اکاؤنٹ میں رقم کی منتقلی کی سہولت فعال کرنے کے لیے مکمل آئی بی این (IBAN) نمبر فراہم کریں۔
- یہ لیڈ شیئر ہولڈر کے شرکت کنندہ / CDC انویسٹر اکاؤنٹ سرورسز کو بھیجا جانا چاہیے جو کمپنی 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 شیئر 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.
UAN: +92 21 111 475 725

F-268

F-268, S.I.T.E., Karachi.
UAN: +92 21 111 475 725

Korangi

Plot # 5, Sector 21, Korangi Industrial Area, Karachi.
UAN: +92 21 111 000 267

Distribution/Sales Offices

Karachi

GlaxoSmithKline Pakistan Limited
F-268, S.I.T.E., Karachi.
UAN: +92 21 111 475 725

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

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

Best Corporate Report 2022 Awards

Self Assessment Checklist

| S. No. | Description | Page Reference |
|--------|---|--------------------|
| 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. | 01-07, 17-21 |
| 1.02 | Geographical location and address of all business units including sales units and plants. | 07, 195, 196, 251 |
| 1.03 | Mission, vision, code of conduct, culture, ethics and values. | 01-03, 26 |
| 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. | 04, 05, 08-10, 190 |
| 1.05 | Organization chart indicating functional and administrative reporting, presented with legends. | 08 |
| 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). | 14, 15 |
| 1.07 | 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). | 11 |
| 1.08 | Significant factors effecting the external environment and the associated organization's response. Also describe the effect of seasonality on business in terms of production and sales. (External environment includes commercial, political, economic, social, technological, environmental and legal environment). | 42, 43 |
| 1.09 | The legitimate needs, interests of key stakeholders and industry trends. | 46 |
| 1.10 | SWOT Analysis of the company. | 45 |
| 1.11 | 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). | 44 |
| 1.12 | The legislative and regulatory environment in which the organization operates. | 46 |
| 1.13 | The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy. | 46 |
| 1.14 | Significant changes from prior years (regarding the information disclosed in this section). | 39 |
| 1.15 | History of major events. | 38 |
| 1.16 | Details of significant events occurred during the year and after the reporting period. | 47 |
| 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. | 50-51 |
| 2.02 | Strategies in place or intended to be implemented to achieve the strategic objectives. | 50-51 |

| S. No. | Description | Page Reference |
|----------|---|----------------|
| 2.03 | Resource allocation plans to implement the strategy and financial capital structure. Resource mean CAPITALS including: a. financial capital (e.g. liquidity, cash flows, financing arrangements); human capital; b. manufactured capital (e.g. building, equipment, infrastructure); c. intellectual capital (e.g. patents, copyrights, software, licenses, knowledge, system, procedures); d. human capital; e. social and relationship capital; and f. natural capital. Explanation: Disclosures about the capitals should include the factors that affect the availability, quality and affordability of relevant capitals and the organization's expectations of its ability to produce flows from them to meet future demand. Demonstrating the connectivity of financial performance with performance and outcomes regarding the other capitals & how the organization's strategy and resource allocation plans affect key capitals and risk management arrangements related to them should be included under capital reporting. | 50-51 |
| 2.04 | Key resources and capabilities of the company which provide sustainable competitive advantage. | 52 |
| 2.05 | Value created by the business, and for whom, using these resources and capabilities. | 50, 51 |
| 2.06 | 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. | 52, 53 |
| 2.07 | 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. | 53, 54 |
| 2.08 | 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. | 50, 51 |
| 2.09 | Board's statement on the following: a) significant plans and decisions such as corporate restructuring, business expansion, or discontinuance of operations; b) business rationale of major capital expenditure or projects started during the year and those planned for next year etc. | 55 |
| 2.10 | Significant changes in objectives and strategies from prior years. | 55 |
| 3 | Risks and Opportunities <i>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.</i> | |
| 3.01 | Key risks and opportunities effecting availability, quality and affordability of CAPITALS in the short, medium and long term. | 58-60 |
| 3.02 | Risk Management Framework including risk management methodology and principal risk and uncertainties facing the company. | 61, 62 |
| 3.03 | Sources of risks and opportunities (internal and external). | 58-60 |
| 3.04 | The initiatives taken by the company in promoting and enabling innovation. | 63 |
| 3.05 | Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does. | 58-60 |
| 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. | 62 |
| 3.07 | Board's efforts for determining the company's level of risk tolerance by establishing risk management policies. | 63 |

| S. No. | Description | Page Reference |
|----------|---|----------------|
| 3.08 | Statement from the board 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 | Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses. | 64 |
| 3.10 | Inadequacy in the capital structure and plans to address such inadequacy. | 64 |
| 4 | Sustainability and Corporate Social Responsibility | |
| 4.01 | Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and corporate social responsibility as per best business practices including: a) environment related obligation applicable on the company; b) company progress towards environmental, social and & governance initiatives during the year; and c) company's responsibility towards the staff, health & safety. | 68-74 |
| 4.02 | Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable. | 219 |
| 4.03 | Certifications acquired and international standards adopted for best sustainability and CSR practices. | 75 |
| 5 | Governance <i>How does the organization's governance structure support its ability to create value in the short, medium and long term.</i> | |
| 5.01 | Board composition: a) Leadership structure of those charged with governance. b) Name of independent directors indicating justification for their independence. c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience. d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc. e) No. of companies in which the executive director of the reporting organization is serving as non-executive director. | 78-87 |
| 5.02 | Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives. | 88, 89 |
| 5.03 | 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. | 102 |
| 5.04 | Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees. | 102, 103 |
| 5.05 | Disclosure if the board's performance evaluation is carried out by an external consultant once in three years. | 103 |
| 5.06 | Details of formal orientation courses for directors. | 103, 104 |
| 5.07 | 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. | 105 |
| 5.08 | Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems. | 105 |

| S. No. | Description | Page Reference |
|--------|---|--|
| 5.09 | a) Approved policy for related party transactions. | 106 |
| | b) Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding. | 106 |
| | c) 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. | 106 |
| | d) Disclosure of director's interest in related party transactions. | 106 |
| | e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board. | 106, 107 |
| 5.10 | Disclosure of Board's Policy on the following significant matters: | |
| | a) Governance of risk and internal controls. | 107 |
| | b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. | 107, 108 |
| | c) Disclosure of director's interest in significant contracts and arrangements. | 108 |
| | d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. | 109 |
| | e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. | 109 |
| | f) Security clearance of foreign directors. | 109, 110 |
| | g) Board meetings held outside Pakistan. | 110 |
| | h) Human resource management including preparation of succession plan. | 110 |
| | i) Social and environmental responsibility. | 110 |
| | j) Communication with stakeholders. | 111 |
| | k) Investors' relationship and grievances. | 111 |
| | l) Employee health, safety and protection. | 111 |
| | m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report. | 112 |
| | n) Safety of records of the company. | 113 |
| | o) Providing reasonable opportunity to the shareholder for participation in the AGM. | 113, 114 |
| | 5.11 | Board review statement of the organization's business continuity plan or disaster recovery plan. |
| 5.12 | Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking. | 114 |
| 5.13 | Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance). | 115 |
| 5.14 | A brief description about role of the Chairman and the CEO. | 115, 116 |
| 5.15 | Shares held by Sponsors / Directors / Executives. | 117, 221 |
| 5.16 | Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management). | 117-120 |
| 5.17 | Timely Communication: | 121 |
| | 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). | |

| S. No. | Description | Page Reference |
|--------|---|----------------|
| 5.18 | <p>Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:</p> <p>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.</p> <p>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</p> <p>c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.</p> <p>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.</p> <p>i) Results of the self-evaluation of the Audit Committee carried out of its own performance.</p> <p>j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.</p> | 117-119 |
| 5.19 | Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities. | 121 |
| 5.20 | <p>Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:</p> <p>a) how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system;</p> <p>b) management support in the effective implementation and continuous updation,</p> <p>c) details about user training of ERP software;</p> <p>d) how the company manages risks or control risk factors on ERP projects;</p> <p>e) how the company assesses system security, access to sensitive data and segregation of duties.</p> | 121, 122 |
| 5.21 | 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. | 122 |
| 5.22 | Chairman's significant commitments and any changes thereto. | 122 |
| 5.23 | 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. | 122 |
| 5.24 | How the organization's implemented governance practices have been exceeding legal requirements. | 123 |

| S. No. | Description | Page Reference |
|----------|--|----------------|
| 6 | Analysis of the Financial Information To what extent has the organization achieved its strategic objectives for the period | |
| 6.01 | Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: (a) Past and current performance; (b) Performance against targets /budget; and (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. | 129, 130 |
| 6.02 | Analysis of financial ratios (Annexure I) (this includes marks of ratios for Shariah compliant companies and companies listed on Islamic indices) | 131-133 |
| 6.03 | Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. | 134, 135 |
| 6.04 | Graphical presentation of 6.02 and 6.03 above. | 131-135 |
| 6.05 | 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 in 6.02 and 6.03 above. | 136 |
| 6.06 | Any significant change in accounting policies, judgements, estimates and assumptions with rationale. | 155-163 |
| 6.07 | Information about defaults in payment of any debts and reasons thereof period. | 139 |
| 6.08 | Methods and assumptions used in compiling the indicators. | 133 |
| 6.09 | Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat). | 137 |
| 6.10 | Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities. | 138 |
| 6.11 | a) 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. b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations. | 139 12 |
| 6.12 | 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. | 90-96 |
| 6.13 | CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report). | 209 |
| 7 | Disclosures on IT Governance and Cybersecurity How the Board evaluate the company's IT governance and cybersecurity risk and how the Board manages those risks that threaten the company's operation | |
| 7.01 | The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches. | 200 |
| 7.02 | Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place. | 200 |
| 7.03 | Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue. | 201 |
| 7.04 | Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks. | 201 |
| 7.05 | Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents. | 201 |

| S. No. | Description | Page Reference |
|----------|--|----------------|
| 7.06 | Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out. | 202 |
| 7.07 | Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance. | 202 |
| 7.08 | Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance. | 202 |
| 7.09 | Disclosure about education and training efforts of the Company to mitigate cybersecurity risks. | 203 |
| | <p>Explanatory Note</p> <p>Companies are recommended to assess the risks related to the potential theft or compromise of their technology, data or intellectual property in connection with their operations, as well as how the recognition of these risks may impact their business, including their financial condition and results of operations, and any effects on their reputation, stock price and long-term value. Where these risks are material to investment and voting decisions, they should be disclosed, and we encourage companies to provide disclosure that allows investors to evaluate these risks through the eyes of management. Please note that disclosure about these risks should be specifically fit to a company's unique facts and circumstances. We trust that corporations should continue to consider this growing area of risk and evaluate its materiality on an ongoing basis.</p> <p>Further, the Company should not make such detailed disclosures that could compromise its cybersecurity efforts – for example, by providing a “roadmap or product details” for those who seek to penetrate a company's security protections. However, companies should disclose IT governance and cybersecurity risks and incidents that are material to investors, including the associated financial, legal, or reputational consequences, if any.</p> | |
| 8 | <p>Future 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</p> | |
| 8.01 | Forward looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term. | 206 |
| 8.02 | Explanation of 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. | 206-208 |
| 8.03 | Explanation as to how the performance of the company meets the forward looking disclosures made in the previous year. | 208 |
| 8.04 | Status of the projects in progress and were disclosed in the forward looking statement in the previous year. | 208 |
| 8.05 | Sources of information and assumptions used for projections / forecasts in the forward looking statement and assistance taken by any external consultant. | 209 |
| 8.06 | How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise. | 209 |
| 9 | <p>Stakeholders Relationship and Engagement State of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests</p> | |
| 9.01 | Stakeholders engagement policy of the company and how the company has identified its stakeholders. | 212, 111 |
| 9.02 | 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 company, 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. | 212-215 |

| S. No. | Description | Page Reference |
|-----------|---|----------------------|
| 903 | Steps taken by the management to encourage the minority shareholders to attend the general meetings. | 216 |
| 904 | Investors' Relations section on the corporate website. | 216 |
| 905 | Issues raised in the last AGM, decisions taken and their implementation status. | 216 |
| 906 | 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. | 217 |
| 907 | 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. | 218 |
| 908 | Highlights about redressal of investors' complaints. | 218 |
| 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 | |
| 10.01 | 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 Framework). | 14, 15 |
| 11 | Striving for Excellence in Corporate Reporting | |
| 11.01 | Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)) | 138 |
| 11.02 | Adoption of IR Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles' in the IR Framework. | 197 |
| 11.03 | BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website). | 252-259 |
| 11.04 | Disclosures beyond BCR criteria (The participating organization to send the list of additional disclosures to BCR Committee). | 22-25, 28-37, 39, 40 |
| 12 | Specific Disclosures of the Financial Statements | |
| 12.01 | Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II). | 151-196 |
| 12.02 | Shariah compliant companies/ companies listed on the Islamic Indices (Annexure III). | Not Applicable |

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 |
| CSI | Corporate Security and Investigation |
| 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 |
| FBR | Federal Board of Revenue |
| F2F | Face-to-Face |
| GM | General Manager |
| 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 |
| LC | Letter of Credit |
| LEA | Law Enforcement Authority |
| OIT | Order Intelligence Tool |
| MENA | Middle East North Africa |
| PICG | Pakistan Institute of Corporate Governance |
| PKR | Pakistani Rupee |
| PPE | Personal Protective Equipment |
| PPGs | Public Policy Groups |
| PSC | Pharma Supply Chain |
| PSX | Pakistan Stock Exchange |
| RMCB | Risk Management and Compliance Board |
| ROI | Return of Investment |
| SBP | State Bank of Pakistan |
| SECP | Securities and Exchange Commission of Pakistan |
| SOAR | Survey of Antibiotic Resistance |
| SSTI | Selective Serotonin Reuptake Inhibitor |
| TCS | Topical Corticosteroid |
| TOR | Terms of Reference |
| VP | Vice President |



GlaxoSmithKline Pakistan Limited

35 - Dockyard Road, West Wharf, Karachi - 74000

GlaxoSmithKline Pakistan Limited is a member of
GSK group of Companies.

© GlaxoSmithKline Pakistan Limited