

aspiring beyond

GlaxoSmithKline Consumer
Healthcare Pakistan Limited
Annual Report 2021

THE BLUE DOT

GlaxoSmithKline Consumer Healthcare Pakistan Limited
35 - Dockyard Road, West Wharf, Karachi - 74000
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is a member of GlaxoSmithKline group of companies.
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aspiring beyond

If efforts are made to **work passionately** and **strive for excellence**, anyone **can make an impact**. From defying gravity, to making space travel a reality, the only thing that make impossible feats a possibility is the drive to **go beyond expectations**, and the aspiration to be bigger and better.

GSK Consumer Healthcare Pakistan Limited is proud to present its Annual Report for the year 2021. This report focuses on Stakeholder Information, Corporate Governance, Directors' Report and Financial Statements for the year ended December 31, 2021.

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The top-left corner features a cluster of overlapping, semi-transparent orange and red cubes and hexagons of various sizes, creating a 3D effect. A single, larger orange cube is positioned in the bottom-left corner.

Organizational Overview & External Environment



Our Story

20
15

- GSK Consumer business demerged from GSK Pakistan Limited.
- GSK Consumer Healthcare Pakistan Limited formed.
- GSK OTC (Pvt.) Limited formed from Novartis OTC portfolio.

20
17

- GSK Consumer Healthcare Pakistan Limited gets listed on Pakistan Stock Exchange.
- Transfer of Market Authorization and Jamshoro manufacturing License to GSK OTC (Pvt.) Limited.

20
19

- Transfer of Marketing authorizations and manufacturing license of GSK OTC (Pvt.) Limited to GSK Consumer Healthcare Pakistan Limited.
- Deployment of SAP in the manufacturing division of the Company.

20
21

- Panadol has become the biggest Pharmaceutical / Over the Counter (OTC) brand of Pakistan. Additionally, CaC-1000 Plus ranks as 4th largest Pharmaceutical / OTC brand versus 7th last year.*
- Launch of Panadol Extend.

*IQVIA MAT Nov'21

20
16

GSK Consumer Healthcare Pakistan Limited starts operations as an independent company.

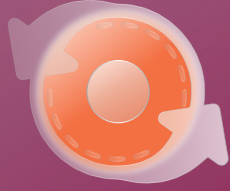
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18

- GSK OTC (Pvt.) Limited merged with and into GSK Consumer Healthcare Pakistan Limited.
- GSK Consumer Healthcare Pakistan Limited (GSK CH) inherits manufacturing facility (Jamshoro) & its portfolio with leading brands like CaC-1000 Plus, Qalsium-D, Voltral Emulgel, T-day and Lamisil.

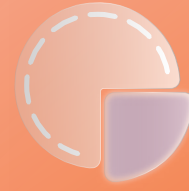
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- Transfer of Marketing authorization of Panadol, Eno, Hydrozole and Brevoxyl in the name of GSK Consumer Healthcare Pakistan Limited.
- Deployment of SAP in the Commercial division of the Company to have a standard set of processes with ONE ERP.

The Year 20 21 at a GLANCE



Turnover
24.1
billion



Earning
per year
Rs. 18.23



Gross Profit
6.6 billion



Profit
after tax
2.1 billion

Market Dynamic / Highlights



in
Pharmaceutical
Industry



Sensitivity
Category



Prescribed
Calcium
supplement

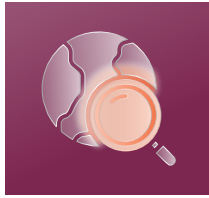
What We Do



Our Core Values Our Business

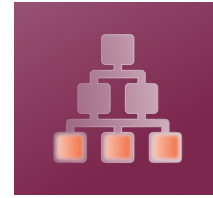
We are a science led Global Healthcare Company that researches and develops innovative Consumer Healthcare products.

The company is engaged in manufacturing, marketing, and sale of consumer health care products.



Our Global Research

GSK has a significant global presence in more than 150 markets, a network of manufacturing sites globally and large R&D centers in the UK, USA, Belgium and China.



How Are We Structured

Our commercial operations are structured as a combination of regional units and areas of focus. Each business benefits from GSK's global commercial infrastructure, international supply networks, innovative R&D and significant scale.

Consumer Healthcare is a global unit, represented by GlaxoSmithKline Consumer Healthcare Pakistan Limited.

Our Business Model



Inputs

Organization operates on robust systems and process based on comprehensive and reliable inputs in respective areas of the business:

- Commissioning most effective financial models to continue tracking business sufficiency and risk management.
- Driving forecast accuracy to enable efficient sourcing and manufacturing.
- Empirical understanding of category insights to design winning strategy for consumers, experts & shoppers.



Outputs

Integrated business strategy and reliable inputs result in actionable outputs:

- Sustainable growth in Sales in line with growth objectives.
- Coverage expansion across geographies and regions.
- Delivery of financial plans.



Business Activities

Winning strategy for sustainable growth is driven by following salient business activities:

- Consumer sight driven campaigns and activations based on empirical inputs.
- Well defined expert strategy with expansion mind set. Aim to improve prescription share with Best-in-call detailing practices.
- Winning at point of purchase with Best-in-Call instore strategy serving to facilitate shoppers and enable customers for a better mutual relationship.
- Route-to-market strategy for a national footprint and better consumer outreach.
- Compliance to responsible ways of Working.



Outcomes

- Compliant business conduct.
- Sustainable growth in business value and volume.
- Growth in category and prescription share.
- Customer satisfaction and brand loyalty.
- Shareholders trust and confidence.

Key Brands



Panadol, GSK Consumer Healthcare's flagship brand, is the first choice for fever and pain relief among consumers and doctors. With a value share of 21.2%¹, Panadol is the market leader in the pain relief category. In 2021, the brand not only maintained its category leadership but also achieved a major milestone as it emerged as the No. 1 Pharmaceutical brand of the country².

Panadol has now become a household name in Pakistan, built on a history of trust and credibility, spanning several decades. The brand portfolio consists of a diverse range of solutions for Fever, Pain and Cold & Flu with varying strengths for all age groups. Owing to its medical heritage and strong brand equity, Panadol is the most prescribed brand by experts in the analgesics segment with a prescription share of 67%³.

Since the outbreak of the COVID-19 pandemic, the incidence of fever increased significantly, those who were affected turned to Panadol to treat fever and body pain, leading to a surge in brand consumption. Moreover, the brand was present at the right touchpoints to contribute in mitigating the spread of COVID-19. This reinforced that Panadol stands shoulder to shoulder with the consumers during the crisis.

Panadol delivered exceptional business results with a 22.9%⁴ value growth over 2020, translating into a PKR 9.1 billion⁵ brand.

2021 was an exciting year for the brand with the introduction of **PANADOL EXTEND**. With its superior bi-layer technology, Panadol Extend offers long lasting relief for up to 8 hours and is available in a first ever consumer pack of 20 tablets. The launch helped the brand to expand into multiple pain states such as joint pain, back pain, and muscle pain. Panadol Extend's launch reinvigorated the brand and has been very well received by consumers and doctors alike.



The key objective of Panadol Extend is to recruit new users and upgrade existing consumers by driving stronger efficacy and sustained relief proposition. A 360-degree marketing communication was rolled out to maximize awareness on Panadol Extend through conventional and digital channels positioning it as a suitable solution with extended pain relief. In parallel, the brand focused on strengthening shopper and expert connections through authentic, relevant, and talkable experiences.

Panadol
Extend

LONG LASTING RELIEF FOR UP TO 8 HOURS

BI-LAYER TECHNOLOGY

1st LAYER FOR IMMEDIATE RELEASE

2nd LAYER FOR EXTENDED RELEASE

NEW

Panadol
Extend
Pargamol 650mg
8 Hours of Relief
Muscle pain - Fever - Sore throat - Back pain - Tooth Ache

Joint Pain Back Pain Neck & Shoulder Pain

Keep all medicines out of reach of children. If symptoms persist, please consult a doctor. Follow the instructions on the label for dosage. Patients with high blood pressure and liver disorders should consult a doctor before use.
GSK is committed to the effective collection and management of human safety information relating to our products and we encourage healthcare professionals to report adverse events to GSK at +92 (21) 111 475 725 or pa_pharmasafety@gsk.com

PHK/PAN/21/00014
Date of Print: 21 Sep 2021

A marketing campaign was also aired on Panadol **EXTRA** 'Toughies'. The objective of the campaign was to establish Panadol Extra as the ideal pain reliever for tough pain states. The campaign strengthened brand relevance by emerging as a safe and effective solution for fighting tough pains.

In line with our strategic vision, Panadol will continue to drive the business growth by delivering superior efficacy propositions and customized solutions for multiple pain states.

- 1 & 2. IQVIA MAT Nov '21 sales data
3. IQVIA H1 '21 Prescription data
4. Primary sales data '21 vs '20
5. Primary sales data '21

gsk

HEADACHE

BODY Ache

Panadol

FIGHTS MULTIPLE TOUGH PAINS

Keep all medicines out of reach of children. If symptoms persist, please consult a doctor. Follow the instructions on the label for dosage. Patients with high blood pressure and liver disorders should consult a doctor before use.
Adverse events must be reported for products related to GSK Pakistan, please report adverse events via email at pa_pharmasafety@gsk.com or call us at +92 (21) 111 475 725.

Date of Print: 21 Sep 2021

CaC-1000 PLUS

CaC-1000 Plus is the biggest brand in the Vitamins & Minerals category with a value share of 33.3%¹ driven by utmost trust of Consumers and Healthcare Professionals alike. The brand has made great strides in building awareness of long-term Calcium supplementation as every 1 in 2 women² suffer from Calcium deficiency in Pakistan.

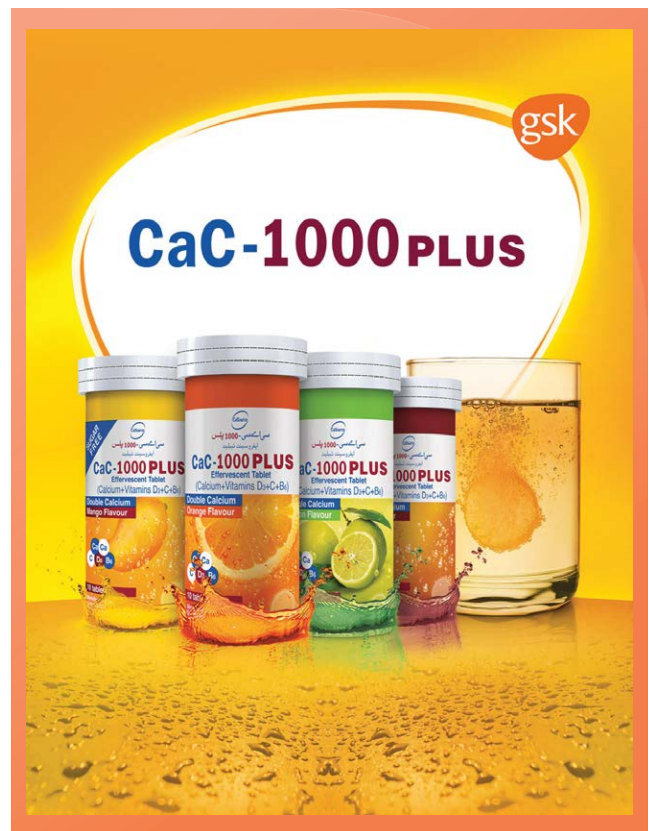
CaC-1000 Plus is an effervescent tablet, available in 4 flavors: Orange, Cola, Lemon and Mango (sugar-free). The brand has strong scientific credentials as it has double Calcium in the form of Calcium Carbonate and Calcium Lactate Gluconate which when combined are in line to support the average daily requirements of an adult. It also has the honor of being the **#1 Prescribed Calcium Supplement** brand in Pakistan.

In 2021 CaC-1000 Plus delivered phenomenal results, achieving the milestone of PKR 5Bn in local sales growing by 16%³ vs last year. A new digital Calcium Awareness campaign titled “Calcium Zaruri Hai” was launched on World Osteoporosis Day. The essence of this was to empower women and encourage them to take care of themselves. Also, in 2021 the first ever GSK CHC Web Documentary series called “Lockdown Kahani” was launched, paying homage to the determination & resilience women showed in the face of adversities during lockdowns. Other achievements in 2021 include a massive on-ground campaign on World Osteoporosis Day, BMD activations testing ~140K consumers for Calcium deficiency through free testing and clutter-breaking trade visibility drives, to name a few.

¹IMS MAT Sales Data, Oct '21

²National Nutrition Survey, '11

³Secondary Sales Data, Dec '21





SENSODYNE

As COVID-19 took a relaxing turn, with the introduction of vaccination things started to turn to a new normal in 2021. Pandemic-inherited improved focus on health, rise in conscious consumption; trust in quality products is now a significant part of buying decisions in urban centers.

Thus, it was imperative for the brand to communicate to greater audiences and attract fewer sensitivity sufferers – 37.5M pop. Sensodyne, after thorough research and consumer surveys, decided to step into the most exciting journey of its brand life cycle with an objective to establish the brand as a **daily use toothpaste that enables little pleasures of life as Life is too short for sensitive teeth.**

This change was led by a complete makeover of Sensodyne’s identity and backed by a solid 360° Integrated Marketing Campaign that activated all facets of marketing, trade, and expert excellence. **Moments Campaign** was launched with beautiful food shots and customized music crafted for the region. The new campaign helped the brand break the monotony and aided the attention of our growing audience. What once used to come across as a medicated product, now is transformed into a lifestyle choice, to enjoy your favorite food and drinks.

To further build affinities with growth audiences, Sensodyne activated long-term collaboration with Pakistan’s biggest passion point – Cricket. Sensodyne

became an official Oral Care Partner for the Pakistan Cricket Team for the 2021-22 domestic season.

On the whole, 2021 has been a great year for Sensodyne, where we topped our recent performance, and our growing category; the brand grew by 3X vs category CAGR over last 6 years. Additionally, Sensodyne still stands as the No. 1 dentist-recommended toothpaste brand for sensitive teeth.

Teeth Sensitivity creates hindrances in enjoying life as 81% of Sensitivity sufferers stop having food or drinks which are hot, cold, spicy, and sweet. Sensodyne manifests to create a future where every life is sensitivity-free. The portfolio includes 7 variants of toothpaste, 4 brushes, and a mouth wash. All of these are underpinned by cutting-edge science and category understanding to enable little pleasures of life.



SENSODYNE

LIFE'S TOO SHORT FOR SENSITIVE TEETH

AB CHALEGI THANDI ICE CREAM

PAK-SENS-21-0008

parodontax

Parodontax is a gum care toothpaste to help stop and prevent bleeding gums, clinically proven to eliminate the cause of bleeding gums, plaque, 4X times more effective than any regular toothpaste.

2021 largely was about establishing Parodontax's functionality, the presence of 67% added minerals salt making Parodontax 4X times more effecting in eliminating the main cause of bleeding gums through Time Campaign, helping in strengthening the condition awareness. Additionally, we were able to introduce and relaunch the base range i.e. Original and Extra Fresh with a new and improved taste (Aria).

Rigorous and targeted efforts to communicate brand messaging and building condition awareness, TV and digital played a pivotal role where TV helped reach out to the masses, and digital helped reach out to the relevant targeted market. Emphasis on educating consumers on bleeding gums was instilled through first

exposing to Mythbusters Campaign and then rerouted to Gum Health Test on Parodontax's website for additional learning.

COVID's multiple waves across the year continued to limit consumer instore activation, however we continued to strive with various bursts of visibility drives. Additionally, a first time ever Gum Health Care Category has been piloted in Pakistan by Parodontax to increase awareness for the condition and share of shelf for the brand in multiple modern trade stores.

During this time, our Expert Team also innovated through introduction of PROBE – a program launched for continued medical education for young experts in the oral health category. This allowed targeted efforts in multiple institutions, fostering discussions, interaction, and engagement with the brand, and thus strengthening the footprint in the dental community.

Despite continued challenges in a highly cluttered market with age old competitors, Parodontax continued to show growth and holds 1.7% market share of the industry.

67% MINERAL SALTS

IMPROVED TASTE

parodontax

NEW DAILY FLUORIDE TOOTH PASTE FOR HEALTHY GUMS & STRONG TEETH

parodontax

IMPROVED TASTE EXTRA FRESH

Helps stop and prevent bleeding gums

4x MORE EFFECTIVE VS REGULAR TOOTH PASTE*
AT REMOVING THE MAIN CAUSE* OF BLEEDING GUMS

Ask your dentist about gum problems.

*after a professional clean and twice daily brushing.

Expert Testimonials

HCPs (Health Care Professionals) significantly influence the health behaviors of our consumers, therefore their opinions & experiences regarding our brands are of utmost importance to us.



“**CaC 1000 Plus** is a well trusted and time-tested brand. I have been prescribing it for many years and have witnessed my patients benefitting from it. As CaC-1000 Plus is a GSK Consumer Healthcare brand, I am confident that I am prescribing a quality product that is able to address my patient’s needs effectively.”

Prof. Dr. Mehrun Nissa Khaskheli, Liaquat University of Medical and Health Sciences Jamshoro



“I have found the **Panadol** range to be an effective & affordable choice of antipyretic medicine in pediatric patients which is easily available in the market. Panadol has made life easier for parents as well as healthcare professionals while dealing with ill pediatric patients.”

Dr. Khalid Hussain Khan, Head of Pediatric Department, Sindh Government Hospital Liaquatabad Karachi



“I have a great experience of prescribing **Sensodyne Rapid Action** to all my patients reporting with sensitive teeth and I must proudly say that almost all my patients have reported back with the issue being subsided after use of this toothpaste. I thank you GSK Consumer Healthcare for launching these products which further build my trust for Sensodyne as I could not find any better alternative during all these years.”

Dr Nasar Um Min Allah, Assistant Professor Department of Periodontics, Foundation University College of Dentistry & Hospital



“I have been recommending **Parodontax** to my patients for the last 10 years. It has helped in improving the oral hygiene of my patients significantly. I do recommend Parodontax to all for promising results.”

Professor Muhammad Kaleem, HOD Periodontology, Rawal Institute of Health Sciences Islamabad

Other Brands



For the treatment of oily, pimple, and acne prone skin



A topical anti-fungal cream designed for the treatment of fungal infections



Topical Emulgel for neck, back and muscular pain



Chewable calcium tablets for strong bones and teeth



For systematic relief of nasal congestion, rhinitis or cough associated with upper respiratory track disorders



Anti-allergic treatment for sneezing, blocked nose, itchy skin rash and itchy watery eyes



For the treatment of mild acne



The only antacid in the market that helps relieve heartburn symptoms by effectively beginning the process in just six seconds



An anti-fungal cream that targets **inflammation and fights the fungi** that cause it. Hydrocortisone, the core ingredient in this product, distinguishes it from other antifungal products in the market

Marketing Calendar 2021



Corporate Information

Board of Directors

Mr. M.Z. Moin Mohajir (Chairperson)

Mr. Farhan Muhammad Haroon[†]

Syed Anwar Mahmood

Mr. Dilawar Meghani

Ms. Erum Shakir Rahim

Mr. Oussama Abbas

Ms. Ayesha Aziz

Management Committee

Mr. Farhan Muhammad Haroon

(Chief Executive Officer)[†]

Mr. Dilawar Meghani

(Finance Director / Chief Financial Officer)

Syed Abrar Ali

(Sales Director)

Mr. Salman Altaf

(Director Marketing)

Mr. Faisal Rafiq

(Head of Expert)

Mr. Khurram H. Khan

(Head of Commercial Excellence)

Mr. Moien Ahmed Khan

(Pakistan E2E SC and Jamshoro Site Lead)

Mr. Mazhar Shams

(Regulatory Affairs Head)

Ms. Mashal Mohammad

(Legal Director and Company Secretary)

Integration Supply and Network Optimization Committee

Mr. Oussama Abbas (Chairperson)

Mr. Farhan Muhammad Haroon

Mr. Dilawar Meghani

Secretary

Mr. Irfan Qureshi

Human Resource and Remuneration Committee

Syed Anwar Mahmood (Chairperson)

Mr. M.Z. Moin Mohajir

Ms. Ayesha Aziz

Secretary

Mr. Farqaleet Iqbal

Board Audit Committee

Syed Anwar Mahmood (Chairperson)

Mr. M.Z. Moin Mohajir

Ms. Ayesha Aziz

Secretary

Ms. Mariam Maqsood

Company Secretary

Ms. Mashal Mohammad

Chief Financial Officer

Mr. Dilawar Meghani

Chief Internal Auditor

Ms. Mariam Maqsood

Bankers

Citibank N.A

Standard Chartered Bank (Pakistan) Limited

Auditors

Yousuf Adil, Chartered Accountants

Legal Advisors

AspireLaw

† Mr. Farhan Muhammad Haroon was appointed as a Chief Executive Officer and Executive Director w.e.f. 1 April 2021 to replace Mr. Sohail Ahmed Matin who retired from the Company.

Registered Office

35 Dockyard Road, West Wharf,
Karachi-74000

Tel: 92-21-111-475-725
(111-GSK-PAK)

Fax: 92-21-323-148-98

Investor Relations Contacts

Share Registrar

CDC Share Registrar Services Limited
CDC House, Main Shahrah-e-Faisal, Karachi.

Tel: 021-111-111-500

Email: info@cdcsrsl.com

GSKCH Shares Department

35 Dockyard Road, West Wharf,
Karachi-74000

Email: chc.shareinfo@gsk.com

Business Units - Geographical Location and Addresses

The business units and addresses are mentioned in note no. 43 of the financial statements available on page 202 of this report.

Website

www.pk-consumerhealthcare.gsk.com

Geographical Presence



AFRICA

Algeria (EN)
Kenya (EN)
Morocco (EN)
Nigeria (EN)
South Africa (EN)
Tunisia (EN)



Australasia

Australia (EN)
New Zealand (EN)



North America

Canada (EN/FR)
Mexico (EN)



Asia & Middle East

Bangladesh (EN)
China (EN)
Egypt (EN/AR)
Hong Kong and Macau (EN/ZH)
India (EN)
Indonesia (EN)
Israel (EN)
Japan (JP)
Kazakhstan (RU)
Korea (KO)
Malaysia (EN)
Pakistan (EN/UR)
Philippines (EN)
Saudi Arabia (EN)

Singapore (EN)
Sri Lanka (EN)
Taiwan (ZH)
Thailand (EN)
Turkey (TR)
United Arab Emirates (EN)
Vietnam (EN)



Europe

- Albania (EN)
- Austria (DE)
- Belarus (EN)
- Belgium (FR/NL/EN)
- Bosnia and herzegovina (EN)
- Bulgaria (BG)
- Croatia (EN)
- Cyprus (EN)
- Czech Republic (CS)
- Denmark (DA)
- Estonia (EN)
- Finland (FL)
- France (FR)
- Germany (DE)
- Greece (EL)
- Hungary (HU)
- Ireland (EN)
- Italy (IT)
- Latvia (EN)
- Lithuania (EN)
- Luxembourg (FR/NL/EN)
- Malta (EN)
- Montenegro (EN)
- Netherlands (NL)
- North Macedonia (EN)
- Norway (NB)
- Poland (PL)
- Portugal (PT)
- Romania (RO)
- Russia (RU)
- Serbia (SR)
- Slovakia (SK)
- Slovenia (SL)
- Spain (ES)
- Sweden (SV)
- Switzerland (DE/FR)
- Ukraine (UK)
- United Kingdom (En)

Our Vision

GSK CH's vision is inspiring:

“The opportunity to make a difference to millions of lives every day”

At GSK CH we perform in unison by following our strong value system and ethical guidelines as a source of guidance and inspiration to achieve our vision. Every member of the GSK CH family plays a vital role in improving the quality of human life. GSK CH's growth and development can be attributed to the contribution of the skills, talent and passion of its people.

GSK CH follows its core values of keeping consumers first, demonstrating respect for people, acting with integrity, and operating with transparency. We are proud of our commitment that enables us to enhance the quality of peoples' lives and helps us provide them with quality products. Our mission is to improve the quality of human life by enabling people to

“Do More, Feel Better, Live Longer”

Our Mission

At GSK CH our mission acts as an underlying principle to whatever we do. We follow a legacy of great science and innovative healthcare that provides people around the world with healthier and fulfilled lives, every single day.

OUR CODE OF CONDUCT

Every GSK CH employee and complementary worker is required to complete mandatory training on the Code of Conduct annually. Our employees have completed the training which covered topics such as safety, health and wellbeing, third party oversight, data breach reporting, sexual harassment, and anti-bribery and corruptions (ABAC).



Compliance and Ethics

We are committed to creating an ethical, values-driven culture, in which any issues are responded to swiftly and transparently. We expect everyone at GSK CH 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.

Our Core Values

At GSK CH, we are committed to delivering results underpinned by our values. These values guide our actions and behaviors and lie at the heart of every decision we make.

Our core values are:

Consumer First

The strength of our business lies in the consumers we reach out to. Our dedicated leadership team drives brands that have strong purpose, and together we ensure that the needs of our consumers are catered to in the best possible way.

Respect

We cultivate an environment of support, inspiration and development, and ensure that as an organization, we create diversity in culture, thought and in how we operate, in order to collectively work towards achieving our shared vision.

Transparency

Transparency is vital to the way we work and helps build trust. We strive to be honest and open about what we do and how we do it. This improves how we collaborate with each other and the way we are seen by the communities we work with. It demonstrates that we do not avoid challenges or discussions and confront problems as a team.

Integrity

We must live up to the highest standards of integrity expected of us by our consumers, partners and stakeholders. We go beyond abiding by the law and do all we can to maintain the trust and respect of, and protect the interests of, the organizations and communities we work with.

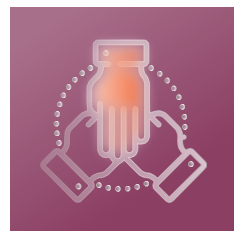
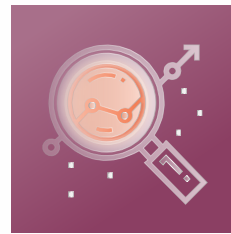
Our Expectations

To thrive in an ever-changing world and achieve our purpose, we need to adapt some of our behaviors to keep us competitive, all while staying true to our values. That's why we have our four Expectations

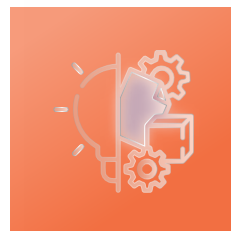
Courage



Accountability



Teamwork



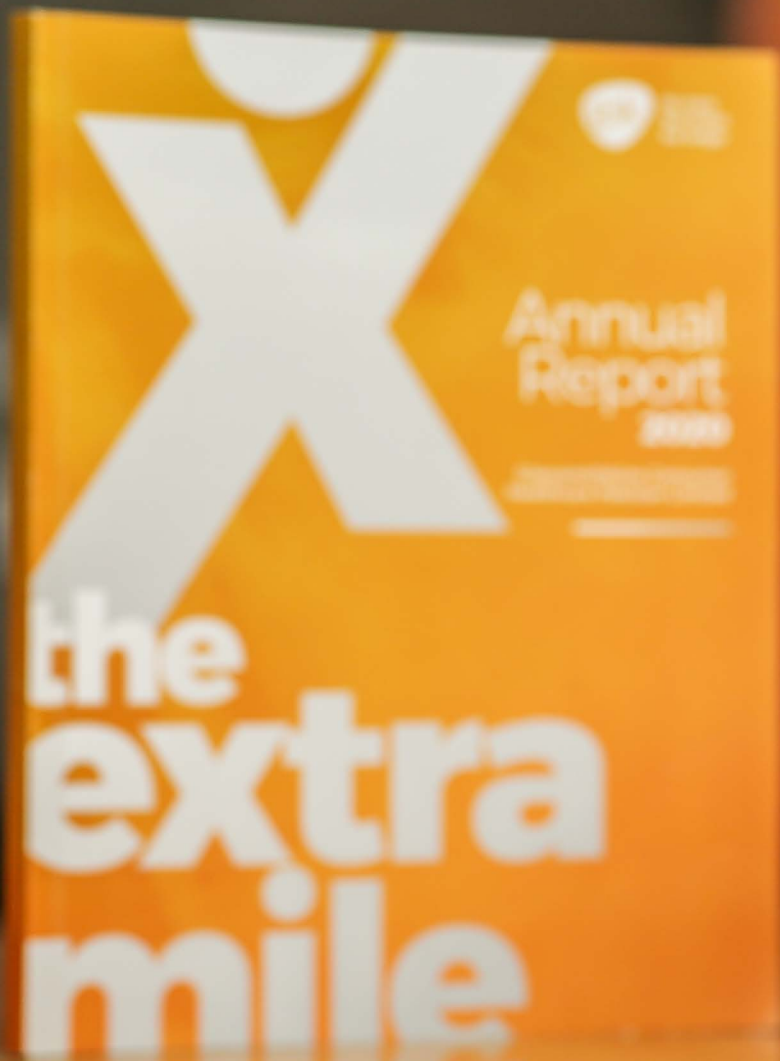
Development

Putting our values and expectations at the heart of everything we do, we become a high performing team. One that works together to achieve our goal, in the right way.

Awards

Best Corporate Report

GSK Consumer Healthcare Pakistan Limited secured **1st Position** for **Best Corporate Report** in the Pharmaceutical Industry, evaluated and announced by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. The same report has been awarded as 2nd best presented annual report among 7 South Asian countries acknowledged by South Asian Federation of Accountants (SAFA).



PESA

GSK Consumer Healthcare Pakistan Limited is ecstatic to receive **the 1st Pharmaceutical Export Summit and Award 2021 (PESA)** from the Pakistan Pharmaceutical Manufacturers Association (PPMA) for exceeding expectations in terms of international business.

Representatives from a wide spectrum of pharmaceutical businesses compete in this award, making it one of the most competitive.

PESA's goal was to raise awareness about the pharmaceutical industry's accomplishments. The event also aimed to highlight the potential contribution of this industry to the economy through export.



#10000 Ways to C

Effie

We are delighted, honored and humbled to share yet another success story on a brand that is truly close to our hearts!

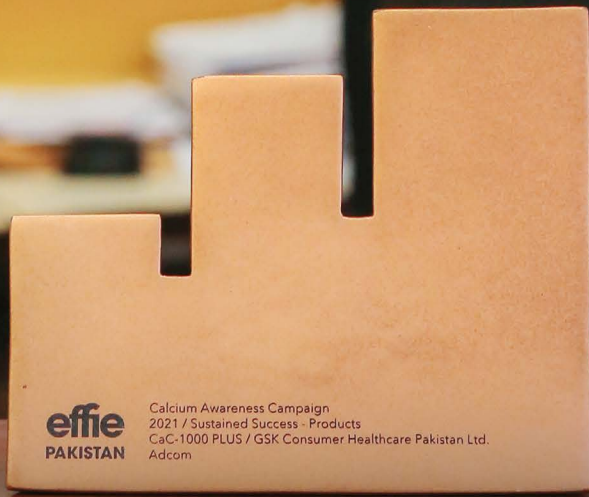
CaC-1000 PLUS has received an **Effie award** for **Sustained Success** - for making a social and commercial impact through Calcium Awareness Campaigns over the course of 3 years!

'**Sustained Success**' is one of the most competitive award categories where the most influential brands and campaigns from across industries compete.

Effie is the biggest global platform that recognizes marketing effectiveness by judging marketing campaigns and initiatives for the business and social impacts they create.

To have won an Effie award yet again for CaC-1000 PLUS and GSK CHC Pakistan is a truly remarkable feat that all of our persistence and perseverance has enabled us to achieve.

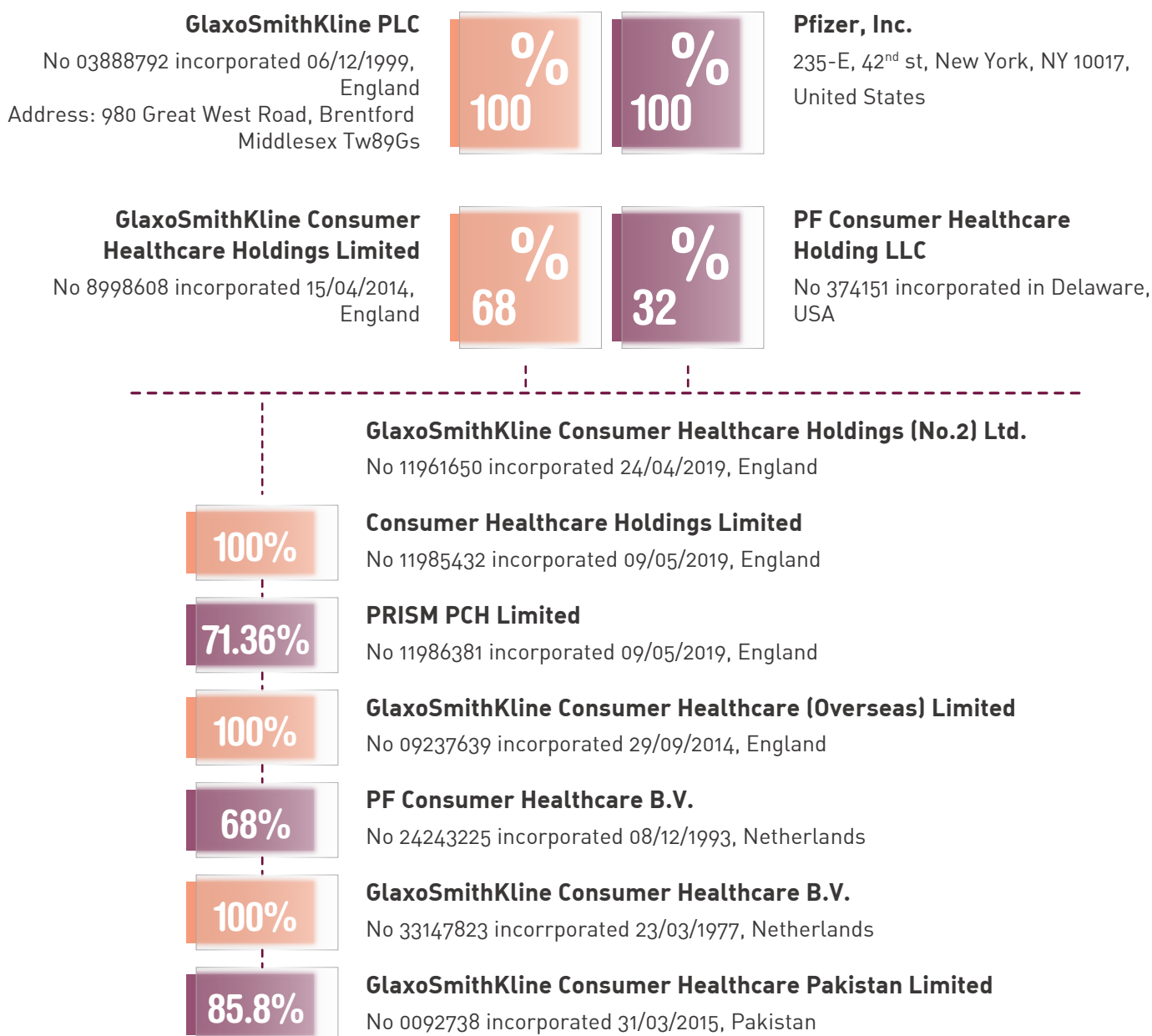
Going Beyond – together!



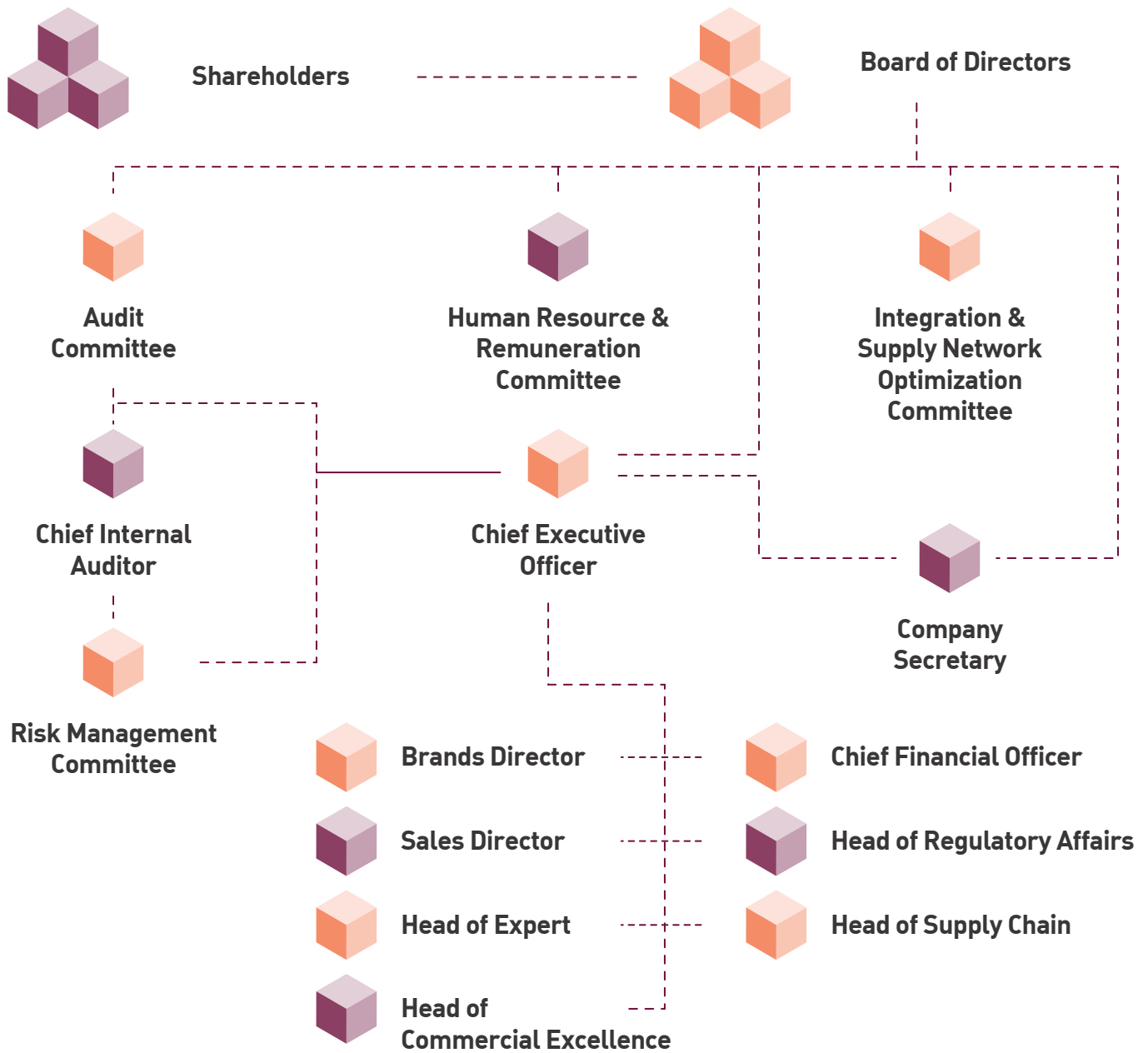
Ownership and Operating Structure

GSK CH Pakistan was incorporated in Pakistan as a public unlisted company on March 31, 2015. The Company is listed at the Pakistan Stock Exchange Limited since March 22, 2017 with 85.79% shares being held by GlaxoSmithKline Consumer Healthcare B.V. The ultimate parent of the Company is GlaxoSmithKline plc, UK. The Company is engaged in manufacturing, marketing, and sale of consumer healthcare products. The registered office of the Company is situated at 35-Dockyard Road, West Wharf, Karachi.

Group Structure



Organizational Structure - GSKCH



Mr. Farhan Haroon
Chief Executive Officer

Mr. Dilawar Meghani
Chief Financial Officer

Mr. Salman Altaf
Brands Director

Syed Abrar Ali
Sales Director

Mr. Mazhar Shams
Head of Regulatory Affairs

Mr. Faisal Rafiq
Head of Expert

Mr. Irfan Qureshi
Head of Supply Chain

Ms. Mashal Mohammad
Company Secretary

Ms. Mariam Maqsood
Chief Internal Auditor

Mr. Khurram Khan
Head of Commercial Excellence (Commex)

--- Functional Reporting — Administrative Reporting

Key Quantitative Information

Number of persons employed as on the date of financial statements and average number of employees during the year are present in the financial statements in note no. 41. However, details of the company & factory employees are as follows:

Total number of employees - CH

20	459
21	
20	492
20	

Total average number of employees - CH

20	473
21	
20	489
20	



Total number of plant employees

20	331
21	
20	362
20	

Total average number of plant employees

20	347
21	
20	360
20	



Employee Turnover Rate

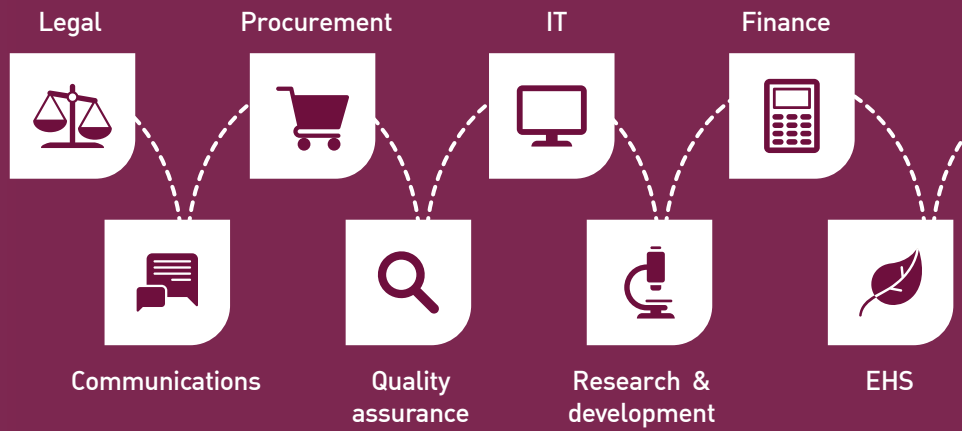
20	15.51%
21	
20	8.15%
20	

Employee Productivity Rate

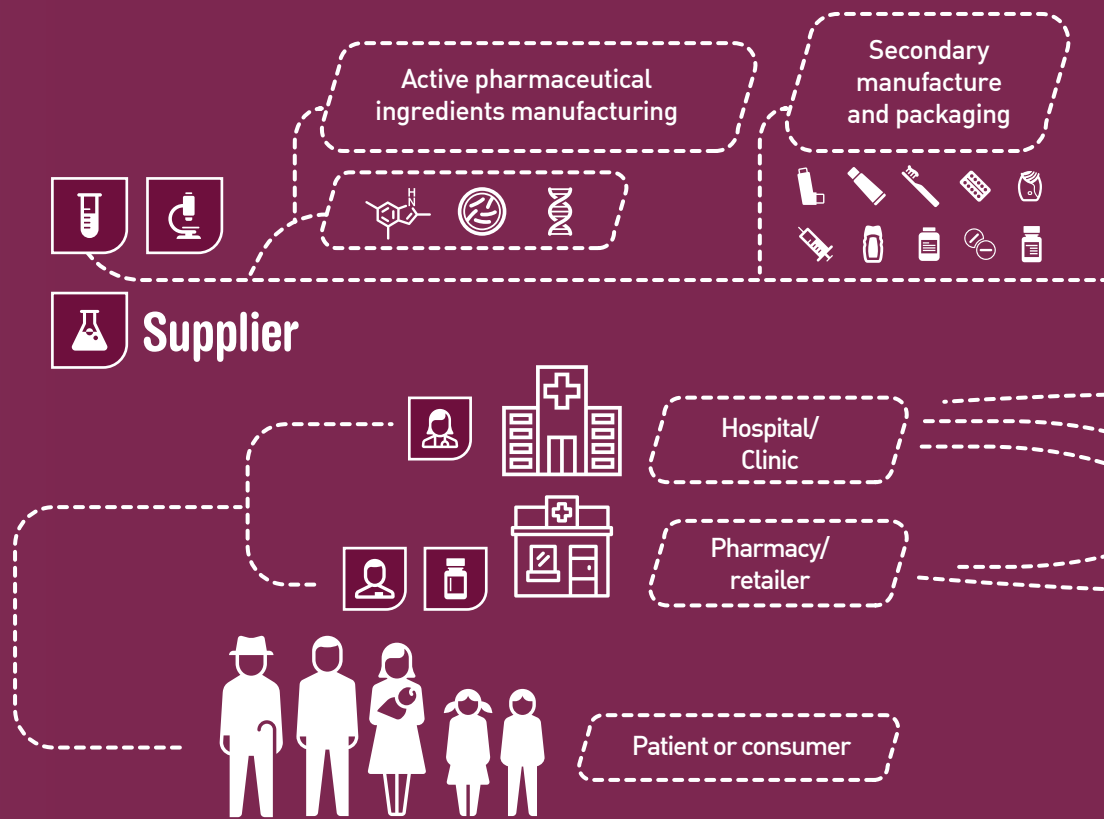
20	173,543 Packs / employee	16% Productivity Increase
21		
20	149,505 Packs / employee	
20		

GSK's Position in the Value Chain

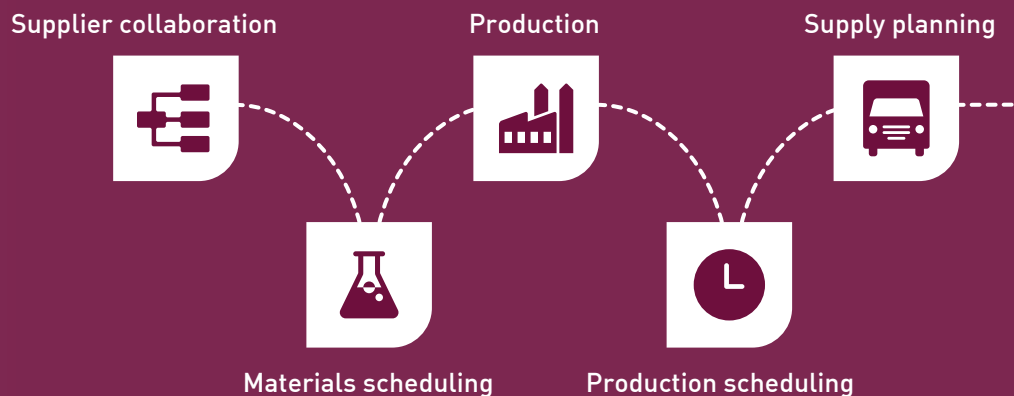
Functions



Physical Flow



Planning Flow



Human resources

Regulatory

External supply

Logistics

GPS



Engineering

Commercial

Strategy

Technical

Control Tower

Multi-market
warehouse country hub

Local distribution
center



Government agency

Distributor

Wholesaler



Distribution planning

Demand forecasting



Inventory management

Customer order
management

Customer collaboration

Significant Factors Affecting The External Environment And The Organizational Response

Economic	Social	Environmental
High inflation and interest rates, increasing commodity prices, logistic challenges, labor cost, and low economic growth adversely affects the profitability.	Corporate Social Responsibility program initiated to increase awareness amongst the people and to promote a healthy lifestyle for them.	Increasing awareness about the surroundings and the condition in which a person operates.

Organizational Response		
Initiatives taken to reduce costs through evaluating alternative sources and price adjustments.	Various steps taken as part of our CSR campaign.	The Company complies with local regulatory compliance requirements to environmental safety.

Legal	Technological	Political
Companies Act 2017, Income Tax Ordinance 2001, Sales Tax Act 1990, Pakistan Stock Exchange listing regulations, SECP Act, Drug Regulatory Authority of Pakistan Act, 2012	Continuous technological changes and advancements lead to obsolescence and excessive training.	Political instability and uncertainty.

Organizational Response		
The Company ensures compliance with all the applicable laws and regulations	Continuous training provided to the employees regarding evolving ways of working.	Diversification of inventory holding across the country and across the route-to-market. Use of technology to manage business operations during uncertainties.

Effect of Seasonality in Terms of Production and Sales

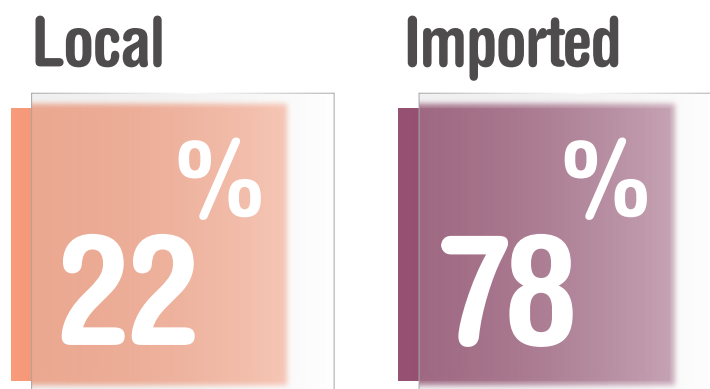
With continued availability of our wide range of consumer healthcare products, our products are in high demand throughout the year. Sales of Pain portfolio increase in winters whereas Wellness portfolio is sold more during the summers. The Company manages seasonality through alignment on production planning cycles involving multiple stakeholders and inventory management as well as distributor warehouses to ensure enhanced availability of our products for patients without any supply limitations enabling them to do more, feel better and live longer.

Significant Changes from Prior Year

Global commodity prices and international logistic challenges posed significant risk to profitability. Paracetamol prices escalated manifold compared to last year along with supply challenges. On the part of the regulator, there is a need to devise an adequate mechanism for approval of hardship cases where emerging cost escalations can be timely addressed. Absence of such a mechanism may pose a serious risk towards availability of high quality and low priced essential medicines.

Composition of Local Versus Imported Material

GSK CH procures its materials from both local and international sources. Composition of local versus imported materials basis exposure to foreign currency during the year ended December 31, 2021 was as follows:



Sensitivity Analysis



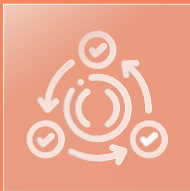
Share Price Sensitivity

Share price of GSK CH is affected by a combination of internal and external factors. The various factors that impact the share price are Company's performance, economic events, and circumstances, political environment, interest rates and the product demand and supply, etc. In 2021, the highest share price was recorded at Rs. 295.85 whereas the lowest price was recorded at Rs. 210.00. The closing prices recorded at 31st December 2021 was Rs. 241.06.



Market Capitalization Sensitivity

As at December 31, 2021, GSK CH's market capitalization stood at Rs. 28,217 million. A consequent change of 5% in the market price of the Company's share would result in a change of Rs. 1,411 million in the market capitalization.



Foreign Currency Sensitivity

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as at December 31, 2021, amount to Rs. 508.18 million (2020: Rs. 263.89 million).

At December 31, 2021, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 25.52 million (2020: Rs. 13.19 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables, trade debts and bank balances.



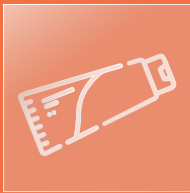
Interest Rate Sensitivity

The company is sufficiently cash rich which is evident from the Rs. 3,087 million cash and cash equivalents. The company has no sensitivity when it comes to interest rate as the interest expense is Nil for financial year 2021.

When it comes to interest income a change of 100 basis points in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 24.45 million (2020: Rs. 5.62 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2020.

Competitive Landscape and Market Positioning

GSK CH has progressed to deliver over-the-counter healthcare needs of Pakistan. Over the years, it has grown brands such as Panadol, CaC-1000 Plus and Sensodyne to a status of heritage. With a state-of-the-art production facility, it has continued to gain market share across the different categories the entity operates in.



Oral Health

Oral Health is a heated category across all fronts, one that is highly penetrated across the country. In terms of landscape, Sensodyne is the #1 player in the Sensitivity category while Parodontax is the #1 recommended brand for Bleeding Gums by Dentists. Sensodyne is also #1 in share for recommendation for consumers suffering from Sensitivity.



Pain Relief

The Pain Relief category in Pakistan is dominated by systemic pain segment with around 96% of the share and topical pain contributing towards the remaining 4%. The Systemic Pain segment is further divided into two subcategories Analgesics and NSAIDs. Even though the category is dominated by NSAIDs (both in terms of value market share [53%] & volume market share [51%]), Panadol, despite being an Analgesic brand, leads the market with a 21% Market Share (Value) which reflects the strong equity & heritage of the brand.



Vitamins & Mineral Supplements

This subcategory has a fragmented market landscape with various product offerings. There are 7 sub-segments, out of which Calcium is the biggest with 79% contribution to overall VMS sales. Within VMS, CaC-1000 Plus is the market leader with 42% value share.



Threat of Substitutes

Healthcare is essential for the people and the demand for it in the country must be met. GSK CH undertakes extensive research to come up with a product that would help the consumers in fulfilling their demand of healthcare needs. Threat of substitute is always there since for every treatment, pain or disease there are multiple medicines being made. Technological advancement also plays a huge role in development of these products as GSK CH continues to incorporate innovative enhancements in its offerings.



Power of Customers

GSK CH has been serving its customers with excellence for over 6 years. The Company prioritizes its relationship with its customers and the trust they have in the company. GSK CH has played a major role in shaping the healthcare sector of Pakistan. They introduced Protective Counter Units in pharmacies for customers well-being and to minimize exposure of pharmacists during COVID-19.



Power of Suppliers

Supply chain department at GSK CH holds a crucial area of operational excellence. For the company to keep growing they need a sustainable framework that allows smooth and uninterrupted supply of input. GSK CH has good strategic relationship with its suppliers; be it for smooth access of raw materials or capital inputs.

Our People

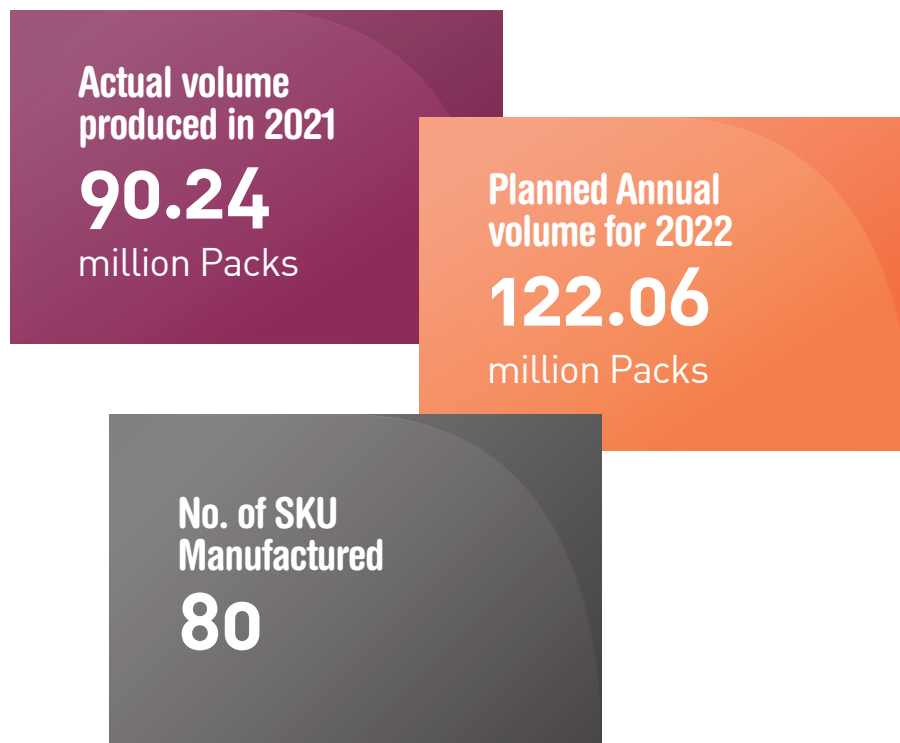




Plant Operations

The manufacturing plant of GSK Consumer Healthcare (CH) Pakistan is a state-of-the-art facility located at Jamshoro, about 150 km from Karachi. It manufactures Consumer Healthcare and Over-the-counter pharmaceutical products for Pakistan and exports to Vietnam, and Philippines. It also manufactures and packages medicinal products for Novartis Pharma (Pakistan) Limited. The site has the capability to manufacture and pack oral tablets, effervescent tablets, capsules, syrups/suspensions, creams, and gel products. All products are manufactured and packed as per cGMP practices complying to high standards of quality following international, and local standards. The plant also complies to NEQS (National Environmental Quality Standards) as per EPA (Environmental Protection Agency) and SEPA (Sindh Environmental Protection Agency) guidelines.

In 2021, Jamshoro plant successfully kicked off Project Hawaii and launched three new products, Panadol Liquid, Panadol Drops and Panadol Extend to support the continuous growth of the business and Pakistan Market. The manufacturing plant ensures full compliance to guidelines by the government for the health and safety of employees including for handling recent COVID'19 pandemic. Currently all employees are fully vaccinated.



Finance

We are committed to serving in the best interest of the shareholders and other stakeholders' acting as a symbol of responsibility and viability. Finance department is motivated to lead the organization towards the achievement of its rigorous financial KPIs by operating under the basic values of integrity, efficiency, and continual improvement.

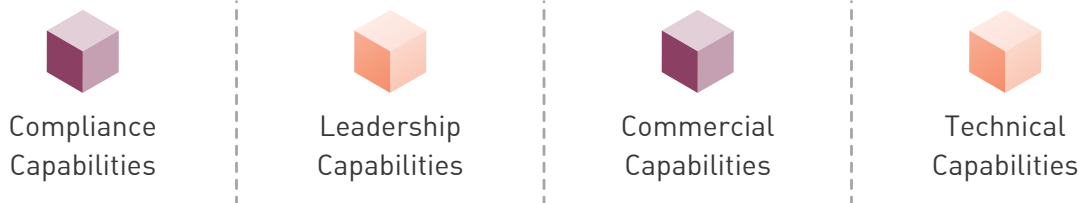


Finance is one of the functions that serves as the common core of

GSK's operating model and enables one GSK enterprise approach. We provide the business units with the partnership, strategic counsel, and support services they require to operate efficiently and effectively. We add focus and combine it with positive attitude to engage all business finance areas effectively by optimizing company's financial performance. This includes business planning and budgeting, strategic allocation of resources across our valuable brands, managing liquidity through better cashflow planning while keeping an eye fixed on risk and opportunities.

We use numbers to drive our strategic success, so we can help people do more, feel better, and live longer lives.

We ensure to broadly group the capabilities required for our roles into four main categories:



Liquidity position of the company has improved owing to better CAPEX planning and healthy operating cash inflows. This has resulted in generation of income from other sources such as short-term investments in TDR and T-bills.

The team was also able to achieve a healthy cash to conversion ratio during the year along with a Zero-Based Budgeting exercise to improve the management of overheads. Moreover, finance is constantly focused on improving and strengthening internal controls to mitigate risk and protect value for shareholders. By simplifying our operating model and pertaining to product innovations, our finance business partners, through various contributions, seek to add value to the business.

On the other hand, finance team is making sure that GSKCHC Pakistan Limited remain committed to transparency, accountability, and governance. Our last year Annual Report (Extra Mile) secured **1st Position** for **Best Corporate Report** in the Pharmaceutical Industry, evaluated and announced by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. The same report has been awarded as **2nd best Presented Annual Report** among seven South Asian countries acknowledged by **South Asian Federation of Accountants (SAFA)**. This is a testament to our intentions of presenting the company's performance and strategies to our shareholders and stakeholders transparently.

Marketing

At GSK CH, Marketing Team stands for “Consumer and Customer Obsession”. This passion is exhibited through spectacular performance of global and local power brands in 2021. Strong rigor in executing “Strategic Must Wins and Seamless Collaboration with commercial teams” are the key enablers in delivering benchmark performance.



In 2021, power brands continued to strengthened leadership position in respective categories. Sustained investment was ensured to build and fuel brand growths.

Alongside, brand innovations based on higher consumer benefit also accelerated overall growth.

In oral care pillar, Sensodyne embarked on transformation journey “Sensodyne as Life Enabling Brand”. New brand “Look and Feel” and dynamic communication campaign was launched which supported in accelerating performance. The campaign idea is to recruit less sensitivity bothered sufferers, thus expanding consumer base. Campaign was brought alive across consumers, healthcare professionals and shoppers. In oral care category, there is increasing incidence of bleeding gums i.e. 27%. Consumers rely on regular toothpaste to treat this incidence. Parodontax based on science helps stop and prevent bleeding gums. This was the thrust of communication “building awareness of bleeding gums”. This focused communication strategy is helping to drive penetration and brand traction.

In OTC pillar, Panadol was the pioneer in driving disruptive growth. Marketing team collaborated with Area and local creative partners to develop engaging communication campaign. A campaign that will expand brand foot print in relevant pain incidences beyond headache. Later towards the year end, a new variant - Panadol Extend was launched with aggressive integrated marketing campaign. Each individual from the organization contributed in making the launch successful. Panadol Extend happens to be a first launch after 30 years in Panadol pain franchise. CaC-1000 Plus continued to build “Calcium Supplementation” amongst the women. Brand launched bespoke “World Osteoporosis Day” campaign which resonated strongly with consumers. GSK footprint in calcium supplementation was further strengthened with the activation of Qalsium D.

“Winning Strategies” were mutually conceived and aligned in “Growth Accelerator” workshops and were executed with excellence by marketing, expert marketing and commercial team.

Thus, setting strong growth momentum for the forthcoming years. As we continue to set new benchmarks, each member of the team is inspired by GSK’s purpose

“deliver better everyday health with humanity”.

Commercial Excellence

Commercial Excellence (ComEx) is one of the most powerful levers for consistently delivering business growth & gaining market share by strategizing for the best-in-class in-store executions. It encompasses targeted channel marketing &



digital commerce strategies along with sales force excellence to enhance understanding, availability & visibility during the shopper's journey leveraging data analytics thereby bringing in incremental revenue.

2021 was a unique year as it was first year that encouraged a hybrid model for everything – product launches, market executions, consumer touchpoints, shopper behavior and teamwork. This encouraged the scope of E-commerce & digital media globally. Marking this as priority, ComEx ensured joint value creation with the biggest E-Commerce retailers for OTC and oral care including Daraz, Pandamart, Tabiyat, Dawai.pk and Dvago thus ensuring positive disruption addressing changed shopping habits by focusing on highlighting shopper messaging, call-to-action and immediacy to purchase.

In the wake of increased focus on self-care, our OTC portfolio was enhanced with the launch of Panadol Extend. Offering Panadol in a consumer pack for the first time, this launch was activated across all touch points of Pharmacy channel by creating disruption throughout the shopper journey via trade tools focus such as primary shelf, secondary shelf, counter top, POSM and cross category reaching 100% of the customers in targeted time of one month. Enabling our shoppers to take charge of their health and driving the priority of Self-care, in-store shopper engagement was ensured Chain Pharmacies by establishing self-select and shopper engagement options using multiple mediums such as CATMAN, self-care counter tops, in-store activations and in-store on-screen ads with digital content.

Modern Trade channel has had unprecedented growth over the last few years showing a shift in shopper purchase trends making our in-store intervention significant to generate top of mind and call to action. For the oral category in the modern trade channel, GSKCH was the first company to establish brand recall for the consumers by gaining category captaincy and ownership. For Sensodyne with the

launch of Sprint, we piloted with best-in-call category leading displays, cross category trail generation and winning shopper journey branding driving an immediacy purchase. For Parodontax, we deployed first in class gum-care category to address & provide for the underlying gum issues prevalent in the country. Keeping interception in mind, our brand ambassador program's scope grew by 20% in the last year with increased activities and reach. Consistent rounds of scratch & win activations for modern Trade and cluster activations for general trade were executed to engage, entice and excite the consumer thereby leading to 1.5mn interceptions nationally.

Despite limitation of conducting face to face trainings, journey for development of the sales force was carried forward by conducting capability building sessions following the hybrid model for both expert and trade teams. 11 face-to-face and numerous online training sessions were held keeping in mind the needs of the team.

Increased focus on Net Revenue Management this year have led to efficient trade investment expenditure by encouraging promotional evaluation and strategizing accordingly. The ROI thought-process was inculcated in all ComEx's activities such as promotions, brand ambassador program and future customer JBPs to ensure clarity of ideation and efficiency in strategy. Incorporating consumer insights by identifying the need for channels, focus on consumer offering upgradation as well as promotions has led to incremental revenue for GSKCH.

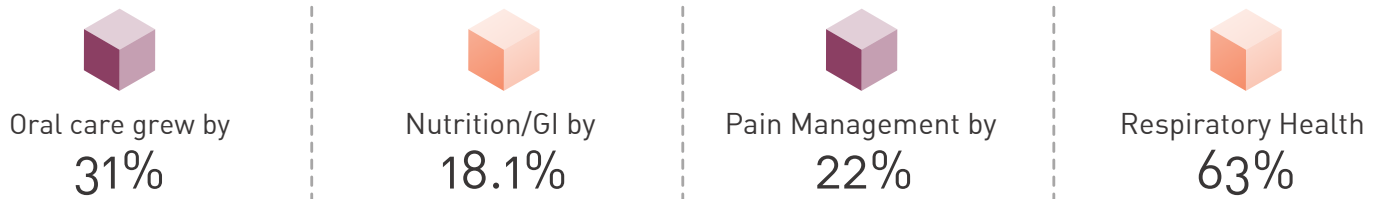
2022 promises a lot of excitement for ComEx with new set of challenges sure to come our way. With increased channel focus and customer centric strategies, ComEx is looking forward to go an **Extra Mile** and help achieve this ambition by focusing on priorities such as driving availability, enhancing visibility winning in channel & customer, growth in Ecommerce, accelerating revenue growth and upscaling digital & sales analytics with outclass automation and processes.

Sales

Sales is all about foot work, availability, and visibility are the core fundamentals of the job and these cannot be ensured through any digital application, remote or agile working these can only be worked out by physically walking the markets and visiting the stores. One thing that did not changed a bit in this year from the previous year was the working



environment, it continued to pose the same threat and challenge as it did last year courtesy COVID-19. Smart lock downs and restricted market timings etc continued to create obstacles for the teams on ground but with each passing day Team GSK became more and more resilient and better prepared to overcome them. It was sheer hard work, dedication, and our passion for playing above and going beyond that paved way for yet another fabulous year which recorded a phenomenal growth of 21% (excluding toll manufacturing and exports). We operate in four major categories and the great thing about this growth is that it was broad based across all categories



In a year which saw other businesses curtail down their operations we went ahead and opened new independent branches in Gilgit-Baltistan. Our distribution partners have been our biggest strength who made sure that our products reach far and wide across all relevant channels without compromising safety and security of the team. We are also very proud to make Panadol the biggest brand of Pakistan's Pharma Industry with PKR 9.5 billion, CaC-1000 Plus also touched the new magical number of PKR 5.0 billion in this year.

Digital is a new and emerging channel; we have been actively partnering with various digital platforms which are servicing patient needs at their doorstep. As a Consumer Healthcare Company, we ensure that our products are made available to shoppers and patients across the spectrum of the market and no point of purchase is left out.

We in sales believe in a single point of action "Availability Ensures Patient's well-being". It is with this mindset that we operate daily, making sure that no point of purchase is left unattended.

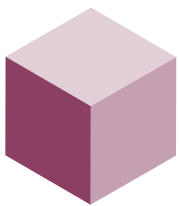
Expert

An instrumental pillar behind the success of any healthcare brand is endorsement from healthcare providers (HCPs), also known as Experts. Being a strategic function, the Expert department strives to create long-lasting partnerships with HCPs through scientific dialogue & engagement, empowering them to make informed decisions that can positively impact the lives of patients.



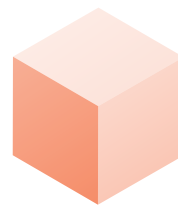
2021 was a year of executional excellence for the Expert department, as the team went all out in launching initiatives designed to make interaction with HCPs more dynamic. These on-ground activations were further supported by the launch of the Global Health Partner page for Pakistan, a dedicated website for our medical partners, curated to deliver more personalized yet readily available sources of information.

In 2021, the team also underwent significant expansion. With two detailing verticals already running (Oral Health & OTC), a 3rd detailing team was established. Serving as a launch pad, this team has been entrusted with the detailing of the latest innovation, Panadol Extend along with the Respiratory Health portfolio.



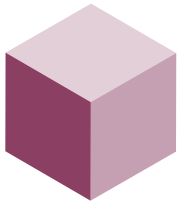
Strategy

Our winning strategy relies on having clear objectives and a robust promotional plan that complements our campaigns. With a dynamic competitive landscape, we have learnt to evolve and be innovative in the ways we engage with HCPs while delivering impactful results.



Capability Building

Our field force is distinguishable from the rest based on the knowledge and skillsets they have been equipped with to deliver brand messages effectively. With an in-house training manager, the team is engaged in various capability building sessions all year round.



Execution

Navigating through a large team with multiple brands requires flawless execution to ensure we are able to provide our customers with a memorable engagement experience. Our team successfully amped up engagement with HCPs for all key brands throughout 2021.

In terms of impact, our key brands continue to be the recommended choice of treatment by Experts. Power brands Panadol & CaC-1000 Plus have not only maintained their leadership position in respective categories but continue to put up a strong performance with double-digit growth, which is significantly faster than the market. These results give us the confidence that we are operating in the right direction and have been successful in maintaining the trust of our customers. The Expert team is committed to demonstrating the same passion & energy in the years to come, and in doing so take GSK CH to even greater heights.



Analytics & Governance

With the easily accessible Power BI tool, our team is able to track performance in real time, allowing us to turn data into opportunities. We also demonstrate utmost vigilance during all our activities and regularly conduct internal monitoring, to ensure compliance with SOPs.

Information Technology - Your Transformation Partner



The world is changing at an accelerating pace. We have become a generation almost entirely dependent on technology, and it goes without saying that things were done very differently decades ago than they are now. Tech today has now transformed to become a business partnering function and plays a vital role in organization's success.

Year 2021 was all about living GSK behaviors where tech went beyond their functional responsibilities, did what matter the most for the business and kept it human for their customers all across the market.

Few major achievements of last year includes,

Project Titan (Transforming Controls and Compliance)

Third parties in market are required to complete multiple trainings depending on the service they provide. The business found it challenging to conduct the trainings on different subjects and also track attendance, especially after inception of COVID period where travelling was no more possible.

Tech Connects (Transformation for better partnership)

With high speed growth of Consumer Healthcare business in Pakistan, new upcoming challenges and requirement need to be catered pro-actively. It is important for tech function to match up the growth speed and work closely with business functions for parallel technology implementation.

Core Tech (Transformation to become future ready)

In line with GSK Consumer Healthcare ambitions for Future Ready Programme, Tech thrive to simplify service delivery model by streamlining their global footprint and leveraging the cross-industry experience with an strategic partner HCL. This new service delivery model was introduced in Q1, 2021.

Project Titan (Transforming Controls and Compliance)

To help the business and compliance team, tech completed a local assessment and with the help of shortlisted vendor, established an automated solution, for meeting 3P training requirements. A solution named as "Titan" was developed to serve the purpose. It also helped to have increased level of accountability at function level.

GSK Consumer Healthcare Pakistan now comply with Third Party training requirements and keep us in an audit ready status. This is the first of its kind portal in MEA Area.

Tech Connects (Transformation for better partnership)

Tech connects were introduced in Year 2021. These sessions were arranged in every quarter where Tech and Pakistan leadership team connects and align on priorities. Tech connects also covered topics like information security, phishing, tech service delivery performance review, relooking into future opportunities and roadmaps.

In quest of continuous improvement and to engage wider audience tech survey was launched. Later on, feedback results and actions were shared with employees in townhalls.

Core Tech (Transformation to become future ready)

What's New ? With this new model GSK Tech standardized Desk site support model resulting users to have Improved Service Experience via Reliable, Innovative and Accelerated Service delivery. Service Now portal was launched in order to closely track employee's requests and queries with pre-defined SLA's and escalation matrices.

Local Tech business partner plays a vital role in this transformation by bridging between global and market team, identifying gaps and driving communication campaigns.

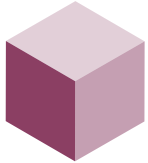
And Tech Transformation Continues

Through strong hand-in-hand partnership with business, we are entering into the historical year of creating world's first consumer healthcare company where Tech will be connecting business to technology and bridging the gap to redefine the future.

IT Governance Policy

Tech Control Framework (TCF) forms the basis of internal control defining essential governance, compliance and risk management activities that support the day to day Tech activities.

The Enterprise Tech Control Framework aims to achieve the following objectives:



Risk Management

Risk Management and Compliance Boards (RMCBs) are a GSK CH required governing body. RMCBs are responsible to ensure appropriate risk management and implementation of internal controls for risks within their scope of accountability.



Controls

A Governance framework of control documents communicates the ideas, rules and expectations of organizations; to reduce risk, ensure accountability, and enforce compliance in business operations.



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 and in use. This process may involve in-process checks and approvals, or a workplace inspection, or may be a checklist, or may be a review of data or dashboards, or observation of tasks, or self-assessment.

Supply Chain

2021 was yet another phenomenal year for the business. It was a result of strong Supply Chain partnership with commercial that Pakistan not only overdelivered the business results but also mitigated the supply risks for outer years. Despite numerous



challenges through out the year, the business managed to deliver a growth of 21% over last year which itself was a higher base (+23% over 2019)

This phenomenal growth wouldn't have been possible if the Supply Chain team had not responded effectively to the challenges coming their way from everywhere, like:

Extreme Market Volatility

2021 was started with an assumption that with reduced Covid cases things will get normalized, hence a volume growth of 1%-2% was projected over 2020. But the reality was completely different. Unprecedented upside against the forecast was experienced in all major brands like Panadol, CaC-1000 Plus & Sensodyne, that resulted in tremendous pressure on factories and upstream Supply Chain. The challenge was to respond to an unknown increase in demand in a shortest possible time & It was a daunting task considering the heavy reliance on Imports. To manage this complex situation several extreme measures were taken at all levels of Supply Chain including:

- Issuance of advance purchase orders to the vendors to ensure long term supply security.
- Expediting the shipments by using alternate logistics arrangements.
- Production facilities ramped up to maximum

capacities ensuring seamless availability of stocks to manage demand variations.

- Strong coordination with LSPs to make sure that they are up and running in full swing to manage deliveries to customers across country in a timely manner thus maintaining a strong OTIF between 97-98%.

Logistics Congestion

As the world resumed in 2021, the global logistics operation started choking up with extreme shortages of Containers & Vessels. With heavy reliance on imports it was quite challenging to bring in the materials on time and keep the production facilities operational. The logistics congestion got worsen in Mar-2021, when a Ship blocked Suez Canal impacting the in-transit shipments with considerable delays in ETAs. It resulted in a stock out situation of few critical materials and the production got stopped. The SC Imports & procurement teams did a phenomenal

job by taking timely mitigation actions and arranged materials from alternate sources & using alternate logistics arrangements and the operations got resumed within a week. They also put in place a daily governance forum where each shipment was tracked, and timely mitigation actions were agreed to avoid any disruption.

Supply assurance of Calcium

There has been a steady volume growth in CaC-1000 Plus over past many years but 2020 was unprecedented with a 30% volume growth and increased consumption habits in the light of COVID-19. The demand pattern continues in 2021 as well with a 5% volume growth on a higher base of 2020. This sudden increase in demand put an extra pressure on Factory's capacities and the site was compelled to operate 24/7 without a break. Despite running with full capacities there was a risk of losing consumption during summers which happens to be the peak season for CaC 1000 Plus. Also, the production pattern was not sustainable posing risks of unplanned breakdowns and exhaustive resources.

Following multi-dimensional projects were identified and delivered on time not only to secure the supplies for 2021 but also building enough stocks to manage the seasonal peak of 2022

Improved OEE from 60 to 72%: Increased daily output from 127k / day to 178k /day, and reduced breakdown from 14 % to 7 % and batch size optimization.

Design campaign production: Reduced washing frequency from twice a week to once a week resulting in savings of 3 hours/week and 36 additional batches/year.

Refurbish 4th calcium line: There was a redundant Fette line which was refurbished from scratch in minimum possible time to meet continuously increasing market demand and to

reduce shift timings from 12 hours to 10.5 hours keeping in view the health and wellbeing of employees.

Paracetamol pricing / availability

The demand of Panadol Tablets has increased many fold during the past two years. The factory is running with full capacity and despite that hardly managing the volume upside with a limited stock over.

This unprecedented demand has also put a lot of pressure on upstream supply chain specially on Paracetamol. Paracetamol has been a two-fold problem for the business in 2021. One is its exorbitant pricing due to limited supply of PAP from China and the second is the availability. The team did a good job in terms of locking quarterly prices and issuing long term Purchase orders to ensure supply commitment. They did their best to agree a price which was quite lower than the market prevailing price thus minimizing the adverse impact on the P&L. Several other strategic initiatives are also started to ensure a long-term fix to the issue.

Changes in RTM and Commercial Partners

As part of business development and driving growth strategy lots of RTM changes were driven by Commercial team in terms of opening new distribution branches in untapped locations, consolidating / replacing commercial partners etc. SC responded well to all these changes and altered the Cerps setups, Warehouse mapping and distribution alignments in a timely manner to avoid any business disruption.

Quality Management System (QMS)



The GSK CH Quality Management System (QMS) is our comprehensive system of management responsibilities,

quality culture expectations, and documented policies and procedures. At GSK Consumer Healthcare, managing customer/consumer relation is our foremost and utmost responsibility. It is very much vital for the maintenance, sustenance, and growth of the trust-based relationship with our end users and stakeholders by providing the safe products of best Quality.

The year 2021 was quite challenging for the whole GSK CH in terms of the immense market demand, timely availability of our products for our customers & consumers. Amid the aforesaid matters, the GSK CH Quality Management Systems and its requirements for continuous improvement played a pivotal role. We had applied and utilized our well-maintained edifice of Quality Management Systems to focus every hook and nook. This particularly included all GxP areas like Warehouse, Manufacturing, Packaging, Quality Control Laboratory, Operational Quality, Regulatory affairs, Technical, Engineering, EHS, Quality Systems and Compliance & all commercial aspects. Along with all of these, the GSK CH Quality Management Systems also emphasized the justifiable improvements in effectiveness and efficiency of our products. Furthermore, in the past year, we succeeded to achieve not only business targets, but we have also got successful renewal of our manufacturing license. In addition to it, we went beyond and have launched Panadol Extend and shifted Panadol Liquids and Panadol drops from CMO to Jamshoro Site. We increase our end to end surveillance through properly addressing customers and consumers. Besides this, in 2021 with GSK CH Quality Management Systems compliance, we kept it human and did that mattered most, took multiple initiatives through adapting e2e strategy and focusing on the basic needs of our consumer and customer.

In 2022 our aim to ensure timely availability of our products with maintaining Quality, Safety and Efficacy. Our Strategy is to Deliver better everyday health with humanity.

Regulatory Affairs

Like the previous year, COVID-19 has taken its toll on businesses and changed the global dynamics from face-to-face to online connectivity. In Regulatory Affairs, we also had planned deliverables



considering the above challenges and delivered all internal and external projects well within time. The Regulatory Affairs Team has ended the year on high notes with a couple of global awards and new products for the Pakistan market.

In 2021, the much-awaited sustained release paracetamol formulation, Panadol Extend, was launched with full execution where Regulatory Affairs had not only secured the desired supply line but also received approval of all above-the-line direct to consumer connections. In line with our earlier pricing success, this year we also successfully secured all CPI-based price increases. Another big news is related to the manufacturing consolidation of our portfolio by transferring liquid formulations under the Panadol name to our own manufacturing facility based out of Jamshoro, which assures our strategy and direction for our products and provides a further boost to patients' confidence.

In 2022, we have planned innovations with margin improvements and supply consolidations for existing and future launches, and we are already on top and at different stages of strengthening GSK CH business besides handling of the spin-off which is around the corner. Hopefully, our consumers and partners will see an agile and aggressive organization delivering every-day health with humanity.

Internal Audit & Compliance



The **Internal Audit function** ensures Statutory compliance with the Code of Corporate Governance (Covered in detail on Pg. 106 to 107 “Audit Committee Report”) and serves an active role in assisting the management to achieve operational efficiencies while managing the risk appetite of the business. The internal audit operations at GSK CH are outsourced to Ernst & Young Ford Rhodes (Pakistan), that adds an additional layer of transparency and provides independent assurance to the members of Audit Committee.

Having a third-party team of Internal Auditors ensures that the Company's operations are reviewed objectively and without any bias. It also helps the business in developing better Risk Management, Regulatory Compliance and Governance Control processes over time.

Internal Audit Function, in GSK CH, is led by Mariam Maqsood who was on-boarded virtually in mid of 2020. Mariam Maqsood is an ACCA member and has worked across various industries, over the span of 10 years.

The **Compliance function** is responsible to ensure that local and global policies are effectively complied with and offers to provide compliant solutions to the business, when they are not available in existing policies.

The Compliance function ensures that each function (commercial and supporting) is managing its Internal Control Framework and identifies and minimizes risks proactively.

Compliance function is responsible to organize Risk Management Compliance Board (RMCB) meetings where risks are discussed, and mitigating controls and actions are put in place every quarter. This meeting is attended religiously by all functional heads.

Other than above, Compliance function conducts independent reviews for high risk areas and presents findings in the RMCB, provides trainings to head office and sales staff on Anti-bribery anti-corruption, Third Party Oversight, Code of Promotion etc. Compliance ensures that other functions are also conducting Management Monitoring activities to ensure issues are proactively identified and fixed, rather than being spotted out by auditors.

Speak up or whistle blowing issues, relating to compliance matters are also overseen by Compliance Function and the Head of Compliance is responsible for providing relevant and up to date information to above country independent investigators when required. Where policy permits, some investigations are conducted by the Head of Compliance. The Ethics and Compliance Function in GSK CH Pakistan is led by Muzna Hussain. She is an FCCA by qualification and has been with GSK since June 2016.

Legal and Corporate Secretarial

The Consumer Healthcare Legal and Corporate Secretarial department works across the business to help it deliver better everyday health with humanity. The Pakistan Legal department is aligned with the GSK 1Legal

purpose of being a Trusted Business Partner and delivering high quality legal and corporate secretarial services by proactively engaging with our business partners to achieve GSK's goals with GSK values at the heart of every decision.

In keeping up with a fast-paced business, the Legal and Corporate Secretarial department aims to have a solution-orientated and pragmatic approach that is focused on enabling the business to achieve its objectives, while protecting and managing legal and corporate compliance risks to provide timely and quality legal support on all critical areas including:

- Day to day advisory;
- Managing of ongoing and future litigation risk;
- Business development transactions;
- Contract drafting and negotiations;
- Digital processes;
- Legal project management;
- E-commerce; and
- Trainings.

Corporate Secretarial (CS) plays a central role in ensuring adherence to the Company's governance structure in conformity with best practices. CS supports the Board of Directors, by liaising with directors, organizing board meetings and general meetings, facilitating departments in preparing relevant documents for board presentations, recording minutes of the meetings and proactively



coordinates in the implementation of board decisions, among other tasks.

Despite the challenges of the previous year, the Legal and Corporate Secretarial department continued to adapt quickly its ways of working to the 'new normal' in 2021 to play its part in Running Legal Like a Business, for the Business in the following manner:

- a) **Continued focus on digital initiatives** with the adaption of digital signatures, use of digital document repositories, utilizing of a digital Board Evaluation Form, and creation of a One Stop Legal page containing updated templates, information, documents for the ease internal stakeholders / clients.
- b) **Smart risk-taking** to keep up with changing trends and the pace of the business and keeping in view Trusted Business Partner principles and the GSK Red-Grey-Green legal risk assessment, so as to strike a balance between Business First and GSK Values.
- c) **Stakeholder knowledge management** with comprehensive trainings on competition law, anti-harassment, corporate compliance, GSK document repository, digital brand protection guidelines etc.
- d) **Simplification** of all contracts, key documents, and key processes.

Human Resources

GSK Consumer Healthcare has started its incredible journey with the purpose of **“Deliver better everyday health with humanity.”** Our values and expectations are at the heart of everything we do, and they define our culture. Acting with



integrity is non-negotiable, and that means we can be proud of how we operate. At GSK CH's we set out clear choices by going beyond, doing what matters most, and keeping it human so we can deliver extraordinary things to our consumers and customers. We continued to build on our CSK CH Priorities of Innovation, Performance and Trust as part of our commitment to deliver game changing business results. To achieve this vision our strategy has advocated through Advance Technology, strong leadership, employee development, Employee Health and Safety, and our continued focus on being a Modern Employer.

Go Beyond

Our constant hunger and irresistible energy drives us to be better, move with pace and outperform competitors

Do What Matters Most

We prioritise the important and challenge the unnecessary

Keep It Human

Our dedication to consumers, customers and each other demands unmatched understanding and empathy

INCLUSION & DIVERSITY

We aim to create an inclusive workplace to attract and retain the most talented people from all backgrounds and cultures. Diversity makes us stronger and it is important that we talk, share, and understand our cultural differences. The principles of **Modern Employer** and **Be You** are key to our success as a company. We want employees to feel supported in being their authentic selves at work. We strive to create an inclusive environment where everyone has the right to share their own thoughts, feelings, and perspectives. One way we achieve this is through our Employee Resource Groups, including Women's Leadership Initiative, and the Disability Confidence Network.



Women's Leadership Initiative



Disability Confidence Network



Local ERGs

DEVELOPING OUR PEOPLE

We aim to create an inclusive workplace to attract and retain the most talented people from all backgrounds and cultures. Diversity makes us stronger and it is important that we talk, share, and understand our cultural differences. The principles of Modern Employer and Be You are key to our success as a company. We want employees to feel supported in being their authentic selves at work. We strive to create an inclusive environment where everyone has the right to share their own thoughts, feelings, and perspectives. One way we achieve this is through our Employee Resource Groups, including Women's Leadership Initiative, and the Disability Confidence Network.

Our continued commitment to developing and sustaining our talent pipeline by attracting and retaining the most talented people is a key success factor in GSK CH's outstanding results. In 2021, as part of our ongoing focus to make our systems and processes easier for our customers, we have improved the recruitment process which can be directly facilitated through service now. This uses innovative technology to deliver a

cutting-edge global recruitment platform that not only makes it quicker and easier for recruiters and managers to fill vacancies with the best candidates but also makes it easier and a better experience, for external candidates and employees to find new job opportunities.

PERFORMANCE SYSTEM

Recognizing and rewarding great individual or team performance is an important part of our culture. It's a great opportunity to recognize and thank our colleagues for exemplary work that supports the delivery of our Innovation, Performance, Trust, and Culture priorities and role models our values and expectations. The Global Employee Recognition program enables employees to celebrate contributions and achievements and recognize each other across businesses and countries.

Being a modern employer is one of our core Trust commitments - creating an inclusive workplace where everyone can be themselves, feel good, and keep growing. And a key part of that is making sure our pay practices are always fair. Base pay is differentiated through several factors - such

as performance through Annual Pay Review, Promotion / progression based upon performance and skills, and Interim adjustments to reflect competitiveness with the market, rare skills, and talent assessment. At GSK, reward includes base pay, bonus, IPTc, and Long-Term Incentives (LTIs), (for eligible employees).

It's important to make sure we're on track. We inspire our managers to promote a culture where straight talk is encouraged, and diverse opinions are accepted. This is strengthened through regular Check-ins between employee and his / her line manager review progress to date and celebrate achievements – and identify where help might be needed to get things back on track for performance objectives and development plans.

LEARNING AND DEVELOPMENT

In GSK, career development is about building experience and capability and is not defined solely by promotion and advancement. We offer our employees many opportunities both in our **Keep Growing Campus** and in the **MyLearning** portal, with the most effective mix of learning modalities e.g., instructor-led, e-learning, blended learning, and social learning. Employees can find suggestions on a wide variety of topics and get training courses that give in-depth expertise and knowledge to help them grow in their personal and professional life. We provide performance support, self-assessment tools, and resources to help an employee develop. In 2021 Total No of 53,832 Training has been completed with the Total Training hours of 62,181.06.

MAKING IT EASIER INITIATIVES

In 2021 we embrace transformation and relies more on technology to boost efficiency by making HR information and service easily available 'on demand'. We're organising our services around our Regional HR Service Centers, making processes simpler, and using technology to make things more accessible and transparent - with the introduction of the Service Portal (ServiceNow) and updates to Workday. This portal not only promotes self-service but also provides better and more readily available information for more integrated and consistent systems across markets, especially in times of remote working. Furthermore, this system also promotes the communication between the manager and employee, and employee have now the visuality to track their queries and status. This portal has centralized various HR processes i.e. Recruitment, Onboarding, Employee Confirmation which are being looked after by different HR teams and expertise around the globe. In 2021 No. of queries has been addressed via ServiceNow.

EMPLOYEE HEALTH, SAFETY & WELL BEING

GSK has an established EHS framework of compliance and constantly raising the bar by striving to go beyond the local legal environmental, health & safety requirements. EHS is the driving force of our business operations which ensures safe workplace, healthy environment, and energy efficient processes.


In 2021 the Safe Man Hours were 4,325,323. To strengthen that Living Safety project was

Launched to bolster risk management system, strengthen safety culture, and enhance continuous improvement.

RESILIENCE AND WORK LIFE BALANCE

We at CSK CH. under the Modern Employer Agenda are focused to give our employees a congenial environment that makes them feel at ease — where their work is more valued than adherence to a strict work schedule. Furthermore, we designed certain communications to further facilitate this agenda and connected it to our value of Respect for People e.g. the launch of respect for work hours where employees were encouraged to be respectful of each other's personal and family time, make efforts to disconnect ourselves from work after business hours and reflect twice before contacting a fellow colleague via call / text / emails unless there's an emergency to connect immediately.

Our priority will always be the safety and wellbeing Of our people, For now, we follow local COVID-19 guidelines, but as restrictions lift it's really important we hold onto the great ways of working, balanced with the power of face to face collaboration, to drive performance and delivery on our agenda.



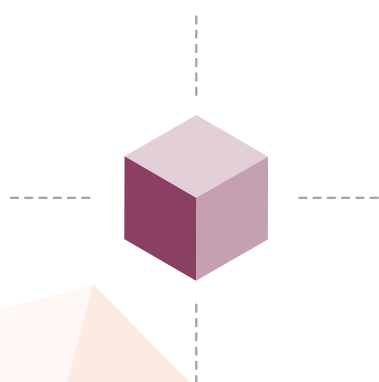
Strategy and Resource Allocation



Strategy and Resource Allocation

Objective and Strategies

Objective	Innovation	Performance	Trust	Culture
Strategy/ Process	Enhance Pipeline value by introducing new brands, variants and line extension	Achieve profitable growth, increase market share and enhance liquidity	Ensure reliable supply of quality products to the customers by improving route-to-market	Continuously evolve our policies to become a modern employer by focusing on people development
Timeline	Medium to long term	Short to medium term	Long term	Long term
Resource Allocation Plan	Advertising and promotion, research and development, procurement sourcing	Value engineering initiatives, deploy shopper marketing tools and optimize working capital	Embed an integrated, end-to-end supply chain	Human resource Investment
Relevant KPIs	Annual sales of recently launched products as a % of total sales	Gross margins sustainability, Share of Voice and Cash conversion ratio	Forecast accuracy and On Time In Full	Employee engagement survey scores



FUTURE RELEVANCE

The KPIs will remain relevant in the future.

STRATEGY TO OVERCOME LIQUIDITY PROBLEM

The Company has no liquidity problem and manages its working capital in the most efficient manner. Our treasury department invests the surplus funds at the most beneficial rates, which, in turn, adds to its investment income and duly provides the Company with additional funds to meet its operational needs. Furthermore, better Capital Expenditure planning and healthy operating cash inflows have helped to eliminate the Company's dependency on running facility.

LIQUIDITY POSITION OF THE COMPANY

The company maintains healthy operating cashflows, which are 53% of its Profit before tax as compared to 164% as at last year. The acid-test ratio of the Company has also improved from 0.78 to 0.87 during the year.

SIGNIFICANT PLANS AND DECISIONS

The Company plans to continually invest in the manufacturing capacity upgradation in a sustainable manner under improved capital governance and oversight of the Board.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PREVIOUS PERIOD

There have been no significant changes in objectives and strategies from last year.



Risk and Opportunities



Risk and Opportunities

BOARD'S STATEMENT & EFFORTS ON RISK MANAGEMENT

Board of Directors rigorously works 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.











RISK MANAGEMENT FRAMEWORK & METHODOLOGY

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. In conjunction with our values and expectations and Speak Up processes, it ensures that the risks associated with Company business activities are actively and effectively agreed and mitigated and provides reasonable assurance against material misstatement or loss.

Board of Directors monitors various compliance initiatives and promotes risk management and

Risk & Opportunities	Opportunity or Risk	Related Opportunity or Risk
Environment, Health & Safety and Sustainability (EHS&S)		Unable to protect people, the environment and the communities in which we operate.
Information Security		IT infrastructure or data maybe exposed to misuse or unauthorized disclosure.
Volatile Law and Order Situation		Potential damage to Company's Property, plant and equipment, unstable economic conditions and safety threat to employees
Counterfeit products		The availability of low-cost generics in the market
Pricing Policy		Opportunity to sustain and thrive in longer run through conducive price increases.

-  Risk
-  High
-  Low
-  Medium
-  Internal
-  Opportunity
-  Long Term
-  Short Term
-  Medium Term
-  External

compliance culture in the Company. Board has delegated the responsibility of monitoring and control of business risks to the management of the Company.

ASSESSMENT OF PRINCIPAL RISKS

Our Risk Management and Compliance Board (RMCB) is responsible to effectively identify, assess, mitigate, monitor, and report major risks that the business may encounter. All critical business risk units are governed by the RMCB, which promotes the 'tone from the top', establishes the culture regarding risk and oversees internal controls. The RMCB has formed a structure whereby designated Risk Owners are responsible for identifying and treating significant

risks, each Risk Owner then performs a review of their key Principal Risks, take corrective and preventive approaches to ensure controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance Officer facilitates in instilling a risk-based approach to establishing internal controls system. This eventually makes risk management an integral part of decision making and business operations. The RMCB held four (04) meetings during the year.

The Board monitors the various compliance initiatives and promotes risk management and compliance culture in the Company.

Mitigation measure of Risk / Description of opportunity	Magnitude	Source	Likelihood	Capital	Nature
We are actively managing our EHS&S obligations and seek to ensure practices that are environmentally sustainable and compliant.	↑	↻	↓	Human Capital and Manufactured Capital	L
Proper controls in place that are commensurate with the changing nature of the security threat landscape.	↑	↻	↓	Intellectual	S
Company ensures security measures are in place and rolls out effective communications to alert employees in such situations.	↑	↗	↓	Human Capital and manufactured Capital	M
Through capacity enhancement/plant upgrading, new product launches, R&D and providing affordable healthcare solutions to maintain the company's market share.	↑	↗	↑	Social and Relationship Capital	L
Secure price increases to offset ongoing inflation and devaluation in the prevailing economic environment.	↑	↗	↓	Financial	L

INFORMATION ABOUT DEFAULT IN PAYMENTS OF DEBT

There were no defaults in payments of debts during the year ended December 31,2021

INADEQUACY IN THE CAPITAL STRUCTURE

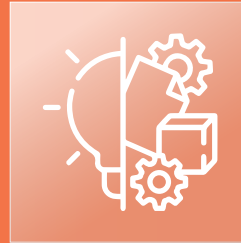
The Company does not have any inadequacy in the Capital Structure.

Swot Analysis



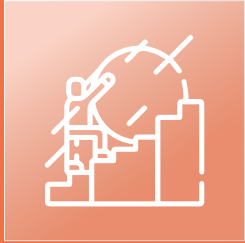
Strengths

- 1) Global footprint with operations in nearly 150 countries and diverse portfolio of category defining brands that have established themselves as the leading products in their respective markets.
- 2) Strong distribution network with collaboration of 34 distributors nation-wide.
- 3) Global thinking with local execution, which means that it pursues global strategies that make it win the hearts and minds of consumers.
- 4) State of art manufacturing facility in Jamshoro serving three markets, Pakistan, Philippines and Vietnam.



Opportunities

- 1) Great potential in the export market to capture new markets and grow consumer base across the globe.
- 2) Strong e-market potential in the Consumer Healthcare business, further enhancing the customer growth.
- 3) Increasing awareness and demand for healthcare products.
- 4) New product innovations and additional variants can grow and diversify the portfolio.



Weaknesses

- 1) Challenging price-controlled environment in the OTC portfolio where absence of conducive policies by the regulatory authorities is a risk.
- 2) Dependence on imported raw material.



Threats

- 1) Weak implementation of Intellectual Property Rights can lead to loss of market share.
- 2) Deteriorating exchange rates pose a high risk to our profitability as we depend heavily on imported raw materials.
- 3) Consistent increase in cost of doing business including raw material prices and associated handling and freight bill amid COVID-19.

The background features a soft, warm gradient from light blue at the top to orange and red at the bottom. In the top-left corner, there is a cluster of overlapping, semi-transparent orange and red cubes of various sizes. At the bottom, a blurred city skyline is visible, with several tall buildings in shades of orange and red. The word "Governance" is centered in a bold, dark purple font.

Governance



Directors' Profile

Appointment: 26 April 2018

Nationality: Pakistani

Years of experience: 40 years of experience in business and finance fields.

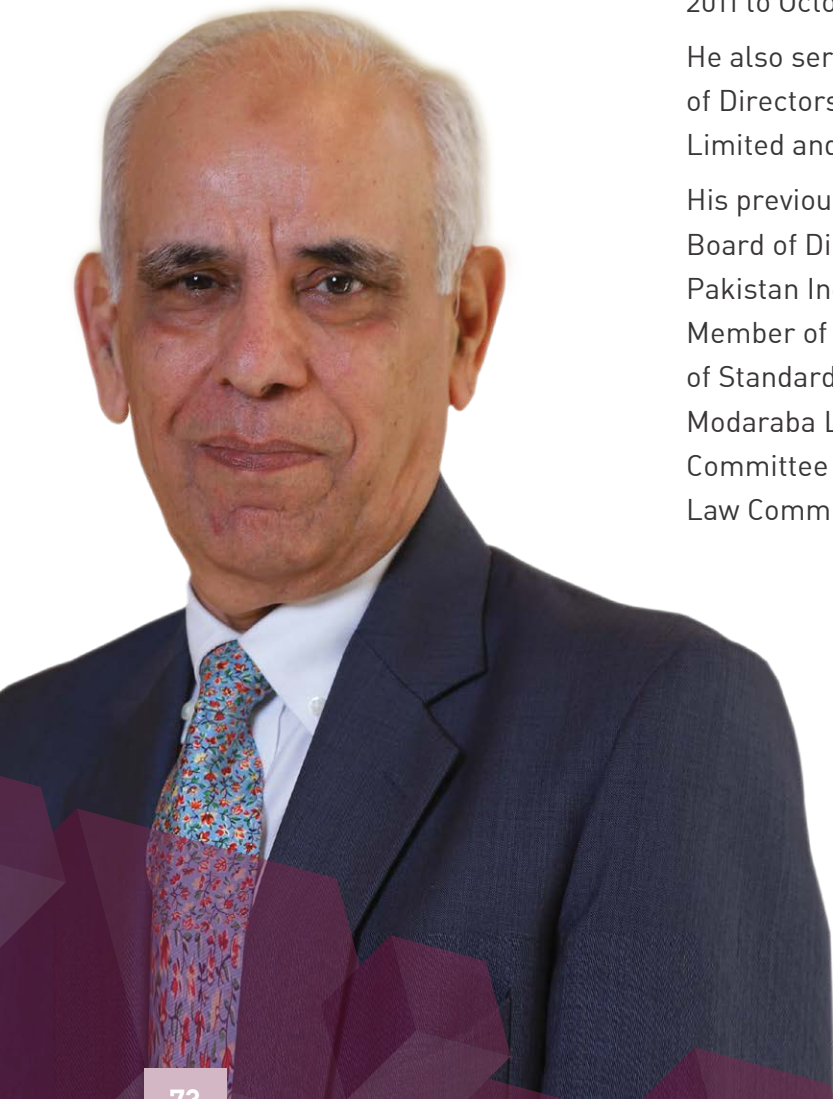
Education: Chartered Accountant

M. Z. Moin Mohajir's business experience spans 40 years. After qualifying as a Chartered Accountant with A.F. Ferguson & Co. He joined Pakistan Security Printing Corporation in 1978, where he was Chief Accountant/Company Secretary. In 1981, he joined Sanofi Aventis Pakistan Limited (formerly Hoechst Marion Roussel Limited/Hoechst Pakistan Limited) from where he retired as Director Finance and Administration in October 2011. Subsequently he worked with the Overseas Investors Chamber of Commerce and Industry (OICCI) for ten years as Deputy Secretary General, from October 2011 to October 2021.

He also serves as the Independent Member of the Board of Directors of Pakistan Oxygen Limited, Wyeth Pakistan Limited and Loads Limited and their Board Committees.

His previous responsibilities included: Member of the Board of Directors and Chairperson Audit Committee – Pakistan Industrial Development Corporation (PIDC), Member of the Board of Directors and Audit Committees of Standard Chartered Leasing Limited and Sindh Modaraba Limited, Chairperson of the ICAP Election Committee and member of the ICAP Audit and Fiscal Law Committees.

**Mr. M. Z.
Moin Mohajir**
Independent Director
(Chairperson)



GlaxoSmithKline Consumer Healthcare Pakistan Ltd.

Appointment: 1 April 2021

Nationality: Pakistani

Years of experience: 20+

Education: : ACA, ACMA, MBA

Mr. Haroon has been with GSK for over 10 years. His last assignment was Audit Account Director, of the GSK Global Audit & Assurance function, based in London. Previously Mr. Haroon also served as the Finance Director and a member of the Board of Directors of the Company.

During his time with GSK, Mr. Haroon has led various key local and above country restructurings, M&As and change management projects. He has performed multiple leadership roles in Finance, Distributor Management, E2E Supply Chain, In-Country Shared Services and played key business partnering roles with Supply Chain, Legal, HR and Site operations, through which he has contributed to the success of the Company. Prior to joining GSK, Mr Haroon worked in various capacities for Lotte, sanofi and PwC.

Mr. Farhan Muhammad Haroon

**Executive Director
(Chief Executive Officer)**





Appointment: 27 October 2020

Nationality: Pakistani

Years of experience: over 16 years

Education: Chartered Accountant and Master's degree in Commerce.

Dilawar Meghani has diverse experience spanning over 16 years of Financial Planning & Controlling, Assurance & Advisory and led various restructuring, integration and change management programs. He has worked as a Senior Finance Business Partner for GSK Pharma Saudi Arabia. Prior to this, he served as a Financial Controller for GSK Consumer Healthcare.

He joined GSK in 2015 as part of Novartis Integration where he was responsible for Consumer Healthcare business as Manager Business Planning and Analysis since 2012. Before joining Novartis, he has also worked for Johnson & Johnson Pakistan and PriceWaterhouseCoopers (PWC) on various managerial and advisory positions.

He played a pivotal role in the merger of GSK and Novartis consumer entities, creation and listing of new legal entity at Pakistan Stock Exchange, local manufacturing projects in Saudi Arabia, revamping Core Commercial Cycle (CCC); driving significant savings and efficiencies including re-designing route to market for Saudi business.

**Mr. Dilawar
Meghani**
**Executive Director
(Chief Financial Officer)**

GlaxoSmithKline Consumer Healthcare Pakistan Ltd.

Appointment: 23 June 2016

Nationality: Pakistani

Years of experience: 40 years of experience in various industries.

Education: Graduated with honours in Economics and later obtained a master's degree in the same discipline.

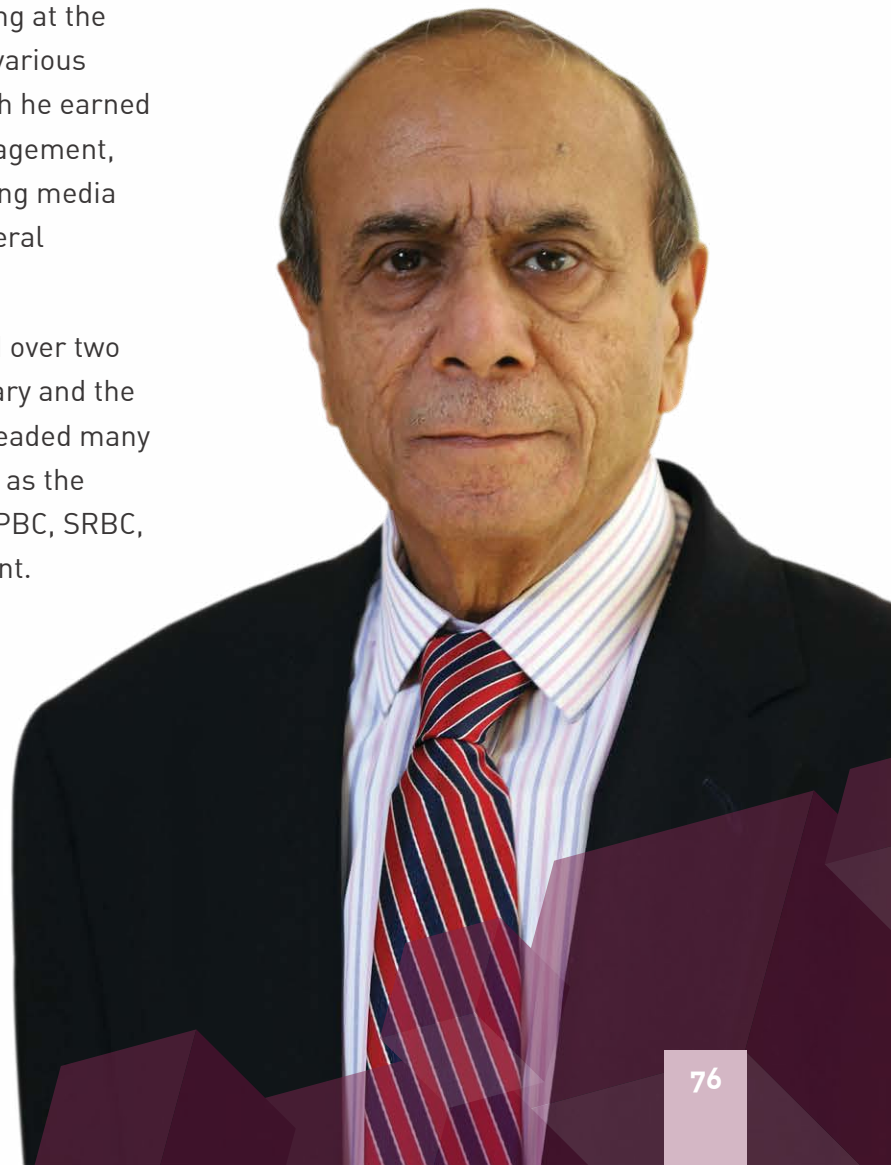
Syed Anwar Mahmood, who retired as a Secretary to the Government of Pakistan in 2008 after heading the Ministry of Health and the Ministry of Information & Broadcasting, now heads his own consultancy, media and government relations firm. He also publishes and edits a monthly magazine titled Health and Pharma. He is also an honorary senior advisor in the office of the Wafaqi Mohtasib (Federal Ombudsman).

He joined the Central Superior Services (CSS) of Pakistan in November in 1971. After training at the Civil Services Academy, he was assigned various positions and responsibilities during which he earned varied experience both in media and management, including hands-on-experience of executing media and communications strategy for the Federal Government at the highest level.

He has served for nearly six years, spread over two terms, as the Federal Information Secretary and the government's chief spokesman. He has headed many media organizations as Chief Executive or as the Chairperson of the Board, including PTV, PBC, SRBC, APP and the Press Information Department.

Syed Anwar Mahmood

(Independent Director)





Appointment: 3 March 2021

Nationality: Pakistani

Years of experience: over 28 years of financial experience

Education: MBA (Institute of Business Administration, Karachi) and CFA Charterholder

Ayesha Aziz currently serves as the CEO / Managing Director of Pak Brunei Investment Company (nominee of GoP). She brings over 20 years of experience in Structured Finance, Private Equity & Strategic Advisory businesses. Ms. Aziz started her career from ANZ Grindlays Bank & worked in Merchant Banking & Treasury Markets Divisions. She was also involved in establishing and managing business operations of Pak Oman Investment Company and its subsidiaries, in senior roles.

She serves on the Board of Directors of Primus Leasing (subsidiary) as Chairperson, Awwal Modaraba Management Ltd (subsidiary) and is an Independent Director on the boards of KSB Pumps Company Ltd and Engro Polymer and Chemicals Ltd.

**Ms. Ayesha
Aziz**
(Independent
Director)

GlaxoSmithKline Consumer Healthcare Pakistan Ltd.

Appointment: 26 August 2020

Nationality: French

Years of experience: 25 years

Education: International Executive MBA (High Distinction) from the Louvain School of Management - Belgium (1999); Doctorate Degree, Faculty of Pharmacy - University Claude Bernard (Lyon - France); Second Degree Master - Focus in Galenic (Formulation - Process - Production) - University Diploma of Pharmaceutical Management, Institute de la Pharmacie Industrielle de Lyon.

Oussama Abbas, currently Vice president, Head of Quality & Supply Chain - Middle East & Africa (MEA), Consumer Health Supply Chain (CHSC), is an accomplished industrial senior executive of GSK with proven abilities in international pharmaceutical, biotech and animal healthcare. He also has solid experience in leading manufacturing plants of commercial and clinical supply-chain operations. He is deeply involved in corporate organizational changes with understanding of impact on other business functions.

He joined GSK as Director, Secondary Manufacturability & Clinical Supply in May 2009 and has grown through the system to his current position as the Head of Quality & Supply Chain of MEA.

He also serves as a Non-Executive Director of the Board of Directors of GlaxoSmithKline Consumer Nigeria plc.

Mr. Oussama Abbas

(Non-Executive Director)



Appointment: 13 April 2020

Nationality: Pakistani

Years of experience: over 25 years

Education: Master's Degree in Mass Communication from Karachi University.

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.

In GSK Pakistan, Erum did multiple commercial roles in Rx, Vaccines and Consumer. These included Marketing, Sales, Comms, GA and Business Development (leading the BMS, Stiefel and UCB acquisition as well as launching around 20 assets across oncology, vaccines and Specialty and growing GSK core assets). During her tenure, GSKP maintained its leadership of the market.

In 2013 Erum was appointed as General Manager of GSK Malaysia (+Brunei). In 2016 she took over as MD & GM of GSK Bangladesh and Developing Countries Asia Cluster and then as GM Indonesia from mid-2018. Erum took over as Vice President & General Manager of GSK Pakistan in April 2020.

Across all her roles, Erum has delivered GSK objectives consistently focusing on; driving high quality and disciplined execution, in ensuring there is strong focus on doing the right thing across the organization as well as developing strong teams.

She has worked in multiple geographies and led diverse teams across 9 countries in Asia where she was able to launch, sustain and grow key brands and portfolios whilst managing public, government and regulatory challenges. Erum has been on the boards of GSK Pakistan Limited, GSK Bangladesh and GSK Consumer Healthcare Pakistan Limited, ensuring regulatory compliance of the said listed companies.

She has also represented the industry on various forums across different countries as part of the Industry associations and is a member of the Managing Committee of OICCI.

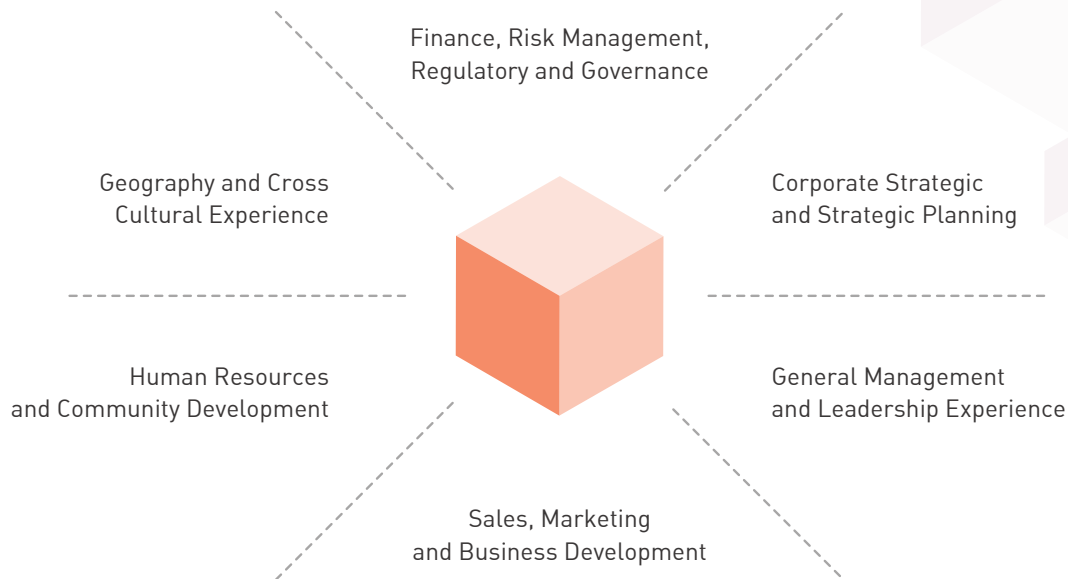
Erum is the first woman from the subcontinent to be appointed as GM by GSK. She was also the first female GM in Malaysia, Bangladesh and now Pakistan. Her passion is people development. She has a master's degree in mass communications and is a gold medalist in both BA Honors & MA.

Ms. Erum Shakir Rahim

(Non-Executive Director)



Board's Diverse Experience

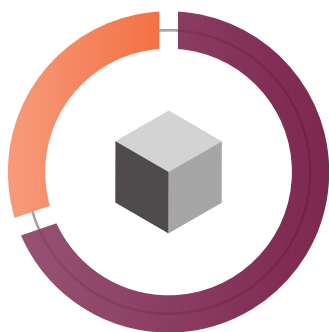


EXPERTISE

Our Board is an ideal mix of analytical, strategic and leadership skills. The Directors are seasoned professionals and are familiar with the organizational and industrial aspects of operations and have adequate competencies to bring value additions to our functions.

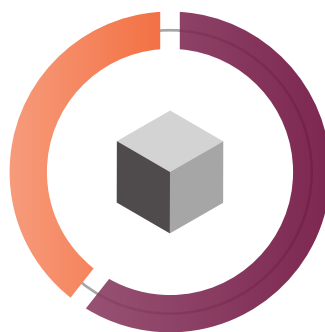
The Board represents diverse skill sets and expertise in Accounting Sales and Development, Information Technology, Public Relations, Digital Marketing, Strategy Development and Implementation, in alignment with our long-term strategic plans.

Diversity by Gender



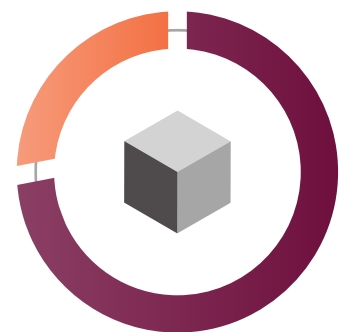
Female Male

Diversity by Age (No.)



Above 50 From 30 to 50

Diversity by Experience (Years)



25-40 < 25

WOMEN EMPLOYED (PERMANENT / NON-CONTRACTUAL) AT C MINUS-1 LEVEL IN PERCENTAGE

15% of women are employed at a C Minus-1 level in the Company as of 31 December 2021.

A portrait of Mashal Mohammad, a woman with long, wavy brown hair, wearing a black top with a large bow at the neck and a black and white striped skirt. She is smiling and looking towards the camera.

Company Secretary

Mashal Mohammad is the Company Secretary and Legal Director of GlaxoSmithKline Consumer Healthcare Pakistan Limited. She graduated from Bristol University and City University of London with honours and is a Barrister-at-Law from Lincoln's Inn, United Kingdom. She is also enrolled as an advocate of the Lahore High Court and has over 14 years of diversified work experience as an inhouse and practicing lawyer. She is also a Certified Director, having completed the Directors Training Programme from the Pakistan Institute of Corporate Governance. She is the recipient of numerous global employee recognition awards of the Company. Additionally, she is a winning graduate of GSK plc's Global Legal Emerging Talent Programme 2019. She has also graduated from GSK plc's IMPACT Leadership Development Programme 2019.

Mashal joined GSK in 2015 as an enterprise lawyer supporting both pharma and consumer businesses from a legal and corporate secretarial perspective. She has supported the business in various capacities, including but not limited to re-entry in the Islamic Republic of Iran of the pharma business, overseeing the legal work of the Iran market thereafter, pivotal work on the demerger of GSK Consumer Healthcare Pakistan Limited from GSK Pakistan Limited, Novartis transaction and integration, merger of GSK OTC (Pvt) Limited with and into GSK Consumer Healthcare Pakistan Limited, and Pfizer CH integration. Furthermore, she has been on an internal assignment with GSK UK Pharma, based out of London, United Kingdom. She is currently employed as the Legal Director & Company Secretary of the Company since May 2020.



Directors' Report

The Directors of the Company are pleased to present your Company's audited financial statements for the year ended December 31, 2021, in accordance with Section 223 of the Companies Act, 2017.

This Directors' Report has been prepared in accordance with section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019, as amended from time to time.

PRINCIPAL ACTIVITIES

The Company is engaged in the manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. The registered office of the Company is situated at 35-Dockyard Road, West Wharf, Karachi.

BUSINESS REVIEW

This has been a landmark year for your Company, as it crossed Rs. 24 billion net revenue mark within six (6) years from the start of its operations. On behalf of the entire Board, I would like to express my sincere gratitude to all of you – our valuable shareholders, employees, business partners, and all other stakeholders, for your constant support throughout these years. Your trust has been inspirational and instrumental in shaping our path-breaking journey.

This milestone is an occasion to celebrate, to reflect on the past and is an opportunity to chart the future. Your Company is the largest and most respected healthcare company in Pakistan. Your Company's position as part of the largest global consumer healthcare company with a strong presence in Pakistan was enhanced through unprecedented growth in sales and new product launches. Your Company has been steadily achieving its vision of

“Do More, Feel better, Live longer”.

REVIEW OF OPERATING RESULTS

The core business (excluding toll and exports) grew by 21% versus the same period last year (SPLY). The performance was mainly driven by increase in demand and underlying consumption trends. Our best in class supply chain and in-market execution teams ensured that we were able to meet the consumer needs across all categories.

Within the Over the Counter (OTC) portfolio; Respiratory, Pain Management and Nutrition & Digestive Health categories registered a growth of 63%, 21% and 17% respectively; whereas Oral Healthcare registered a growth of 31% over the corresponding period. The toll manufacturing business of Rs 3 billion and the export business of Rs 151 million continued to contribute towards our revenue.

Gross profit margin at 27.4% of sales depicts a marginal decline versus Q3 2021. Consequent to the closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol), its prices have been constantly increasing since January 2021. In addition to these unsustainable levels of paracetamol prices hitherto, devaluation of Pakistani Rupee has added to the cost pressures during second half 2021 and may continue to do so in the near future.

While delivering growth on our key brands with continued focus on sustainable gross margins, we have also been able to exercise due control on our cost levers. Total expenses to net sales ratio has improved from 18% to 16% as compared to SPLY. Further, the other income of the Company increased by Rs. 294 million vs SPLY mainly on account of better cashflow management and recovery of expenses from the group entities.

REASONS FOR NOT DECLARING DIVIDEND

Your Company has delivered a fine profit and earnings per share for the year 2021. However,

your Company can secure better shareholder returns in future by investing more in the capacity building of its core brands including Panadol and CaC-1000 Plus. Further, the recent imposition of sales tax on Active Pharmaceutical Ingredients (APIs) will also put a strain on future liquid resources. Consequently, the Board of Directors have decided against recommending dividend for the year ended 2021.

HOLDING COMPANY

As at December 31, 2021, GlaxoSmithKline Consumer Healthcare B.V., Netherlands held 100,423,259 ordinary shares of Rs. 10 each, representing 85.79% of the total shares of the Company.

PATTERN OF SHAREHOLDING

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding information as of December 31, 2021 and other related information is set out on page nos. 216 to 219 of the Annual Report.

CHAIRPERSON'S REVIEW

The Chairperson's message to the shareholders on page nos. 89 to 90 of the Annual Report contains information regarding:

- Board evaluation for the year 2021;
- Board committees which include the Audit Committee, Human Resource and Remuneration Committee, and Integration and Supply Network Optimization Committee; and
- The culture of the Company.

The Directors of the Company endorse the contents of the same.

BASIC EARNINGS PER SHARE

Basic earnings per share after taxation were Rs. 18.21 as compared to Rs 10.78 earnings per share in 2020.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. Your Company is committed to drive the mission of helping people to **"Do More, Feel Better, Live Longer."**

During the period under report, the Company undertook various initiatives for the welfare of the society which are elaborated upon on page no. 253 to 264 of the Annual Report.

HUMAN RESOURCE DEVELOPMENT AND SUCCESSION PLANNING

Your Company takes great pride in not only recognizing its people as its key asset, but also ensures that this belief is translated into a conducive working environment to provide growth opportunities, respect, empowerment and inspiration. As a company that is geared towards helping people, we ensure that our employees are not only committed to this vision with the utmost passion and sincerity but are also well equipped to perform and deliver at their best potential.

With this objective in mind, the Human Resource Development team engages and develops policies including competitive remuneration, performance management and succession planning including a wide range of development opportunities as well as international assignments. This is supported through implementation of an internal talent development system that helps provide leaders with the data needed for strategic alignment and decision making. Along with this, it carries out continuous feedback, evaluation, and communication programme ensuring that our employees are well aligned and believe in our core behaviours of **"Keep it Human, Go Beyond, and Do What Matters Most"** and operating with transparency.

With our high-performance culture, we are constantly evaluating and building a team that truly considers itself the foundation of the Company and draws its strength from and contributes towards the evolution of a company that aims to be a high-performance Consumer Healthcare Goods Company in the industry.

CONSUMER / PATIENT SAFETY

Your Company focuses on the health of its consumers and patients thus always looking for continuous improvement in order to provide highest Quality products that are safe for use. To meet this commitment, we implement and follow strict guidelines that control both manufacturing and supply of the trusted brands. Our products comply with all applicable local and international regulations and are manufactured according to current Good Manufacturing Practices (cGMP) and GSK internal Quality Management System.

As a team, we have been working to identify ways in which we can maintain and improve the trust of our consumers at the end of our supply chain. We always focus on consumer needs, put their safety first, provide them with clear and up-to-date information, and always promote our products appropriately and ethically. Our values demand that we think about, and protect the interests of our consumers at all times.

Our patients and consumers are our first priority. Therefore, we make sure the consumer voice is heard at all stages through inclusive relationship to understand their views, needs and expectations. Our Purpose, passion and pride is to be Customer & Consumer obsessed and help people to sustain and improve their health.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Your Company has an established EHS framework of compliance and constantly raising the bar by striving to go beyond the local legal environmental, health & safety requirements. EHS is the driving force of our business

operations which ensures safe workplace, healthy environment and energy efficient processes.

Your Company has implemented Global EHS Standards to ensure that we deliver best quality products balanced with ensuring safety at each level. We believe in continuously improving our systems by taking new initiatives to meet the company's Environment, Health & Safety objectives.

Some of our recent initiatives proved to be an instrumental step in being a safe and healthy community and are elaborated in the Sustainability and Corporate Social Responsibility sections on page nos. 253 to 264 of the Annual Report.

OCCUPATIONAL SAFETY AND HEALTH

Your Company continues its legacy to promote the health and well-being of its employees by implementing strict control over occupational health & safety. To achieve these objectives, a systematic approach is established to achieve these goals.

In order to improve Occupational Safety and Health at our Jamshoro site, some significant measures have been successfully taken which are explained in the Sustainability and Corporate Social Responsibility sections on page nos. 253 to 264 of the Annual Report.

ETHICS, COMPLIANCE AND RISK MANAGEMENT

At the Company, we face several legal, regulatory, reputational, operational and strategic risks as a part and parcel of belonging to a highly regulated industry. We manage these risks using our internal methodology i.e. Internal Control Framework, which is based on recognized international risk management standards.

The Ethics and Compliance function is responsible for supporting the development and implementation of practices that facilitate compliance with laws and global company policies. The Compliance function partners work with the business to support the Winning Formula by effectively managing risk, simplifying controls, promoting the Company's Values and securing our Mission to make a positive impact on the lives of patients and consumers.

The risks of the Company are managed through the various compliance programmes specified below:

Risk Management and Compliance Board:

Our Risk Management and Compliance Board (RMCB) is responsible to effectively identify, assess, mitigate, monitor and report major risks that the business may encounter. All critical business risk units are governed by the RMCB, which promotes the 'tone from the top', establishes the culture regarding risk, and oversees internal controls. The RMCB has formed a structure through which designated Functional Heads are responsible for identifying and treating significant risks and each Functional Head then performs a review of their respective key risks, takes corrective and preventive approach to ensure appropriate controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance Function facilitates in instilling a risk-based approach to establishing 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.

Anti-Bribery and Anti-Corruption (ABAC) and Data Privacy:

The Company's ABAC programme is developed to help ensure that neither the Company nor its third parties bribe (or are bribed by) either

government or regulatory bodies, or private sector entities. It reinforces its zero tolerance towards all forms of corruption and its commitment to maintaining accurate records of all business dealings. It is also to ensure that no undue influence is exerted in engagements, that no personal benefit is gained and that no corruption occurs. Corruption can include fraud, money laundering and tax evasion. Put simply, it helps to ensure ethical business, aligned to the Company's Values. Privacy is concerned with how we manage the personal information we hold on individuals – such as patients, healthcare professionals, consumers, employees and complementary workers. Personal information is any information that can identify, or reasonably be used to identify someone. The Company has strict policies in place when it comes to Data Privacy and there is zero tolerance for data breaches.

Third Party Oversight (TPO) Programme:

To achieve our purpose, we often work in partnership with third parties, who bring skill, expertise or scale to help us deliver our mission. We strive to conduct business only with those suppliers, distributors, equity stake holdings and other business partners / third parties who share our commitment to high ethical standards and operate in a responsible way. The Company has implemented a comprehensive Third Party Oversight programme to strengthen its management of risk. The aim is to ensure that all third parties are risk assessed against the enterprise-wide risks and accordingly, fully compliant contracts are entered into.

Values and Expectations:

We deliver clear and integrated compliance solutions that are embedded in the Company's Values (Consumer focused, Respect, Integrity, and Transparency) and Expectations (Courage, Accountability, Development, and Teamwork) in order to build trust. We also conducted a GSK Values Assurance review last year and made significant progress during the year to ensure

that your Company follows its Values and Expectations in letter and spirit. This was reflected in our employee engagement score being the highest across the GSK universe.

Written Standards:

The Company's has various policies and other written standards which help us manage the risks associated with operating in a heavily regulated industry.

Speak Up Programme:

The Company ensures that it conducts business with complete honesty, fairness, openness and integrity. The Company encourages its employees and business partners to report any genuine concerns about misconduct or unlawful conduct and has strict policies in place against any kind of retaliation against the person raising the concern.

Governance of Legal Agreements (GOLA):

The Company's GOLA SOP ensures that its risks and liabilities are mitigated appropriately and to ensure that the Company's expectations and requirements from third parties (including their performance and compliance with GSK policies) are clearly stated by documenting the rights and responsibilities of GSK and each third party in a legally enforceable agreement.

RELATED PARTY TRANSACTIONS

The Company ensures compliance with Code of Corporate Governance for all the related party transactions. The details of these transactions are provided in note no. 36 of the annexed financial statements available at page no. 195 to 196 of this Annual Report.

AUDITORS

The present auditors, Yousuf Adil, Chartered Accountants had indicated their consent to continue as auditors. The Board of Directors endorses the recommendation of the Audit

Committee for their continuation as the Statutory External Auditors of the Company for the financial year ending 31 December 2022, at a mutually agreed fee.

VALUE OF INVESTMENTS OF PROVIDENT, GRATUITY AND PENSION FUNDS

The Company maintains retirement benefit plans for its employees. The value of investments of provident and gratuity funds as at 31 December 2021 was as follows:



Provident fund Rs. 325 Million

Gratuity fund Rs. 131 Million

CONTRIBUTION TO NATIONAL EXCHEQUER AND ECONOMY

Your Company made a total contribution of Rs 1,805 million to the National Exchequer by way of income tax, sales tax, custom duties and employees' income tax during the year 2021.

Your Company's contribution through income tax amounted to Rs. 832 million, sales tax Rs. 482 million, customs duty Rs. 408 Million and Rs. 83 million through employee related taxes.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors have set up effective internal financial controls across all functions. The independent Internal Audit function of your Company regularly monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework. Refer audit Committee report on page no. 106 of the Annual Report.

COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Board is well versed with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same, along with the Management. Please refer to the review report on the Statement of Compliance

issued by the external auditors of the Company further to the Listed Companies (Code of Corporate Governance) Regulations, 2019 on page no. 149 of the Annual Report.

CAPITAL EXPENDITURE

The capital expenditure for the year 2021 amounted to Rs. 543 million. The expenditure includes replacement at our Jamshoro site of one of the main packaging head assembly for CaC-1000 Plus effervescent Tablet and upgrading and replacement of site drainage system at our Jamshoro site to cater to Panadol Liquid in-sourcing requirements. Out of the above amount, to ensure the optimum quality of our products and compliance, the Company spent Rs. 58 million on quality related equipment and compliance.

FUTURE OUTLOOK AND CHALLENGES

Post pandemic, the global healthcare system has embarked upon the journey of selfcare where consumers prefer to take charge of their health and wellbeing. This has created opportunity for companies that operate in the preventive healthcare segment, with your Company not being an exception. Our household brands, including Panadol, CaC 1000 Plus, Eno, Sensodyne and many others are well placed to deliver that promise in Pakistan. To continue our journey towards high growth ambition, we have laid out plans to strategically allocate resources within key growth areas and streamline operations to cater these evolving needs.

We are optimistic that the year 2022 will continue to contribute to successful execution of all our plans. The investment plans have been structured to bring more innovative healthcare solutions to our consumers. Focus on systems, capacity enhancement and market penetration have positioned your Company to further consolidate leadership position in all categories it operates in.

To meet current and future demand, your Company remains agile and is proactively engaged in strengthening its pipeline of high-quality innovations. A conducive regulatory framework is, however, essential to enable an environment where innovative solutions can be fast tracked. We believe that sustainable pricing and timely regulatory approvals are key pre-requisites, especially when innovations require high capital investments.

Global commodity prices and international logistic

challenges pose a risk to profitability in future. With current paracetamol prices escalating manifold compared to last year and supply challenges, our Pain category may remain a margin diluter. On the part of the regulator, there is a need to devise an adequate mechanism for approval of hardship cases where emerging cost escalations can be timely addressed. Absence of such a mechanism may pose a serious risk towards availability of high quality and low-priced essential medicines.

CEO's Presentation Video on the Company's Performance, Strategy and Outlook can be seen at the Company's website:
www.pk-consumerhealthcare.gsk.com.

REMUNERATION POLICY

The Independent Directors of the Company are entitled to a remuneration recommended by Human Resource, Remuneration and Nominations Committee (HRR&NC) and approved by the Board, based on market benchmark of the consumer healthcare industry and other similar style of business.

The salient features of the policy and procedure are:

- The Company does not pay any remuneration to its non-executive directors; and
- A director shall be provided or reimbursed all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

A detailed note on the remuneration of the Chief Executive Officer, Directors and Executives for the year 2021 are provided in note no. 35 of the annexed financial statements reproduced on page no. 194 to 195 of the Annual Report.

BOARD EVALUATION

The Board opted for an external evaluation of performance of the Board and its Committees. This evaluation was conducted by the Pakistan Institute of Corporate Governance. The outcomes of this evaluation resulted in valuable insight and areas of focus for the members of the Board. Please refer to page no. 93 to 94 of the Annual Report for further details about the evaluation conducted for the year 2021.

COMPOSITION AND COMMITTEES OF THE BOARD

The total number of Directors are seven (7) as per the following: **Male: 5 Female: 2**

The composition of the Board as at December 31, 2021 is as follows:

Category	Name
Independent Directors	Mr. M. Z. Moin Mohajir Syed Anwar Mahmood Ms. Aysha Aziz
Executive Directors	Mr. Farhan Muhammad Haroon* Mr. Dilawar Meghani
Non – Executive Directors	Mr. Oussama Abbas Ms. Erum Shakir Rahim

* During the year, Mr. Sohail Ahmed Matin retired on March 31, 2021 and Mr. Farhan Muhammad Haroon was appointed as Chief Executive Officer / Executive Director on April 01, 2021.

The Board's composition and the details of its committees are provided on page nos. 91 & 92 and 105 of the Annual Report.

ACKNOWLEDGMENT

The Board of Directors take this opportunity to thank all GSK employees for their outstanding, untiring work and dedication to ensure that the Company **Delivers Better Everyday Health with Humanity**. The Board would like to further extend its appreciation to all stakeholders, shareholders, suppliers and partners for their continued support and dedication in the achievement of the Company's results.

By the order of the Board
Sincerely,



Farhan Muhammad Haroon
Chief Executive Officer



Dilawar Meghani
Chief Financial Officer

Date: 9th February, 2022

Chairperson's Review



It gives me great pleasure to share that GSK Consumer Healthcare Pakistan Limited ("Company") has concluded another successful year delivering 22% growth in sales versus last year while improving net profit after tax from 6% to 9% of sales.

Despite the challenges existing on a global scale and in local settings caused by the COVID-19 pandemic, the sheer determination of your Company to ensure continuity is a testament to its agility, resilience and commitment to its patients, consumers, shareholders and other business partners.

Our business measured consistent growth - with brands like Panadol and CaC-1000 Plus achieving industry leadership and manifold growth compared to their competition. The pharmaceutical / OTC industry is evolving, and new challenges posed by the COVID-19 pandemic has created more uncertainties in the business environment. What makes your Company successful is the ability to sail through these uncertainties bolstered by the strength of its people, portfolio and culture.

I wish to thank all stakeholders for the sustained trust and confidence placed in the Company. This support has enabled your Company to excel in providing world class, innovative, accessible medicines to millions of patients and consumers in the country and creating long term value.

I am also extremely pleased to share that your Company has been awarded with several accolades this year, including, first position in the pharmaceutical category of the Best Corporate and Sustainable Report Awards 2020 of Pakistan, Joint-Second Runner Up position in manufacturing category of the South Asian Federation of Accountants' Best Presented Annual Report Awards 2020 and as a leading pharmaceutical exporter at the PESA i.e. Pharma Summit Export Summit and Awards.

BOARD EVALUATION

The Board has carried out an independent / external performance evaluation of the Board and its Committees. The evaluation identified areas for further improvement in line with global best practices. The main focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the management. Please refer to page no. 92 to 94 of the Annual Report for further details regarding the evaluation.

FINANCIAL REPORTING

With strong oversight on reporting, the Board has a responsibility to provide a clear visibility of financial reports to stakeholders in accordance with the Financial Reporting framework applicable in Pakistan. Thus, the financial statements have been prepared in accordance with the applicable accounting and reporting standards and in compliance with the disclosure requirements of the Companies Act, 2017.

BOARD COMMITTEES

Your Company has three (3) committees, as stated below, to assist the Board for its optimal performance:

- Board Audit Committee;
- Human Resource & Remuneration and Nomination Committee; and
- Integration and Supply Network Optimization Committee

The terms of reference and details about the members of committees are provided on page nos. 105 to 111 and 103 respectively of the Annual Report.

CULTURE OF THE COMPANY

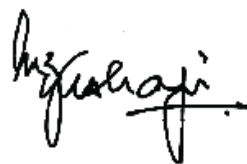
Our Company's Values (**Consumer First, Integrity, Respect and Transparency**),

Expectations (**Courage, Accountability, Development and Teamwork**) and Behaviours (**Keep it Human, Do What Matters Most and Go Beyond**) help us to cultivate a conducive work environment. These are inter alia included in the Company's Code of Conduct, which has been simplified for ease of reference. Every employee and complementary worker is required to complete mandatory trainings on the Code of Conduct annually, among other trainings pertaining to '**Living Our Values**'.

We believe in offering individual development opportunities and recognising employees for how they work, as well as what they achieve. We want everyone at the Company to feel proud of the work they do, with a strong belief in your Company's Purpose of delivering '**Better Everyday Health with Humanity**'.

ACKNOWLEDGMENT

I extend my gratitude to the Board of Directors for their valuable support and commitment. I would also like to sincerely thank our dedicated and hardworking employees for all their efforts, as well as our consumers, shareholders, customers, suppliers and all other stakeholders for placing their trust in the Company. It is with your support that we are growing swiftly and expanding rapidly year by year.



MR. M.Z. MOIN MOHAJIR
Chairperson

Date: 9th February, 2022

Corporate Governance

ROLE OF BOARD OF DIRECTORS

The Board of Directors is responsible for governing the organization by establishing Board policies, setting goals, objectives and strategies. The Board exercises all powers granted to it by the Companies Act, 2017 with responsibility, diligence, and in compliance with the legal framework after due deliberations in its meetings. These include, but are not limited to, ensuring the Company's prosperity by collectively monitoring and directing the Company's affairs, whilst protecting the appropriate interests of its shareholders and stakeholders. The Board is responsible for the Company's system of internal controls, policy frameworks, corporate governance, risk assessments and ultimately accountable for reviewing its effectiveness. The Board is also accountable to the shareholders for ensuring that the Company is appropriately managed and achieves its business objectives. The Board remains committed to the highest standards of corporate governance and integrity.

Business is focused around an established framework which assists to deliver the main objectives of the Company i.e. increase growth, deliver results and simplify performance, as well as to create a long-term value for shareholders. At the Company, we have a Board that follows a coherent corporate governance framework with clearly defined responsibilities and accountabilities.

The Board of Directors meets approx. 4-5 times a year to consider the Company's financial performance, operating budgets, forecasts, business strategy, development plans, capital expenditure plans, assets disposal, major investments, licensing decisions and evaluates and monitors the Company's performance. The Board comprises of seven (7) Directors, who actively ensure that all shareholders and

stakeholder's interests are fully protected. There are five (5) non-executive directors on our Board, three (3) of whom are independent directors. In view of the Company's policy on Inclusion and Diversity and compliance with applicable law, the Company maintains female representation on the Board with two (2) Director being a female.

The Board also formulates corporate strategies and Company objectives. The Company pays bench-marked remuneration to the Non-Executive Directors for attending the meetings of the Company, which includes the Board Meetings and the meetings of the Board Committees. In order to adequately delegate, the Board has constituted Board Committees. Each Committee has its charter with goals and responsibilities. The Committees report on their activities and results to the Board.

The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the executive and operational management of the Company to the Chief Executive Officer's office and Management Team.

DECISIONS TAKEN BY THE BOARD

The Board has defined its policy of materiality and such matters are accordingly placed before the Board for its decision(s). The Board convenes at least 4-5 times in a year on a quarterly basis at a minimum where material decisions are taken. In between, the Board is readily available for consultation and decisions for urgent matters circulated to them.

OUR BOARD COMPOSITION

There are five (5) non-executive directors on our Board, three (3) of whom are independent directors, out of which one chairs both the Board Audit Committee and Human Resource,

Remunerations and Nominations Committee (HRR&NC). The Chairperson is also an Independent Director.

All Independent Directors have been appointed in accordance with the requirements of Section 166 of the Companies Act, 2017 and all applicable law. The current Board composition reflects a good mix of experience, diversity in backgrounds, skills and qualifications, and comprises of individuals actively ensure that all shareholders and stakeholder's interests are fully protected.

Our Board composition 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.

The Company values and ensures effective, efficient and independent decision making. The Board as a group includes competencies and diversity considered relevant to operations of a public limited company. 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 comprise of highly qualified professionals from varied disciplines, including pharmaceutical, finance, investment, financial institutions, and business management.

The composition of the Board and the names of Members of Board sub-committees are disclosed in the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Company on pages 150 to 152 of the Annual Report.

CHANGES IN THE BOARD COMPOSITION

The changes in the Board composition are as follows:

- a) The retirement / resignation of Mr. Sohail Ahmed Matin, Chief Executive Officer and Executive Director, who was replaced by Mr. Farhan Muhammad Haroon, Chief Executive Officer and Executive Director.

- b) The resignation of Mr. Talal Javed Ahmed, Non-Executive Director, who was replaced by Ms. Ayesha Aziz, Independent Director.

For further details regarding the above, please refer to pages 150 to 152 of this Report.

SHARIAH ADVISOR

International Halal Certification (IHC) Pakistan has advised the company on Shariah Affairs during the year. IHC Pakistan is a leading Halal Certification body, duly Accredited by Pakistan National Accreditation Council (PNAC). IHC offers Halal Certification services globally for food, beverages, ingredients, cosmetics, pharmaceuticals, nutraceutical, animal feed, packaging materials, food service establishments and Hotels to its certified clients all over the world.

IHC services include "Halal Audit & Certification" for the companies, to verify their implementation of Halal Management System and Certify their Products/Services as Halal. IHC also provides "Awareness Trainings on Halal Food Management System" for the Halal Industry as well as promoting the trade of "Halal Certified Products".

IHC Pakistan has also assisted the Company in Halal Certification of key FMCG brands including Sensodyne and Parodontax.

EVALUATION OF THE CHIEF EXECUTIVE OFFICER.

The performance of the Chief Executive Officer is evaluated through the Company's internal performance evaluation system, which is based upon the Company's objectives. This is further deliberated upon by the Board.

ANNUAL EVALUATION OF THE BOARD AND ITS COMMITTEES

The Board of Directors act as governing trustees of the Company on behalf of the shareholders while carrying out the Company's mission and goals.

As per the requirements of Code of Corporate Governance and S.R.O. 301 (I)/2020 dated 9 April 2020, the Chairperson of the Board of Directors opted for an in-house assessment with the support of the Secretary of the Human Resources and Remuneration Committee and the Company Secretary to evaluate the performance of the Board in 2021. Qualitative and quantitative criteria were used in the evaluation form, as follows:

- Appropriate composition of the Board and its quality of skills.
- Compliance with all applicable law, particularly the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Memorandum and Articles of Association of the Company.
- Execution in supporting and upholding the Company's Values and Expectations
- Adherence to the Company's Code of Conduct.
- Advising the management on developing appropriate strategies and ensuring that operations are in line with the same.
- The effectiveness and efficiency of the operation of the Board and its committees.
- Oversight of the Financial Reporting Process, including Internal Controls.
- Contributions to ensure robust and effective risk management and monitoring the Company's performance against its objectives.
- Adequate and constructive execution of the Chairperson's role.

Furthermore, the criteria for this year were presented in simple language for the ease of the members of the Board. The evaluation was conducted on a digital platform for the convenience of all Board members, as well as for the ease of computation of the outcomes, setting of future KPIs and metrics. Upon the completion of evaluation, the future strategies and action plans were formulated to address the identified challenges / issues were shared with the Chairperson and the members of the Board and with the SECP.

BOARD'S PERFORMANCE EVALUATION BY EXTERNAL CONSULTANT ONCE IN THREE YEARS

The Board of Directors act as governing trustees of the Company on behalf of the shareholders while carrying out the Company's mission and goals.

As per the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and S.R.O. 301 (I)/2020 dated 9 April 2020, the Company appointed the Pakistan Institute of Corporate Governance (PICG) to conduct an external assessment of the Board for the year 2021, so as to obtain an independent assessment of the strengths and capabilities of the board and its committees.

The assessment questionnaire was customised in consultation with the Chairperson and the Company Secretary, who ensured compliance with the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, the Memorandum and Articles of Association of the Company, the Values, Code of Conduct, and Behaviours of the Company are taken into account when customising questionnaire.

The PICG board evaluation questionnaire used the following criteria:

- **Board Composition:** Requisite knowledge and experience, diversity, size, number of independent directors, succession planning of the Board of Directors to gauge effective governance.
- **Board and CEO Compensation:** Competitiveness of remuneration policy for the Board and its committees as well as the CEO, was evaluated to gauge adequate remuneration.

- **Strategic Planning:** Contributions towards robust and effective risk management and monitoring the Company's performance against its objectives.
- **Board Procedures:** Evaluation of the transparency and effectiveness of the procedures of the Board.
- **Board Information:** Whether appropriate and timely information was provided to the Board and its Committees.
- **Board and its Committees:** The effectiveness and efficiency of the operation of the Board, and its committees was evaluated.
- **Chairperson & CEO Effectiveness:** Effectiveness of the Chairperson, and CEO was assessed.
- **Control Environment:** Assessment of the oversight of the financial reporting process, including Internal controls in place.

Upon the completion of the evaluation, the future strategies and action plans were formulated to address the identified challenges / issues were shared with the Chairperson and the members of the Board and with the SECP. The overall performance of the Board, its committees, Chairman and CEO measured based on approved criteria remained satisfactory.

DIRECTORS' TRAINING(S)

The Board is kept up to date on legal, regulatory and governance matters through regular papers and briefings from the Company Secretary and presentations by internal and external advisers.

Directors are responsible for upholding the corporate governance and giving the Company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn the dynamics and operations of the Company.

The Company conducts various training programmes to make sure the Board is aligned

with the Company's missions and governance.

Five out of seven (5/7) Directors on the Board have successfully completed the Directors' Training Programme certification from SECP approved institutions, as specified below.

- Mr. Farhan Muhammad Haroon
- Mr. M.Z. Moin Mohajir
- Mr. Dilawar Meghani
- Ms. Erum Shakir Rahim
- Ms. Ayesha Aziz

All the other directors possess sufficient skills and experience as prescribed by the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company Secretary also conducted a refresher training of the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the Board of Directors in Q3-2021.

DIRECTORS' TRAINING PROGRAMME ATTENDED BY FEMALE EXECUTIVES AND HEAD(S) OF DEPARTMENT AND/OR EXEMPTIONS.

The Company has successfully complied with the encouraged requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding training of at least one head of department and one female executive every year.

BOARD INDUCTION AND ORIENTATION

The Company Secretary assists the Chairperson in designing and facilitating individual induction programmes for new Directors. They are designed with the purpose of orienting and familiarizing new Directors with the industry the Company operates in, organisation, governance and objectives of the Company.

All new Directors receive a general induction from the Company Secretary, which includes

their duties and responsibilities as a Director of a listed company, the Company's Corporate Governance structure and undertake training on the Company's Code of Conduct.

The induction programme for Executive Directors inter alia 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 Directors inter alia includes explanations of the Company's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and an investor's perspective.

To ensure that our Directors develop and maintain a greater insight and understanding of the business and key stakeholders, they:

- Are familiarized with the industry and the Company.
- Review the Board's operations, legal requirements and duties, committee structures and relevant charters.
- Peruse and understand the Board Chairperson and Committee chairperson roles along with the CEO's roles and responsibilities.
- Are made aware of statutory director duties.
- Provided company policies for their review, including any policy that impact the directors such as conflict of interest, whistle blowing, health and safety, environment, corporate social responsibility.
- Review any recent investor presentations such as the corporate briefing sessions.
- Visit our business operations and different manufacturing sites, which are also a feature of the Directors' induction programme.
- Receive documents explaining the following:
 - The Company's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and an investor's perspective.
 - Role and responsibility of Directors under the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law.
 - 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.
 - Major litigations status.

EXTERNAL OVERSIGHT

The Company has outsourced the operations of its Internal Audit department to one of the Big 4 Audit Firms in Pakistan - Ernst & Young, who specialize in performing Assurance, Consulting, Strategy and Transactions, and Tax related services. To cater to the dynamic and highly regulated environment in which the Company operates, EY works closely with the Company's Chief Internal Auditor, to prepare various functions to address the most complex issues, using a proven global audit methodology and deploying the latest, high-quality auditing tools and technologies.

Additionally, the Company has an Enterprise Risk Management (ERM) cycle that helps to identify, manage, and report on the most critical risks in a proportionate and consistent way. Risk ownership and accountability is embedded within the business and supported by Management Committee. The Company's Internal Controls Framework (ICFW) has been designed to implement and maintain the controls on financial reporting and assessing the effectiveness of the internal controls in place. The Chief Finance Officer is required to sign-off on the performance quality of these controls and ensure that mitigation plans are being implemented to curb any gaps identified.

DIRECTORS' REMUNERATION POLICY

The Company has a formal policy and transparent procedures for remuneration of its Directors in accordance with the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. In view of its objectives, the Company operates an independent and transparent method to fix Directors' remuneration. The purpose of this procedure is to determine the remuneration of directors (both executive and non-executive directors including independent directors). HRRC recommends remuneration package of the Directors to the Board. The Company ensures that the remuneration of the Board of Directors remain market-based in accordance with their experience.

The key element of determining the remuneration is by market benchmarking against other key players of Fast-Moving Consumer Healthcare Companies and other similar types of business and remuneration is not at a level that could be perceived to compromise the independence of the Directors. For the purposes of clarity, no Director is involved in deciding their own remuneration.

Non-Executive Independent Directors are entitled to remuneration for their services, as decided by the Board, for attending Board and Committee meetings. They are also entitled to reimbursement of expenses including boarding / lodging and travel expenses incurred in connection to attendance of the Board and its Committees meeting and Annual / Extra Ordinary General Meetings.

Accordingly, such remuneration paid during the year is specified in Note No. 35 of the annexed financial statements.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

All foreign Directors on our Board are required submit relevant documents, including declarations and/or undertaking and any document required to facilitate security clearance undertaken by the Ministry of Interior. Relevant documents of all foreign directors are submitted to SECP within the prescribed time and further documents to assist the clearance from Ministry of Interior are made available as and when needed. All appointments of foreign Directors are subject to provision of security clearance certificate from the Ministry.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

The Company strives to operate transparent, consistent and timely compliance with all prevailing laws and regulations of Pakistan. We take pride in proactively complying with many additional legal requirements which are not mandatory.

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

- The Listed Companies (Code of Corporate Governance) Regulations, 2019 encourages at least half of the directors on the Board of a Company to have completed the Directors' Training Programme trained by 30 June 2020. Currently, as of 31 December 2021, more than 50% of the Directors are either trained through SECP approved institutions or exempted.
- Reporting requirements enhanced to best practice guidelines issued by ICAP & ICMAP, SAFA and the Pakistan Stock Exchange's Top 25 Companies requirements.
- The Listed Companies (Code of Corporate Governance) Regulations, also encourages at

least one (1) female executive to complete the Directors' Training Programme in a year, which the Company has complied with to ensure best practices in corporate governance yearly, despite this being an encouraged stipulation of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

- The Company has had two (2) female directors on its Board prior to the Listed Companies (Code of Corporate Governance) Regulations, 2019 mandating female representation on boards. The Company has continued its commitment to inclusion and diversity and continues to have two (2) female directors on its Board.

LIVING OUR VALUES AND EXPECTATIONS / NEW CULTURE AND BEHAVIOURS

Together, our Values (Consumer First, Integrity, Respect and Transparency) and Expectations (Courage, Accountability, Development and Teamwork) help us to create the culture we want. They are included in the Company's Code of Conduct, which we have updated to make it simpler and easier to use. Every employee and complementary worker is required to complete mandatory trainings on the Code of Conduct annually.

2021 also signaled the year a new Culture team was created with cross functional representation from Jamshoro, the head office, commercial, supply functions, sales and expert. This team was responsible for the rollout of the new Purpose (Everyday Health with Humanity) and Behaviours (Keep it Human, Do What Matters Most and Go Beyond) of the Company, which it successfully completed with immense engagement.

INCLUSION AND DIVERSITY POLICY

Inclusion and Diversity (I&D) continues to be a big priority for the Company, which has always prided

itself on being an equal opportunities employer. The Company believes that I&D unleashes the enormous potential of its people, which in turn helps the Company to strengthen its ability to meet the needs of its consumers.

The Company believes that everyone has a part to play in creating a fair and inclusive work environment. Currently, the Company has 15% female representation within its workforce. In 2021, the Company accelerated its progress on I&D. One of the first steps the Company took during the year was to ensure the approval of the I&D Policy by the esteemed Board of Directors. Consequently, the Company took resolute measures to increase representation of females on the Company's Sales and Expert teams. The Company has aspirations to further accelerate their approach to I&D over the course of the year.

The Company has a zero-tolerance approach to harassment, bullying, unwelcome / unreasonable / offensive behavior, and/ or discrimination of any kind. This policy is driven by home by several face to face awareness sessions further to the GSK Women's Leadership Initiative, Protection against Harassment of Women at the Workplace Act, 2010 as well as the GSK Code of Conduct. The Company cascades several e-learning modules to its employees as well on, covering its Code of Conduct, and on Inclusion and Diversity on an annual basis.

INCLUSION AND DIVERSITY ON THE BOARD AND C-SUIT EXECUTIVES

Conscious of its commitments as a modern employer, the Company pledges to do more in its approach to inclusion and diversity. The Board of Directors is certainly no exception to the same and takes a progressive approach to inclusion and diversity. The Company commits to provide equal opportunities across all boundaries of race, ethnicity, gender, religion and so on.

Appointments on the Board are strictly based upon value addition and exclusive of any discriminatory elements. This is evidenced by female non-executive directors on the Board before female representation became mandatory by law, two female directors currently on the Board, a female former chairperson, and several c-suite female executives, including but not limited to, the Company Secretary and the Chief Internal Auditor.

EXECUTIVE DIRECTORS IN THE COMPANY SERVING AS NON-EXECUTIVE DIRECTOR

No executive Directors are acting as non-executive directors in any other Company.

RELATED PARTY DISCLOSURE IN FINANCIAL STATEMENTS

Refer note no 36 of the annexed financial statements on page 195 to 196 of the Annual Report.

POLICY OF RELATED PARTIES AND DISCLOSURE OF INTEREST BY DIRECTORS

The Company has a formal policy of Related Parties' Transactions which has been approved by the Board of Directors. The Policy covers the procedures with regard to Related Party Transactions for reviewing, approving and ratifying related party transactions and in providing disclosures as required under section 208 of Companies Act 2017 and other applicable law. The Policy also covers all Related Party transactions between the Company and any of its related parties.

The Company maintains a party wise record of transactions and ensures that it includes the minimum information as prescribed by the law. All transactions with related parties arising in the

normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions. If the Company enters into a transaction or agreement which is not at arm's length, the Company must ensure that the terms are in the best interest of the Company. Further, where majority of Directors of the Company are interested, the transaction is referred to shareholders in a general meeting for ratification and approval.

Records of all related party transactions are placed before the Board Audit Committee on a quarterly basis. Upon recommendation of the Audit committee all related party transactions are placed before the Board of Directors for their review and approval.

Names of all such related parties along with whom the Company had entered into transactions during the year, along with the nature of their relationship and percentage holdings have been appropriately disclosed in Note No. 36 and detailed disclosure regarding related party transactions has been presented in Note No. 36 of the Financial Statements.

INSIDE INFORMATION REGISTER

In compliance with regulatory requirements, the Company ensures that it maintains an Inside Information Register, which is updated on a regular basis. For efficiency and ease, the Inside Information Register is managed digitally, in addition to being available in hardcopy form.

CONFLICT OF INTEREST AMONG BOARD MEMBERS

The Company has a clear policy on conflict of interests which contained in the Code of Conduct duly approved by the Board of Directors. As per the Listed Companies (Code of Corporate Governance), 2019, 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 of the

Board. The interested Directors neither participate in discussions nor vote on such matters. Further, complete details of all transactions with related parties are submitted to the Audit Committee which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the company. All Directors are reminded of insider trading and avoid in the dealing of shares during the closed period every quarter.

The Board has been constituted in compliance with the provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance), 2019. 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 FOR SAFEGUARDING OF RECORDS

Under the Company's Global Records Retention Policy and Schedule, all staff in all business units, regions, areas and functions must follow approved retention periods in managing their records. The Company's Global Records Retention Schedule applies to all media and formats.

The Company believes that documentation practices have a direct impact on product quality and consumer safety, and it implements the highest standards of record safeguarding through our document management and control policy. The Company has strict data lifecycle management guidelines in place which are implemented across all its activities and processes. These guidelines outline procedures for 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 the GSK Code of Conduct, the Company ensures documentation practices meet its requirements for design, management and control of instructions, reports and master documents. The Company also has checks in place that cover archiving requirements for all stored data, both physical and electronic.

The Company continues to invest in technology and software to ensure the safekeeping for documents which includes its contract management repository, and other forms of document management applications. This includes the running of software to delete data beyond its retention period in soft form as well. Further, Legal and Procurement have led the implementation of SAP Ariba in the Company to be used as a repository of contracts entered into with third parties.

BENEFICIAL (INCLUDING INDIRECT) OWNERSHIP AND FLOW CHART OF GROUP SHAREHOLDING

Complete disclosure of GlaxoSmithKline Consumer Healthcare Pakistan Limited shareholders has been provided in Director's Report on page 83. In addition, group shareholding and direct & indirect ownerships of the Company are demonstrated on page 28.

OUR CORPORATE GOVERNANCE STATEMENT

The Company's governance structure operates from the Board of Directors and underpins its ability to deliver the Company's strategy and create long-term value and benefit for shareholders and stakeholders. The Company's Purpose and Values have always been a source of great pride for the Board and employees. It is a powerful force in attracting and retaining

talented people who, as individuals, want to be part of a company that contributes meaningfully to society.

COMPLIANCE WITH THE BEST CORPORATE PRACTICES

The Company is fully compliant with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019. The Report issued by the auditors confirming the Listed Companies (Code of Corporate Governance) Regulations, 2019 is contained on page 149.

The Directors of the Company confirm compliance with the below mentioned:

- Financial statements accurately represent the current standing of the Company, its operations, cash flows and changes in equity.
- Books of accounts of the Company have been properly maintained.
- Internal control has been implemented and monitored by the Internal Audit function led by the Chief Internal Auditor supported by Ernst & Young Ford Rhodes (Pakistan), Chartered Accountants.
- The Company has followed the International Financial Reporting Standards (IFRS) in preparation of financial statements.
- Departures from the IFRS, if any, have been adequately disclosed and explained throughout this Annual Report.
- There is no material departure from the best practices of corporate governance as per the Code of Corporate Governance.

COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Board is well versed with the requirements of the Listed Companies (Code of Corporate

Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same along with Management. Please refer to the review report on the Statement of Compliance issued by the external auditors of the Company further to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

BRIEF ROLE AND RESPONSIBILITIES OF THE CHAIRPERSON

The Board of Directors has appointed a Chairperson from amongst non-executive directors. The Chairperson and the Chief Executive have separate and distinct roles. The Board has defined the respective roles and responsibilities of the Chairperson and Chief Executive Officer.

The Chairperson has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019 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 the Company's direction and strategy, 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. He is also responsible for ensuring 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.

BRIEF ROLES AND RESPONSIBILITIES OF THE CEO

The Chief Executive Officer performs his duties under the powers vested by the law and the Board, recommends and implements the business plans and is responsible for overall control and operation of the Company. The CEO of

the Company is to whom all business and functional heads directly or indirectly report. He is responsible for presentation of the Company's aims and policies to the Government and all stakeholders.

The responsibilities of the Chief Executive Officer include:

- To plan, develop, implement and direct the organization's operational and fiscal function and performance.
- Act as a strategic partner by developing and implementing the company's plans and programs.
- Analyze 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 organization that will improve operational and financial effectiveness of the company.
- Communicate effectively and establish credibility throughout the organization and with the Board of Directors as an effective developer of solutions to business challenges.
- Matters recommended and/or reported by the audit committee and other committees of the Board.
- Improve the planning and budgeting process on a continual basis by educating departments and key members of corporate leadership.
- Provide strategic input and leadership on decision making issues affecting the organization; specifically relating to the evaluation of potential mergers, acquisitions or partnerships.
- Optimize the handling of banking relationships and work closely with CFO to foster and grow strategic financial partnerships.
- Work with the finance team to develop a solid

cash flow projection and reporting mechanism, which includes setting a minimum cash threshold to meet operating needs.

- Report on governance, risk management and compliance issues.
- Evaluate the Company's financial, operational, and sales and marketing structures to plan for continual improvements and a continual increase of operating efficiencies.

PRESENCE OF THE CHAIRMAN OF THE AUDIT COMMITTEE AT THE AGM

In view of Company's priority of being transparent with all of its shareholders and stakeholders, members of the Board, senior management, the Chairperson of the Board, Mr. M.Z. Moin Mohajir and the Chairperson of the Audit Committee, Syed Anwar Mahmood were present at the Annual General Meeting of the Company held on 21 April 2021 as well as on 21 March 2022 in order to address all concerns and queries raised by the shareholders.


EXTERNAL SEARCH CONSULTANCY - APPOINTMENT OF DIRECTORS

No external search consultancy has been used in the appointment of the Chairperson or a non-Executive Director. The Company, however, relies upon PICG's databank to identify candidates holding relevant expertise, experience and skill set.

CHAIRMAN'S SIGNIFICANT COMMITMENTS

The Chairperson's significant commitments during the year included:

- Effective conducting of meetings and decision making virtually keeping in view COVID-19 induced lockdown and social distancing measures.

- 
- Maximizing value and safeguarding of interests of shareholders under the difficult circumstances of the COVID-19 pandemic.
 - Focused attention to the intersection between the business and society in the face of country's economic hardship.
 - Delivery of value by the Company to its customers.
 - Monitoring the Company's supply of its products and ensuring access of the same patients and consumers, all the more under the difficult circumstances of the COVID-19 pandemic.
 - Review of the Company's progress in strategic matters, risk management, technological advancements and financial performance.
 - Working with the management to foster a culture instilled with GSK Values and Expectations and having visibility of the Company's COVID-19 safety measures for all employees.

The Chairperson's engagements other than GSK have been disclosed on page no. 104 of this Report.

RETENTION OF BOARD FEE

No executive Directors are acting as non-executive directors in any other Company.

Board of Directors Meeting

The Board has established a corporate governance framework with clearly defined responsibilities and accountabilities. The framework is designed to safeguard and enhance long-term shareholder value and to provide a platform to realize the Group's strategy through the Company's long-term priorities of Innovation, Performance and Trust, that is consistent with its Culture, Values and Expectations. For our Board to operate effectively and to consider key matters, Board Committees have been established as set out below.

Further, the Board of Directors calendar is approved annually, in which Board Meetings, Human Resource, Remunerations and Nominations Committee and Audit Committee Meetings are scheduled for the upcoming year. Board Members are issued meeting notices within statutory timelines. The board folder is prepared with material and concise information and is sent to the Board for its consideration seven (7) days prior to a board meeting.

The attendance of the members of the Board at board meetings and sub-committee meetings held in 2021 was as follows:

ATTENDANCE AT THE MEETINGS 2021

Name	BOARD OF DIRECTORS MEETINGS*	BOARD OF AUDIT COMMITTEE MEETINGS*	HUMAN RESOURCE, REMUNERATION AND NOMINATIONS COMMITTEE MEETINGS**	INTEGRATION & SNO COMMITTEE MEETINGS***
	5	5	2	2
Mr. M.Z. Moin Mohajir	5/5	5/5	2/2	-
Mr. Farhan Muhammad Haroon	4/4	-	-	2/2
Mr. Dilawar Meghani	5/5	-	-	2/2
Syed Anwar Mehmood	5/5	5/5	1/2	-
Ms. Ayesha Aziz	5/5	5/5	2/2	-
Mr. Oussama Abbas	4/5	-	-	2/2
Ms. Erum Shakir Rahim	5/5	-	-	-
Mr. Sohail Ahmed Matin	1/1	-	-	-

* Q4-2020 5 Mar 21 | Q1-2021 21 Apr 21 | Q2-2021 24 Aug 21 | Q3-2021 26 Oct 21 | Q4-2021 9 Feb 22

** Q4-2020 5 Mar 21 | Q4-2021 17 Jan 22 | *** Q1-2021 8 Mar 21 | Q3-2021 30 Sep 22

BOARD MEETINGS HELD OUTSIDE PAKISTAN DURING THE YEAR

No Board meetings were held outside Pakistan during the year.

OTHER DIRECTORSHIPS

Directors	Organizations
Mr. M.Z. Moin Mohajir	Wyeth Pakistan limited Pakistan Oxygen Limited Loads Limited
Ms. Ayesha Aziz	Pak Brunei Investment Company Awwal Modaraba Management Limited KSB Pumps Company Limited Engro Polymer and Chemicals Limited Primus Leasing Limited
Ms. Erum Shakir Rahim	GlaxoSmithKline Pakistan Limited
Mr. Oussama Abbas	GlaxoSmithKline Consumer Nigeria plc

BOARD COMMITTEES

The Board has formed the following Committees in line with best practices and requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019:

BOARD AUDIT COMMITTEE

The Audit Committee comprises of three (3) members, all of whom are Non-Executive Directors including the Chairperson of the Committee, who is an Independent Director.

The Audit Committee comprises of two (2) members, who are Chartered Accountants, while one (1) member has a M.Sc. in Finance and Economics. The Audit Committee members have extensive experience in the fields of financial management, accounting, business, and economics.

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

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

The Audit Committee meets once every quarter of the financial year. These meetings are held prior to the approval of the interim results of the Company by its Board of Directors and after completion of external audit.

The Audit Committee held four (4) Meetings in 2021 and met once with the Chief Internal Auditor and other members of the Internal Audit function without the CFO and the external auditors being

present.

The Audit Committee also met the external auditors without the presence of the CFO and Chief Internal Auditor.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Company regularly monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework.

The Audit Committee terms of reference state the following:

- The Internal Audit department carried out its audits in accordance with the approved audit plan which is presented annually to the Audit Committee.
- The Committee has ensured that the Internal Audit department is well equipped with personnel possessing financial and business acumen according to the criteria defined in the Companies Act 2017.
- The Head of Internal Audit has the required qualifications as prescribed under the Regulations.
- The Internal Audit department has direct access to the Chairperson of the Audit Committee. The performance appraisal of the Head of Internal Audit is also carried out directly by the Audit Committee.
- Internal Audit function plays a vital role in improving the overall control environment. It also acts as an advisor to other functions for streamlining processes and ensuring implementation of the Company's policies.
- Audit Committee has provided a proper platform to the management to report to the Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.

- The Audit Committee also undertook an overall review of the business risks to ensure that the existing control environment identified any emerging risks post COVID-19. The summary of the risks together with the mitigation plan was presented to the Board for its review.

AUDIT COMMITTEE REPORT

It is the Company's pleasure to present the Annual Audit Committee's report which records the Committee's activities during the year ended 31 December 2021.

COMPOSITION OF THE COMMITTEE

While all board directors have a duty to act in the interests of the company the audit committee has a particular role, acting independently from the executive, to ensure that the interests of shareholders are properly protected in relation to financial reporting and the risk management and internal controls over that reporting are operating effectively.

In terms of the Committee's membership, the Audit Committee comprises of three members, all of whom are Non-Executive and Independent Directors. Syed Anwar Mahmood, the Chairman of the Committee, graduated with honors in Economics and later obtained a master's degree in the same discipline. Ms. Ayesha Aziz was appointed on 3rd March'2021 as Non-Executive Independent Director. Mr. M. Z. Moin Mohajir, is the other member of the Audit Committee and he is considered as "financially literate" as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

A detailed profile of the directors is mentioned on page 73 to 79 of the Annual Report. The Audit Committee met on four occasions during the year; all these meetings were held via video conferencing due to restrictions of the COVID-19 pandemic. The Committee also updated the Board on the work of the Committee and discussed some of the major challenges ahead. Meetings were also held with the External Auditors and Internal Auditors, and these provided the Committee with assurances regarding the work carried out to help strengthen internal controls in the Company.

EVALUATION OF THE COMMITTEE

Evaluation of the committees of the Company is mentioned in detail on page 92 to 94 of the Annual Report.

INTERNAL AUDIT AND RISK MANAGEMENT

Risk Management continues to be an area of significant focus for the Committee. During 2021, the Committee engaged with the Chief Executive Officer and Chief Financial Officer on the risk management systems and processes in place across the Company and obtained satisfactory assurances. The Committee reviewed the significant risks highlighted for key functions during the year, focusing on the new and heightened risks being managed by the Company post pandemic environment.

Internal audit has a crucial part to play given its role of providing independent, objective assurance related to the operating effectiveness of risk management, governance, and internal control processes of the Company. During 2021, the Audit Committee took account of the impact of the pandemic and advised on adjusting the Audit Plan accordingly. The Committee was apprised on the progress of Internal Audit throughout the year and is satisfied that the work was completed appropriately in line with the Approved Internal Audit Plan and its amendments for the year.

The Committee confirms that the Internal Audit department is appropriately resourced and pursues a well-articulated work plan and strategy. The Committee notes that the Internal Audit department allows time in performance of its duties for the provision of advice when required by business functions. Advisory is given when decisions may arise involving increased risk, in addition to fraud issues and investigations and their escalation to the Audit Committee in complete confidence.

EXTERNAL AUDIT

- Given the shift in dynamics post COVID-19, the Audit Committee met the external auditors without the presence of the management and discussed how their audit procedures were affected or adjusted according to the new Control environment. Additionally, they also focused on the external auditor's perspective regarding potential changes

in audit risk, management's process for developing significant estimates related to the impact of COVID-19 and the resulting impact on internal controls over financial reporting. Furthermore, the audit committee reviewed the audit work that was performed over significant transactions or accounting judgments during the interim and annual reporting period.

- All internal audit reports were made available for review to the external auditors during the year.
- The external auditors Yousuf Adil Chartered Accountants have been engaged as the external auditors of the Company and have completed their audit assignment and review of the Statement of Compliance in line with the Listed Regulations. They shall retire as the auditors on the conclusion of 7th Annual General Meeting.
- 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 ending 31 December 2022.
- The Company does not obtain any non-audit services from Yousuf Adil, Chartered Accountants.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the audit committee are mentioned in detail on page 105 to 106 of the Annual Report.

COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the mandatory requirements specified under the Regulations.

The Committee would like to state that:

- The Company has issued a Statement of Compliance with the Regulations which has also been reviewed and certified by the external auditors of the Company.
- They have reviewed the effectiveness of the Ethics and Compliance function.
- The Company's Code of Conduct has been disseminated across the organization.
- The Committee reviewed the Annual Report and concluded that it is fair, balanced, and understandable.
- The Committee reviewed the integrity of the

financial statements, including annual reports, half-year reports, and quarterly financial statements; and recommended them for approval of the Board.

- These Financial statements present a true and fair view and provide all necessary information to assess the Company's position and performance, business model and strategy. Further, the committee has reviewed all related party transactions carried out during the year. Both were subsequently approved by the board.

The Committee also reviewed the preliminary announcements of results prior to publication.

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board and as stipulated under the Regulations.



Syed Anwar Mehmood
Chairman Audit Committee

HUMAN RESOURCE, REMUNERATION AND NOMINATION COMMITTEE

The Company has established the HRR&N Committee in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The HRR&N Committee assists the Board in fulfilling its responsibilities in the review, formulation, recommendation and implementation of Human Resource policies and the appointment and remuneration of the CEO, CFO, Company Secretary, and Chief Internal Auditor. It also considers and approves recommendations on matters related to succession planning of CEO, CFO, Company Secretary, and Chief Internal Auditor and ensuring proper compensation to the Company's employees. The HRR&N Committee meets at least once in a year.

Terms of Reference of the Human Resource and Remuneration and Nomination Committee

This Committee shall conduct its activities ensuring the achievement of its objectives & scope of work as set out above and to this end shall have the following specific responsibilities:

- Satisfy itself and report to the Board that the Company's leadership development, talent planning, organization structure and compensation policies are consistent with the company's objectives and strategies as approved by the Board.
- Ensure supply of high calibre talent at senior management position to lead the business now and into the future.
- Ensure adequate training and development of senior employees with the skill and knowledge to effectively perform their duties.
- Establish achievement of high-performance culture and employee engagement that will drive the organizational success.
- Ensure that the management remains committed to adequate talent management.
- Coordinate with the majority shareholders and recommend to the Board the selection, evaluation, compensation, authorities, and accountabilities of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.
- In respect of other direct reports of the CEO, the Committee will approve the appointment and compensation and will inform the Board accordingly.
- Ensure that an adequate succession plan of the CEO and other senior executives remains in place.
- Satisfy itself that the CEO has a process in place for performance assessment including business ethics and code of conduct for all employees.
- Schedule formal meetings with the direct

reports of the CEO.

- Review the annual increment of staff including any bonus and recommend the same to the Board.
- Evaluation and selection of potential candidate(s) as Director(s) of the Board.
Committee members and approved in the Board Meeting held on 9 February 2022

INTEGRATION AND SUPPLY NETWORK OPTIMIZATION COMMITTEE

The Integration and Supply Network Optimization Committee comprises of three (3) members of the Board. The purpose of this committee is to explore significant Supply Network opportunities and facilitate a smooth Integration process.

MANAGEMENT COMMITTEE

The Management Committee comprises of nine (9) senior members of the Company's Leadership Team who are external facing and who meet and discuss significant business plans, issues, progress and updates of their respective functions. Significant matters to be put forth in the Board as per the Listed Companies (Code of Corporate Governance) Regulations, 2019 are also discussed for onward approval. The Management Committee meets once very quarter.

The role of the Management Committee is to review, implement and monitor:

- Business risks.
- Business strategy.
- Business plans.
- Issues pertaining to respective functions.
- Improvements to policies/ procedures.



Composition of The Management Committee

**Mr. Farhan
Muhammad
Haroon**

Chief Executive Officer

**Mr. Dilawar
Meghani**

Chief Financial Officer

**Syed Abrar
Ali**

Sales Director



**Mr. Salman
Altaf**

Marketing Director



**Mr. Faisal
Rafiq**

Head of Expert



**Mr. Khurram
H. Khan**

**Head of Commercial
Excellence**



**Mr. Mazhar
Shams**

Head of Regulatory



**Mr. Moein
Ahmed Khan**

**Pakistan E2E SC and
Jamshoro Site Lead**



**Ms. Mashal
Mohammad**

**Legal Director and
Company Secretary**

CALENDAR OF MAJOR FINANCIAL EVENTS HELD IN 2021



FINANCIAL CALENDAR 2022*



* Approved by the Board of Directors in its meeting held on 9 February 2022.



COMMUNICATION OF FINANCIAL RESULTS

Periodic financial statements of the Company were circulated to Directors duly endorsed by the CEO and the CFO. Half-yearly and annual financial statements were initiated by the external auditors their presentation to the Board Audit Committee and the Board of Directors for approval.

Furthermore, quarterly unaudited financial statements of the Company along with Director's Review, were approved, published, and circulated to shareholders on a timely basis. Half-yearly financial statements were subjected to a limited scope review by the statutory auditors. This annual financial statement has been audited by the external auditors and approved by the Board and will be presented to the shareholders at the AGM for approval. The said financial statements have been circulated on PUCARS well within the statutory prescribed timelines and posted on the Company's website accordingly.

Whistle Blowing / Speak Up Policy

The Company 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 the Company. It is the foundation for building trust in the Company and protects its license to operate. The Company expects everyone to live its Values and Expectations, speak up if they have any concerns, engage appropriately with stakeholders and respect human rights. The Company also extends these ethical expectations to the third parties it works with.

SPEAK UP INSTANCES DURING THE YEAR

During 2021, there were no instances that qualified as that of material nature.

ZERO TOLERANCE FOR RETALIATION

At the Company, anyone can report concerns without fear of reprisal. The Company 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, bullying and/or harassment of someone who has reported, or is considering reporting, a concern in good faith. Similarly, we will report an agency worker who retaliates against anyone raising a report or concern to the worker's employment agency and terminate their assignment with the Company.

The Company treats all questions and issues confidentially, where possible, while investigating fairly, cooperating with governments and

complying with legal obligations. When someone reports a concern in good faith, the Company will support that individual.

As a part of the Company's Values and Expectations of doing the right thing, all Company employees are required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches of the Company's Code of Conduct, and other Company policies and procedures. Further, any suspected violations of country laws and regulations must also be reported. Contingent workers working on behalf of the Company are also required to report misconduct concerns, with 'Speak Up' integrity line information provided in the Company's Third-Party Code of Conduct.

REPORTING AND INVESTIGATING CONCERNS

The Company encourages people to speak up if they have any concerns relating to unethical conduct or behaviour that is inconsistent with its Values – or if they simply want to ask a question about how to apply the Company's Code of Conduct. Anyone within or outside the Company can raise concerns or speak to an independent third party through our integrity lines, confidentially or anonymously if they prefer. The Company takes every reported concern very seriously and each complaint is reviewed to understand whether a formal investigation is warranted. If investigations show that an employee has breached Company policies, appropriate disciplinary action is taken.

Response to COVID

The COVID-19 pandemic is considered as the most crucial global health calamity of the century and the greatest challenge that the humankind faced since the World War II. It has rapidly spread around the world, posing enormous health, economic, environmental and social challenges to the entire human population. The coronavirus outbreak has severely disrupted the global economy. Almost all the nations are struggling to slow down the transmission of the disease by testing & treating patients, quarantining suspected persons through contact tracing, restricting large gatherings, maintaining complete or partial lock down etc.

Even in such times the companies must operate while taking all the necessary precautions and actions and that is what GSK CH did to ensure that company keeps functioning while providing safety to its employees. Firstly, they introduced work from home for their employees to ensure their safety and well-being. Secondly, they ran a COVID-19 awareness campaign by Panadol and Sensodyne to raise awareness among masses. In order to reach doctors, the expert team started remote detailing in which they hosted online conferences. Besides this, protective kits were given to doctors, experts, and sales team for their safety. For the safety of Pharmacists & customers, safety shields were installed in medical stores. To deal with the upsurge in demand of CaC-1000 PLUS and Panadol, strong BCGS were put into place. COVID-19 Pandemic had an impact on all companies in and outside of Pakistan and this is how GSK CH responded and tackled all the hardships ensuring Company continues to function while keeping safety as its top priority.



Quickly responded to changing market dynamics



Dentist Awareness message on Oral Health habits by Sensodyne during COVID-19

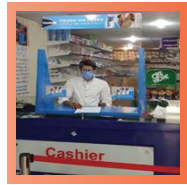


Expert team started Remote Detailing to reach doctors; hosted online conferences

PEOPLE SAFETY



- Ensured team and frontline workers were safe
- Work from Home + Electronic Approval process implemented for Employees (Ergonomics allowance provided)



Protective shields installed in medical stores for safety of pharmacists



Protective Kits given to Doctors, Sales & Expert team for their safety

COVID-19 has led to massive change in consumer sentiments and behavior. Since the onset of the pandemic, people have started shifting into protection mode, minimizing their exposure to potential virus contraction. While other sectors remained under lockdown, pharmacy was one channel that remained operational to facilitate provision of public healthcare. In turn, this



Additional inventory of RM/PM purchased to support continuous operations

SUPPLY CHAIN OPERATIONS



Strong BCPs put in place to cater to upsurge in demand of Panadol & CaC

caused high exposure to pharmacists resulting in a surge in COVID-19 cases amongst them. Living the GSK attribute of customer obsession, we introduced Protective Counter Units in this channel to not only minimize exposure for pharmacists and consumers but also leveraged on the branding opportunity in a disruptive way.



BCPs agreed with LSPs to ensure Finished Goods are delivered to customers on time and in full

PANDEMIC RECOVERY PLAN

There is nothing in the world which didn't get impacted by the Pandemic of COVID-19. From poor to rich, small businesses to corporate giants, lifestyles, social activities, just everything got terribly impacted. The entire world implemented alternate measures & execute Business Continuity Plans (BCPs) to cope up with the situation.

GSK CH put in place a strong governance process, firstly to ensure the safety of the employees along with the business continuity. BCPs were executed at all levels to ensure that remote working doesn't hamper the product supply to the patients and consumers. Starting from the procurement of materials to the final distribution of finished goods, the entire chain worked with great collaboration to avoid any disruption. On one hand Factories played an integral role to run the production machines with full capacities while following the COVID-19 related SOPs and precautionary measures; on other hand, a strong alliance with the 3rd party helped executing the BCP following the Covid related SOPs and controls, On other hand, a strong alliance with 3rd party Logistics business partners really helped in executing a BCP around warehousing and distribution operation which resulted in robust On time and In Full Performance (above 98% throughout the year).

Furthermore, our team underwent a transformational journey, with the onset of COVID-19 giving rise to new ways of working. The country-wide lockdown meant that all face-to-face interactions with HCPs had to be halted indefinitely. However, continuing to HCPs in scientific dialogue while safeguarding the wellbeing of our field force was our utmost priority. Hence, we successfully navigated to a

hybrid detailing model, using digital channels to engage HCPs where face-to-face interaction was not possible. During this time, our team also conducted numerous digital presentations and hosted informative webinars in partnership.

DISASTER RECOVERY MECHANISM

The Company has an effective disaster recover mechanism in place to ensure a smooth and expeditious transition to a backup mode of operations to minimize any disruption to the business.

IT Continuity Plan Key objectives:

- Identify IT Recovery Team- roles and responsibilities and to identify escalation and disaster recovery steps.
- To have continuity procedures in place for core IT Infrastructure including WAN &, LAN.
- To highlight application recovery procedures- for all major applications critical to business continuity.
- To list backup retention policies and information on critical storage locations for backup tapes and servers.
- To list ITCP review results and details of testing schedules.

IT Continuity Team- Key responsibilities include:

- To restore, maintain and secure the critical business systems of the company.
- Establish and maintain regular progress reporting for duration of incident.
- Take ownership of IT continuity plan (maintain, review and update).

- Prepare ITCP outcome report.
- Key responsibility is to ensure that the IT Escalation Process is adhered to.
- The IT continuity coordinator of the Company will inform the respective BU Head of IT who will then escalate the incident to the Area IT Head or his designated area IT staff. The Area IT Head and the International IT point of contact will decide on whether to record the incident in the IT Escalation database.

In the event of a major disaster, business operations can be continued from the GSK Site located at F-268, SITE. All the centrally hosted applications and systems will be accessible from mentioned location.

BUSINESS CONTINUITY PLANNING

The Company routinely monitors the compliance of external manufacturing suppliers to identify and manage risks in our supply base in case of any natural calamity or force majeure. Where practical, the Company minimizes its dependence on single sources of supply for critical items. Where alternative sourcing arrangements are not possible, our inventory strategy aims to protect the supply chain from unanticipated disruption.

The Company has always used effective crisis management and business continuity planning to provide for the health and safety of our people and to minimise impact to us, by maintaining functional operations following a natural or man-made disaster, or a public health emergency. A corporate policy requires each business and functional area head to ensure effective crisis management and business

continuity plans are in place that include authorised response and recovery strategies, key areas of responsibility and clear communication routes, before any business disruption occurs. Corporate Security supports the business by coordinating crisis management and business continuity training; facilitating simulation exercises; assessing our preparedness and recovery capability; and providing assurance oversight of our central repository of plans supporting our critical business processes.

The above enabled the Company to swiftly deploy technology to ensure business continuity and to offset the disruptions caused by the COVID-19 induced lockdown. The Company acted with speed and agility to ensure the continual movement of our supply chain, balanced with the safety of its workforce. Keeping in view the proactive approach of the Company regarding its advanced business continuity planning, its responsibility as a diligent corporate citizen, and our consumer focused approach, the Company ensured access of its OTC medicines and products to Consumers through the year. Progress was, and continues to be, monitored weekly in a Crisis Management Team meeting consisting of the Company's leadership team and regular updates were provided to the Board of Directors. The disruption brought about by COVID-19 also had the Company implement a flexible way of working for employees with office-based roles called 'Performance by Choice', which enabled employees to perform their best based on their role, team, and personal circumstances.



Performance and Position



Performance and Position

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE

Non-Financial Performance

Bring differentiated, high-quality and needed healthcare products

Balanced business growth

Focusing on three priorities –Innovation, Performance and Trust.

Strategy

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

Putting our values and expectations at the heart of everything we do, we become a high performing team.

We aim to achieve industry leading growth by investing effectively in our business and ensuring the quality and reliable supply of our products.

Capital

Manufactured Capital

Human and Intellectual Capital

Intellectual Capital

Indicators

Market share, Ranking as per IQVIA.

Market share, Channel Share and Innovation Sales

Employee Engagement

Analysis

The Company continuously monitors all KPIs to ensure that its objectives are being achieved.

Financial Performance at a Glance

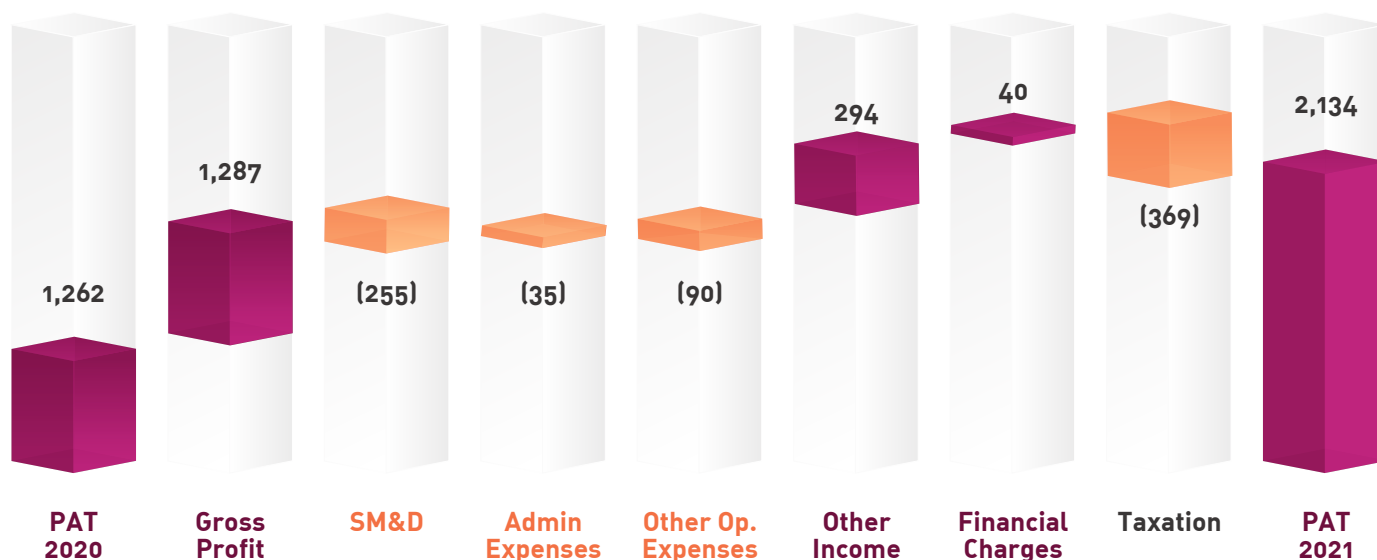
Rupees in millions

	2021	2020	2019	2018	2017	2016
Net Sales	24,163	19,846	16,317	14,875	8,298	5,376
Gross Profit	6,615	5,328	4,986	4,404	3,101	1,509
Operating Profit	3,033	1,832	1,892	1,688	1,179	858
Profit Before Tax	3,016	1,774	1,700	1,463	1,171	856
Taxation	(882)	(512)	(442)	(388)	(464)	(311)
Profit after taxation	2,134	1,262	1,258	1,075	707	545
Earnings per share Rs.	18.23	10.78	10.74	9.18	7.39	7.60
Dividend per share	-	5.00	5.00	5.00	5.00	-
Return on equity	31.78%	24.44%	27.94%	28.02%	30.77%	34.16%
Market capitalisation	28,217	31,035	30,015	31,182	30,986	-
Paid-up Capital	1,171	1,171	1,171	1,171	956	956

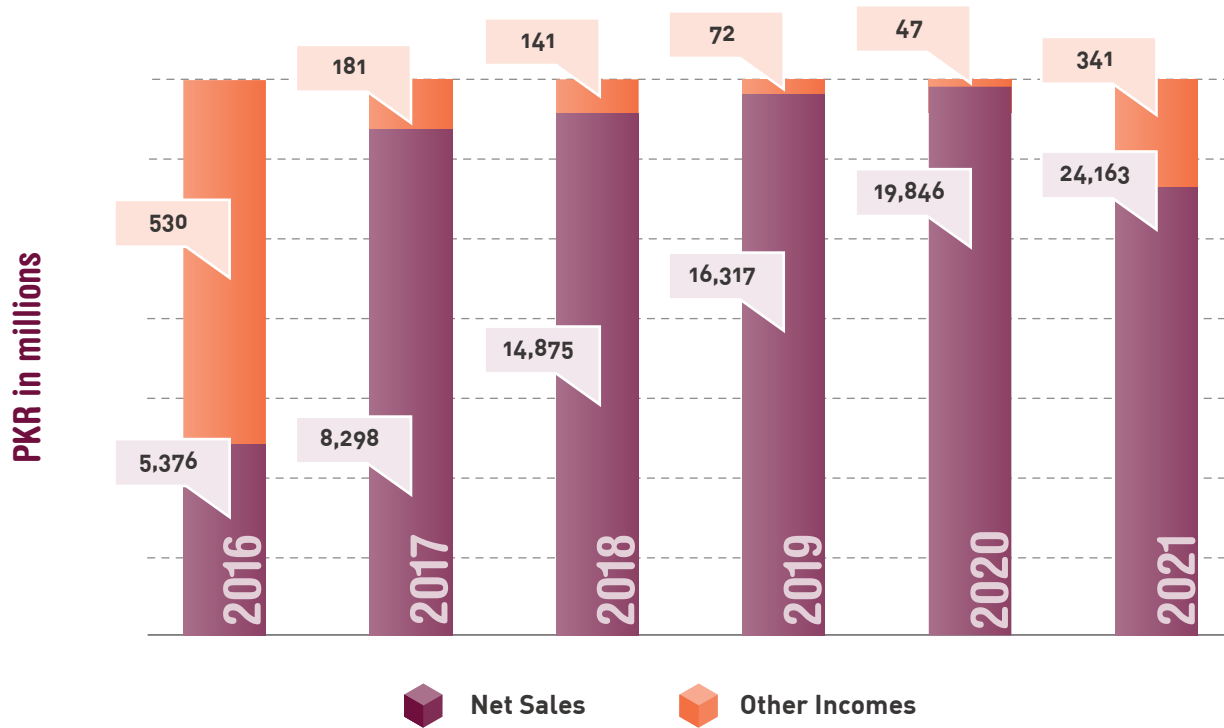
Explanation of Negative Changes in Performance

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

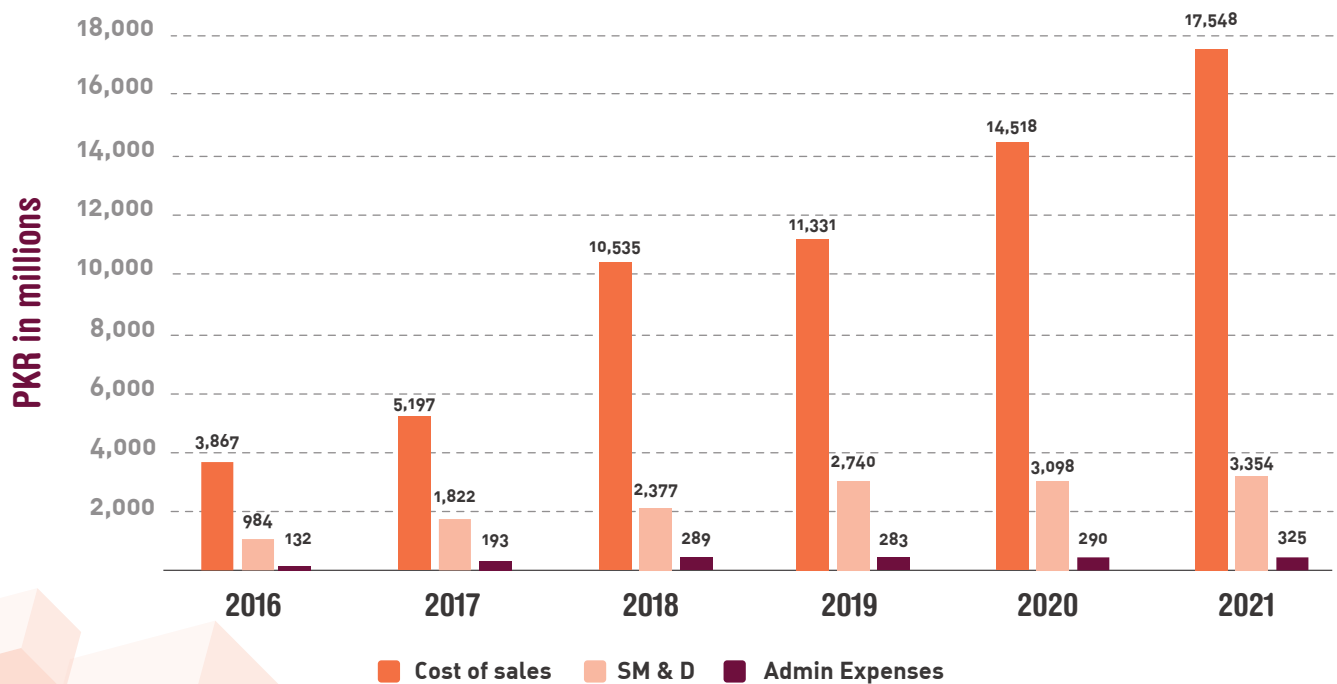
Statement of Profit or loss Varince Analysis - PKR in millions



Net Sales Vs Other Income



Statement of Profit or Loss - Expenses

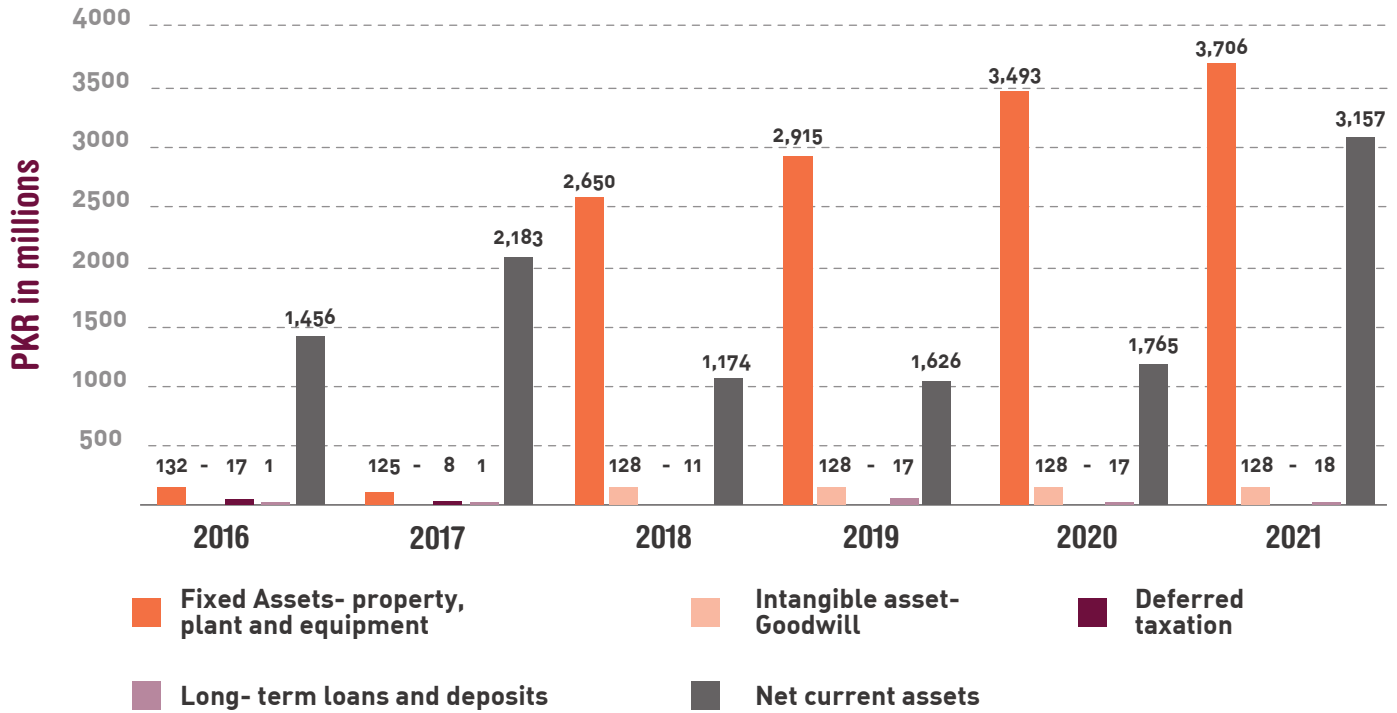


Key Operating Financial Data & Ratios

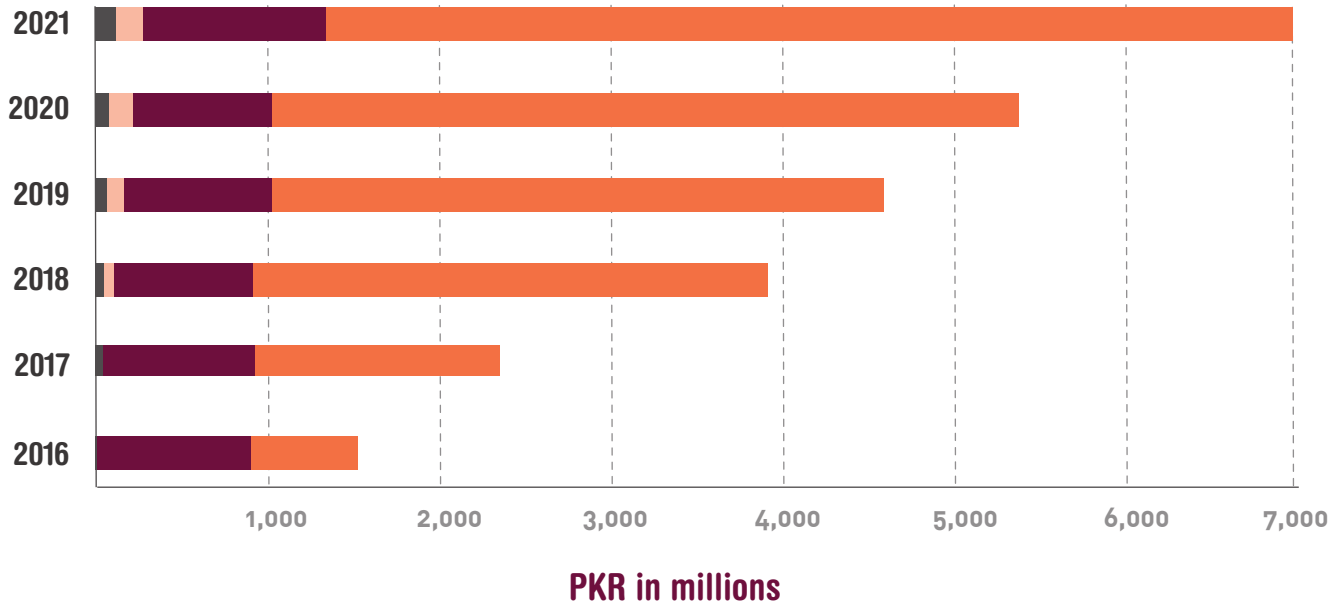
Rupees in millions

Statement of Financial Position	2021	2020	2019	2018	2017	2016
Assets employed						
Fixed Assets - property, plant and equipment	3,706	3,493	2,915	2,650	125	132
Intangible asset - Goodwill	128	128	128	128	-	-
Deferred taxation	-	-	-	-	8	17
Long-term loans and deposits	18	17	17	11	1	1
Net current assets	3,157	1,765	1,626	1,174	2,183	1,456
	7,010	5,404	4,685	3,962	2,316	1,605
Less: Non-Current Liabilities						
Staff retirement benefits - Staff gratuity	97	88	54	38	20	9
Deferred taxation	197	152	131	90	-	-
	294	240	185	127	20	9
Net assets employed / Shareholders fund	6,715	5,164	4,501	3,835	2,297	1,597
Financed by						
Issued, subscribed and paid-up capital	1,171	1,171	1,171	1,171	956	956
Reserves	5,544	3,993	3,330	2,664	1,341	641
Shareholders' Equity	6,715	5,164	4,501	3,835	2,297	1,597
Turnover and profit	2021	2020	2019	2018	2017	2016
Net sales	24,163	19,846	16,317	14,875	8,298	5,376
Gross profit	6,615	5,328	4,986	4,404	3,101	1,509
Operating profit	3,033	1,832	1,892	1,688	1,179	858
Profit before taxation	3,016	1,774	1,700	1,463	1,171	856
Taxation	(882)	(512)	(442)	(388)	(464)	(311)
Profit after taxation	2,134	1,262	1,258	1,075	707	545
EBTIDA	3,334	2,101	2,146	1,899	1,202	866
Cash Dividend including bonus shares	-	585	585	585	478	-
Sales per employee	53	40	33	31	132	98

Statement of financial position - Assets employed

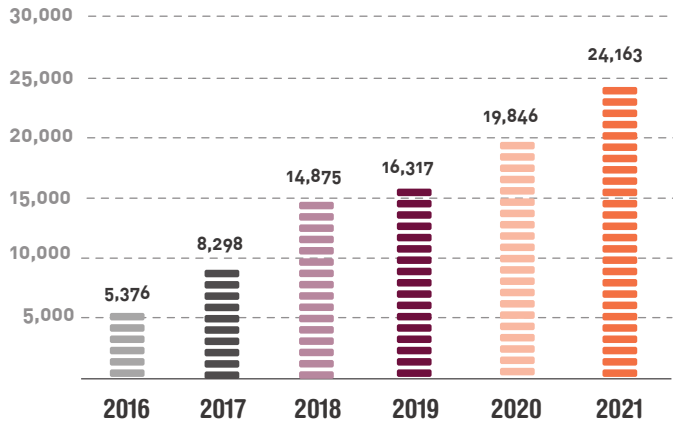


Statement of financial position - Non Current Liabilities & Shareholder's equity

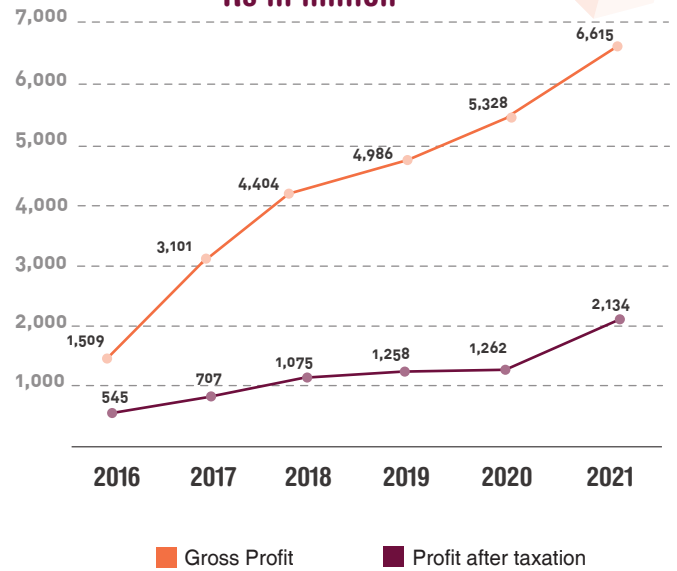


- Staff retirement benefits- staff gratuity
- Deferred taxation
- Issued, subscribed and paid-up capital
- Reserves

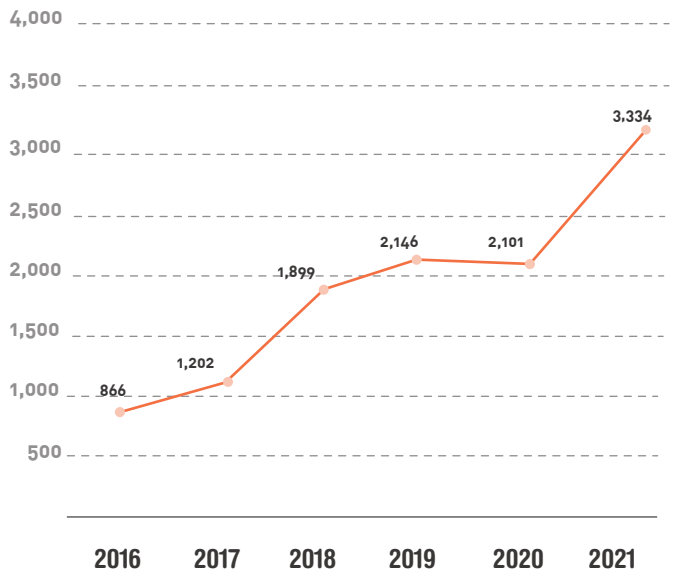
Net Sales - Rs in million



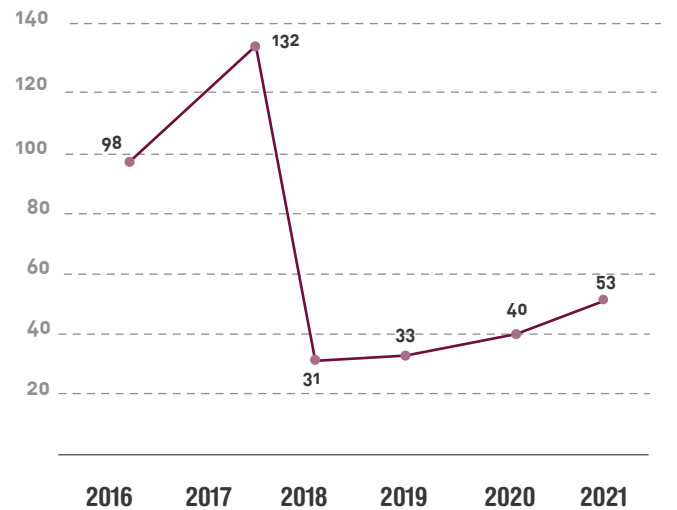
Gross Profit Vs Profit after taxation - Rs in million



EBTIDA - Rs in million



Sales per employee - Rs in million



Cashflows	Valuation	2021	2020	2019	2018	2017	2016
Operating Activities	Rs. in million	1,594	2,914	1,334	(426)	559	950
Investing Activities	Rs. in million	(322)	(814)	(487)	(223)	72	(1,049)
Financing Activities	Rs. in million	(82)	(82)	(83)	(78)	-	0
Changes in Cash equivalents	Rs. in million	1,190	2,018	764	(727)	631	(99)
Cash & equivalents - Year end	Rs. in million	3,088	1,898	(120)	(884)	1,302	670

Financial Highlights	Valuation	2021	2020	2019	2018	2017	2016
Cash dividend per share	Rupees	-	5.0	5.0	5.0	5.0	-
Market value per share - year end	Rupees	241.06	265.13	256.42	266.39	324.29	-
Market value per share - high	Rupees	295.85	330.03	353.53	529.00	365.00	-
Market value per share - low	Rupees	210.00	199.56	164.10	258.00	100.63	-
Market capitalization	Rs. in million	28,217	31,035	30,015	31,182	30,986	-

Profitability Ratios	Valuation	2021	2020	2019	2018	2017	2016
Profit before tax ratio	%	12.48	8.94	10.42	9.83	14.11	15.92
Gross Yield on Earning Assets	%	5.99	1.51	2.98	8.76	8.14	3.53
Gross Spread ratio	Times	0.32	0.24	0.25	0.24	0.23	0.36
Cost / Income ratio	Times	0.56	0.66	0.63	0.63	0.64	0.58
Return on Equity / return on shareholders fund	%	31.78	24.44	27.94	28.02	30.77	34.16
Return on Capital employed	%	30.45	23.35	26.83	27.12	30.51	33.98
Gross Profit ratio	%	27.38	26.85	30.56	29.61	37.37	28.07
Net Profit to Sales	%	8.83	6.36	7.71	7.22	8.52	10.15
EBITDA Margin to Sales	%	13.80	10.59	13.15	12.77	14.48	16.14
Operating leverage ratio	Times	3.0	-0.1	1.2	0.5	0.7	0.0
Return on assets ratio	%	15.39	11.50	14.00	13.51	17.88	19.06
Ownership ratio	%	48.43	47.06	50.10	48.21	58.09	55.80

Investment / Market Ratios	Valuation	2021	2020	2019	2018	2017	2016
Earnings per share (EPS)	Rupees	18.23	10.78	10.74	9.18	7.40	7.60
Price Earnings ratio	Times	13.22	24.59	23.88	29.02	43.88	2.20
Price to Book ratio	Times	4.28	6.16	6.86	8.41	13.49	-
Dividend Yield ratio	%	-	1.89	1.95	1.88	1.54	-
Dividend Payout ratio	Times	-	0.46	0.47	0.54	0.68	-
Dividend Cover ratio	Times	-	2.16	2.15	1.84	1.48	-
Break-up Value per share - (no revaluation or investment impact)	Rupees	56.28	43.02	37.36	31.67	24.04	16.71

Capital Structure Ratios	Valuation	2021	2020	2019	2018	2017	2016
Earning assets to total assets ratio	%	23.10	19.43	7.16	8.89	32.9	23.4
Net assets per share	Times	54.85	42.07	36.85	31.67	41.2	29.9
Debt to Equity ratio	Times	-	-	0.03	0.24	-	-
Financial leverage ratio	Times	-	0.00	0.18	0.43	-	-
Weighted average cost of debt	%	0	0	11	6	0	0
Interest Cover ratio	Times	-	66.63	15.65	11.18	281.0	856.1

Liquidity Ratios	Valuation	2021	2020	2019	2018	2017	2016
Advances to Deposits ratio	Times	5.9	11.4	5.1	3.4	23.5	-
Current ratio	Times	1.46	1.32	1.38	1.29	2.3	2.16
Quick / Acid test ratio	Times	0.87	0.78	0.72	0.72	1.8	1.72
Cash to Current Liabilities	Times	0.47	0.38	0.15	0.18	0.8	0.53
Cash flow from Operations to Sales	%	6.60	14.68	8.17	(2.86)	6.7	17.67

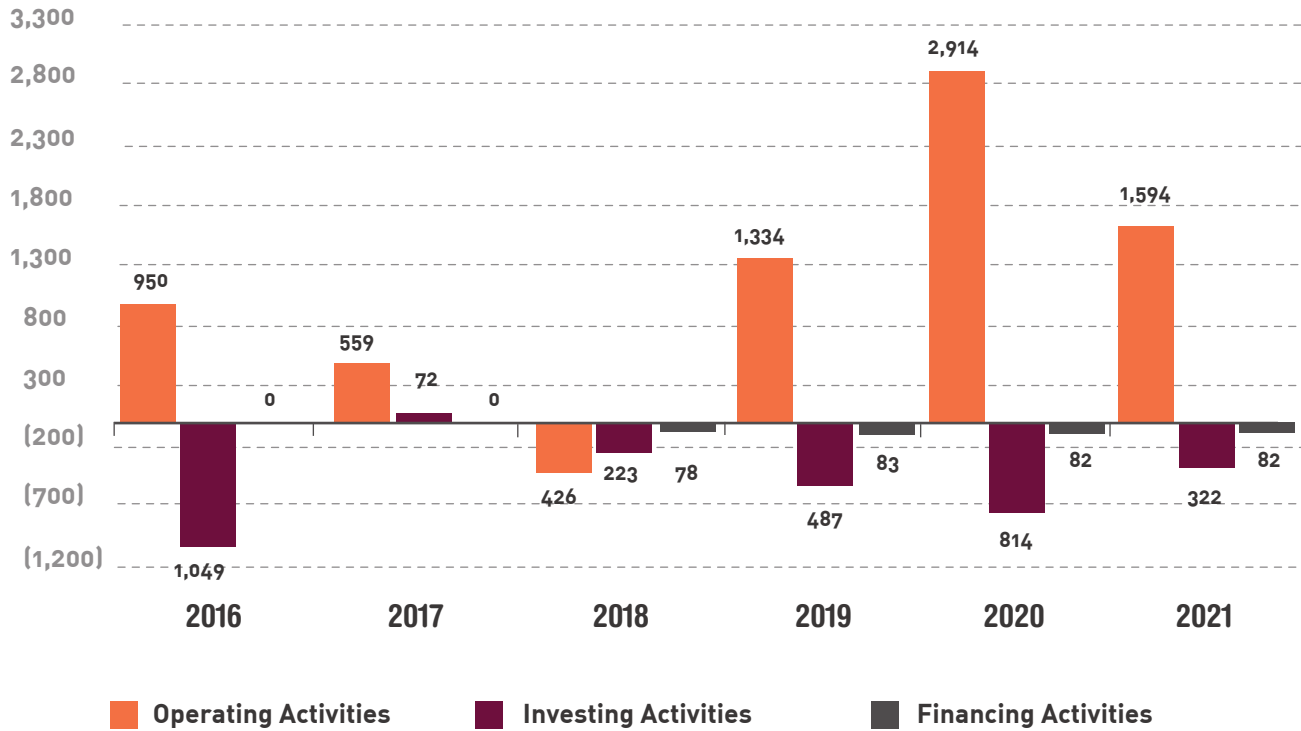
Activity / Turnover Ratios	Valuation	2021	2020	2019	2018	2017	2016
Inventory turnover ratio	Times	5.0	5.0	4.4	6.8	7.5	7.0
No. of Days in Inventory	Days	74	73	83	55	49	53
Debtor turnover ratio	Times	27.3	25.8	20.1	29.0	28.3	17.0
No. of Days in Receivables	Days	14	15	19	13	13	22
Creditor turnover ratio	Times	19.5	20.0	15.4	17.1	14.3	14.4
No. of Days in Creditors	Days	19	19	24	22	26	26
Total Assets turnover ratio	Times	1.74	1.81	1.82	1.87	2.1	1.9
Fixed Assets turnover ratio	Times	6.5	5.7	5.60	5.61	66.5	40.8
Operating Cycle	Days	69	69	78	46	36	49

Methods and assumptions used in compiling the indicators.

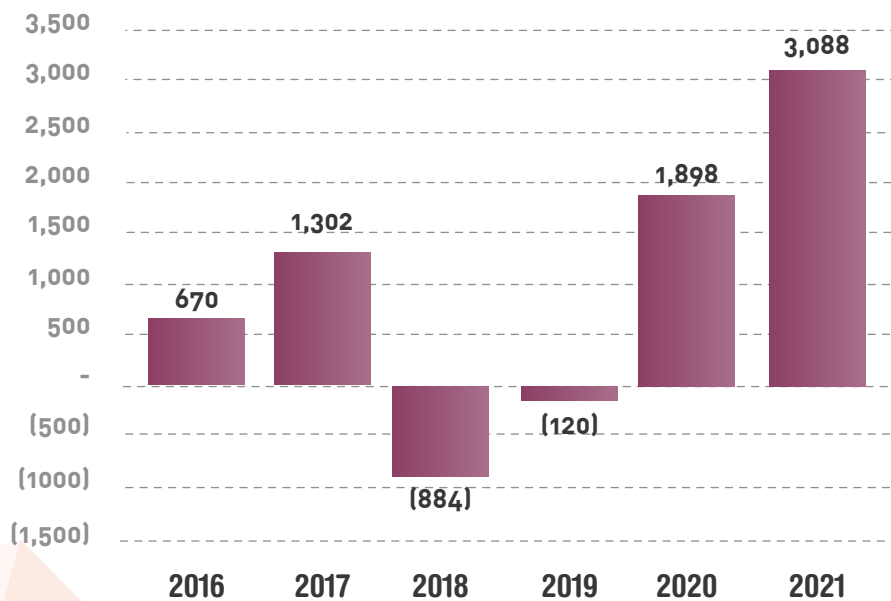
Financial indicators are computed using formulae which are widely used in the industry and are relevant to different stakeholders such as shareholders, bankers and regulators. The data used is generated through our internal management information systems, together with audited financial statements.

Graphical Presentation

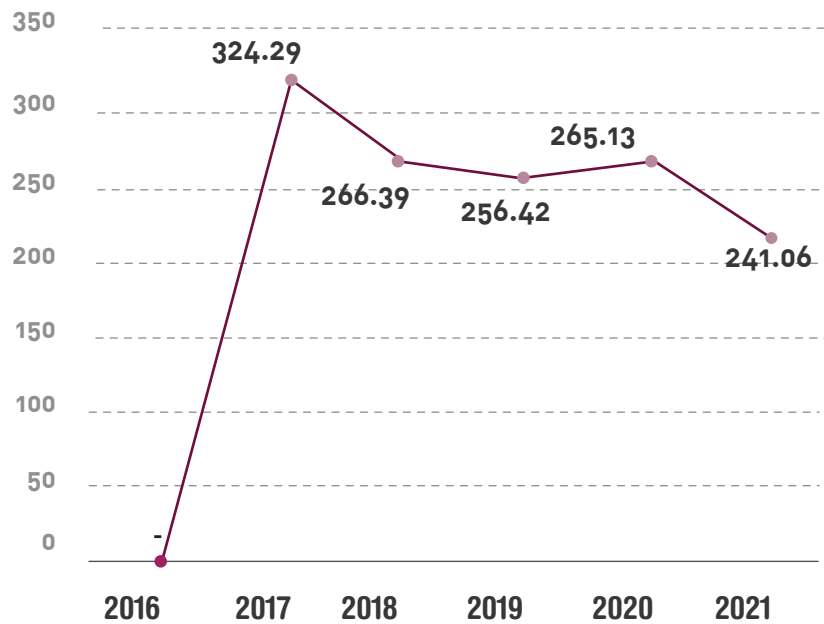
Statement of cash flows - Rs. in millions



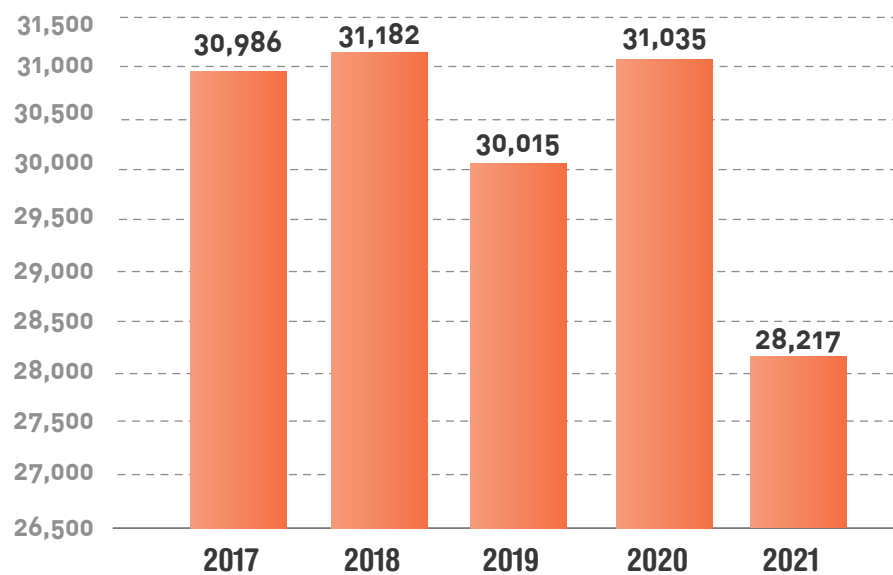
Cash & Cash equivalents (year end) - Rs. in millions



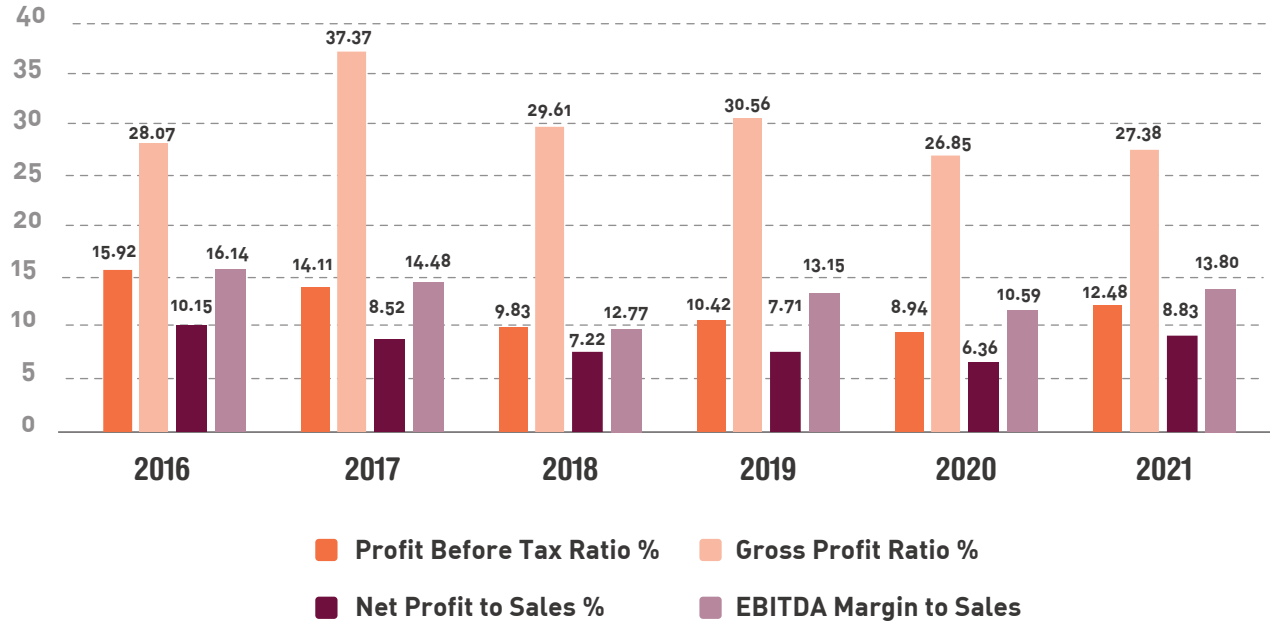
Market value per share (year end) - Rs



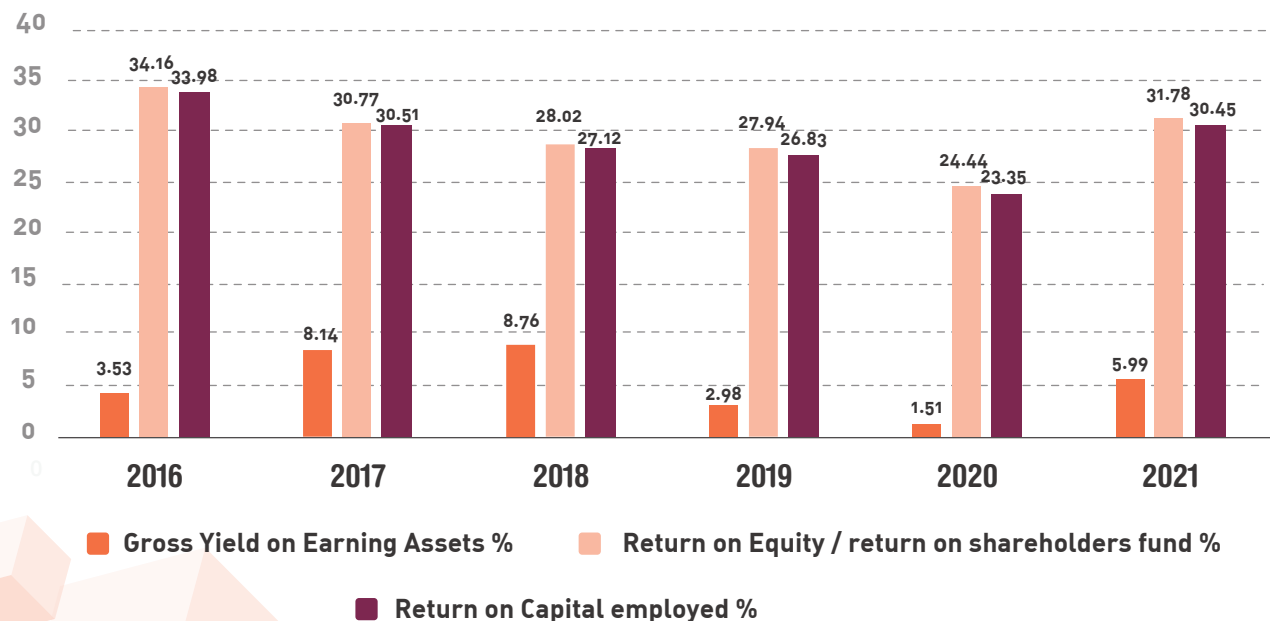
Market capitalization - Rs.in million



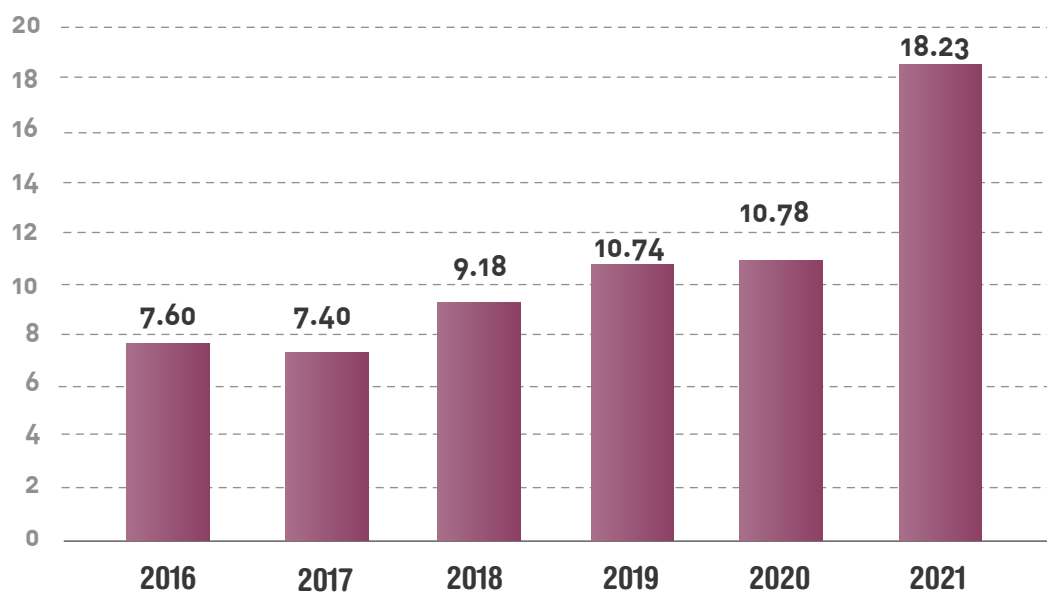
Profitability Ratios (%) - A



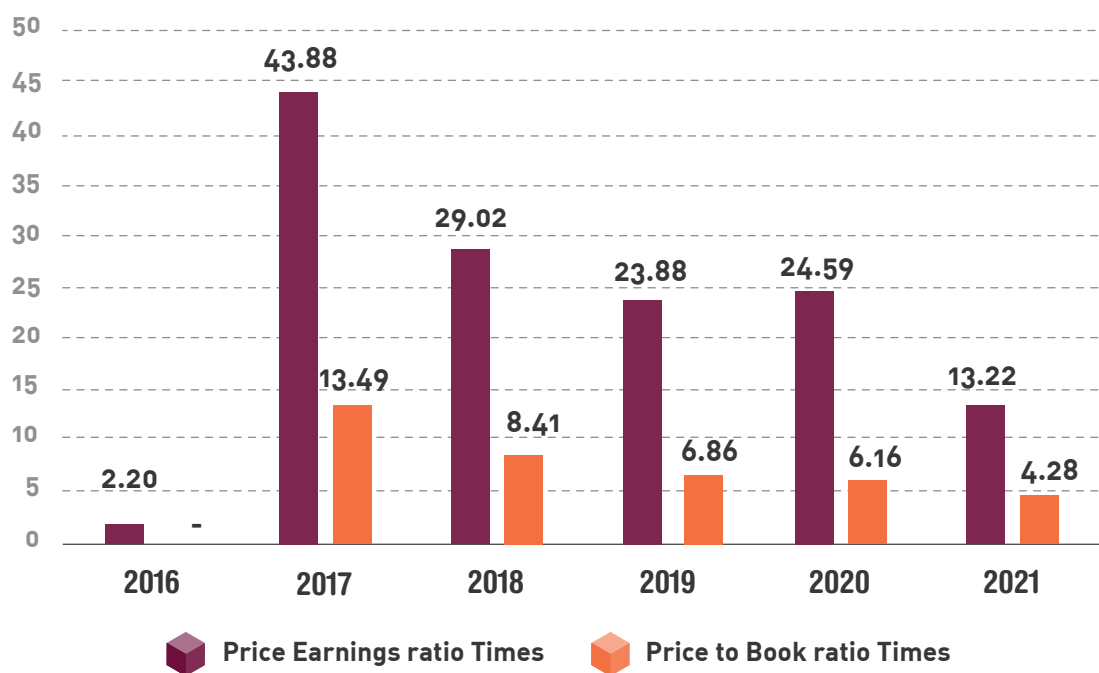
Profitability Ratios (%) - B



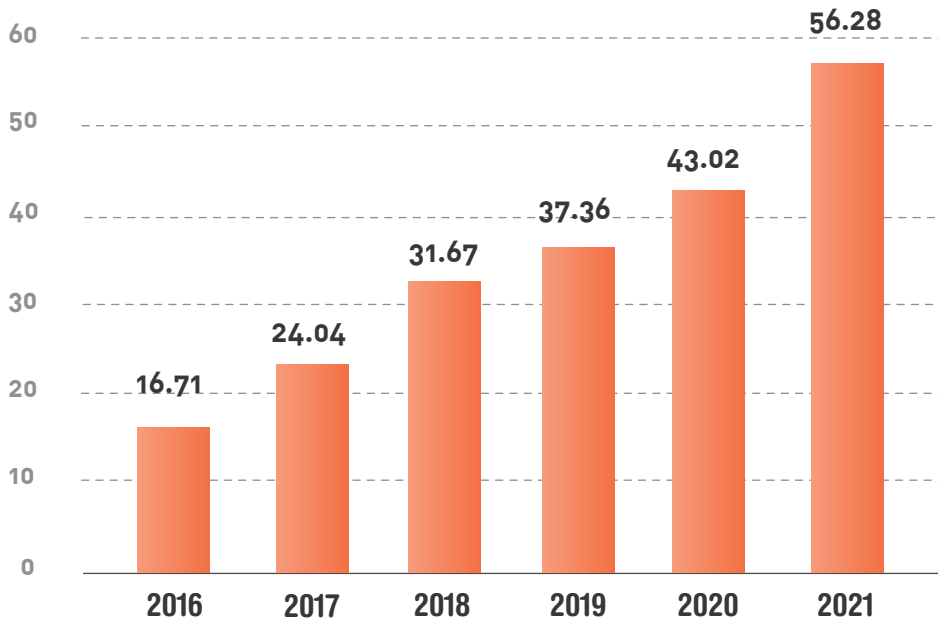
Earnings per share - Rupees



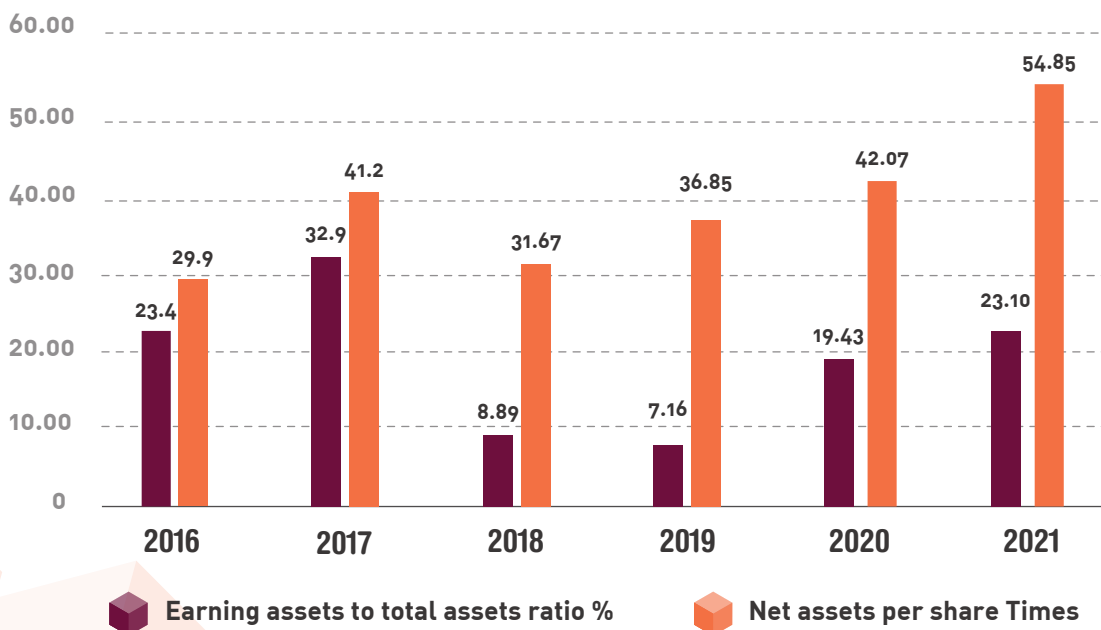
Market Ratios - Rupees



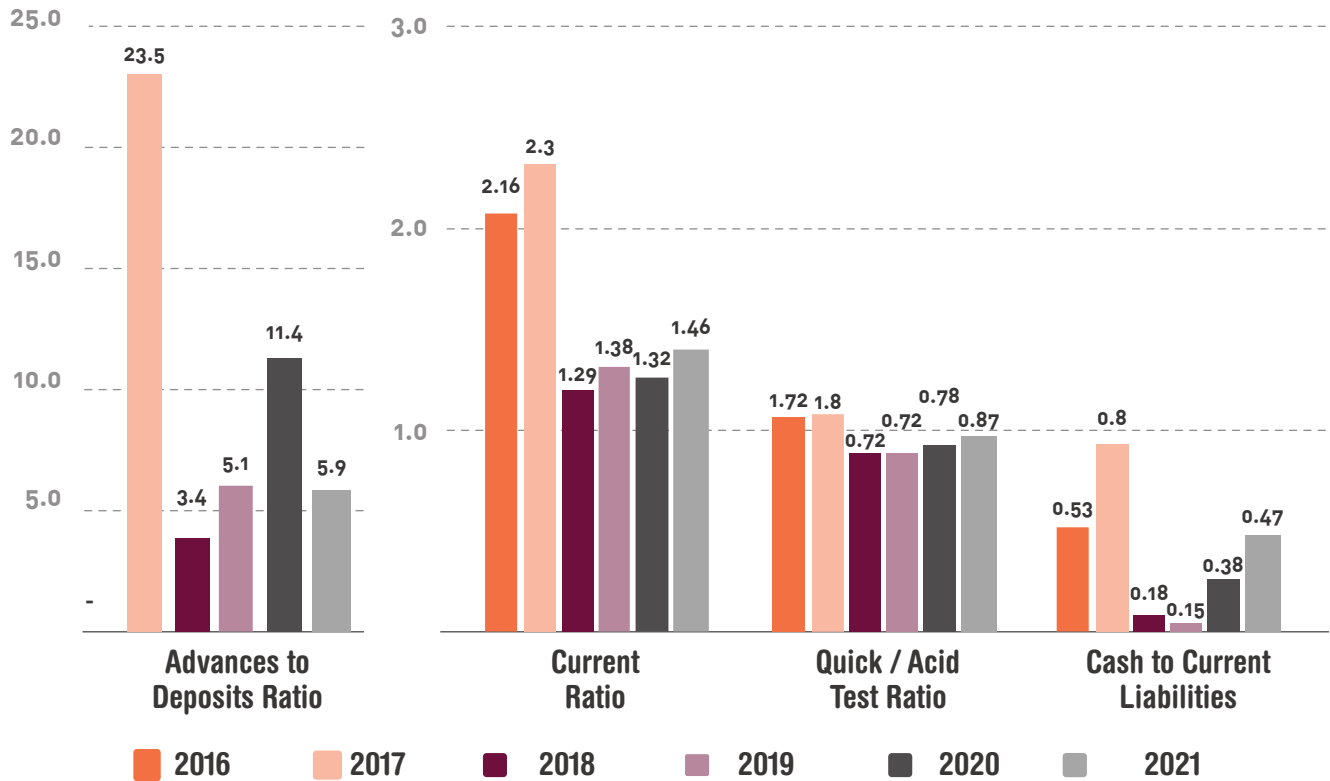
Break-up Value per share - (No Revaluation or Investment Impact) - Rupees



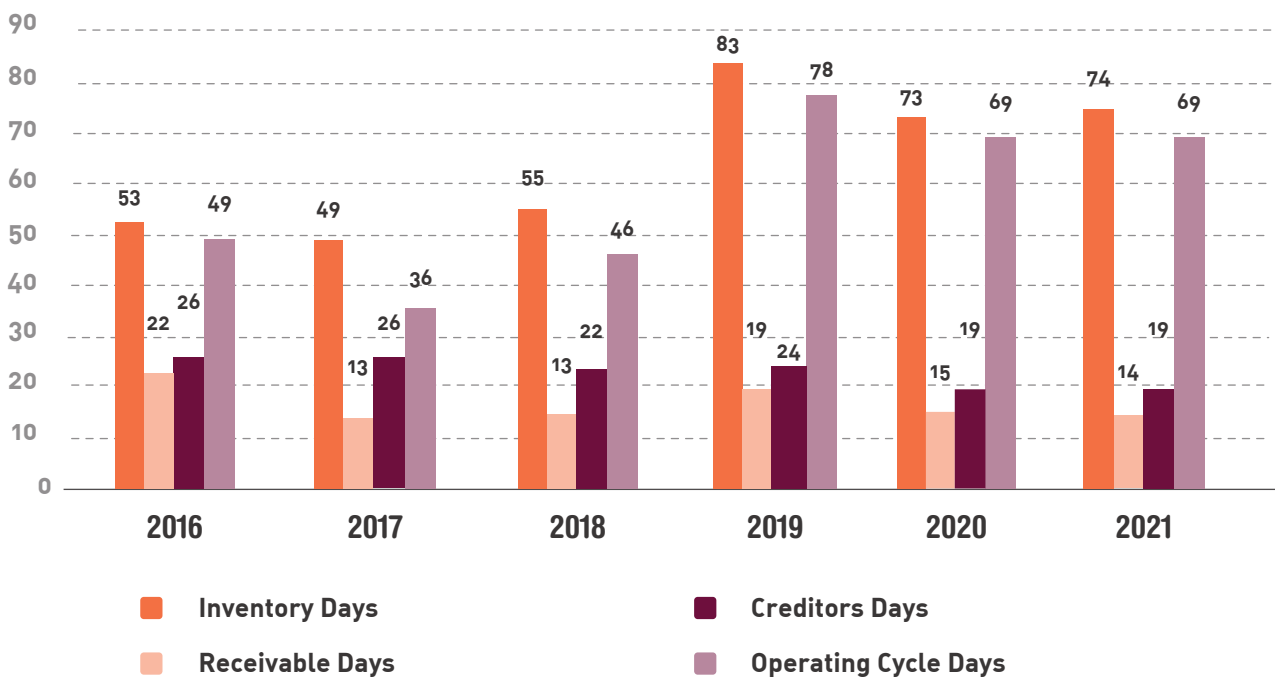
Capital Structure Ratios



Liquidity Ratios - Times



Activity Ratios - Days



Comments on Financial Ratios

PROFITABILITY RATIOS

Profitability ratios of the Company have improved significantly versus last year, mainly on account of higher sales and change in portfolio mix.

Profit after Tax increased by 69% compared to prior year.

Gross profit margin improved to 27.4% versus 26.8% last year. Net profit margin reached all time high to 8.83% (2021 to 2017) versus 6.36% during 2020 which is in line with the reasons mentioned above.

LIQUIDITY RATIOS

Cash inflows from operating activities has declined versus last year primarily on account of increase in investment in working capital.

The Company remains sufficiently liquid and has Rs. 3,088 million of cash and cash equivalents as at 31 December 2021 to meet its investment and operational cash requirements.

Quick / acid test ratio (2021: 0.87, 2019: 0.78), current ratio (2021: 1.46, 2020: 1.32) and cash to current liabilities (2021: 0.47, 2020: 0.38) improved versus last year mainly on account of higher sales and cash generation.

ACTIVITY / TURNOVER RATIOS

Operating cycle is maintained at 69 days in 2021 as compared to same period last year.

Total assets turnover ratio (average assets) decreased to 1.74 in 2021 from 1.81 in 2020 mainly due to increase in current assets during the year.

Fixed assets turnover ratio (average assets)

increased to 6.50 in 2021 from 5.70 in 2020 mainly due to significant increase in sales during the year.

INVESTMENT / MARKET RATIOS

Earnings per share jumped to Rs. 18.23 in 2021 from Rs. 10.78 in 2020 as a result of increase in profit after tax by 69% as mentioned above.

Price Earnings ratio has dropped to 13.22 in 2021 from 24.59 in 2020, mainly due to decrease in price per share and increase in earnings per share.

Dividend yield ratio is 0% in current year due to non-declaration of dividend.

Dividend pay-out ratio is 0% in current year due to non-declaration of dividend.

Break-up value per share has increased to Rs. 56.28 in 2021 from Rs. 43.02 in 2020 due to increase in total equity by Rs. 1,551 million as compared to prior year on account of increase in profitability.

Market capitalisation has reduced to Rs. 28,217 million in 2021 from Rs. 31,035 million in 2020 due to decrease in market price per share to Rs. 241.06 in 2021 from Rs. 265.13 in 2020.

CAPITAL STRUCTURE ADEQUACY ANALYSIS

Total equity increased by 30% to Rs. 6,715 million comprising of share capital amounting to Rs. 1,170.55 million which consists of issued share capital of 117,054,508 shares of Rs. 10.00 each. GlaxoSmithKline Consumer Healthcare B.V. and its nominees is the major shareholder of the Company, having 100,423,259 shares being 85.79% of total paid-up capital.

Comments on Financial Statements

STATEMENT OF PROFIT OR LOSS

SALES

Looking at the overall market conditions, the Company managed to achieve 22% growth as compared to last year, which was supported by the increase in OTC and FMCG portfolio by 20% and 31% (excluding divestments) respectively. This progress was marginally offset by decrease in Exports.

COST OF SALES

Cost of sales of the Company increased primarily on account of closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol) causing the prices to go up. Rest of the increase is attributed to inflation and currency devaluation.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the year increased by 8% which is mainly attributable to advertising, sales promotion and handling & freight expenditure.

ADMINISTRATIVE EXPENSES

The increase in administrative expenses of 12% is mainly driven by one off legal & professional charges and printing and stationery expenses amounting to Rs. 17 million and Rs. 4 million respectively.

OTHER CHARGES

Increase in other charges during the current year by 58% is primarily on account of increase in statutory charges (WPPF, WWF and CRF) which is in line with the increase in profitability of the Company.

STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

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

CURRENT ASSETS

The increase in current assets can be substantiated by the increase in Stock levels amounting to Rs. 1 billion due to build up of CaC1000 Plus inventories. Trade debts contributed Rs. 432 million due to higher sales of FMCG and tolling portfolio whereas other receivables from group companies increased by Rs. 67 million.

CURRENT LIABILITIES

Current liabilities are depicting an increase of 23.1% owing to the higher inventory purchase and advertisement & promotional expenses accrual amounting to Rs. 299 million and Rs. 360 million respectively.

EQUITY

Equity increased from prior year primarily due to increase in profitability.

STATEMENT OF CASH FLOWS ANALYSIS

CASH FLOWS FROM OPERATING ACTIVITIES

Company's cash flows decreased significantly versus last year mainly on account of increase in investment in working capital: In order to prepare for the upcoming season of CaC1000 Plus, the Company build the inventory amounting to Rs. 1.2 billion, whereas, increase in FMCG and tolling sales have caused the trade debts to increase by Rs. 432 million. Furthermore, capacity utilisation claim recorded at year end caused the other receivables to go up by Rs. 151 million. Moreover, zero interest payments due to improvement in liquidity position benefitted the Company in terms of investing in core business activities.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities have decreased from prior year primarily due to decrease in capital expenditure.

CASH FLOWS FROM FINANCING ACTIVITIES

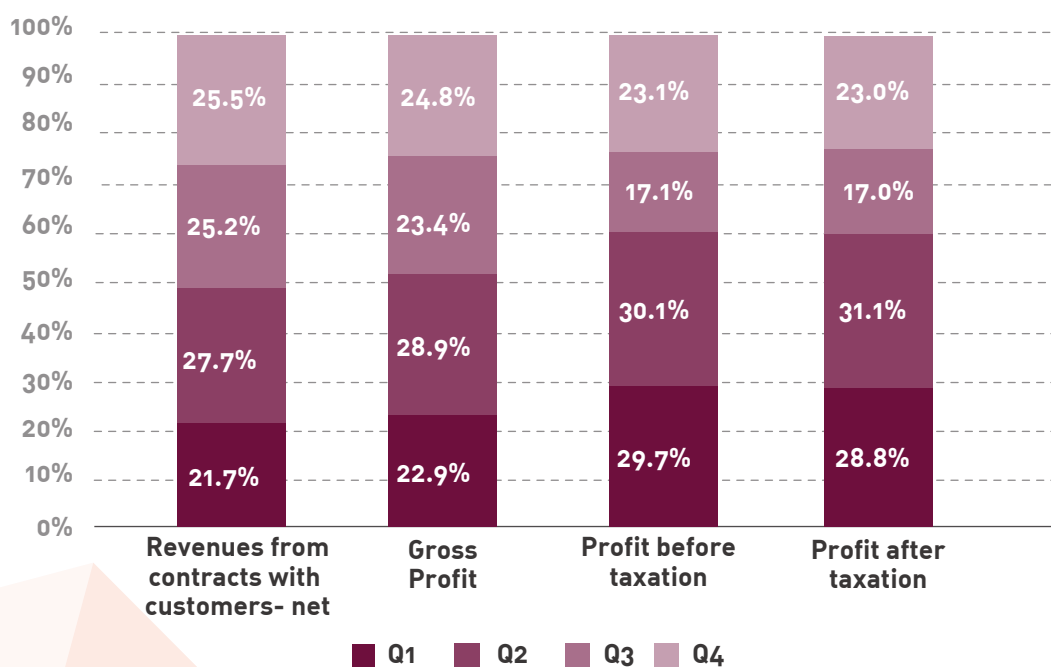
Net cash outflow from financing activities remained constant as compared to same period last year.

Quarterly Analysis

For the year ended December 31, 2021

	Q1	Q2	Q3	Q4	Total
Revenue from contracts with customers - net	5,234,828	6,688,013	6,079,605	6,160,704	24,163,150
Cost of sales	(3,718,057)	(4,773,925)	(4,532,973)	(4,523,120)	(17,548,075)
Gross profit	1,516,771	1,914,088	1,546,632	1,637,584	6,615,075
Selling, marketing and distribution expenses	(611,846)	(916,040)	(922,170)	(903,584)	(3,353,640)
Administrative expenses	(61,037)	(75,520)	(85,680)	(102,847)	(325,084)
Other operating expenses	(77,925)	(78,861)	(47,613)	(40,118)	(244,517)
Other income	136,684	65,268	40,866	98,585	341,403
Operating profit	902,647	908,935	532,035	689,620	3,033,237
Financial charges	(6,507)	(2,029)	(15,322)	6,725	(17,133)
Profit before taxation	896,140	906,906	516,713	696,345	3,016,104
Taxation - net	(281,131)	(243,188)	(152,819)	(204,632)	(881,770)
Profit after taxation	615,009	663,718	363,894	491,713	2,134,334

Quarterly Analysis



Comments on Quarterly analysis

Since the Company is well poised to grow its market share and deliver sustainable growth both in terms of revenue and profitability. In an environment where preventive care has become an essential part of daily lives and consumers being more aware of their every-day health needs, with our best in class OTC and Oral Healthcare brands we believe that we are serving our consumers **better everyday health with humanity**. This is evident from the fact that company achieved record growth in FY 2021 which is 22% in terms of sales.

In terms of quarters, Sales during the second quarter represented 28% (highest) of total revenue, whereas profit during the same period was 31% of total profit after tax mainly due to effect of seasonality and rise in COVID-19 cases. Sales during the first quarter was only 22% (lowest) of total revenue due to challenging economic and regulatory environment.

Whereas, in Q3 & Q4, we invested heavily on our brands which is evident from the increase in selling, marketing and distribution expenses. This helped us in maintaining the growth trajectory and delivering the remarkable performance.

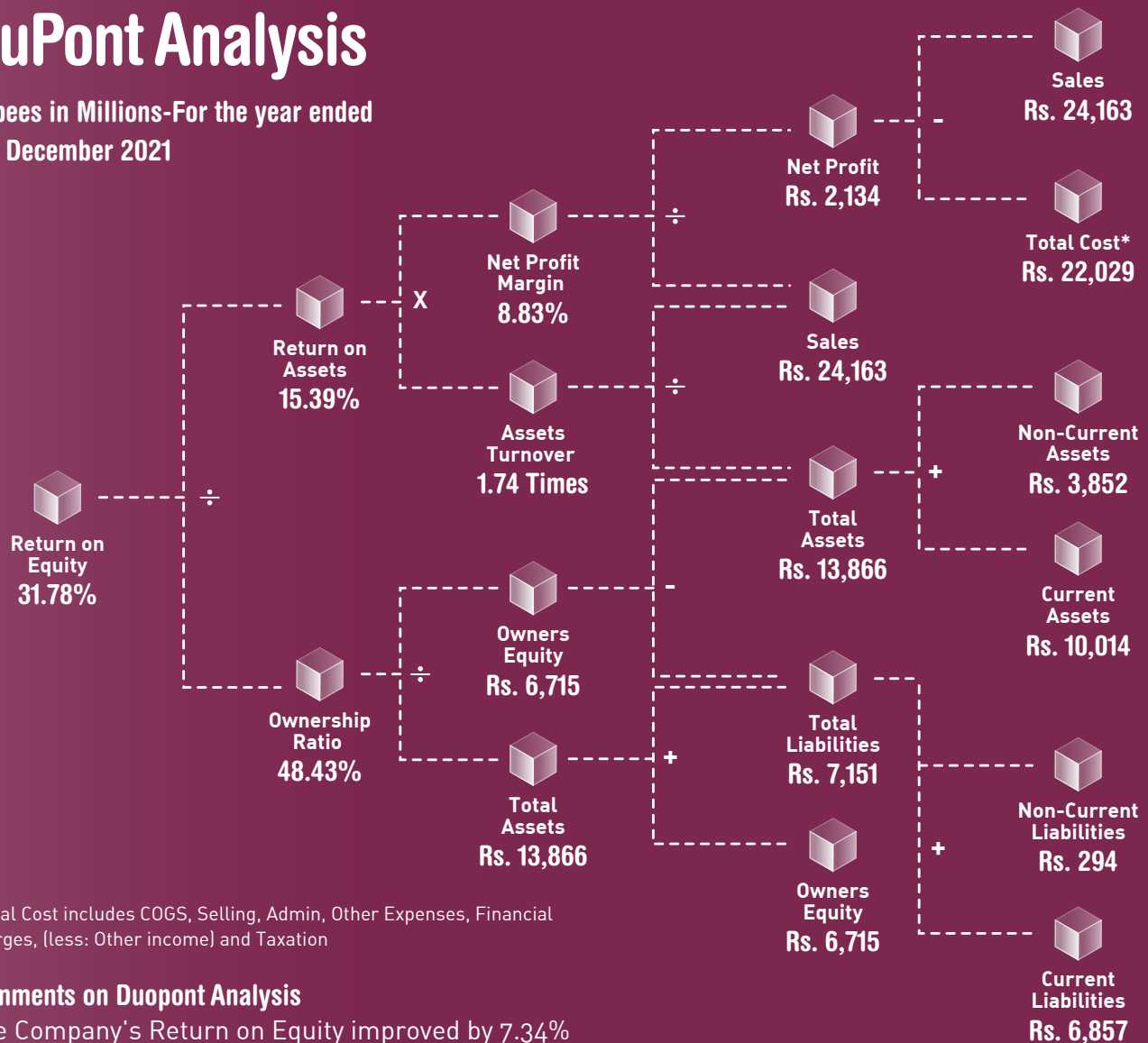
Analysis of Variation in Interim Results and Final Accounts

The revenue reported in H1 - 2021 was slightly low as compared to revenue reported in H2-2021. In H1-2021, the core business (excluding toll and exports) grew by 27% vs SPLY (June Vs June). The performance was mainly driven by increase in demand and underlying consumption trend. Our best in class Supply Chain and in market execution teams ensured that we were able to meet the consumer needs across all categories. The core business witnessed healthy performance in both OTC and Fast-Moving Consumer Goods (FMCG) portfolios. In terms of categories; Oral Healthcare registered a growth of 46%, while Nutrition & Digestive Health and Pain category registered a growth of 27% and 18% respectively as compared to the corresponding period last year. Similarly, our toll manufacturing business witnessed a growth of 38% in revenue.

Whereas in full year, the Over the Counter (OTC) portfolio; Respiratory, Pain Management and Nutrition & Digestive Health categories registered a growth of 63%, 21% and 17% respectively; whereas Oral Healthcare registered a growth of 31% over the corresponding period. Similarly, our toll manufacturing business of Rs 3 billion and the export business of Rs 151 million continued to contribute towards our revenue.

DuPont Analysis

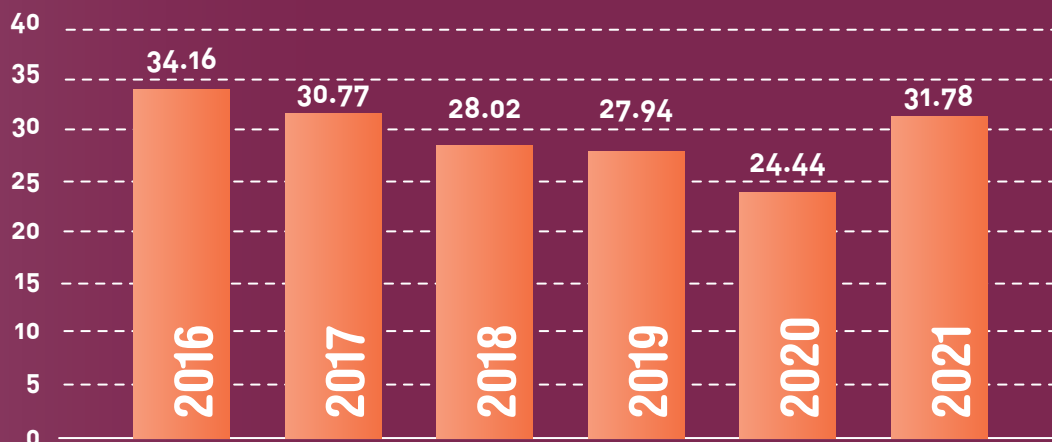
Rupees in Millions-For the year ended
31st December 2021



Comments on Duopont Analysis

The Company's Return on Equity improved by 7.34% majorly due to higher sales and profits.

Return on Equity / Return on Shareholders Fund (%)



Free Cash Flows

For the year ended December 31, 2021

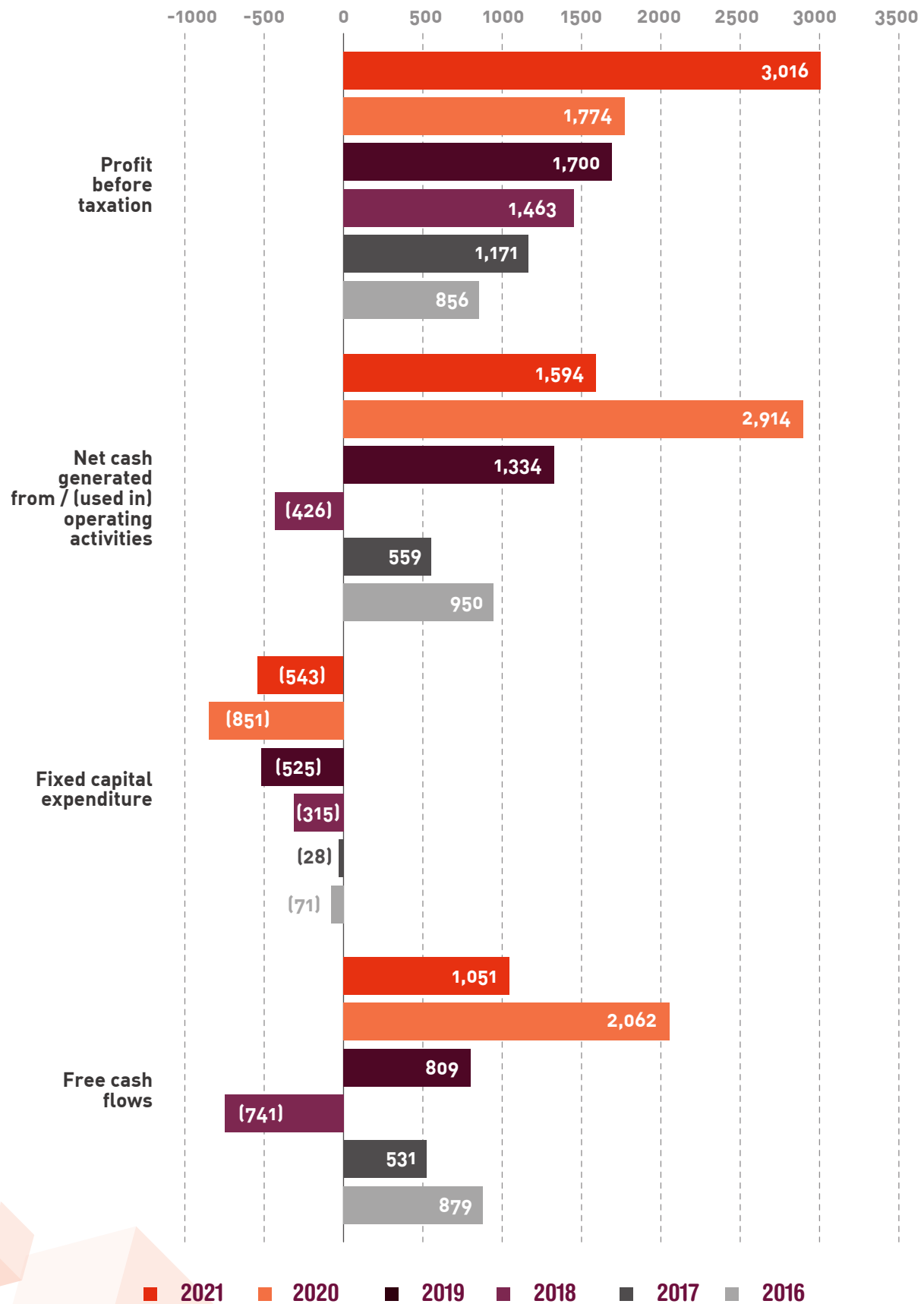
December 31'

	2021	2020	2019	2018	2017	2016
	Rupees in '000					
Profit before taxation	3,016,104	1,774,292	1,699,778	1,462,692	1,170,839	856,064
Adjustment for non-cash items:						
Depreciation and amortization	301,237	268,412	231,401	210,635	22,965	10,148
Operating assets written off	-	-	-	-	1,642	-
Interest expense	2,101	37,067	123,894	143,996	-	-
Gain on disposal of operating assets	(707)	(1,526)	(7,907)	(2,414)	(2,511)	(279)
Interest income	(191,947)	(32,091)	(19,147)	(61,985)	(105,970)	(23,671)
Provision for slow moving, obsolete and damaged stock and stock written-off	172,854	197,658	130,631	114,025	4,340	(2,112)
Allowance for impairment of trade debts	-	3,706	23,929	23	158	152
Provision for impairment of fixed assets	-	-	22,500	-	-	-
Provision for staff retirement benefits	90,619	77,061	67,944	57,046	9,107	5,202
	374,157	550,287	573,245	461,326	(70,269)	(10,560)
Working capital changes	(879,914)	1,334,414	(165,330)	(1,411,637)	(264,856)	430,983
Staff retirement benefits paid	(78,328)	(60,898)	(61,189)	(52,738)	(7,492)	(5,020)
Mark-up paid	(4,711)	(59,863)	(140,971)	(139,780)	-	-
Income taxes paid	(832,340)	(624,481)	(565,409)	(743,789)	(268,656)	(321,666)
Decrease in long-term loans to employees	1,591	1,334	(3,233)	(1,841)	(216)	56
Increase in long-term deposits	(2,360)	(1,574)	(3,106)	-	-	-
	(1,796,062)	588,932	(939,238)	(2,349,785)	(541,220)	104,353
Net cash generated from / (used in) operating activities	1,594,199	2,913,511	1,333,785	(425,767)	559,350	949,857
Fixed capital expenditure	(543,264)	(851,268)	(524,793)	(314,786)	(28,388)	(71,004)
Free cash flows	1,050,935	2,062,243	808,992	(740,553)	530,962	878,853

Comments on Free Cash Flows

Company's free cash flows decreased significantly versus last year mainly on account of increase in investment in working capital: In order to prepare for the upcoming season of CaC1000 Plus, the Company build the inventory amounting to Rs. 1.2 billion, whereas, increase in FMCG and tolling sales have caused the trade debts to increase by Rs. 432 million. Furthermore, capacity utilisation claim recorded at year end caused the other receivables to go up by Rs. 151 million. Moreover, zero interest payments due to improvement in liquidity position benefitted the Company in terms of investing in core business activities.

Free Cash Flows



Direct CashFlow

FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	23,730,142	20,194,744
Cash paid to suppliers / service providers	(19,769,803)	(15,042,920)
Cash paid to employees	(1,431,325)	(1,348,965)
Payment of indirect taxes and other statutory duties	(19,436)	(144,107)
Staff retirement benefits paid	(78,328)	(60,898)
Mark-up paid	(4,711)	(59,863)
Income taxes paid	(832,340)	(624,481)

Net cash generated from operating activities

1,594,199

2,913,510

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditures	(543,264)	(851,268)
Proceeds from disposal of operating assets	29,581	5,961
Interest received	191,361	31,629

Net cash used in investing activities

(322,322)

(813,678)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(79,406)	(79,951)
Lease rental paid	(2,460)	(1,768)

Net cash used in financing activities

(81,866)

(81,719)

Net increase in cash and cash equivalents

1,190,011

2,018,113

Cash and cash equivalents at the beginning of the year

1,897,774

(120,339)

Cash and cash equivalents at the end of the year

3,087,785

1,897,774

2021

2020

Rupees in '000

Horizontal Analysis (%)

Statement of Financial Position Analysis	2021	2020	2019	2018*	2017	2016
Share Capital and Reserves	30.0	14.7	17.4	67.0	43.9	100.0
Non Current Liabilities	22.8	28.5	46.6	552.0	128.5	100.0
Current Liabilities	23.1	29.7	7.6	143.8	30.3	100.0
Total Equity and Liabilities	26.4	22.2	12.9	101.2	38.2	100.0
Non Current Assets	5.9	18.9	9.7	1,983.7	(10.6)	100.0
Current Assets	36.5	23.9	14.7	35.2	40.9	100.0
Total Assets	26.4	22.2	12.9	101.2	38.2	100.0

Statement of Profit or Loss Analysis	2021	2020	2019	2018*	2017	2016
Net sales	21.8	21.6	9.7	79.3	54.4	100.0
Cost of sales	20.9	28.1	8.2	101.5	34.4	100.0
Gross profit	24.2	6.9	13.2	42.0	105.6	100.0
Selling, marketing and distribution expenses	8.2	13.1	12.2	34.0	85.1	100.0
Administrative expenses	12.2	2.3	(1.9)	49.7	46.2	100.0
Other operating expenses	58.5	8.2	12.1	43.8	35.8	100.0
Other operating income	627.6	(34.5)	(49.3)	(22.0)	(65.8)	100.0
Operating profit	65.5	(3.2)	12.1	43.2	37.5	100.0
Financial charges	(70.5)	(69.8)	(14.8)	2,676.1	423.2	100.0
Profit before taxation	70.0	4.4	16.2	24.9	36.8	100.0
Taxation	72.1	15.8	13.9	(16.4)	49.4	100.0
Profit after taxation	69.1	0.4	17.0	52.0	29.6	100.0

*The Horizontal analysis for 2018 numbers includes the entire business of GSK OTC (Private) Limited as it stood merged with and into GSK Consumer Pakistan Healthcare Limited with effect from January 1, 2018.

Comments on Horizontal Analysis - Statement of Financial Position

Shareholders' Equity	Non-Current Liabilities	Current Liabilities	Non-Current Assets	Current Assets
Share capital and Reserves increased by 30% as compared to 14.7% last year. The increase is mainly attributable to higher sales which has resulted in an increase in profit after tax and other comprehensive income.	Non-current liabilities have increased by 22.8%. The increase is mainly driven by deferred tax liability booked on accelerated tax depreciation and amortization amounting to Rs. 51 million.	Current liabilities are depicting an increase of 23.1% owing to the higher inventory purchase and advertisement and promotional expenses accrual amounting to Rs. 299 million and Rs. 360 million respectively.	There is a dip in non-current assets percentage as compared to same period last year. This can be attributed to the significant capital expenditure being done in FY 2020 owing to the Panadol insourcing arrangement. For the current year, no such capex was planned and only the capitalisation of the same was done.	The increase in current assets can be substantiated by the increase in Stock levels amounting to Rs. 1 billion due to build up of CaC1000 Plus inventories. Trade debts contributed Rs. 432 million due to higher sales of FMCG and tolling portfolio whereas other receivables from group companies increased by Rs. 67 million.

Comments on Horizontal Analysis - Statement of Profit or loss

Sales	Cost of Sales	Selling, marketing and distribution expenses	Administrative expenses
Looking at the overall market conditions, the Company managed to achieve 22% growth as compared to last year which was supported by the increase in OTC and FMCG portfolio sales by 20% and 31% (excluding divestments) respectively.	Cost of sales of the Company increased primarily on account of closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol) causing the prices to go up. Rest of the increase is attributed to inflation and currency devaluation.	Selling, marketing and distribution expenses during the year increased by 8% which is mainly attributable to advertising, sales promotion and handling & freight expenditure depicting the growth of 4%.	The increase in administrative expenses of 12% is mainly driven by one off legal & professional charges and printing and stationery expenses amounting to Rs. 17 million and Rs. 4 million respectively.

Other operating expenses	Other income	Financial Charges	Taxation
Increase in other expenses during the current year by 58% is primarily on account of increase in statutory charges (WPPF, WWF and CRF) which is in line with the increase in profitability of the Company.	Increase in other income of Rs. 294 million is mainly on account of better cashflow management and recovery of expenses from the group entities amounting to Rs. 160 million and Rs. 107 million respectively.	The decrease of Rs. 40 million is mainly on account of zero interest charge on running finance facility.	Increase in tax expense during the current year by 72% is primarily on account of increase in profitability of the Company.

Vertical Analysis (%)

Statement of Financial Position Analysis	2021	2020	2019	2018*	2017	2016
Share Capital and Reserves	48.4	47.1	50.1	48.2	58.1	55.8
Non Current Liabilities	2.1	2.2	2.1	1.6	0.5	0.3
Current Liabilities	49.4	50.8	47.8	50.2	41.4	43.9
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
Non Current Assets	27.8	33.2	34.1	35.1	3.4	5.2
Current Assets	72.2	66.8	65.9	64.9	96.6	94.8
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0

Profit and Loss Analysis	2021	2020	2019	2018*	2017	2016
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(72.6)	(73.2)	(69.4)	(70.4)	(62.6)	(71.9)
Gross profit	27.4	26.8	30.6	29.6	37.4	28.1
Selling, marketing and distribution expenses	(13.9)	(15.6)	(16.8)	(16.4)	(22.0)	(18.3)
Administrative expenses	(1.3)	(1.5)	(1.7)	(1.9)	(2.3)	(2.5)
Other operating expenses	(1.0)	(0.8)	(0.9)	(0.9)	(1.1)	(1.2)
Other operating income	1.4	0.2	0.4	1.0	2.2	9.9
Operating profit	12.6	9.2	11.6	11.4	14.2	16.0
Financial charges	(0.1)	(0.3)	(1.2)	(1.5)	(0.1)	(0.0)
Profit before taxation	12.5	8.9	10.4	9.8	14.1	15.9
Taxation	(3.6)	(2.6)	(2.7)	(2.6)	(5.6)	(5.8)
Profit after taxation	8.8	6.4	7.7	7.2	8.5	10.1

*The Vertical analysis for 2018 numbers includes the entire business of GSK OTC (Private) Limited as it stood merged with and into GSK Consumer Pakistan Healthcare Limited with effect from January 1, 2018.

Comments on Vertical Analysis - Statement of Financial Position

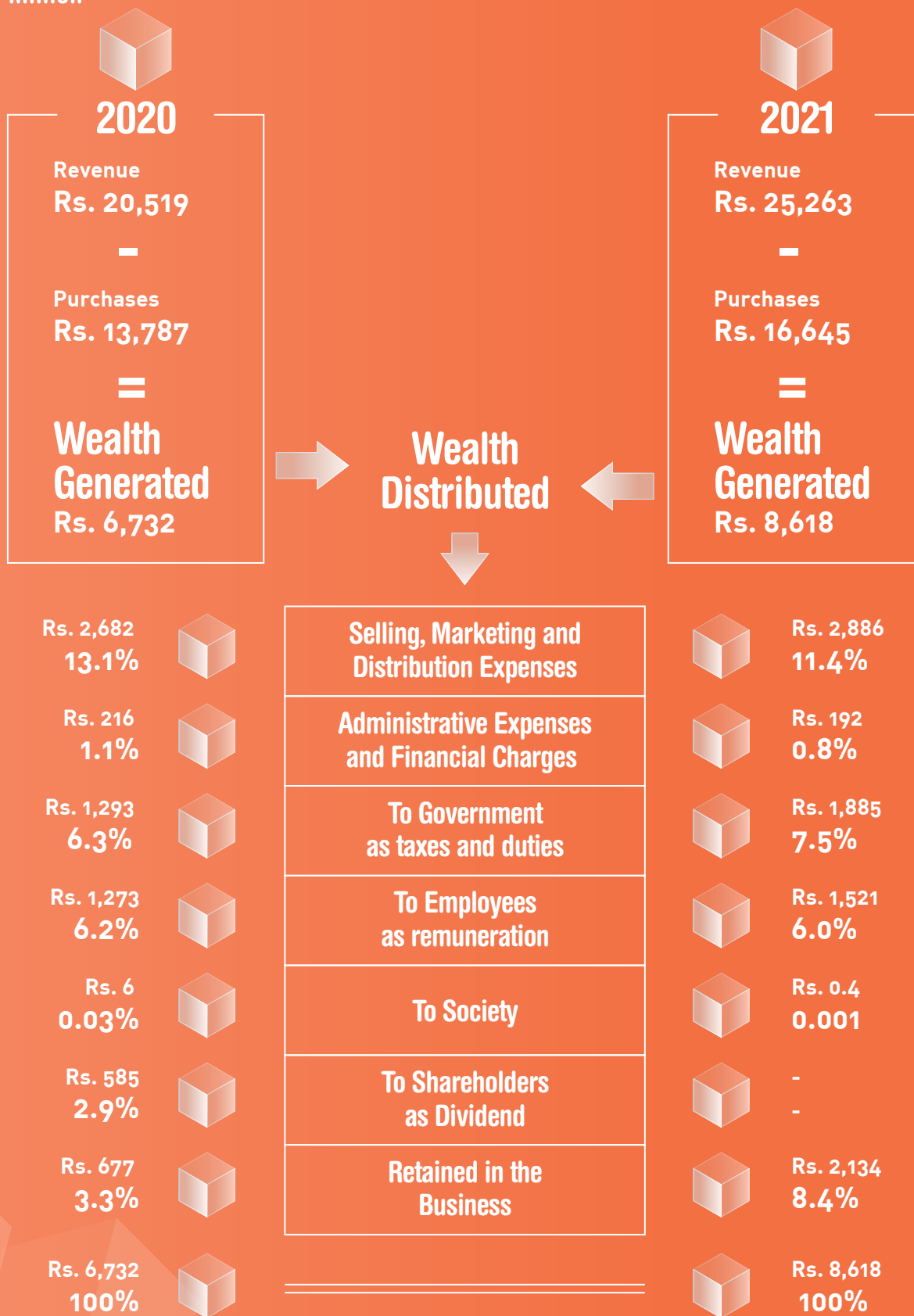
Shareholders' Equity	Non-Current Liabilities	Current Liabilities	Non-Current Assets	Current Assets
Share capital and Reserves as a percentage of equity have increased from 47.1% in 2020 to 48.4% at the close of 2021 owing to higher profits generated i.e. 71% increase in profit after tax and other comprehensive income.	Non-current liabilities have decreased by 0.1% as a percentage of equity, however, in real terms, the staff retirement benefit and deferred tax increased by Rs. 9.2 million and Rs. 45 million respectively. This is mainly due to change in assumptions and rates while calculating the relevant P&L impact for these liabilities.	There is a decline in current liabilities as a percentage of equity by 1.3%. The Company has imposed strict controls on meeting the working capital requirements in order to ensure that sufficient cash reserves are available at all times.	There is a dip of 5.3% in non-current assets as a percentage of equity which can be attributed to the significant capital expenditure being done in FY 2020 owing to the Panadol insourcing arrangement. For the current year, no such capex was planned and only the capitalisation of the same was done.	The increase in current assets as percentage of equity by 5.3% can be substantiated by the increase in Stock levels amounting to Rs. 1 billion due to build up of CaC1000 Plus inventories. Trade debts contributed Rs. 432 million due to higher sales of FMCG and tolling portfolio whereas other receivables from group companies increased by Rs. 67 million.

Comments on Vertical Analysis - Statement of Profit or loss

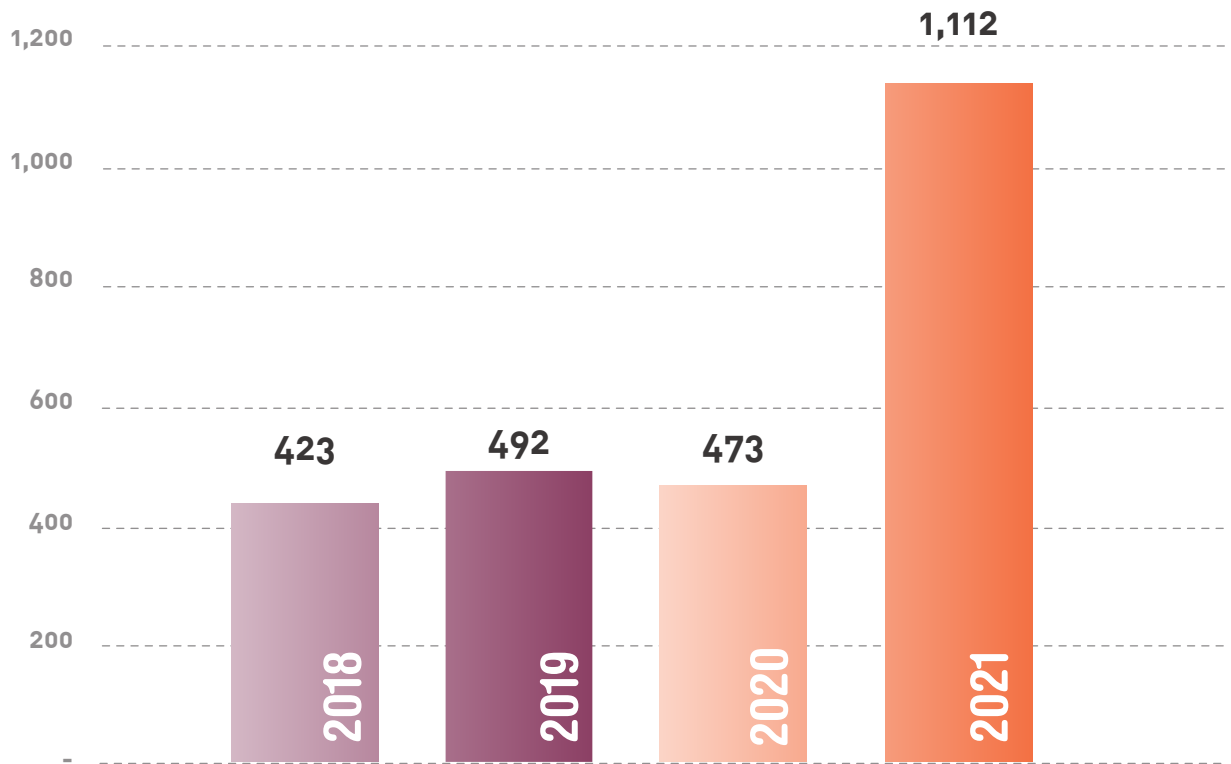
Gross profit	Taxation	Net profit
The turnover increased by 22% whereas gross profit ratio has improved by 0.5% only. A declining trend in gross profit margin is mainly due to closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol) causing the prices to go up.	The increase in tax percentage by 1% is mainly driven by increase in profits. The enlistment credit have been utilised and the effective tax percentage is maintained at 29% as compared to SPLY which is the applicable tax rate for Companies.	While delivering growth on our key brands with continued focus on sustainable gross margins, we have also been able to exercise due control on our cost levers. Total expenses to net sales ratio has improved from 18% to 16% as compared to same period last year (SPLY). Further, the other income of the Company increased by Rs. 294 million vs SPLY mainly on account of better cashflow management and recovery of expenses from the group entities. This has resulted in an increase in net profit percentage by 2.47%.

Statement of Value Added

Rs. In million



Economic Value Added
Rs. in million



Independent Auditor's Review Report

To the members of GlaxoSmithKline Consumer Healthcare 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 Consumer Healthcare Pakistan Limited** (the Company) for the year ended December 31, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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



Chartered Accountants

Place: Karachi

Date: February 21, 2022

UDIN: CR202110091efqkH0wlp

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

GlaxoSmithKline Consumer Healthcare Pakistan Limited
Year ended 31 December 2021

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('Regulations') in the following manner:

1. The total number of Directors are 7 with following diversity:

- a. Male Five (5)
- b. Female Two (2)

2. The composition of the Board is as follows:

Category	Name
Independent Directors	<input type="checkbox"/> Syed Anwar Mahmood
	<input type="checkbox"/> Mr. M. Z. Moin Mohajir
	<input type="checkbox"/> Ms. Ayesha Aziz
Executive Directors	<input type="checkbox"/> Mr. Farhan Muhammad Haroon
	<input type="checkbox"/> Mr. Dilawar Meghani
Non-Executive Directors	<input type="checkbox"/> Mr. Oussama Abbas
	<input type="checkbox"/> Ms. Erum Shakir Rahim
Female Directors	<input type="checkbox"/> Ms. Erum Shakir Rahim
	<input type="checkbox"/> Ms. Ayesha Aziz

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

9. Majority of the Board members have attained training under Directors' Training Program in prior years and collectively meet the requirements of the Regulations.
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Chief Internal Auditor, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The 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. Syed Anwar Mahmood - Chairperson
- ii. Mr. M.Z. Moin Mohajir
- iii. Ms. Ayesha Aziz

b) Human Resource and Remuneration Committee

- i. Syed Anwar Mahmood - Chairperson
- ii. Mr. M.Z. Moin Mohajir
- iii. Ms. Ayesha Aziz

c) Integration Supply and Network Optimization Committee

- i. Mr. Oussama Abbas - Chairperson
- ii. Mr. Farhan Muhammad Haroon
- iii. Mr. Dilawar Meghani

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) Human Resource and Remuneration Committee | 4 th Quarter |
| c) Integration & SNO Committee | 1 st and 3 rd Quarter |

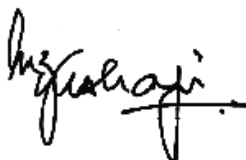
15. The Board has outsourced the internal audit function to Ernst & Young Ford Rhodes, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

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; and
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.
1.	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.	The Terms of Reference for Nomination Committee are covered by the Human Resource and Remuneration Committee, which timely apprises the Board with regard to any changes therefore a separate committee is not considered necessary.	29
2.	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Terms of Reference for Risk Committee are covered by the Board of Directors and the Risk Management Compliance Board* which meets quarterly to review the effectiveness of the Company's risk management procedures and timely apprises the Board with results, therefore a separate committee is not considered necessary.	30

*For Further Details Regarding the Risk Management Compliance Board, please refer to page 85 of the Annual Report.

Karachi
Date: 9 February 2022


Mr. M.Z. Moin Mohajir
Chairperson

Independent Auditor's Report

To the members of GlaxoSmithKline Consumer HealthCare Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
<p>1.</p>	<p>Valuation of inventories</p> <p>Refer to notes 3.4 and 7 to the financial statements relating to valuation of inventories.</p> <p>As at December 31, 2021, the Company held inventories of Rs. 3,916.05 million, which is 28% of total assets and against which provision for slow moving, obsolete and damaged stock of Rs. 148.09 million has been recorded.</p> <p>We focused on inventories as it is a significant portion of Company's total assets and it requires management judgement with respect to standard costs (including capitalisation of variances), determination of net realizable value and determination of obsolescence of stock.</p>	<p>In this respect, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - Obtained an understanding of procedures followed by the Company with respect to valuation of inventories; - Assessed appropriateness of the Company's accounting policies for valuation of inventories and compliance of those policies with the accounting and reporting standards as applicable in Pakistan; - On a sample basis, verified supporting documents for purchases of inventories and the production costs; - Obtained working of variances recorded by management and tested the amounts, which were incurred and retained to actualize the standard cost of inventories at year end; - Obtained an understanding and assessed reasonableness of management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; - Compared the NRV, on a sample basis, to the carrying value of inventories to assess whether any adjustments were required to carrying value of inventories in accordance with the policy; and <p>Tested provision recorded for obsolete inventory to ensure that whether it was as per the policy of the Company.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended December 31, 2021, but does not include the financial statements, our auditor's report thereon, and the 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.



Chartered Accountants

Place: Karachi

Date: February 21, 2022

UDIN: AR202110091pFAnM2otg

Statement of Financial Position

As at December 31, 2021

		2021	2020
ASSETS	Note	----- Rupees in '000 -----	
Non-current assets			
Property, plant and equipment	4	3,706,466	3,493,313
Intangible	5	127,674	127,674
Long-term loans to employees	6	7,669	9,260
Long-term deposits		10,430	8,070
		3,852,239	3,638,317
Current assets			
Stores and spares		121,594	61,956
Inventories	7	3,916,050	2,902,222
Trade debts	8	1,101,726	669,585
Loans and advances	9	412,863	491,187
Trade deposits and prepayments	10	69,596	42,947
Interest accrued		1,227	641
Refunds due from Government	11	39,015	32,391
Other receivables	12	485,056	333,739
Taxation - payments less provision		663,992	668,936
Investment at amortised cost	13	747,935	-
Bank balances	14	2,454,867	2,132,049
		10,013,921	7,335,653
Total assets		13,866,160	10,973,970
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	15	1,170,545	1,170,545
Reserves	16	5,544,627	3,993,383
		6,715,172	5,163,928
Liabilities			
Non-current liabilities			
Staff retirement benefits	17	97,244	88,028
Deferred taxation	18	197,102	151,724
		294,346	239,752
Current liabilities			
Trade and other payables	19	4,941,078	4,155,523
Accrued mark-up		-	2,769
Unpaid dividend	20	1,915,564	1,409,697
Current portion of lease liability		-	2,301
		6,856,642	5,570,290
Total liabilities		7,150,988	5,810,042
Total equity and liabilities		13,866,160	10,973,970
Contingencies and commitments	21		

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



Chief Financial Officer



Director



Chief Executive Officer

Statement of Profit or Loss and other Comprehensive Income

For the year ended December 31, 2021

		2021	2020
	Note	----- Rupees in '000 -----	
Revenue from contracts with customers - net	22	24,163,150	19,846,106
Cost of sales	23	(17,548,075)	(14,518,244)
Gross profit		6,615,075	5,327,862
Selling, marketing and distribution expenses	24	(3,353,640)	(3,098,439)
Administrative expenses	25	(325,084)	(289,759)
Other operating expenses	26	(244,517)	(154,287)
Other income	27	341,403	46,923
Operating profit		3,033,237	1,832,300
Financial charges	28	(17,133)	(58,008)
Profit before taxation		3,016,104	1,774,292
Taxation - net	29	(881,770)	(512,283)
Profit after taxation for the year		2,134,334	1,262,009
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to statement of profit or loss:			
Remeasurement of staff retirement benefits	17.1.8	3,075	(18,764)
Impact of taxation	18.1	(892)	5,352
		2,183	(13,412)
Total comprehensive income		2,136,517	1,248,597
Earnings per share	30	18.23	10.78

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



Chief Financial Officer



Director



Chief Executive Officer

Statement of Changes in Equity

For the year ended December 31, 2021

	Share capital	Capital reserves		Revenue reserve	Total
		Reserve arising under the Scheme of Arrangement - note 1.1	Reserve arising on amalgamation under the Scheme of Merger - note 1.4	Unappropriated profit	
----- Rupees in '000 -----					
Balance as at January 01, 2020	1,170,545	101,914	728,726	2,499,419	4,500,604
Transactions with owners recorded directly in equity - distribution					
Final dividend for the year ended December 31, 2019 @ Rs. 5 per share	-	-	-	(585,273)	(585,273)
Total comprehensive income					
Profit after taxation for the year	-	-	-	1,262,009	1,262,009
Other comprehensive loss	-	-	-	(13,412)	(13,412)
	-	-	-	1,248,597	1,248,597
Balance as at December 31, 2020	1,170,545	101,914	728,726	3,162,743	5,163,928
Transactions with owners recorded directly in equity - distribution					
Final dividend for the year ended December 31, 2020 @ Rs. 5 per share	-	-	-	(585,273)	(585,273)
Total comprehensive income					
Profit after taxation for the year	-	-	-	2,134,334	2,134,334
Other comprehensive income	-	-	-	2,183	2,183
	-	-	-	2,136,517	2,136,517
Balance as at December 31, 2021	1,170,545	101,914	728,726	4,713,987	6,715,172

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



Chief Financial Officer



Director



Chief Executive Officer

Statement of Cash Flows

For the year ended December 31, 2021

	2021	2020
	Note	Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	31 2,510,347	3,658,992
Staff retirement benefits paid	(78,328)	(60,898)
Mark-up paid	(4,711)	(59,863)
Income taxes paid	(832,340)	(624,481)
Decrease in long-term loans to employees	1,591	1,334
Increase in long-term deposits	(2,360)	(1,574)
Net cash generated from operating activities	1,594,199	2,913,510
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(543,264)	(851,268)
Proceeds from disposal of operating assets	29,581	5,961
Interest received	191,361	31,629
Net cash used in investing activities	(322,322)	(813,678)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	33 (79,406)	(79,951)
Lease rental paid	(2,460)	(1,768)
Net cash used in financing activities	(81,866)	(81,719)
Net increase in cash and cash equivalents	1,190,011	2,018,113
Cash and cash equivalents at the beginning of the year	1,897,774	(120,339)
Cash and cash equivalents at the end of the year	32 3,087,785	1,897,774

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



Chief Financial Officer



Director



Chief Executive Officer

Notes to the Financial Statements

For the year ended December 31, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 GlaxoSmithKline Consumer Healthcare Pakistan Limited (the Company) was incorporated in Pakistan as a public unlisted company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on March 31, 2015 principally to effect the demerger of consumer healthcare business of GlaxoSmithKline Pakistan Limited (GSK Pakistan) under a Scheme of Arrangement (the Scheme), which was approved by the Honourable High Court of Sindh (SHC) and its order was submitted to the Registrar of Companies on April 01, 2016. The Company is a subsidiary of GlaxoSmithKline Consumer Healthcare B.V. The ultimate parent of the Company is GlaxoSmithKline plc, UK. The Company is engaged in manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. The registered office of the Company is situated at 35-Dockyard Road, West Wharf, Karachi.

1.2 Due to the pending transfer of marketing authorisations and certain permissions for Over the Counter (OTC) products of the Company with Drug Regulatory Authority of Pakistan (DRAP), GSK Pakistan, for and on behalf of the Company was engaged in the procurement, manufacturing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by GSK Pakistan.

1.3 Impact of COVID-19

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

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

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

1.4 Merger of GlaxoSmithKline OTC (Private) Limited with and into the Company

In 2018, GlaxoSmithKline OTC (Private) Limited (GSK OTC), a wholly owned subsidiary of GlaxoSmithKline Consumer Healthcare B.V., was merged with and into the Company with effect from January 01, 2018 through a Scheme of Merger sanctioned by SHC vide its order dated December 12, 2018, which was also endorsed by Drug Regulatory Authority of Pakistan (DRAP) vide its letter no. F.2-4/88-Lic (Vol-IV) dated March 07, 2019.

2. BASIS OF PREPARATION

2.1 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) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IFRS or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 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.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant which have been disclosed in the relevant notes to the financial statements are:

- i) Intangibles (note 3.2 and note 5);
- ii) Provision for staff retirement benefits (note 3.7 and note 17);
- iii) Depreciation of property, plant and equipment (note 3.1 and note 4);
- iv) Impairment of non-financial assets (note 3.12);
- v) Provision for obsolete and slow moving stock (note 3.4 and note 7);
- vi) Allowance for impairment of trade debts (note 3.11.4 and note 8); and
- vii) Taxation (note 3.16, note 18 and note 29).

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

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

The following amendment is effective for the year ended December 31, 2021. This amendment is either not relevant to the Company's operations or is 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
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021

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

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

	Effective from accounting periods beginning on or after
- Amendment to IFRS 16 'Leases' - COVID-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

**Effective from
accounting periods
beginning on or after**

- 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
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current, Disclosures 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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES


The significant 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:

3.1 Property, plant and equipment

3.1.1 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.



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 statement of profit or loss during the year in which they are incurred.

Gains or losses on disposal of operating assets are recognised in statement of profit or loss during the year in which the asset is disposed-off.

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

3.1.2 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 items 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.

3.2 Intangible

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

3.3 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.

3.4 Inventories

These are stated 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.

3.5 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 statement of cash flows, cash and cash equivalents comprise of bank balances in current, savings and deposit accounts, other short-term highly liquid investments with original maturities of upto three months, short-term borrowings under running finance and book overdraft, if any.

3.6 Share capital

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

3.7 Staff retirement benefits

3.7.1 Defined benefit plan

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

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

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

3.7.2 Defined contribution plan

The Company also operates approved contributory provident fund 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.

3.8 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 leaves are earned.

3.9 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.

3.10 Share-based payments

Cash-settled share-based payments provided to employees are recorded as liability in the statement of financial position at fair value over the period the services are received.

3.11 Financial assets and liabilities

3.11.1 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. Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction cost are expensed out in the statement of profit or loss.

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.

3.11.2 Classification

(i) Financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost ("AC").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

(ii) Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost ("AC").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or the Company has opted to measure them at FVTPL.

3.11.3 Subsequent measurement

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive (loss) income.

(ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are carried at amortised cost using the effective interest method, and in the case of financial assets, less any impairment.

Gains or losses are recognised in the statement of profit or loss when financial instrument are derecognised or impaired or through the amortisation process.

(iii) Financial assets and liabilities at FVTPL

Realised and unrealised gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise. Where management has opted to recognise a financial liability

at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive (loss) / income.

3.11.4 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 debts. 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.

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

3.11.5 Derecognition

(i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the statement of profit or loss.

(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 profit or loss.

3.11.6 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.

3.12 Impairment of non-financial assets

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

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.

3.13 Business combination

Business combinations generally are accounted for using acquisition method of accounting in accordance with the requirements of IFRS 3 'Business Combinations'. The Company follows predecessor's accounting method for business combination falling under common control which are out of scope of IFRS-3 'Business Combinations'.

3.14 Revenue recognition

Revenue from contracts with customers is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods, scrap sales or service fee is recognised when control of goods or services have been transferred to a customer either over time or at a point in time, when the performance obligations are met.
- Returns on savings accounts, deposit accounts and investments at amortised cost are recognised using effective interest rate method.
- Insurance commission is recognised when performance obligations are met.
- Promotional allowance is recognised when the right to receive the allowance is established.

3.15 Ijarah

In ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 - 'Ijarah' requires the recognition of 'Ujrah

payments' (lease rentals) against ijarah financing as an expense in the statement of profit or loss on a straight line basis over the ijarah term.

3.16 Taxation

3.16.1 Current

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

3.16.2 Deferred

Deferred tax is recognised using balance sheet method for all temporary differences at the reporting date arising 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 is realised. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The effect of deferred taxation of the portion of the income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of The Institute of Chartered Accountants of Pakistan.

3.17 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 in the year in which they arise.

3.18 Dividend

Dividend distribution to the Company's shareholders and appropriations to / from reserves is recognised in the period in which these are approved.

3.19 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.

3.20 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.

3.21 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 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 **2021** 2020
----- Rupees in '000 -----

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets	4.1	3,091,001	2,655,047
Capital work-in-progress	4.5	615,465	836,283
Right-of-use assets - building		-	1,983
		3,706,466	3,493,313

4.1 Operating assets

	Leasehold land (note 4.4)	Building and improvements on Leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Total
----- Rupees in '000 -----							
Net carrying value year ended December 31, 2021							
Opening net book value	6,137	682,185	1,561,332	91,226	144,269	169,898	2,655,047
Additions (at cost)	-	11,799	580,004	6,777	109,501	56,001	764,082
Disposals / write-offs							
- Cost	-	-	(40,055)	(905)	(48,606)	(25,752)	(115,318)
- Accumulated depreciation	-	-	31,871	627	31,563	22,383	86,444
	-	-	(8,184)	(278)	(17,043)	(3,369)	(28,874)
Depreciation / amortisation charge	(301)	(24,244)	(170,608)	(19,790)	(48,013)	(36,298)	(299,254)
Closing net book value	5,836	669,740	1,962,544	77,935	188,714	186,232	3,091,001
Gross carrying value at December 31, 2021							
Cost	7,646	796,110	2,677,990	139,527	355,009	306,304	4,282,586
Accumulated depreciation / amortisation	(1,810)	(126,370)	(715,446)	(61,592)	(166,295)	(120,072)	(1,191,585)
Net book value	5,836	669,740	1,962,544	77,935	188,714	186,232	3,091,001
Depreciation rate per annum	4%	2.5% to 10%	6.67% to 25%	10%	25%	10% to 33.33%	
Net carrying value year ended December 31, 2020							
Opening net book value	6,438	693,697	1,460,660	28,047	154,220	141,545	2,484,607
Additions (at cost)	-	12,432	258,523	81,599	37,491	51,670	441,715
Disposals							
- Cost	-	-	(11,093)	(559)	(50)	(688)	(12,390)
- Accumulated depreciation	-	-	7,103	21	17	403	7,544
	-	-	(3,990)	(538)	(33)	(285)	(4,846)
Depreciation / amortisation charge	(301)	(23,944)	(153,861)	(17,882)	(47,409)	(23,032)	(266,429)
Closing net book value	6,137	682,185	1,561,332	91,226	144,269	169,898	2,655,047
Gross carrying value at December 31, 2020							
Cost	7,646	784,311	2,138,041	133,655	294,114	276,055	3,633,822
Accumulated depreciation / amortisation	(1,509)	(102,126)	(576,709)	(42,429)	(149,845)	(106,157)	(978,775)
Net book value	6,137	682,185	1,561,332	91,226	144,269	169,898	2,655,047
Depreciation rate per annum	4%	2.5% to 10%	6.67% to 25%	10%	25%	10% to 33.33%	

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

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
----- Rupees in '000 -----							
Plant & machinery	998	256	742	406	(336)	Tender	M/s The Penta Waste Mgmt Service Co., Shop No D-5 & 6, Street#2, Rehman Town, Phuleli, Hyderabad
Motor vehicles	1,810	876	934	1,267	333	Company	Mr. Raj Kumar - (Executive)
"	2,897	1,267	1,630	2,028	398	Policy	Ms. Hina Sadiq - (Executive)
"	2,054	1,155	899	1,130	231	"	Mr. Muhammad Faisal - (Executive)
"	5,407	2,535	2,872	3,040	168	"	Mr. Saleem Khilji - (Ex-Executive)
"	2,154	1,143	1,011	1,723	712	"	Mr. Ali Gul Jariko - (Ex-Executive)
"	1,789	1,286	503	716	213	"	Mr. Siddiq A Siddique - (Executive)
"	5,257	3,778	1,479	2,891	1,412	"	Ms. Sadia Nasir - (Ex-Executive)
"	2,647	1,985	662	1,150	488	"	Ms. Mahvash Furhan - (Ex-Executive)
"	2,093	916	1,177	1,465	288	"	Mr. Aun Ali - (Ex-Executive)
"	2,054	1,059	995	2,085	1,090	"	Mr. Farooq Ali Hashwani - (Ex-Executive)
"	2,647	1,530	1,117	2,340	1,223	"	Mr. Farhan Haroon - (Chief Executive Officer)
	31,807	17,786	14,021	20,241	6,220		

4.3 Particulars of immovable assets of the Company are as follows:

Location	Address	Usage of immovable property	Total area
Jamshoro	Sandoz Nagar, Petaro Road, Jamshoro	Factory	4 acres and 1 ghunta

4.4 Leasehold land consists of land located at Jamshoro Sandoz Nagar, Petaro Road. The Company is the beneficial owner of the land, however, the title and lease is yet to be transferred in the name of the Company. The land is currently in the name of Novartis Pharma (Pakistan) Limited.

4.5 Capital work-in-progress

Note ----- Rupees in '000 -----

Opening balance		836,283	426,730
Additions during the year		543,264	851,268
Transfers during the year		(764,082)	(441,715)
Closing balance	4.6	615,465	836,283

4.6 As at December 31, capital work-in-progress represents:

Civil works		93,365	39,077
Plant and machinery		443,575	614,558
Furniture and fixtures		8,626	34,512
Office equipment		5,721	81,123
Advances to suppliers	4.6.1	64,178	67,013
		615,465	836,283

4.6.1 The advances to supplier do not carry any interest or mark-up.

5. INTANGIBLE

This represents intangible acquired by the Company under the Scheme of Merger (note 1.4) which comprise of goodwill that had arisen on the business acquisition of Novartis Pharma (Pakistan) Limited (NPPL) by GSK OTC, which is the difference between the purchase consideration and the fair value of assets acquired.

The recoverable amount of goodwill 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 Cash Generating Unit (CGU) to which the asset belongs, discounted at risk-adjusted discount rate.

Details relating to the discounted cash flow model used in the impairment test are as follows:

Valuation basis	Value-in-use
Key assumptions	Sales growth rates
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information and past performance. Cost reflects past experience, adjusted for inflation and expected changes. Discount rate is primarily based on weighted average cost of capital.
Terminal growth rate	4.0%
Period of specific projected cash flows	5 years
Discount rate	15.22%

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 intangible.

6. LONG-TERM LOANS TO EMPLOYEES

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

Secured - considered good	6.1	15,254	14,272
Recoverable within one year	9	(7,585)	(5,012)
		7,669	9,260

- 6.1** These loans have been given in accordance with the terms of employment for purchase of motor car, motor cycle and for the purpose of house relocation and are repayable in 18 to 60 equal monthly installments. These loans are interest free. All loans are secured against the retirement fund balances.

7. INVENTORIES

Note ----- **2021** Rupees in '000 ----- 2020

Raw and packing materials [including in transit Rs. 545.03 million (2020: Rs. 104.39 million)]		2,237,197	1,582,790
Work-in-process		41,288	14,375
Finished goods [including in transit Rs. 150.55 million (2020: Rs. 130.31 million)]		1,785,654	1,442,493
	7.1	4,064,139	3,039,658
Less: Provision for slow moving, obsolete and damaged stock	7.2	(148,089)	(137,436)
		3,916,050	2,902,222

7.1 Detail of inventories held with third parties is as follows:

For use in third party manufacturing

Roomi Enterprises (Private) Limited		505,114	557,064
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Stock held at third party warehouse

Emirates Supply Chain Services (Private) Limited		392,607	393,054
Connect Logistics (Private) Limited		459,913	684,780
Glaciers (Private) Limited		252,791	147,711

7.2 During the year, inventories of Rs. 113.09 million (2020: Rs. 159.87 million) have been written-off against provision.

Note ----- **2021** Rupees in '000 ----- 2020

8. TRADE DEBTS

Trade debts	8.1	1,132,578	700,437
Less: Allowance for impairment of trade debts		(30,852)	(30,852)
		1,101,726	669,585

8.1 These include Rs. 653 million (2020: Rs. 452.46 million) receivable from NPPL against toll manufacturing and sale of goods.

8.2 The ageing analysis of trade debts past due but not impaired is as follows:

	2021	2020
	----- Rupees in '000 -----	-----
- Up to 3 months	87,646	7,393
- 3 to 6 months	45,032	35,543
- 6 to 12 months	14,146	18,156
- Over 1 year	26,640	12,941
	173,464	74,033

9. LOANS AND ADVANCES - CONSIDERED GOOD

Current portion of long-term loans to employees	6	7,585	5,012
Advances to:			
- employees	9.1	3,301	7,139
- suppliers		251,051	303,315
- against letter of credit		150,926	175,721
		412,863	491,187

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

	2021	2020
	----- Rupees in '000 -----	-----
10. TRADE DEPOSITS AND PREPAYMENTS		
Deposits - considered good	12,913	4,838
Prepayments	56,683	38,109
	69,596	42,947

11. REFUNDS DUE FROM GOVERNMENT

These represent sales tax refundable due from Government which are considered good.

	2021	2020	
	----- Rupees in '000 -----	-----	
12. OTHER RECEIVABLES			
Due from associated companies	12.1	67,135	-
Workers' Profits Participation Fund	19.5	-	25,766
Others	12.4	417,921	307,973
		485,056	333,739

2021 2020
----- Rupees in '000 -----

12.1 Due from associated companies - considered good

GlaxoSmithKline Export Limited	21,850	-
GlaxoSmithKline Consumer Healthcare Export Limited	18,254	-
GlaxoSmithKline Pte Limited	27,031	-
	67,135	-

12.2 The maximum aggregate amount due from associated companies at the end of any month during the year was Rs. 107.57 million (2020: Rs. 567.74 million).

12.3 As at December 31, 2021, the age analysis of these related parties receivables are:

2021 2020
----- Rupees in '000 -----

Up to 3 months	67,135	-
----------------	---------------	---

12.4 This includes media rebates and capacity utilisation claim amounting to Rs. 162.12 million (2020: Rs. 162.12 million) and Rs. 203 million (2020: Rs. 102.82 million) respectively.

13. INVESTMENT AT AMORTISED COST

This represents Treasury Bills (T-bills) which are held with Company's banker for safe custody. The yield on T-bills were 8.10% to 8.38% per annum. These T-bills have maturity dates of January 13, 2022 and January 27, 2022.

2021 2020
Note ----- Rupees in '000 -----

14. BANK BALANCES

With banks:

- in deposit accounts (other financial asset at amortised cost) 14.1	-	1,300,000
- in savings accounts 14.1	2,445,386	561,897
- in current accounts [including foreign currency account Rs. 2.20 million (2020: Rs. 1.99 million)]	9,481	270,152
	2,454,867	2,132,049

14.1 As at December 31, 2021, the rates of mark-up on deposit accounts were Nil (2020: 5.5% to 6.5%) per annum and on savings accounts were 7.25% to 7.85% (2020: 6.25% to 6.3%) per annum.

14.2 As at December 31, 2021, the facility for running finance available from a bank amounted to Rs. 1.84 billion (2020: Rs. 1.84 billion). Rate of mark-up is one/three month KIBOR plus 0.3% to 1% (2020: one/three month KIBOR plus 0.3% to 1%) per annum. The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

14.3 As at December 31, 2021, the facility for corporate credit cards for travel and entertainment expenditure amounted to Rs. 50 million (2020: Nil). The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

15. SHARE CAPITAL

Authorised share capital

2021	2020		2021	2020
----- Number of shares -----		Note	----- Rupees in '000 -----	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000	2,000,000

Issued, subscribed and paid-up capital

2021	2020			2021	2020
----- Number of shares -----				----- Rupees in '000 -----	
10,000	10,000	Ordinary shares of Rs. 10 each fully paid in cash		100	100
95,540,183	95,540,183	For consideration other than cash under the Scheme of arrangement	1.1	955,402	955,402
21,504,325	21,504,325	For consideration other than cash under the Scheme of Merger	1.4	215,043	215,043
117,054,508	117,054,508			1,170,545	1,170,545

15.1 As at December 31, 2021, GlaxoSmithKline Consumer Healthcare B.V. and its nominees held 100,423,259 shares (2020: 100,423,259 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.

16. RESERVES

Capital reserves

		2021	2020
	Note	----- Rupees in '000 -----	
- Reserve arising under the Scheme of Arrangement	1.1	101,914	101,914
- Reserve arising on amalgamation under the Scheme of Merger	16.1	728,726	728,726
Revenue reserve - unappropriated profit		4,713,987	3,162,743
		5,544,627	3,993,383

16.1 This represents reserve arising from merger of GSK OTC with and into the Company effective from January 01, 2018 (refer note 1.4).

17. STAFF RETIREMENT BENEFITS

17.1 Funded gratuity scheme

17.1.1 The Company operates an approved funded gratuity scheme for its permanent employees. Actuarial valuation of the Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2021 using the Projected Unit Credit Method.

17.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plan, including investment decisions and contribution schedules, rests with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

17.1.3 Details of the Plan as per the actuarial valuation are as follows:

	Note	2021 ----- Rupees in '000 -----	2020 -----
17.1.4 Statement of financial position reconciliation			
Present value of defined benefit obligation	17.1.5	220,160	194,809
Fair value of plan assets	17.1.6	(122,916)	(106,781)
Deficit		97,244	88,028
17.1.5 Movement in the present value of defined benefit obligation			
Balance at January 1, 2021		194,809	156,521
Benefits paid during the year		(41,113)	(21,309)
Current service cost		40,253	34,622
Interest cost		21,337	20,356
Re-measurement loss on obligation		5,180	12,674
Balance transferred to GSK Pakistan - net	17.1.15	(306)	(8,055)
Balance at December 31, 2021		220,160	194,809
17.1.6 Movement in the fair value of plan assets			
Balance at January 1, 2021		106,781	102,856
Contributions made during the year		36,570	25,926
Benefits paid during the year		(41,113)	(21,309)
Interest income		12,729	13,453
Re-measurement gain / (loss) on assets		8,255	(6,090)
Balance transferred to GSK Pakistan - net	17.1.15	(306)	(8,055)
Balance at December 31, 2021		122,916	106,781
17.1.7 Expense recognised in statement of profit or loss			
Current service cost		40,253	34,622
Net interest cost		8,608	6,903
		48,861	41,525

2021 2020
----- Rupees in '000 -----

17.1.8 Remeasurements recognised in other comprehensive income

Remeasurement loss on obligation arising due to change in:

Experience adjustment - loss	17,265	2,542
Financial assumptions (gain) / loss	(12,085)	10,132
Re-measurement (gain) / loss on plan assets	(8,255)	6,090
	(3,075)	18,764

17.1.9 Net recognised liability

Balance at January 1, 2021	88,028	53,665
Expense recognised in statement of profit or loss	48,861	41,525
Contribution made to the Plan during the year	(36,570)	(25,926)
Remeasurements (gain)/ loss recognised in other comprehensive income	(3,075)	18,764
Balance as at December 31, 2021	97,244	88,028

17.1.10 Detail of plan assets

Plan assets of the Company comprise of the following:

Note	2021		2020	
	Rupees in '000	%	Rupees in '000	%
- Pakistan Investment Bonds	40,498	34%	42,124	39%
- Regular Income Certificates	28,503	23%	25,613	24%
- Defence Saving Certificates	28,704	23%	21,653	20%
- Term Finance Certificates	7,948	6%	7,388	7%
- Bank balances	17,115	14%	6,202	6%
- Others	148	0%	3,801	4%
	122,916	100%	106,781	100%

17.1.10.1 This includes investments in equity instruments.

17.1.11 Significant actuarial assumptions

Discount rate	12.25	10.25
Future salary increases	12.25	10.25

- 17.1.12** Mortality was assumed to be based on SLIC (2001-05) Ultimate mortality tables rated down one year.
- 17.1.13** In case of the funded plans, investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.
- 17.1.14** The Company's gratuity expense for the year ending December 31, 2022 is expected to be Rs. 54.70 million.
- 17.1.15** During the current year, certain employees were transferred to / from GlaxoSmithKline Pakistan Limited from / to the Company. Accordingly, their defined benefit obligations and related assets are transferred to / from GlaxoSmithKline Pakistan gratuity fund.

17.2 Sensitivity analysis of the Company 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 is 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:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
		----- Rupees in '000 -----	
Discount rate	1%	(21,123)	24,757
Future salary increases	1%	19,452	(17,104)

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.

	2021	2020
17.3 Remeasurement of defined benefit obligation and plan assets		
Experience adjustment - loss on obligation (as percentage of plan obligation)	7.84%	1.30%
Financial assumptions - (gain) / loss on obligation (as percentage of plan obligation)	(5.49%)	5.20%
(Gain) / loss on plan assets (as percentage of plan assets)	(6.72%)	5.70%

17.4 The weighted average duration of approved funded gratuity scheme for its permanent employees is 10.36 years. (2020: 10.52 years).

17.5 Expected maturity analysis of undiscounted retirement benefit plan of the Company:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
	----- Rupees in '000 -----				
At December 31, 2021	13,722	15,325	81,191	247,618	357,856
At December 31, 2020	12,868	16,047	70,019	230,618	329,552

18. DEFERRED TAXATION

	December 31, 2021			December 31, 2020		
	Opening liability / (asset)	Charge / (reversal)	Closing liability / (asset)	Opening liability / (asset)	Charge / (reversal)	Closing liability / (asset)
	----- Rupees in '000 -----					
Deferred tax liability on taxable temporary differences						
- Accelerated tax depreciation and amortisation	225,581	51,032	276,613	197,214	28,367	225,581
- Right-of-use assets - building	566	(566)	-	1,015	(449)	566
	226,147	50,466	276,613	198,229	27,918	226,147

Deferred tax asset on deductible temporary differences

- Allowance for impairment of trade debts	(8,800)	(7)	(8,807)	(7,746)	(1,054)	(8,800)
- Lease liability	(657)	657	-	(1,073)	416	(657)
- Provision for slow moving, obsolete and damaged stock	(39,856)	(3,089)	(42,945)	(43,121)	3,265	(39,856)
- Staff retirement benefits	(25,110)	(2,649)	(27,759)	(15,314)	(9,796)	(25,110)
	(74,423)	(5,088)	(79,511)	(67,254)	(7,169)	(74,423)
	151,724	45,378	197,102	130,975	20,749	151,724

18.1 Charge of deferred tax has been allocated to the statement of profit or loss and other comprehensive income as follows:

	Note	2021	2020
		----- Rupees in '000 -----	
- taken to profit or loss for the year	29	44,486	26,101
- taken to other comprehensive income being tax impact of remeasurement gain / (loss) on staff retirement benefits		892	(5,352)
		45,378	20,749

2021
Note ----- Rupees in '000 ----- 2020

19. TRADE AND OTHER PAYABLES

Creditors:

- Associated companies	19.1	140,277	48,032
- Others		400,848	250,629

Bills payable:

- Associated companies	19.2	423,990	263,885
- Others		86,386	189,879

Accrued liabilities

	19.3	2,863,848	2,502,991
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Contract liabilities

	19.4	488,008	442,748
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Taxes deducted at source and payable to statutory authorities

		51,377	68,475
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Workers' Welfare Fund

		133,783	73,340
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Workers' Profits Participation Fund

	19.5	137,265	-
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Sindh Services Sales tax

		1,815	1,815
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Central Research Fund

		20,816	19,209
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Payable to provident fund

		-	563
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Book overdraft

	19.6	115,017	234,275
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Others

		77,648	59,682
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4,941,078	4,155,523
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19.1 Creditors include payable to the following associated companies:

GlaxoSmithKline Pakistan Limited		140,277	48,032
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19.2 Bills payable include payable to the following associated companies:

GlaxoSmithKline Consumer Trading Services Limited		33,882	164,019
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GlaxoSmithKline Consumer Health S.A.		377,263	99,078
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GlaxoSmithKline Consumer Healthcare (UK) Trading Limited		11,853	-
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GlaxoSmithKline Biologicals S.A.		992	788
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423,990	263,885
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19.3 This includes liability for share based compensation amounting to Rs. 86.03 million (2020: Rs. 57.31 million).

19.4 This represents advance from customers and accrual for returns & allowances amounting to Rs. 261.42 million (2020: Rs. 262.29 million) and Rs. 226.59 million (2020: Rs. 180.46 million) respectively.

2021
Note ----- Rupees in '000 ----- 2020

19.5 Workers' Profits Participation Fund

Opening balance (asset) / liability		(25,766)	3,489
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Allocation for the year	26	163,031	96,429
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Payment to the fund		-	(125,684)
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Closing balance liability / (asset)		137,265	(25,766)
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19.6 This balance represents book overdraft against the cheques issued but not yet presented. As per arrangement with the bank, the payments to these cheques will be made by transferring balance from the savings accounts as and when presented.

20. UNPAID DIVIDEND

This includes part of final dividend for the years ended December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020 which remained unpaid to the Company's shareholders. Out of the total amount of unpaid dividend, Rs. 1,900.93 million (2020: Rs. 1,398.83 million) pertains to the Company's foreign shareholder GlaxoSmithKline Consumer Healthcare B.V., which has remained unpaid due to non-registration of shares with the State Bank of Pakistan (SBP). Subsequent to the year end, the Company was able to register 78,918,934 shares and 21,504,325 shares are in the process of registration. The Company is in the process of applying for remittance of dividend to its foreign shareholder.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 Income tax

21.1.1.1 GlaxoSmithKline OTC (private) Limited (now GlaxoSmithKline Consumer Healthcare Pakistan Limited) received a notice issued under section 161(A)/205 of Income Tax Ordinance, 2001 (The Ordinance) and subsequently an order dated January 30, 2019, raising demand of Rs. 4.43 million (including default surcharge of Rs. 0.44 million and penalty of Rs. 0.36 million) pertaining to tax year 2017. Against the order, the Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide his order dated June 22, 2021, has set aside the proceedings for re-examination of the issues.

21.1.1.2 As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer (AO) has issued order and raised the demand of Rs.15.04 million (inclusive of default surcharge of Rs. 2.69 million and penalty of Rs. 1.12 million) on account of non-withholding of tax on certain expenses including meeting and symposia under section 156 of the Ordinance. The CIR(A), through his order dated October 31, 2019, has confirmed demand related to travelling and legal & professional expenses whereas the demand related to publication & subscription, advertisement, vehicle running expenses and fixed asset has been set-aside or deleted by CIR(A). The company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication

21.1.1.3 The Assessing Officer (AO) amended the assessment of the Company for tax year 2019 and passed an order under section 122(5A) of the Ordinance raising demand of Rs. 80.45 million. Such demand is on account of apportionment of various expenditures, non-declaration of FTR receipts of imports, intercompany loan of Rs.1,000 million added back, stock written off and provision for obsolete stock. The Company filed appeal against the said order before Commissioner Inland Revenue Appeals [CIR(A)] and has also obtained stay order from Honourable Sindh High Court against any recovery proceedings.

The CIR(A), through his order dated November 18, 2021, remanded back the proceedings to AO on all the issues except for provision for obsolete stock, intercompany loan (which was already rectified by AO) and stock written-off. Against the order of the CIR(A), the Company has filed an appeal before ATIR which is pending for hearing.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

21.2 Sales tax

21.2.1 The Deputy Commissioner Inland Revenue (DCIR), LTU-II, Karachi, passed the Order-in-Original, dated November 28, 2018, to establish sales tax demand aggregating to Rs. 27.53 million on various issues mainly on the admissibility of input tax covering the tax periods from July 2016 to June 2018. The Company made, under protest, payment of the principal amount of sales tax at Rs. 21.89 million which included default surcharge amounting Rs. 4.24 million. Further, the Company filed the appeal before the CIR(A), challenging the input tax claims as treated inadmissible and levies of the default surcharge and penalty.

21.2.2 The Assistant Commissioner Inland Revenue passed the order dated July 04, 2019 demanding sales tax of Rs. 5.76 million (inclusive of default surcharge of Rs. 0.63 million and penalty of Rs. 0.244 million) relating to inadmissibility of input tax in tax periods from July 2018 to December 2018. The Company has filed an appeal against the said order before the CIR(A) which is pending adjudication.

21.2.3 During the year ended December 31, 2020, Assistant Commissioner - Sindh Revenue Board raised a demand of Rs. 190.56 million (including default surcharge of Rs. 92.95 million and penalty of Rs.4.65 million in respect of the year ended December 31, 2016. Such demand is on account of non-withholding of Sindh Sales Tax on certain transactions under various heads of expenses such as transport, advertisement and third-party manufacturing services. The Company filed an appeal against the said order before CIR(A) which is due for hearing and also obtained stay order from Honourable Sindh High Court against any recovery proceedings.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

21.3 Commitments

21.3.1 The facilities for opening letters of credit and guarantees as at December 31, 2021, amounted to Rs. 1,080 million (2020: Rs. 1,061 million) and Rs. 110 million (2020: Rs. 110 million) respectively of which the amount remained unutilised at December 31, 2021, was Rs. 503 million (2020: Rs. 136 million) and Rs. 71 million (2020: Rs. 70 million) respectively.

21.3.2 Commitments for capital expenditure outstanding as at December 31, 2021, amounted to Rs. 161.31 million (2020: Rs. 400.07 million).

2021

2020

Note ----- Rupees in '000 -----

22. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Gross sales			
- Local	22.1/22.2	25,222,462	20,703,883
- Export		150,669	248,676
Less:			
Commissions, returns and discounts		(451,596)	(480,079)
Sales tax		(758,385)	(626,374)
		(1,209,981)	(1,106,453)
		24,163,150	19,846,106

22.1 This includes sales amounting to Rs. 1.04 billion (2020: Rs. 1.66 billion) made by GSK Pakistan on behalf of the Company (refer note 1.2).

22.2 This includes sales amounting to Rs. 2.99 billion and Rs. 7.27 billion (2020: Rs. 2.25 billion and Rs. 6.5 billion) to NPPL and Premier Agencies respectively.

23. COST OF SALES

	Note	2021 ----- Rupees in '000 -----	2020
Raw and packing materials consumed		12,147,781	8,793,735
Manufacturing costs charged by third parties		2,004,686	1,763,848
Stores and spares consumed		17,477	15,882
Salaries, wages and other benefits	23.1	903,118	731,307
Fuel and power		230,995	182,495
Rent, rates and taxes		32,363	28,191
Insurance		48,408	33,403
Repairs and maintenance		341,550	287,539
Travelling and entertainment		8,786	10,239
Vehicle running		5,641	9,622
Ujrah payments		-	4,022
Canteen expenses		72,147	68,213
Security expenses		37,006	28,969
Printing and stationery		9,218	7,459
Communication and entertainment		8,124	4,953
Depreciation		256,465	213,218
Handling, freight and transportation		93,520	51,322
Stock written-off		49,115	49,044
Provision for slow moving, obsolete and damaged stock		123,739	148,614
Government levies		159,122	-
Restructuring cost	23.2	41,469	34,000
Others		143,768	124,114
		16,734,498	12,590,189
Add: Opening stock of work-in-process		14,375	35,442
Less: Closing stock of work-in-process		(41,288)	(14,375)
Cost of goods manufactured		16,707,585	12,611,256
Add: Opening stock of finished goods		1,442,493	1,392,294
Add: Purchase of finished goods		1,183,651	1,957,187
		19,333,729	15,960,737
Less: Closing stock of finished goods		(1,785,654)	(1,442,493)
		17,548,075	14,518,244

23.1 Salaries, wages and other benefits include Rs. 25.58 million (2020: Rs. 23.13 million) and Rs. 22.05 million (2020: Rs. 20.08 million) in respect of defined benefit plans and contributory provident fund respectively.

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

24. SELLING, MARKETING AND DISTRIBUTION EXPENSES

	Note	2021 Rupees in '000	2020
Salaries, wages and other benefits	24.1	467,614	416,597
Sales promotion		885,690	781,314
Advertising		1,475,036	1,380,442
Handling, freight and transportation		361,879	348,825
Travelling and entertainment		22,432	27,706
Depreciation		29,192	31,701
Vehicle running		27,723	17,247
Allowance for impairment of trade debts		-	3,706
Repairs and maintenance		3,078	9,119
Insurance		2,048	1,778
Printing and stationery		626	1,471
Security expenses		3,085	2,178
Shared services cost	24.2	11,947	61,552
Other expenses		63,290	14,803
		3,353,640	3,098,439

24.1 Salaries, wages and other benefits include Rs. 17.33 million (2020: Rs. 15.34 million) and Rs. 25.43 million (2020: Rs. 14.78 million) in respect of defined benefit plan and contributory provident fund respectively.

24.2 These represent cost reimbursements to GSK Pakistan in respect of costs of various functions / services provided to the Company under a cost sharing agreement.

25. ADMINISTRATIVE EXPENSES

	Note	2021 Rupees in '000	2020
Salaries, wages and other benefits	25.1	150,230	125,211
Depreciation		15,580	23,493
Legal and professional charges		37,085	19,639
Travelling and entertainment		4,907	2,662
Repairs and maintenance		1,895	6,936
Auditors' remuneration	25.2	8,537	6,129
Vehicle running		9,392	1,816
Publication and subscriptions		133	6,300
Insurance		5,077	8,028
Printing and stationery		5,815	1,630
Service fees	1.2	12,000	12,000
Ujrah payments		-	2,362
Shared services cost	24.2	48,783	44,547
Donations	25.3	372	6,390
Others		25,278	22,616
		325,084	289,759

25.1 Salaries, wages and other benefits include Rs. 5.94 million (2020: Rs. 3.16 million) and Rs. 5.35 million (2020: Rs. 0.58 million) in respect of defined benefit plan and contributory provident fund respectively.

	2021	2020
	----- Rupees in '000 -----	
25.2 Auditors' remuneration		
Audit fee	3,879	3,393
Fee for limited review of half yearly financial statements and other certifications	4,317	2,335
Out-of-pocket expenses	341	401
	8,537	6,129

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

	2021	2020
	Note ----- Rupees in '000 -----	
Al-Khidmat Foundation Pakistan	-	1,500
Green Crescent Trust	-	4,140
Pakistan Association of the Deaf	372	750
	372	6,390

26. OTHER OPERATING EXPENSES

Workers' Profits Participation Fund	19.5	163,031	96,429
Workers' Welfare Fund		60,443	38,572
Central Research Fund		21,043	19,286
		244,517	154,287

27. OTHER INCOME

Income from financial assets

Return on deposit accounts / T-bills		32,210	2,034
Income on savings accounts		159,737	30,058

Income from non-financial asset

Gain on disposal of operating assets - net		707	1,526
--	--	------------	-------

Others

Scrap sales		18,334	13,305
Other	27.1	130,415	-
		341,403	46,923

27.1 This includes recovery of expenses from group entities amounting to Rs. 107.57 million.

Note **2021** 2020
----- Rupees in '000 -----

28. FINANCIAL CHARGES

Interest on running finance	-	27,034
Exchange loss - net	15,032	20,941
Bank charges	1,942	9,723
Interest on lease liability	159	310
	17,133	58,008

29. TAXATION - NET

Current		
- for the year	837,284	469,425
- for prior year	-	16,757
Deferred	18.1 44,486	26,101
	881,770	512,283

29.1 Relationship between tax expense and accounting profit

Profit before taxation	3,016,104	1,774,292
Applicable tax rate	29%	29%
Tax calculated at applicable tax rate	874,670	514,545
Impact of taxability at Final Tax Regime	5,370	31,067
Effect of prior year tax	-	16,757
Effect of tax credits	-	(51,930)
Tax effect of other than temporary differences	1,730	1,844
	881,770	512,283

30. EARNINGS PER SHARE

Profit after taxation for the year (in thousand)	2,134,334	1,262,009
Weighted average number of outstanding shares (in thousand)	117,055	117,055
Earnings per share	18.23	10.78

30.1 Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2021 and December 31, 2020, which would have any effect on the earnings per share if the option to convert is exercised.

31. CASH GENERATED FROM OPERATIONS

2021 2020
----- Rupees in '000 -----

Profit before taxation	3,016,104	1,774,292
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortization	301,237	268,412
Interest expense	2,101	37,067
Gain on disposal of operating assets	(707)	(1,526)
Interest income	(191,947)	(32,091)
Provision for slow moving, obsolete and damaged stock and stock written-off	172,854	197,658
Allowance for impairment of trade debts	-	3,706
Provision for staff retirement benefits	90,619	77,061
	374,157	550,287
Profit before working capital changes	3,390,261	2,324,579
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(59,638)	(9,466)
Inventories	(1,186,682)	(330,756)
Trade debts	(432,141)	192,877
Loans and advances	78,324	(183,898)
Trade deposits and prepayments	(26,649)	17,087
Refunds due from Government	(6,624)	(15,219)
Other receivables	(151,317)	342,895
	(1,784,727)	13,520
Increase in current liabilities		
Trade and other payables	904,813	1,320,893
	(879,914)	1,334,413
	2,510,347	3,658,992

32. CASH AND CASH EQUIVALENTS

Note	2021	2020
	Rupees in '000	
14	2,454,867	2,132,049
13	747,935	-
19.6	(115,017)	(234,275)
	3,087,785	1,897,774

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2021	2020
	Rupees in '000	
Balance as at January 01	1,409,697	904,375
Non-cash changes - dividend declared	585,273	585,273
Financing cash outflows - dividend paid	(79,406)	(79,951)
Balance as on December 31	1,915,564	1,409,697

34. SEGMENT INFORMATION

34.1 For management purposes, the activities of the Company are organised into one operating segment i.e. consumer healthcare 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. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

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		Directors		Executives	
	2021	2020	2021	2020	2021	2020
	Rupees in '000					
Managerial remuneration	17,837	28,396	7,639	7,405	223,376	182,116
Bonus - note 35.2	15,285	10,687	5,291	7,170	102,161	56,413
Retirement benefits*	2,194	-	1,585	1,497	40,562	34,770
House rent	4,758	-	3,438	3,332	87,967	76,505
Utilities	1,057	-	764	741	19,548	17,001
Medical expenses	399	-	28	27	2,218	4,257
Others	1,154	911	4,518	1,724	49,883	52,847
	42,684	39,994	23,263	21,896	525,715	423,909
Number of persons	2*	1	1	2	84	74

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

** During the year, Mr. Sohail Ahmed Matin retired on March 31, 2021 and Mr. Farhan Muhammad Haroon was appointed as Chief Executive Officer on April 01, 2021.

- 35.1** In addition to the above, fee paid to 4 (2020: 4) independent and non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 1.63 million (2020: Rs. 1.98 million).
- 35.2** Bonus includes share-based payments as Share Appreciation Rights (SARs) given to the Chief Executive, Executive Director and certain Executives amounting to Rs. 63.96 million (2020: Rs. 45.07 million). These are granted every year and are payable upon completion of three years of qualifying period of service. These are linked with the share value of ultimate parent company, GlaxoSmithKline plc, UK.
- 35.3** Chief Executive, Executive Director and certain Executives are also provided with Company maintained cars in accordance with the Company policy.

36. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, directors of the Company, companies where directors also hold directorship and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates. Details of transactions with related parties and balances with them at year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transactions	2021	2020
		----- Rupees in '000 -----	
Associated companies:	a. Purchase of goods	2,820,637	2,730,157
	b. Service fees charged by GlaxoSmithKline Pakistan Limited	12,000	12,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited	60,730	106,099
	d. Recovery of expenses	174,704	-
Staff retirement funds:	a. Expense charged for retirement benefit plans	90,619	77,061
	b. Payments to retirement benefit plans	78,328	60,898
Key management personnel:	a. Salaries and other employee benefits	156,849	144,141
	b. Post employment benefits	15,832	8,401
	c. Sale of assets - sales proceeds	5,231	-

- 36.1** Balances of related parties as at December 31, 2021, are included in the respective notes to the financial statements. The receivables and payables are mainly unsecured in nature and bear no interest.

36.2 Details of related parties

S. No.	Company Name	Country of incorporation	Registered address	Basis of association	Aggregate % of shareholding
1	GlaxoSmithKline Consumer Healthcare B.V.	Netherlands	Huis ter Heideweg 62, 3705 LZ, Zeist	Holding Company	85.79%
2	GlaxoSmithKline Consumer Healthcare (UK) Trading Limited	England	980 Great West Road, Brentford ,Middlesex, TW8 9GS	Associated company	N/A
3	GlaxoSmithKline Biologicals SA	Belgium	Rue de l'Institut 89, B-1330 Rixensart, Belgium	Associated company	N/A
4	GlaxoSmithKline Export Limited	England	980 Great West Road, Brentford, Middlesex, TW8 9GS	Associated company	N/A
5	GlaxoSmithKline Consumer Healthcare S.A	Switzerland	Route de l'Etraz, Case Postale 1279, 1260 Nyon 1	Associated company	N/A
6	GlaxoSmithKline Consumer Healthcare Export Limited	UAE	Jebel, Ali Free Zone, Dubai	Associated company	N/A
7	GlaxoSmithKline Pte Ltd	Singapore	23 Rochester Park Singapore (139234)	Associated company	N/A
8	GlaxoSmithKline Services Unlimited	England	980 Great West Road, Brentford ,Middlesex, TW8 9GS	Associated company	N/A
9	GSK Consumer Trading Services Ltd	England	980 Great West Road, Brentford, Middlesex, TW8 9GS	Associated company	N/A
10	GlaxoSmithKline Pakistan Limited	Pakistan	35 - Dockyard Road, West Wharf, Karachi	Associated company	N/A
11	Archroma Pakistan Limited	Pakistan	Plot # 1-A/1, Sector 20, Korangi Industrial Area, Karachi, Pakistan	Associated company	N/A
12	Pakistan Oxygen Limited	Pakistan	P. O. Box 4845, Dockyard Road, West Wharf, Karachi - 74000	Associated company	N/A

37. 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.

2021
2020
 ----- Rupees in '000 -----

38. FINANCIAL INSTRUMENTS BY CATEGORY

38.1 Financial assets as per statement of financial position

Financial assets measured at amortised cost

Loans to employees	15,254	14,272
Advances and deposits	177,570	203,838
Trade debts	1,101,726	669,585
Interest accrued	1,227	641
Other receivables	485,056	307,973
Investments - at amortised cost	747,935	-
Bank balances	2,454,867	2,132,050
	4,983,635	3,328,359

38.2 Financial liabilities as per statement of financial position

Financial liabilities measured at amortised cost

Trade and other payables	4,030,366	3,489,691
Accrued mark-up	-	2,769
Unpaid dividend	1,915,564	1,409,697
Lease liability	-	2,301
	5,945,930	4,904,458

38.2.1 The management expects to settle the above liabilities within one year.

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.

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, 2021, the Company does not have any financial instruments carried at fair values which are measured using methods falling under above categories, and the carrying values of financial assets and financial liabilities approximate their fair values at the reporting date.

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 presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing such 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



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.

Under market risk the Company is 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, 2021, amount to Rs. 508.18 million (2020: Rs. 263.89 million).

At December 31, 2021, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 25.52 million (2020: Rs. 13.19 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables, trade debts and bank balances.

(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 from balances held in savings and deposit account with banks and running finance.

	Carrying amount	
	2021	2020
	----- Rupees in '000 -----	
Fixed rate instruments		
Financial assets		
- bank balance on deposit accounts	-	1,300,000
- Treasury bills	747,935	-
Variable rate instruments		
Financial assets		
- bank balance on savings accounts	2,445,386	561,897

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

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. 24.45 million (2020: Rs. 5.62 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2020.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market

As at December 31, 2021, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk arises from balances with banks , trade debts, loans, advances and deposits. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

	2021	2020
	----- Rupees in '000 -----	
Loans to employees, interest accrued and other receivables	501,537	322,886
Trade debts	1,101,726	669,585
Advances and deposits	177,570	203,838
Bank balances	2,454,867	2,132,049
	4,983,635	3,328,358

As at December 31, 2021, the Company's greatest concentration of credit risk was in trade debts; amounted to Rs. 653 million and Rs. 255.77 million with NPPL and Premier Agencies respectively.

Trade debts of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties. Trade debts of Rs. 204.31 million (2020: Rs. 104.88 million) are past due of which Rs. 30.85 million (2020: Rs. 30.85 million) have been provided for. Past due but not provided for balances include Rs. 85.82 million (2020: Rs. 66.64 million) outstanding for more than three months. Trade debts are written-off when the company do not have realistic prospect of recovery

Loans to employees are secured against their retirement benefits.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating	Agency	Short term	Long term
Citibank N.A.	October, 2021	Moody's	P-1	AA3
Standard Chartered Bank (Pakistan) Limited	June, 2021	PACRA	A1+	AAA

Trade receivables are grouped into customer segments that have similar loss patterns to assess credit risk while other financial assets are assessed individually. Historical and forward - looking information is considered to determine the appropriate expected credit loss allowance. The Company believes that there is no further credit risk provision required in excess of the allowance for expected credit losses already recognised.

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 are due within one year.

40. PROVIDENT FUND RELATED DISCLOSURE

The investments out of the Funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2021	2020
41. NUMBER OF EMPLOYEES		
Number of employees including contractual employees at the end of year	<u>459</u>	<u>492</u>
Average number of employees including contractual employees during the year	<u>473</u>	<u>489</u>

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 capital structure to reduce the cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain appropriate mix between various sources of finance to minimise risk. The Company calculates debt to capital ratio by dividing borrowings with equity as at year end.

The debt to capital ratio as at December 31, 2021 is Nil (2020: Nil).

43. BUSINESS UNITS - GEOGRAPHICAL LOCATION AND ADDRESSES

Business units	Addresses
Factory	Petaro Road, Jamshoro, Pakistan
Distribution / Sales offices	North Sales Office - Aleem House, Plot no. 409, Sector I-9, Industrial Area, Islamabad – 54000, Pakistan Central Sales Office - 880-B, Faisal Town, Lahore – 54700, Pakistan
Warehouses and storage facilities	Connect Logistics (Private) Limited - Plot no. 73 B,C,D, Main Mauripur Road, Hawks bay Phase 2, Karachi, Pakistan Emirates Supply Chain Services (Private) Limited - 46 KM, Multan Road, Nathy Khalsa, Manga Mandi, Lahore, Pakistan Emirates Supply Chain Services (Private) Limited - Plot no. 409, Sector I-9, Industrial Area, Islamabad, Pakistan Glaciers (Private) Limited - Bahawalpur Bypass, Gopal Purrah, Multan, Pakistan Jamshoro - Petaro Road, Jamshoro, Pakistan Plot B-3, SITE, Kotri, Pakistan

44. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on 9 February 2022 proposed a cash dividend of Rs. Nil per share (2020: Rs. 5 per share) amounting to Rs. Nil (2020: Rs. 585.27 million) subject to the approval of the members in the forthcoming annual general meeting of the Company.

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. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on 9 February 2022.



Chief Financial Officer



Director



Chief Executive Officer



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

The capital expenditure for the year 2021 include replacement of one of the main packaging head assembly which is used in the production of Cac-1000 effervescent Tablet - key brand for GSK CH business. Other major investment include upgrade and replace site drainage system as over the years number of facility expansions and modifications have been done which have added additional flow to the old drainage system and Panadol liquid in-sourcing will also add sanitary load to current drainage system that need to be addressed.

Further, to ensure the optimum quality of our products and compliance, the Company spent Rs.58 million on quality related equipment and compliance.

The Company is planning to invest in CaC-1000 Plus vitamin line and environment friendly initiatives in financial year 2022 in order to ensure continuous supply of our high quality products.



Segmental Review

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.

The background features a soft gradient from purple at the top to yellow at the bottom. In the top-left corner, there is a cluster of overlapping, semi-transparent orange and red cubes of various sizes. In the bottom-left corner, there is a single, solid orange cube.

Outlook



Forward Looking Statement

A detailed insight on the Company's Future Outlook and Challenges by the Board of Directors is present in the Director's Report on pg. 87 of the Annual Report. Moreover, significant factors affecting external environment and the Company's responses to those factors are disclosed on pg. 33 of the Annual Report.

ANALYSIS OF LAST YEAR'S FORWARD-LOOKING STATEMENT

The Company announced the deployment of commercial ERP project which resulted in GSK CH using one ERP system and one set of global processes which increased efficiency and operations. Despite the extraordinary obstacles posed by the epidemic, the Company had a strong performance and accomplished notable milestones.

STATUS OF THE PROJECTS DISCLOSED IN PREVIOUS YEAR

There were no projects in progress disclosed in the forward-looking statement in the previous years.

SOURCE OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS / FORECASTS

The Company makes a statutory budget every year in line with the objectives and strategies of the Company. These plans are approved by the Board of Directors annually. Periodic reviews of performance are carried out against these plans to ensure adequate monitoring and control.


Number of different assumptions and data are used in preparing the plans, including, but not limited to, historical figures, market growth rates, pricing policy, capital expenditure plans etc. Further, macro-economic indicators such as inflation, GDP growth rate etc. are also considered to account for the uncontrollable factors in future.



ORGANIZATION'S CAPABILITY IN RESPONDING TO POTENTIAL CRITICAL CHALLENGES AND UNCERTAINTIES

The company is aware of the changing economic factors, which may provide challenges to the organization. The company has an Enterprise Risk Management (ERM) cycle in place that assists in identifying, managing, and reporting on the most essential risks in a proportionate and consistent manner.

The Pakistani Rupee fell to an all-time low during the year, causing raw material prices to surge. These economic factors are continuing to make it difficult to keep our manufacturing costs stable. At the same time, the Company considers the purchasing power of its customers while making pricing decisions in order to keep its business model viable. However, we met these challenges with resilience, cost economization and continual improvement in our business model which helped the Company in delivering unparalleled growth in terms of sales and profits.



Stakeholders Relationship and Engagement



Stakeholders

Relationship and Engagement

Engagement With Stakeholders

The Company recognizes that stakeholder engagement, particularly under the challenging circumstances of a global pandemic, should be more than an exercise undertaken for its own sake, but rather an opportunity to drive positive change for business, its employees, the environment, local communities / society as a whole and to create value for its shareholders.

The Company engages with a wide range of stakeholders through day-to-day interactions with customers; engagement with the government and regulators; regular dialogue with employees; suppliers, partners, distributors and investors to follow its business priorities of Innovation, Performance and Trust in letter and spirit.

Dialogues with stakeholders enable the Company to identify and prioritise significant issues and develop responses that are in the best interests of society, as well as shareholders.

Engagement with the Company's main stakeholder groups, including patients, shareholders, consumers, customers and employees, at all levels of the organisation and across the enterprise is summarised below:

Stakeholder	Modes of Engagement
Shareholders and Investors	<ul style="list-style-type: none"> • Annual General Meetings • Corporate Briefing Sessions • Annual Reports • Quarterly Financial Statements and Directors' Reports • The Company's website • Dedicated email address for investor relations
Consumers	<ul style="list-style-type: none"> • Advertising campaigns • Press releases • Radio Messages • Multichannel / digital campaigns
Employees	<ul style="list-style-type: none"> • Regular newsletters • Employee social media platform - Workday • Biannual employee Surveys • Let's Talk sessions with Leadership teams across the GSK universe • Townhalls with the local leadership and lead by the Chief Executive Officer of the Company • Several engagement initiatives as a part of the 'Play Above' programme, including skip level sessions with +1-line managers • Annual Cycle Meetings • Advisory Board Meetings
Healthcare professionals (HCPs)	<ul style="list-style-type: none"> • Conferences and seminars • Regular visits by field force (Sales and Expert teams)

Stakeholder	Modes of Engagement
Suppliers and Distributors	<ul style="list-style-type: none"> • GSK's Third Party Oversight programme and external platforms to help monitor performance. • Miscellaneous trainings like QMS training sessions and regular QMS audits • Distributor conferences • Market visits
Governments and Regulators	<ul style="list-style-type: none"> • Scheduled meetings • Industry conferences • Trade associations • Written communications • Facility visits
Local Community	<ul style="list-style-type: none"> • CSR initiatives

Efforts to Encourage Shareholders to Convert Their Shares Into Book Entry Form

Further to section 72 of the Companies Act, 2017 and SECP's communication bearing File No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company made efforts to encourage all shareholders holding physical shares to convert their shares into book entry form. The Company published the necessary requirement into its AGM notice. Further, it took out a notice in English and Urdu languages in newspapers having nationwide circulation regarding this matter. The said notices, accompanied by a letter stating the statutory requirements and benefits of dematerializing physical shares, were also disseminated to all members through PUCARS, as well as placed on the Company's website.

Encouraging Minority Shareholders To Attend Agm

The Company encourages its shareholders to attend its general meetings in the following manner:

a) Notices of general meetings:

- i. Are circulated in accordance with legally stipulated lead times.
- ii. Are published in leading Urdu and English newspapers with nationwide circulation.
- iii. Are timely updated on its website.
- iv. Contain a link / QR Code to a dedicated online portal / Vevox to facilitate those shareholders attending the AGM to submit their queries to the Company in advance or during the meeting.

b) The Annual Report:

- i. contains the notice of the AGM and is sent in a uniform manner to all shareholders, including minority shareholders, regardless of shareholding.
- ii. contains a proxy form to ensure shareholder representation and participation in the AGM in case a shareholder is unable to attend the meeting.

c) The AGM:

- i is held virtually and the link to the AGM is shared upon receipt of request from shareholders.
- ii. a link and QR code for shareholder queries is shared in the AGM notice, in addition to a dedicated timeslot to hear submitted or on the spot queries at the AGM.

Investors' Relation Section On Website

In order to provide ease of access to stakeholders, the Company's latest information for investors is available on our website, under the "Investors" section on the Company's website (www.pk-consumerhealthcare.gsk.com/en-gb/investors).

This page is updated regularly in order to provide transparent, adequate and updated information to all investors and stakeholders. All information is made available in both English and Urdu languages for the ease of shareholders and investors and in compliance with applicable law.

The Company's website has clearly specified the email address dedicated to shareholder complaints and queries on its home page, as well as several other pages on its website.

Issues Raised In Last Agm


No significant issues were raised at the previous AGM held on 21 April 2021 other than general queries on the accounts and business by shareholders and investors.

Investors' Grievance Policy / Redressal of Investors' Complaints

The Company's Corporate Secretarial team promotes dialogue with its shareholders and investors in line with GSK Values and Expectations. The Company's commitment to open communication ensures accountability and transparency to its external audiences and plays an important role in the Company's success.

The Management of the Company is also committed to provide equal and fair treatment to all shareholders through transparent investor relations, increased awareness, effective communication and prompt resolution of shareholders' complaints. Further, the Company maintains a record of all such grievances along with actions taken for resolution. The main principles of the Investor Relations Policy are as follow:

- All the shareholders are always treated politely, fairly and equally.
- Complaints raised by shareholders are dealt with courtesy and in a timely manner.
- The management works in good faith and without prejudice towards the interests of any of the shareholders.



The Company has internally established a mechanism for shareholder grievances handling. The Company has a dedicated Shares Department in place and has appointed an independent Share Registrar (CDCSRSL) to resolve issues of the shareholders as well as to provide a faster and efficient provision of services to its shareholders and investors.

Complaints are initially lodged with the Shares Department and the Share Registrar of the Company who expeditiously takes necessary actions. The Shares Registrar forwards the complaints to the Company if these fall outside their domain.

Shareholders can also submit their complaint(s) to a dedicated email address i.e. chc.shareinfo@gsk.com which is also available at the Company's website in line with the directives of SECP. Grievances can also be notified to the Company by post and telephone.

In case a complaint has not been properly redressed by the Company or the Registrar, shareholders / investors, the Company has highlighted on its website that shareholders may lodge their complaints with the Securities and Exchange Commission of Pakistan on their SDMS portal.

Corporate Briefing Session 2021 and Brief Summary



The Company held its third successful corporate briefing session on 19 November 2021

virtually due to COVID-19. Mr. Farhan Muhammad Haroon (CEO), Mr. Dilawar Meghani (CFO), and Ms. Mashal Mohammad (Company Secretary) presented and briefed investors on the Company's financial performance and operational overview.

The presentation was followed by a Q&A session, where thought provoking questions were put forward to the management of the Company, which were well addressed to the satisfaction of the attendees.

The following are some of the topics discussed during the briefing session:

- The landscape of the industry and the Company's growth in relation to other players.
- Key brands performance and performance highlights of the Company since the last AGM.
- The Company's response to COVID-19.
- The Company's future outlook and challenges.

The presentation from the corporate briefing session can be viewed on the Company's website under the "Investors" section i.e.

[https://pk-consumerhealthcare.gsk.com/en-gb/investors/financial-highlights/.](https://pk-consumerhealthcare.gsk.com/en-gb/investors/financial-highlights/)

Stakeholders' Information

Pattern of Shareholdings

As at 31 December 2021

No. of Shareholders	Shareholding Slabs			Total Shares Held
1584	1	to	100	59,957
1549	101	to	500	400,649
504	501	to	1000	393,145
744	1001	to	5000	1,685,694
164	5001	to	10000	1,173,174
65	10001	to	15000	791,195
32	15001	to	20000	553,187
28	20001	to	25000	640,330
16	25001	to	30000	436,203
10	30001	to	35000	330,117
9	35001	to	40000	343,002
3	40001	to	45000	125,900
5	45001	to	50000	239,460
6	50001	to	55000	319,477
3	55001	to	60000	174,253
3	60001	to	65000	188,700
3	65001	to	70000	202,446
1	70001	to	75000	73,359
2	75001	to	80000	155,000
2	80001	to	85000	161,300
3	85001	to	90000	262,200
2	90001	to	95000	184,774
2	95001	to	100000	192,327
1	105001	to	110000	105,597
1	110001	to	115000	112,500
2	115001	to	120000	236,965
1	130001	to	135000	130,900
1	165001	to	170000	169,390
1	195001	to	200000	200,000
1	250001	to	255000	254,043
1	300001	to	305000	300,040
1	335001	to	340000	339,656
1	385001	to	390000	387,700
1	420001	to	425000	421,200
1	2130001	to	2135000	78,918,934
1	2750001	to	2755000	2753004
1	21500001	to	21505000	21504325
1	78915001	to	78920000	78918934
4,756				117,054,508

Key Share Holding

As at 31 December 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
SYED ANWAR MAHMOOD	1	1	0.00
MS. ERUM SHAKIR RAHIM	1	3	0.00
MUHAMMAD ZINDAH MOIN MOHAJIR	1	330	0.00
AYESHA AZIZ	1	1	0.00
Associated Companies, undertakings and related parties			
GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.	2	100,423,259	85.79
NIT and ICP			
	3	15,549	0.01
Banks Development Financial Institutions, Non-Banking Financial Institutions			
	12	885,955	0.76
Insurance Companies			
	5	3,227,048	2.76
Modarabas and Mutual Funds			
	22	3,358,867	2.87
General Public			
a. Local	4,519	6,718,468	5.74
b. Foreign	27	115,193	0.10
Foreign Companies			
	3	77,000	0.07
Others	159	2,232,834	1.91
Totals	4,756	117,054,508	100.00

Shareholders holding 10% or more	Shares Held	Percentage
GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.	100,423,259	85.79

Members Having 5% or More of Voting Rights

Name of Shareholder(s)	No. of Shares Held	Percentage
GlaxoSmithKline Consumer Healthcare B.V.	100,423,259	85.79%

Shares Held By Sponsors, Directors and Executives

Number of shares held at 31 December 2021 are summarized below:

Particulars	No of Shares
Directors and Executives and Sponsors	
Mr. Muhammad Zindah Moin Mohajir	330
Ms. Erum Shakir Rahim	3
Syed Anwar Mahmood	1
Ms. Ayesha Aziz	1

Details of the above have been presented in the Pattern of Shareholding, available on page 216 to 217 of this Annual Report.

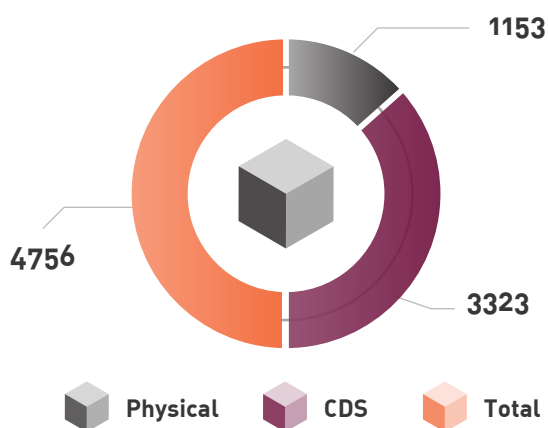
Trading In Shares By Directors and Executives as Required Under the Law

During the year, Mr. Farhan Muhammad Haroon sold 4,913 fractional shares held by him on trust and Ms. Erum Shakir Rahim bought 3 qualification shares. These have been presented by the Company Secretary in the Board of Directors' Meetings. Apart from this no other trading in shares was executed by Directors and Executives. All relevant disclosures and updates with regards to the same have been made on a regular basis with accordance to the rules and law.

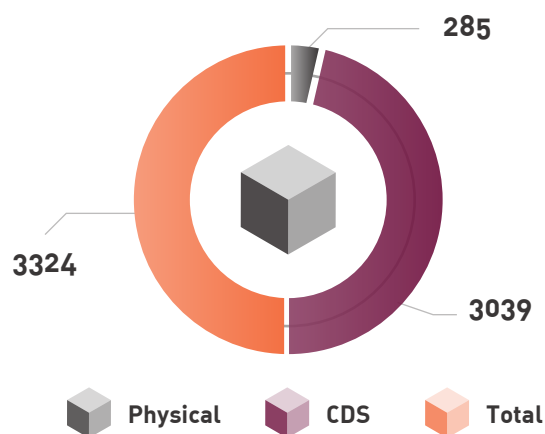
Shareholding Position / IBAN

Current Total Number of Shareholders as on 31 December 2021			Current Number of IBAN updated as on 31 December 2021			Ratio/Percentage of IBAN updated
Physical	CDS	Total	Physical	CDS	Total	%
1,153	3,323	4,756	285	3,039	3,324	69.8

Total No. Shares as on 31 December 2021



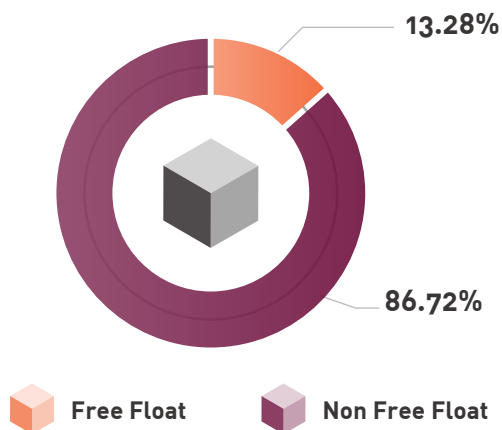
Number of IBAN Updated as on 31 December 2021



Free Float of Shares

Free Float Shares of the Company are 15,549,142 i.e. (13.28%) out of the total 117,054,508 Shares of the Company as at 31 December 2021.

Free Float as at 31 December 2021



GlaxoSmithKline Consumer Healthcare Pakistan Limited

Notice of Annual General Meeting 2021

Notice is hereby given to shareholders that the 7th Annual General Meeting ('AGM') of GlaxoSmithKline Consumer Healthcare Pakistan Limited (the 'Company') will be held on Monday, 21 March 2022 at 2:00 pm virtually to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' Report thereon for the year ended 31 December 2021.
- 2) To appoint 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 the appointment of Yousuf Adil, Chartered Accountants as external auditors, for the year ending 31 December 2022.
- 3) To elect seven (7) Directors, as fixed by the Board, in accordance with the provision of Section 159 of the Companies Act, 2017, for a term of three (3) years commencing immediately upon the conclusion of the 7th 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) Mr. M. Z. Moin Mohajir | 5) Ms. Ayesha Aziz |
| 2) Mr. Farhan Muhammad Haroon | 6) Mr. Oussama Abbas |
| 3) Mr. Dilawar Meghani | 7) Ms. Erum Shakir Rahim |
| 4) Syed Anwar Mahmood | |

ANY OTHER BUSINESS

- 4) To transact any other business with the permission of the Chair.

By the Order of the Board



MASHAL MOHAMMAD
Company Secretary

Karachi
28 February 2022

Notes:

1. Virtual AGM and Attendance Protocols

- a)** Pursuant to the SECP Circular No. 4 of 2021 dated 15 February 2021, Circular No. 6 of 2021 dated 3 March 2021, and the clarification issued by SECP bearing no. SMD/SE/2(20)/2021/117 dated 15 December 2021, the proceedings of the AGM shall be held virtually. In view of the surge of COVID-19 cases (Omicron variant), travel restrictions in place for foreign directors and considering the safety and wellbeing of all esteemed shareholders, Directors and management due to COVID-19, the 7th AGM is being held virtually. The Company continues to monitor the impact of COVID-19 and any relevant updates regarding the AGM will be announced on the Company's website (www.pk-consumerhealthcare.gsk.com) and through PUCARS.
- b)** Shareholders attending the AGM must register their intent beforehand and no later than close of business on 18 March 2022. Shareholders are requested to email their respective name, folio number, CNIC no, and scanned copy of their CNIC (front and back) to Ms. Rawail Adeel at rawail.x.adeel@gsk.com, and following necessary verification, a link to access the AGM will be emailed to him/her.
- c)** Please scan the QR code or access the link below to post any questions for the AGM as the telecon will automatically mute all microphones:

Join at:
vevox.app

ID:
158-949-830



<https://vevox.app/#/m/158949830>
Session ID: 158-949-830

Email Address: rawail.x.adeel@gsk.com

- d)** Please note that those shareholders attending 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. Those shareholders attending the AGM may submit their respective questions/comments/suggestions along with their name and folio number on the link/QR Code/email address, provided above in this notice ahead of or during the AGM.

2. Book Closure

The share transfer books of the Company will be closed from 14 March 2022 to 21 March 2022 (both days inclusive). 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.S., Main Shahrah-e-Faisal, Karachi – 74000 at the close of business on 13 March 2022 will be treated in time for the purpose of attendance of the Annual General Meeting and as applicable.

3. Appointment of Proxies

Shareholders entitled to attend and vote at the AGM may appoint another shareholder as his/her proxy to attend, speak and vote at the AGM on his/her behalf. The instrument appointing proxy must be deposited duly signed and stamped 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.S., Main Shahrah-e-Faisal, Karachi not later than forty eight (48) hours before the time of the AGM. An attested copy of the shareholder's Computerized National Identity Card (CNIC) must be attached with the proxy form. Please refer to section 137 of the Companies Act, 2017 for further information. 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 Shareholders at the AGM without such CNIC(s). The proxy form is available on the Company's website (www.pk-consumerhealthcare.gsk.com).

4. CDC Account Holder

CDC Account Holders will further have to follow the below guidelines as specified by the Securities and Exchange Commission of Pakistan (SECP).

a) Attending the AGM

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account, and their registration details are uploaded as per the applicable regulations, and 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.
- 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) Appointing Proxies

- 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.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original passport at the time of the AGM.

- 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 proxy form to the Company.

The proxy form is available on the Company's website: www.pk-consumerhealthcare.gsk.com

5. Submission of CNIC/NTN Copy - Electronic Dividend (MANDATORY)

- a)** According to the Securities and Exchange Commission of Pakistan's (SECP) SRO 831(1)/2012 dated July 05, 2012 read with SRO 19(1)/2014 dated 10 January 2014 and other relevant rules, the electronic dividend should also bear the CNIC number of the registered shareholder or the authorized person, except in the case of minor(s) and corporate shareholders.
- b)** Further, as per Regulation Nos. 4 and 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 authorized person.
- c)** Accordingly, those 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 dematerialized 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 authorized representative's CNIC copy.

6. Payment of Cash Dividend Through Electronic Mode (Mandatory)

- a)** In accordance with SECP Circular No. 18 of 2017 dated 1 August 2017 and instructions related to distribution of dividend indicated in Companies (Distribution of Dividends) Regulations, 2017 and Section 242 of Companies Act, 2017, all listed companies are required to ensure that with effect from 1 November 2017, cash dividends shall be paid through electronic mode only. Therefore, shareholders are required to provide the details of their bank mandate through the Company's E-Dividend Mandate Form specifying: (i) title of account, (ii) account number, (iii) IBAN number, (iv) bank name, (v) branch name, code & address and (vi) mobile number; to the Company's Share Registrar. Those shareholders who hold shares with Participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC.
- b)** Please note that as per Section 243(3) of the Companies Act, 2017, the Company is entitled to withhold payment of dividend if the requisite information is not provided by shareholders.
- c)** For the convenience of shareholders, the Company's E-Dividend Mandate Form is available on the Company's website i.e. www.pk-consumerhealthcare.gsk.com and a copy is appended in the Annual Report as well.

7. Circulation of Annual Audited Accounts

a) SECP, through its SRO 470(1)/2016 dated 31 May 2016, has allowed companies to circulate the annual balance sheet, profit and loss account, Auditors' Report and Directors' Report etc. to its shareholders through CD/DVD/USB at their registered addresses. In view of the above, the Company had obtained shareholders' approval in its Extra-Ordinary General Meeting held on 20 November 2017 in this regard.

b) Pursuant to SRO 787(1)/2014 dated 8 September 2014, SRO 470(1)/2016 dated 31 May 2016, and under Section 223(6) of the Companies Act 2017, circulation of audited financial statements and notice of annual general meeting has been allowed in electronic format, including through email. Accordingly, the audited financial statements of the Company for the year ended 31 December 2021, are available on the Company's website: www.pk-consumerhealthcare.gsk.com. The Annual Report shall be circulated via email to those shareholders whose email addresses are present in the records/database of the Share Registrar. Those shareholders requiring a printed copy or electronic format through email of Annual Report may send a request using the Standard Request Form provided in the Annual Report and placed on the Company's website: www.pk-consumerhealthcare.gsk.com. Hardcopies shall be provided free of cost.

8. Deduction of Withholding Tax on Dividend (as applicable)

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 i.e. Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively.

b) Further, according to clarification received from Federal Board of Revenue (FBR) vide Letter No. 1(54) Exp/2014-132872-8 dated 24 September 2014 and their subsequent letter No. C.No. 1(17) WHT/2011 dated 1 December 2014, withholding tax will be determined separately on Active/Non-Active Status of Principal Shareholder as well as Joint-Holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares with joint shareholders are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio/CDS Account 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:

- The required information must reach our Share Registrar by 13 April 2022. Otherwise, it will be assumed that the shares are equally held by the principal and joint holder(s) and tax will be deducted accordingly.
- Shareholders are therefore requested to ensure that their CNIC/Passport number has been recorded by the Participant/Investor Account Services or by the Company's Share Registrar (in case of physical shareholding).
- Those 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. All shareholders must specify their company name and their respective folio numbers while sending NTN or NTN certificates, as the case may be.
- Withholding tax exemption from dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar by 13 April 2022.

9. Postal Ballot/E-Voting

Further to 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, shareholders 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 the said Regulations.

10. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., 30 May 2017. Those shareholders having physical shareholding(s) are encouraged to open a CDC sub - account with any broker or Investor Account directly with CDC to place their physical shares into scrip less form. This is beneficial in many ways, including safe custody and sale of shares at any time, as the trading of physical shares is not permitted as per the existing regulations of the Pakistan Stock Exchange.

11. Change of Address and Zakat Status

Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal address or email address. Shareholders with physical shareholding are requested to submit non-deduction of Zakat form, if applicable to them. Further, shareholders holding their shares through CDC are requested to update their participants.

12. Unclaimed Dividend(s)

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached shareholders to claim their unclaimed dividends in accordance with the law. Those shareholders, whose dividends still remain unclaimed, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

13. Statutory Code of Conduct at AGM

Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of Shareholders, as follows: 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. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

14. Election of Directors

a) Any person who seeks to contest the election of Directors shall file with the Company at its registered office, not later than fourteen (14) days before the above said meeting his/her intention to offer himself/herself for the election of the Directors in terms of Section 159(3) of the Companies Act, 2017 together with:

- Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Companies Act, 2017, together with the consent to act as director under Section 167(1) of the Act on a duly filled and signed Form 28.
- Detailed profile along with office address as required under SRO 1196 (I)/2019 issued by SECP, dated 3 October 2019.
- A declaration confirming that:
 - a. He / She is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and regulations of the Pakistan Stock Exchange; and
 - b. 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.
- Copy of valid CNIC (in case of Pakistan national) / Passport (in case of foreign national), and NTN & Folio No. / CDC Investors Account No. / CDC Sub-Account No (applicable for person filing consent for the first time).

b) Independent Directors shall be elected through the process of election of Directors required under section 159 of the Companies Act, 2017. Independent Directors 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. The following additional documents are required to be submitted by candidates intending to contest the election of directors as an Independent Director:

- Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations 2019; and
- Undertaking on the appropriate denomination of non-judicial stamp paper that he/she meet the requirements of Regulation 4 (1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Statement of Material Fact

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. As a listed company, GSK Consumer Healthcare Pakistan is required to have two (2) or one third (1/3rd) shareholders of the Board, whichever is higher, as independent directors on its Board in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2017. Accordingly, the Company shall ensure that at least two (2) or one third (1/3rd) shareholders of the Board, whichever is higher, Independent Directors are elected in accordance with the procedures for election of directors specified in Section 159 of the Companies Act, 2017.

After the contestants file their notice / intention to stand for elections, the Company shall apply the following criteria for choosing the appointee for appointment as independent director:

- Inclusion of name of independent directors in the databank maintained by the Pakistan Institute of Corporate Governance (PICG) duly authorized by SECP
- Appropriate competency, diversity, skill, knowledge and experience of the contestants shall be assessed.
- The Company shall exercise its own due diligence before selecting a person from the PICG databank that the contestant meets the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017.

GlaxoSmithKline Consumer Healthcare Pakistan Limited

Proxy Form

I/We _____ of _____, being a Member of GlaxoSmithKline Consumer Healthcare Pakistan Limited holding _____ ordinary shares, HEREBY APPOINT _____ of _____, another Member of the Company, failing him/her _____ of _____ as my/our proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held virtually at Karachi at 2:00 pm on Monday, 21 March 2022 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 20____.

Rs. 5/-
Revenue
Stamps

Signed in the presence of:

(Signature of Witness 1)

Name of Witness:
CNIC No.:

						-						-		
--	--	--	--	--	--	---	--	--	--	--	--	---	--	--

Passport No. (Non-Pakistani):

Address:

(Signature of Witness 2)

Name of Witness:
CNIC No.:

						-						-		
--	--	--	--	--	--	---	--	--	--	--	--	---	--	--

Passport No. (Non-Pakistani):

Address:

(Name in Block Letters)

Folio No. _____

Signature of the Shareholder

Notes:

1. The Member is requested:
 - (a) to affix revenue stamp of Rs. 5/- at the place indicated above;
 - (b) to sign in the same style of signature as is registered with the Company;
 - (c) to write down his/her folio number.
2. For the appointment of the above proxy to be valid, this instrument of proxy must be received at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited, 99-B, Block - B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, at least 48 hours before the time fixed for the Meeting.
3. Any alteration made in this instrument of proxy should be initialled by the person who signs it.
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

For CDC Account Holders / Corporate Entities:

In addition to the above, the following requirements have to be met:

- (i) The proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and of the proxy must be furnished with the proxy form.
- (iii) The proxy must produce his / her original CNIC or original passport at the time of the Meeting.
- (iv) In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) along with the proxy form(s) to the Share Registrar.

GlaxoSmithKline Consumer Healthcare Pakistan Limited

E-Dividend Mandate Form

To: _____

Date: _____

SUBJECT: BANK ACCOUNT DETAILS FOR PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

Dear Sir / Madam,

I/We/Messrs., _____, being a/the shareholder(s) of GlaxoSmithKline Consumer Healthcare Pakistan Limited (the "Company"), hereby, authorize the Company, to directly credit cash dividends declared by it in my bank account as specified below:

Name of the Shareholder	
Folio No./CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number(s) (Telephone and Mobile Nos.)	
Shareholder's Postal Address	
Shareholder's Bank account details:	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch Name	
Branch Code No	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours truly,

Signature of Shareholder

(Please affix company stamp in case of corporate entity)

Notes:

- Those shareholders who hold shares in book-entry form are requested to fill the above-mentioned E-Dividend Mandate Form and send it to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where the shareholder's CDC account is being dealt.
- Those shareholders who hold shares in physical form are requested to fill the above-mentioned E-Dividend Mandate Form and send it to the Company's Share Registrar address; i.e.; CDC Share Registrar Services Limited, Share Registrar Department, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi-74400, Pakistan. Tel: 0800-23275 (CDCSRSL).
- In case of non-receipt of IBAN with bank details as requested above, future cash dividend, if any, could be withheld according to the directives of the Securities and Exchange Commission of Pakistan.
- GlaxoSmithKline Consumer Healthcare Pakistan Limited and CDCSRSL shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, or failure in performance of any of its obligations whatsoever, caused due to incorrect payment instructions provided by the shareholder and/or due to any event beyond the control of the bank.

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ ای-ڈیویڈنٹ مینڈیٹ فارم

تاریخ:

عنوان: بینک اکاؤنٹ کی تفصیلات برائے ای ڈیویڈنٹ کی ادائیگی بذریعہ الیکٹرونک طریقہ کار

محترم /محترمہ

میں /ہم/میسرز-----، گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ (کمپنی) کے شیئر ہولڈر ہونے کے ناطے، کمپنی کو اختیار دیتے ہیں، کہ اعلان کردہ کیش ڈیویڈنٹ کو براہ راست میرے اکاؤنٹ میں کریڈٹ کر دے، جیسا کہ ذیل میں بیان کیا گیا ہے۔

شیئر ہولڈر کا نام	
فولیو نمبر / CDC شرکت کنندہ کا ID اور sub account نمبر/ CDC IAS	
CNIC/NICOP/Passport/NTN No. (برائے مہربانی کاپی منسلک کریں)	
رابطہ نمبر (ز) فون اور موبائل نمبر	
شیئر ہولڈر کا پوسٹل ایڈریس	
شیئر ہولڈر کے بینک اکاؤنٹ کی تفصیلات	
بینک اکاؤنٹ کا ٹائٹل	
انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN)	
بینک کا نام	
برانچ کا نام	
برانچ کوڈ نمبر	
برانچ کا پتہ	

یہ بیان کیا جاتا ہے کہ میری طرف سے فراہم کردہ درج بالا تفصیلات درست ہیں اور میں مستقبل میں ان میں ہونے والی کسی بھی تبدیلی کی صورت میں کمپنی کو آگاہ کروں گا۔

آپ کا مخلص

شیئر ہولڈر کے دستخط

(برائے مہربانی کارپوریٹ اینٹی ہونے کی صورت میں کمپنی کی مہر ثبت کریں)

نوٹس

- 1- وہ شیئر ہولڈرز جو بک اینٹری میں شیئر رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ درج بالا ای ڈیویڈنٹ مینڈیٹ فارم بھریں اور اسے متعلقہ بروکر/شرکت کنندہ/سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے انویسٹر اکاؤنٹ سروسز کو، جہاں شیئر ہولڈر کا CDC اکاؤنٹ ڈیل کیا جاتا ہے، ارسال کریں۔
- 2- وہ شیئر ہولڈرز جو شیئرز طبیعی حالت میں رکھتے ہیں ان سے درخواست کی جاتی ہے کہ درج بالا ای ڈیویڈنٹ مینڈیٹ فارم بھریں اور اسے کمپنی کے شیئر رجسٹرار کو اس پتے پر ارسال کریں۔ CDC شیئر رجسٹرار سروسز لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، CDC ہاؤس، B-99، بلاک B، مین شاہراہ فیصل، کراچی، پاکستان۔ فون نمبر 0800-23275 (CDCSRL)
- 3- جیسا کہ اوپر درخواست کی گئی ہے، بینک کی تفصیلات کے ہمراہ IBAN نہ ملنے کی صورت میں مستقبل میں کیش منافع منقسمہ، اگر کوئی ہو، سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق روکا جا سکتا ہے۔
- 4- گلیکسو اسمتھ کلائن ہیلتھ کیئر پاکستان لمیٹڈ اور CDCSRL ادائیگی کے حوالے سے کسی قسم کے نقصان، لائبلٹی، کلیم کا ذمہ دار نہیں ہوگا، جو براہ راست یا بالواسطہ طور پر کسی غلطی یا اپنی کسی بھی ذمہ داری کو پورا کرنے میں ناکامی جو کہ شیئر ہولڈر کی طرف سے دی گئی غلط ہدایات کی وجہ سے ہو، یا کسی ایسے واقعے کی صورت میں جو بینک کے کنٹرول سے باہر ہو۔

Request Form for Transmission of Annual Report & Notice of Annual General Meeting (AGM) Through Email or in Hard Copy

CDC Registrar Services Limited
CDC House,
Main Shahra-e-Faisal, 99-B, Block 'B', SMCHS,
Karachi – 74400

SUBJECT: Request for transmission of Annual Reports and Notice of AGM through Email or in Hard copy

I/we hereby request to receive the Annual Report and Notice of AGM through email or in hard copy instead of receiving the same through CD/DVD/USB as mentioned below:

Name of the Shareholder(s)	
Folio No. / CDC Participants ID A/C No.	
CNIC No.	
Telephone Number	
Mobile Number	
Passport No. (in case of foreign shareholder)	
Valid Email Address	
Valid Postal Address	

MODE OF RECEIVING ALL FUTURE ANNUAL REPORTS ALONG WITH NOTICE OF AGM THROUGH EMAIL OR IN HARD COPY UNDER SECTION 223 (6) OF THE COMPANIES ACT, 2017, INSTEAD OF RECEIVING THEM THROUGH CD/DVD/USB

(Please select any one option)

OPTION 1: Through email on the valid email address provided above

OPTION 2: Hard copies on my registered postal address

It is stated that the above-mentioned information is correct and that I/We will intimate the changes in the abovementioned information to the Company and / or the concerned Share Registrar as soon as these occur.

I/we hereby further authorize the Company to update my/our particulars mentioned above in the member register of the Company along with email address mentioned.

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.

Signature of the Shareholder(s)

Notes:

- Please attach attested photocopy of the valid CNIC / valid Passport
- This request form is optional and not compulsory

درخواست فارم برائے ترسیل سالانہ رپورٹ / اجلاس عام کا نوٹس

سی ڈی سی رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس

مین شاہراہ فیصل، B بلاک B 99 ، SMCHS

74400 - karachi

عنوان: درخواست برائے ترسیل سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام (AGM) بذریعہ ای میل یا ہارڈ کاپی

میں / ہم سالانہ رپورٹ اور نوٹس برائے AGM CD/DVD/USB کے ذریعے وصول کرنے کے بجائے بذریعہ ای میل یا ہارڈ کاپی کی وصولی کی درخواست کرتا ہوں / کرتے ہیں، جیسا کہ ذیل میں بیان کیا گیا ہے۔

	شیئر ہولڈر کا نام
	فولیو نمبر / سی ڈی سی شرکت کنندہ کا ID A/C No.
	CNIC No.
	ٹیلی فون نمبر
	موبائل نمبر
	پاسپورٹ نمبر - (غیر ملکی شیئر ہولڈر ہونے کی صورت میں)
	valid ای میل ایڈریس
	valid رہائشی پتہ

کمپنیز ایکٹ 2017 کے سیکشن 223 کے مطابق مستقبل میں تمام سالانہ رپورٹس ہمہ نوٹس برائے AGM ، CD/DVD/USB پر وصول کرنے کے بجائے بذریعہ ای میل یا ہارڈ کاپی کی صورت میں وصول کرنے کا طریقہ

برائے مہربانی کسی ایک آپشن کا انتخاب کریں

آپشن ۱: درج بالا valid ای میل ایڈریس پر بذریعہ ای میل

آپشن ۲: میرے رجسٹرڈ پوسٹل ایڈریس پر ہارڈ کاپی کی صورت میں

یہ بیان کیا جاتا ہے کہ متذکرہ بالا معلومات درست ہے اور میں / ہم اوپر دی گئی معلومات میں تبدیلیوں کے حوالے سے کمپنی اور / یا متعلقہ شیئر رجسٹرار کو جیسے ہی تبدیلی واقع ہو، آگاہ کریں گے۔ میں / ہم مزید کمپنی کو اختیار دیتے ہیں کہ میری / ہماری متذکرہ بالا تفصیلات کمپنی کے ممبر رجسٹر میں، دیے گئے ای میل ایڈریس سمیت درج کرے۔

میں / ہم عہد کرتے ہیں کہ کمپنی کی طرف سے آڈٹ شدہ مالیاتی گوشوارے اور نوٹس بذریعہ ای میل ارسال کرنے پر، کمپنیز ایکٹ 2017 کے سیکشن 223 (6) کی متعلقہ شرائط کی تکمیل تصور کیا جائے گا۔ اگر کمپنی کے آڈٹ شدہ مالیاتی گوشوارے اور / یا نوٹس برائے AGM درکار ہوں تو اس کے لیے خصوصی درخواست کی جائے گی۔

شیئر ہولڈر کے دستخط

نوٹس:

برائے مہربانی CNIC Valid / Valid پاسپورٹ کی تصدیق شدہ فوٹو کاپی منسلک کریں۔

یہ درخواست فارم اختیاری ہے اور لازمی نہیں ہے

کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۱۶۶ (۳) کے تحت مادی حقائق کی اسٹیٹمنٹ

کمپنیز ایکٹ 2017 کے سیکشن 166 کا تقاضا ہے کہ ایک مادی حقائق پر مبنی اسٹیٹمنٹ سالانہ اجلاس عام کے نوٹس کے ساتھ منسلک کی جائے، جو ڈائریکٹرز کے انتخاب کے لیے بلایا گیا ہو۔ لسٹڈ کمپنی ہونے کے ناطے، GSK کنزیومر ہیلتھ کیئر پاکستان کے لیے، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے مطابق اپنے بورڈ میں بورڈ کے دو (2) یا ایک تہائی (3rd/1) شیئر ہولڈرز کو، جو بھی تعداد میں زیادہ ہوں، خود مختار ڈائریکٹرز اپنے بورڈ میں رکھنا ضروری ہے۔ اسی طرح، کمپنی یقینی بنائے گی کہ کمپنیز ایکٹ 2017 کے سیکشن 159 میں بیان کردہ ڈائریکٹرز کے انتخاب کے طریقہ کار کے مطابق بورڈ کے کم از کم دو (2) یا ایک تہائی (3rd/1) شیئر ہولڈرز، جو بھی تعداد میں زیادہ ہوں، خود مختار ڈائریکٹرز کا انتخاب کیا جائے۔

امیدواران کی طرف سے الیکشن میں حصہ لینے کا نوٹس/ ارادے کے بعد، کمپنی درج ذیل معیار کے مطابق، خود مختار ڈائریکٹرز مقرر کرنے کے لیے، مقرر کرنے والے کا چناؤ کرے گی:

- SECP سے باقاعدہ مجاز، پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس کی طرف سے مرتب کیے جانے والے ڈیٹا بیس میں خود مختار ڈائریکٹرز کے نام کی شمولیت

- امیدواران کی موزوں قابلیت، تنوع، صلاحیت، معلومات اور تجربے کا جائزہ لیا جائے گا۔

- کمپنی PIGC کے ڈیٹا بینک میں کسی کے انتخاب سے پہلے اپنی مطلوبہ احتیاط (due diligence) استعمال کرے گی کہ امیدوار کمپنیز ایکٹ 2017 کے سیکشن 166 (2) میں بیان کردہ خود مختار معیار پر پورا اترتا / اترتی ہو۔

11 پتے کی تبدیلی اور زکوٰۃ اسٹیس

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پوسٹل ایڈریس یا ای میل ایڈریس میں کسی تبدیلی کے حوالے سے کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ فزیکل شیئر ہولڈنگ کے حامل شیئر ہولڈرز سے درخواست کی جاتی ہے کہ زکوٰۃ کی عدم کٹوتی کا فارم، اگر ان پر لاگو ہوتا ہو، جمع کرائیں۔ مزید یہ کہ CDC کے ذریعے اپنے شیئرز رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ شرکت کنندہ کے حوالے سے اپ ڈیٹ کریں۔

12 غیر کلیم شدہ ڈیویڈنڈ / شیئرز

کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق کمپنی پہلے ہی اپنی ذمہ داری پوری کر چکی ہے جبکہ کمپنی نے شیئر ہولڈرز سے رابطہ کیا ہے کہ وہ اپنے غیر کلیم شدہ ڈیویڈنڈ کو قانون کے مطابق کلیم کریں۔ وہ شیئر ہولڈرز جن کے ڈیویڈنڈ اب بھی غیر کلیم شدہ ہیں، انہیں ایک بار پھر درخواست کی جاتی ہے کہ اپنے آؤٹ اسٹینڈنگ ڈیویڈنڈ کی رقم اور / یا ڈیویور نہ ہونے والے شیئر سرٹیفکیٹ کے حوالے سے کمپنی سے رابطہ کریں۔

13 سالانہ اجلاس عام میں درکار قانونی ضابطہ اخلاق

کمپنیز ایکٹ 2017 کے سیکشن 215 اور کمپنیز (جرنل پروویژن اینڈ فارمز) ریگولیشن 2018 شیئر ہولڈرز کے لیے ضابطہ اخلاق بیان کرتے ہیں، جو درج ذیل ہے۔ شیئر ہولڈرز کو اجازت نہیں ہے کہ وہ ایسے فیصلوں کے لیے جو مینجمنٹ کے کام پر اثر انداز ہو سکتے ہوں، مینجمنٹ پر دباؤ ڈالیں یا براہ راست رسائی حاصل کریں۔ قانون بیان کرتا ہے کہ شیئر ہولڈرز اپنے ساتھ ایسا مواد نہیں لائیں گے جو شرکاء یا اس جگہ جہاں سالانہ اجلاس عام منعقد کیا جا رہا ہے کے لیے خطرہ کا باعث ہو، اپنے آپ کو سالانہ اجلاس عام کے نوٹس میں احاطہ کیے گئے ایجنڈا کے نکات تک ہی محدود رکھیں گے اور اس انداز سے کردار ادا نہیں کریں گے جس سے ان کی سیاسی وابستگی ظاہر ہو۔ مزید یہ کہ، کمپنیز ایکٹ 2017 کے سیکشن 185 کے مطابق کمپنی کو اجازت نہیں ہے کہ وہ کسی بھی صورت میں شیئر ہولڈرز میں تحائف تقسیم کرے۔

14 ڈائریکٹرز کا انتخاب

کوئی بھی شخص جو ڈائریکٹرز کے انتخاب میں حصہ لینا چاہتا ہو، کمپنیز ایکٹ 2017 کے سیکشن 159 (3) کی شرائط کے مطابق ڈائریکٹرز کے انتخاب کے لیے خود کو پیش کرنے کے ارادے کے حوالے سے متذکرہ بالا اجلاس سے کم از کم 14 دن قبل کمپنی کے رجسٹرڈ آفس میں فائل کرے:

- ہمہ کمپنیز ایکٹ 2017 کے سیکشن 159 (3) کے مطابق اپنے آپ کو ڈائریکٹرز کے انتخاب کے لیے پیش کرنے کا نوٹس، ہمہ سیکشن 167(1) کے مطابق ڈائریکٹرز کے طور پر کردار ادا کرنے کا ارادہ، اور باقاعدہ طور پر پر شدہ فارم 28 فراہم کریں۔
- تفصیلی پروفائل ہمہ آفس ایڈریس جیسا کہ SECP کی طرف سے جاری کردہ SRO 1196 (II) 2019/13 بتاریخ 3 اکتوبر 2019 میں بیان کیا گیا ہے۔
- ڈکلیریشن جس میں تصدیق کی گئی ہو کہ:

(a) وہ متعلقہ قوانین، کمپنی کے میمورینڈم اور آرٹیکل آف ایسوسی ایشن، اور پاکستان اسٹاک ایکسچینج کے قوانین سے آگاہ ہے۔

(b) وہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے کسی بھی پروویژن یا کسی دوسرے لاگو ہونے والے قانون، اصول یا ریگولیشنز کیلحاظ سے کمپنی کا ڈائریکٹر ہونے کے لیے نا اہل نہیں ہے۔

- (پاکستانی شہری ہونے کی صورت میں) مؤثر قومی شناختی کارڈ کی کاپی / (غیر ملکی شہری ہونے کی صورت میں) پاسپورٹ، اور NTN اور فولیو نمبر / CDC انویسٹرز اکاؤنٹ نمبر / CDC سب اکاؤنٹ نمبر (ان افراد پر لاگو ہے، جو پہلی بار اپنا ارادہ فائل کر رہے ہوں)۔

(c) خود مختار ڈائریکٹرز کا انتخاب کمپنیز ایکٹ 2017 کے سیکشن 159 کے تحت ڈائریکٹرز کے الیکشن کے طریقہ کار، کے تحت کیا جائے گا۔ خود مختار ڈائریکٹرز کمپنیز ایکٹ 2017 کے سیکشن 166، اور کمپنیز (خود مختار ڈائریکٹرز کا انتخاب اور طریقہ کار) ریگولیشنز 2018 میں دیے گئے معیار پر پورے اترنے چاہئیں۔ خود مختار ڈائریکٹر کے طور پر ڈائریکٹرز کے الیکشن میں حصہ لینے کا ارادہ رکھنے والے امیدواران کو درج ذیل اضافی دستاویزات جمع کرانی ہوں گی۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے سیکشن 3(6) کے تحت خود مختار ڈائریکٹرز (ز) کی طرف سے ڈکلیریشن، اور مناسب قدر کے نان جوڈیشل اسٹامپ پیپر پر حلف نامہ کہ وہ کمپنیز (خود مختار ڈائریکٹرز کا انتخاب اور طریقہ کار) ریگولیشنز 2018 کی شرائط پر پورا اترتا/اترتی ہے۔

8 ڈیویڈنڈ پر ٹیکس کی کٹوتی (جہاں اطلاق ہوتا ہو)

a شیئر ہولڈرز جن کے نام ایکٹو ٹیکس پیئرز لسٹ میں نہ ہوں، انہیں مشورہ دیا جاتا ہے کہ فوری طور پر اپنے آپ کو ایکٹو کرانے کے لیے ضروری اقدامات کریں۔ بصورت دیگر ڈیویڈنڈ پر قانون، یعنی انکم ٹیکس آرڈیننس 2001 کے پہلے شیڈول کے حصہ III کے ڈویژن I کو سیکشن 150 کو کے ساتھ پڑھا جائے، کے مطابق ٹیکس منہا کیا جائے گا۔ ڈیویڈنڈ پر ودہولڈنگ ٹیکس برائے فائلر اور نان فائلر بالترتیب 15 فیصد اور 30 فیصد کی شرح سے منہا کیا جائے گا۔

b فیڈرل بورڈ آف ریونیو (FBR) کی طرف سے موصول ہونے والی وضاحت بذریعہ لیٹر نمبر 1 [54] Exp/2014-132872-8 بتاریخ 24 ستمبر 2014 اور ان کے لیٹر نمبر 11C.No (17) WHT/2011 بتاریخ یکم دسمبر 2014، کے مطابق ڈیویڈنڈ پر ودہولڈنگ ٹیکس کا حساب پرنسپل شیئر ہولڈر یا جوائنٹ شیئر ہولڈر کے ایکٹو / نان ایکٹو اسٹیٹس کی بنیاد پر شیئر ہولڈنگ کے تناسب سے علیحدہ کیا جائے گا۔ جوائنٹ اکاؤنٹ کی صورت میں، اس حوالے سے تمام شیئر ہولڈرز، جو جوائنٹ شیئر ہولڈرز کے ساتھ شیئر ز کے حامل ہیں، سے درخواست کی جاتی ہے کہ پرنسپل شیئر ہولڈرز اور جوائنٹ شیئر ہولڈرز کی شیئر ہولڈنگ کا تناسب اپنے پاس موجود شیئرز کے مطابق ہمارے شیئر رجسٹرار کو تحریری طور پر فراہم کریں، جیسا کہ ذیل میں دیا گیا ہے۔

جوائنٹ شیئر ہولڈر		پرنسپل شیئر ہولڈر		مجموعی شیئرز	فولیو / سی ڈی سی اکاؤنٹ نمبر
شیئر ہولڈنگ تناسب (شیئرز کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	شیئر ہولڈنگ تناسب (شیئرز کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر		

نوٹس

- درکار معلومات لازمی طور پر ہمارے شیئر رجسٹرار کے پاس 13 اپریل 2022 تک پہنچ جانی چاہئیں۔ بصورت دیگر، یہ تصور کیا جائے گا کہ شیئرز پرنسپل اور جوائنٹ شیئر ہولڈر کے پاس یکساں تعداد میں ہیں اور اسی کے مطابق ٹیکس منہا کیا جائے گا۔

- لہذا شیئر ہولڈرز سے درخواست ہے کہ یقینی بنائیں کہ آپ کا کمپیوٹرائزڈ شناختی کارڈ نمبر / پاسپورٹ نمبر شرکت کنندہ/انوسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار (فزیکل شیئر ہولڈنگ کی صورت میں) کے ذریعے ریکارڈ کیا گیا ہے۔

- وہ کارپوریٹ شیئر ہولڈرز جن کے نام CDC اکاؤنٹس میں موجود ہیں، سے درخواست کی جاتی ہے کہ اپنا نیشنل ٹیکس نمبر (NTN) اپنے متعلقہ شرکت کنندہ کے پاس اپ ڈیٹ کرائیں۔ کارپوریٹ فزیکل شیئر ہولڈرز کو چاہیے کہ اپنے NTN سرٹیفکیٹ کی کاپی، کمپنی کے شیئر رجسٹرار کو بھجوائیں، تمام شیئر ہولڈرز اپنا NTN نمبر یا NTN، جیسی بھی صورت ہو سرٹیفکیٹ ارسال کرتے وقت لازمی طور پر اپنی کمپنی کا نام اور ان کے متعلقہ فولیو نمبرز کی نشاندہی کریں۔

- ڈیویڈنڈ پر ودہولڈنگ ٹیکس سے استثنیٰ صرف اسی صورت میں دیا جائے جب ٹیکس سے استثنیٰ کے سرٹیفکیٹ کی مؤثر کاپی کمپنی کے شیئر رجسٹرار کے پاس 13 اپریل 2022 تک پہنچا دی جائے۔

9 پوسٹل بیلٹ / ای ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے علاوہ کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کی شرائط کے مطابق ڈائریکٹرز کے انتخاب یا دیگر کسی ایجنڈا کے لیے، قانون کے مطابق 10 فیصد یا زیادہ شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز، کو اجازت ہو گی کہ وہ پوسٹل بیلٹ یعنی ڈاک یا ای ووٹنگ کے ذریعے، متذکرہ قوانین کے طریقے سے اور ان میں شامل شرائط کے مطابق اپنے ووٹ کا استعمال کریں۔

10 فزیکل شیئرز کا CDC اکاؤنٹ میں ڈپازٹ

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق، ہر موجود لسٹڈ کمپنی کو درکار ہو گا کہ اپنے فزیکل شیئرز، بک اینٹری فارم سے تبدیل کرے، اس انداز سے، کہ نشاندہی کی جاسکتی ہو، اور SECP کی طرف سے نشاندہی کرنے کی تاریخ سے، قانون کے پاس ہونے کے کی تاریخ 30 مئی 2017 سے 4 سال سے زیادہ نہ ہو۔ وہ شیئر ہولڈرز جن کے پاس فزیکل شیئر ہولڈنگ ہو، ان کی حوصلہ افزائی کی جاتی ہے کہ وہ اپنے شیئرز scripless صورت میں رکھنے کے لیے ایک CDC سب اکاؤنٹ کسی بھی بروکر یا انویسٹر اکاؤنٹ کے ساتھ براہ راست CDC کے ساتھ کھولیں۔ یہ کئی لحاظ سے فائدہ مند ہے، بشمول، شیئرز کی محفوظ کسٹڈی اور کسی بھی وقت فروخت، کیونکہ اسٹاک ایکسچینج کے موجودہ قوانین کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

5 قومی شناختی کارڈ/این ٹی این کی کاپی جمع کرانا۔ الیکٹرانک ڈیویڈنڈ (لازمی)

- a** سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے SRO 1831/1/2012 بتاریخ 05 جولائی 2012 کو SRO 19/1/2014 بتاریخ 10 جنوری 2014 کے ساتھ ملا کر پڑھا جائے، اور دیگر متعلقہ قوانین کے مطابق، الیکٹرانک ڈیویڈنڈ کے ساتھ رجسٹرڈ شیئر ہولڈر یا مجاز شخص کا قومی شناختی کارڈ نمبر، سوائے نابالغان اور کارپوریٹ شیئر ہولڈرز کی صورت میں، لازمی ہونا چاہیے۔
- b** مزید یہ کہ، کمپنیز (ڈیویڈنڈ) ریگولیشن 2017 کے سیکشن نمبر 4 اور 6 کے مطابق، کمپنی شیئر ہولڈر یا مجاز شخص کے شناختی کارڈ نمبر نیشنل ٹیکس نمبر کی عدم دستیابی کی صورت میں شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روکنے کی پابند ہو گی۔
- c** وہ شیئر ہولڈر جنہوں نے اب تک اپنے مؤثر شناختی کارڈ یا این ٹی این سرٹیفکیٹ کی کاپی جمع نہیں کرائی ہے، ان سے ایک بار پھر درخواست کی جاتی ہے کہ فوری طور پر یہ کمپنی کے شیئر رجسٹرار کو CDC شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99 بلاک B ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر جمع کرائیں۔ وہ شیئر ہولڈر جو جو غیر مادی طور پر شیئرز رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ باقاعدہ طور پر شدہ ڈیویڈنڈ بینک مینڈیٹ فارم اپنے شرکت کنندہ/سرمایہ کار اکاؤنٹ سروسز کے پاس CDC میں جمع کرائیں۔ کارپوریٹ اینٹیٹیز سے درخواست کی جاتی ہے کہ وہ اپنے نیشنل ٹیکس نمبر (INTN) اور فولیو نمبر بمعہ مجاز نمائندے کے قومی شناختی کارڈ کی کاپی فراہم کریں۔

6 الیکٹرانک ذرائع سے ڈیویڈنڈ کی ادائیگی

- a** (SECP) کے 2017 کے سرکلر نمبر 18، بتاریخ 1 اگست 2017 اور کمپنیز (ڈیویڈنڈ کی تقسیم) ریگولیشنز 2017 اور کمپنیز ایکٹ 2017 کے سیکشن 242 کے مطابق تمام لسٹڈ کمپنیاں کے لیے درکار ہے کہ وہ یقینی بنائیں کہ یکم نومبر 2017 سے نقد ڈیویڈنڈ کی ادائیگی صرف الیکٹرونک ذرائع سے کی جائے گی۔ لہذا شیئر ہولڈرز سے درکار ہے کہ وہ کمپنی کے ای ڈیویڈنڈ مینڈیٹ فارم کے ذریعے اپنے بینک مینڈیٹ کی تفصیلات کمپنی کے شیئر رجسٹرار کو فراہم کریں، جس میں واضح ہو کہ (a) اکاؤنٹ کا ٹائٹل (ii) اکاؤنٹ نمبر۔ (iii) IBAN نمبر، (iv) بینک کا نام، (v) برانچ کا نام، کوڈ اور پتہ، اور (vi) موبائل نمبر وہ شیئر ہولڈرز جو اپنے شیئرز شرکت کنندہ / سینٹرل ڈپازٹری کمپنی آف پاکستان CDC کے ساتھ رکھتے ہیں، انہیں بھی تجویز کیا جاتا ہے کہ وہ یہ سب تفصیلات متعلقہ شرکت کنندہ / سی ڈی سی کو فراہم کریں۔
- b** برائے مہربانی نوٹ فرما لیجئے کہ کمپنیز ایکٹ کے سیکشن نمبر 243 (3) کے مطابق، کمپنی شیئر ہولڈرز کی جانب سے مطلوبہ معلومات فراہم نہ کرنے کی صورت میں ڈیویڈنڈ کی ادائیگی روکنے کی مجاز ہے۔
- c** شیئر ہولڈرز کی آسانی کے لیے، کمپنی کا ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر دستیاب ہے اور اس کی ایک کاپی سالانہ رپورٹ کے ساتھ موجود ہے۔

7 سالانہ آڈٹ شدہ اکاؤنٹس کی ترسیل

- a** (SECP) نے SRO 1470/1/2016 بتاریخ 31 مئی 2016 کے ذریعے کمپنیز کو اجازت دی ہے کہ وہ اپنی سالانہ بیلنس شیٹ، نفع و نقصان کی اکاؤنٹ، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ، اپنے شیئر ہولڈرز کو، بذریعہ CD/DVD/USB ان کے رجسٹرڈ پتہ پر ارسال کر سکتے ہیں۔ درج بالا کی روشنی میں، کمپنی نے شیئر ہولڈرز کی منظوری اپنے غیر معمولی اجلاس عام منعقدہ 20 نومبر 2017 میں شیئر ہولڈرز سے منظوری حاصل کی ہے۔
- b** SRO 1787/1/2014 بتاریخ 8 ستمبر 2014، SRO 1470/1/2016 بتاریخ 31 مئی 2016 اور کمپنیز ایکٹ 2017 کے سیکشن 223(6)، کے مطابق آڈٹ شدہ فائنانشل اسٹیٹمنٹس اور سالانہ اجلاس عام کے نوٹس الیکٹرانک طرز پر، بشمول ای میل پر ارسال کیے جاسکتے ہیں۔ اسی طرح کمپنی کے آڈٹ شدہ گوشوارے برائے سال مختتمہ 31 دسمبر 2021 کمپنی کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر دستیاب ہیں۔ سالانہ رپورٹ ای میل کے ذریعے ان شیئر ہولڈرز کو ارسال کی جائے گی جن کے ای میل ایڈریس شیئر رجسٹرار کے ریکارڈز/ڈیٹابیس میں موجود ہیں۔ وہ شیئر ہولڈرز جو سالانہ رپورٹ کی پرنٹ شدہ یا الیکٹرانک کاپی چاہتے ہیں وہ عام درخواست فارم جو کہ سالانہ رپورٹ میں اور کمپنی کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر دیا گیا ہے، کے ذریعے درخواست ارسال کر سکتے ہیں۔

2 شیئر ٹرانسفر بکس

کمپنی کی شیئر ٹرانسفر بکس 14 مارچ 2022 سے 21 مارچ 2022 تک (بشمول دونوں دن) بند رہیں گی اور شیئر کی منتقلی کی کوئی بھی درخواست رجسٹریشن کے لیے قبول نہیں کی جائے گی۔ کمپنی کے شیئر رجسٹرار سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی 74400 کے پاس 13 مارچ 2018 کو کاروبار کے خاتمے تک موصول ہونے والی منتقلی کی درخواستوں کو سالانہ اجلاس عام میں شرکت کے لیے، اور جیسا لاگو ہو، بروقت تسلیم کیا جائے گا۔

3 پراکسی کا تقرر

اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی ممبر اپنی جگہ کسی دوسرے کو اجلاس میں اپنی ایماں پر شرکت، اظہار رائے اور ووٹ دینے کے لیے پراکسی نامزد کر سکتا ہے۔ پراکسی کی نامزدگی کی دستاویز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی پر کمپنی کے شیئر رجسٹرار کے آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کروائی جا سکتی ہے۔ شیئر ہولڈر کے قومی شناختی کارڈ (CNIC) کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لازمی طور پر منسلک کی جائے۔ برائے مہربانی مزید معلومات کے لیے کمپنیز ایکٹ 2017 کا سیکشن 197 ملاحظہ فرمائیں۔ فزیکل شیئرز کے حامل شیئر ہولڈرز لازماً اپنے اصل کمپیوٹرائزڈ شناختی کارڈ اور/یا شیئر ہولڈر/شیئر ہولڈرز، جن کے وہ پراکسی ہیں، کے کمپیوٹرائزڈ شناختی کارڈ کی کاپی ہمراہ لائیں، بغیر کمپیوٹرائزڈ شناختی کارڈ کے ایسے شیئر ہولڈر/ہولڈرز کو سالانہ اجلاس عام میں شرکت اور/یا شیئر ہولڈرز/ممبرز کے رجسٹر میں دستخط کرنے کی اجازت نہیں دی جائے گی۔ پراکسی فارم کمپنی کی ویب سائٹ www.pkl-consumerhealthcare.gsk.com پر دستیاب ہے۔

4 سی ڈی سی اکاؤنٹ ہولڈر

سی ڈی سی اکاؤنٹ ہولڈرز کو سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے بیان کردہ مزید درج ذیل رہنما ہدایات پر عمل کرنا ہو گا۔

a) اجلاس میں شرکت

- فرد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکوریٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق ہیں، اپنے اصلی کمپیوٹرائزڈ شناختی کارڈ (CNIC) یا اصلی پاسپورٹ کے ذریعے اجلاس میں شرکت کے وقت اپنی شناخت کروائیں گے۔
- کارپوریٹ اینٹیٹی کی صورت میں، نامزد کردہ شخص کے دستخط کے نمونے کے ساتھ (اگر پہلے فراہم نہ کیا گیا ہو) بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اجلاس میں شرکت کے وقت فراہم کی جائیں گی۔

b) پراکسی کی نامزدگی

- فرد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکوریٹیز گروپ اکاؤنٹ میں ہوں اور جن کی رجسٹریشن کی تفصیلات سی ڈی سی قوانین کے مطابق اپ لوڈڈ ہوں، درج بالا شرائط کے مطابق پراکسی فارم جمع کروائیں گے۔
- پراکسی فارم پر دو افراد کی گواہی موجود ہو، جن کے نام، پتے، شناختی کارڈ نمبرز فارم میں موجود ہوں۔
- beneficial owner کی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ منسلک ہوں
- پراکسی کو اجلاس میں شرکت کے وقت اپنا اصلی کمپیوٹرائزڈ شناختی کارڈ یا اصلی پاسپورٹ ظاہر کرنا ہوگا۔
- کارپوریٹ اینٹیٹی کی صورت میں کمپنی کو، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی، دستخط کے نمونے کے ساتھ (اگر پہلے جمع نہ کروایا گیا ہو) پراکسی فارم کے ساتھ جمع کرانا ہو گا۔

1 ورچوئل AGM اور حاضری کے پروٹوکول

(a) SECP کے سرکلر نمبر 4 بتاریخ 15 فروری 2021، سرکلر نمبر 6 بتاریخ 3 مارچ 2021 اور SECP کی طرف سے جاری کردہ وضاحت نمبر 19-COVID کیسز کے (ورچوئل) کی جائے گی۔ 19-COVID کیسز کے پھیلاؤ (اومیکرون ویرینٹ)، غیر ملکی ڈائریکٹرز کے لیے سفری پابندیاں، اور تمام معزز شیئر ہولڈرز، ڈائریکٹرز، اور مینجمنٹ کی صحت اور حفاظت کو مد نظر رکھتے ہوئے، ساتواں سالانہ اجلاس عام ورچوئل منعقد کیا جائے گا۔ کمپنی 19-COVID کے اثرات کی نگرانی جاری رکھے گی اور سالانہ اجلاس عام سے متعلق کسی بھی نئی معلومات کا اعلان کمپنی کی ویب سائٹ (www.pk-consumerhealthcare.gsk.com) اور PUCARS پر کیا جائے گا۔

(b) سالانہ اجلاس عام میں شرکت کرنے والے شیئر ہولڈرز لازمی طور پر اپنے ارادے کے حوالے سے 18 مارچ 2022 کو کاروباری اوقات ختم ہونے سے پہلے رجسٹر کروائیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے نام، فولیو نمبر، قومی شناختی کارڈ نمبر اور اپنے قومی شناختی کارڈ کی اسکین شدہ کاپی (سامنے اور پیچھے کی طرف سے) محترمہ رویل عدیل rawail.x.adeel@gsk.com پر ای میل کریں، اور ضروری تصدیق کے بعد انہیں AGM تک رسائی کے لیے لنک ای میل کر دیا جائے گا۔

(c) برائے مہربانی AGM کے لیے کوئی بھی سوال پوسٹ کرنے کے لیے QR کوڈ اسکین کریں یا ذیل میں دیے گئے لنک تک رسائی حاصل کریں کیونکہ ٹیلی کانفرنس، تمام تر مائیکروفونز کو ازخود خاموش (mute) کر دے گی۔

Join at:
vevox.app

ID:
158-949-830



<https://vevox.app/#/m/158949830>
Session ID: 158-949-830

Email Address: rawail.x.adeel@gsk.com

(d) برائے مہربانی نوٹ فرما لیجئے کہ ورچوئل شریک ہونے والے شیئر ہولڈرز، ڈائریکٹرز کو دیکھنے اور سالانہ اجلاس عام کی کارروائی لائیو دیکھنے کے قابل ہوں گے مگر وہ mute رہیں گے تاکہ کنیکٹوٹی کے حوالے سے کسی بھی قسم کے مسائل سے بچا جا سکے۔ سالانہ اجلاس عام میں شرکت کرنے والے اپنے متعلقہ سوالات/آراء/ تجاویز معہ اپنے نام اور فولیو نمبر، لنک / QR کوڈ / یا سالانہ اجلاس عام کے اس نوٹس میں اوپر دئیے گئے ای میل پر جمع کروا سکتے ہیں۔

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ

نوٹس برائے سالانہ اجلاس عام 2021

نوٹس ہذا کے ذریعے شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کا ساتواں (7) سالانہ اجلاس عام 21 مارچ 2022 بروز پیر دوپہر 2:00 درج ذیل امور کی انجام دہی کے لیے ورچوئل منعقد ہوگا۔

عمومی امور

- 1] کمپنی کے آڈٹ شدہ اکاؤنٹس بمعہ ڈائریکٹرز اور آڈیٹرز رپورٹ برائے سال مختتمہ 31 دسمبر 2021 کی وصولی، غور و خاص اور منظوری دینا۔
- 2] آئندہ سال کے لیے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین کرنا۔ کمپنی کی آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے، یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹرز تقرری کی تجویز دی ہے۔
- 3] کمپنیز ایکٹ 2017 کے سیکشن 159 کے پروویژن کے مطابق تین سال کے عرصے، جس کا آغاز اس کمپنی کے ساتویں سالانہ اجلاس عام کے فوراً بعد ہوگا، کے لیے 7 ڈائریکٹرز کا انتخاب کرنا۔ کمپنی کے ریٹائر ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں، جو دوبارہ انتخاب کے لیے خود کو پیش کرنے کے اہل ہیں۔

- | | |
|----------------------------|--------------------------|
| 1] جناب ایم زید معین مہاجر | 5] جناب فرحان محمد ہارون |
| 2] سید انور محمود | 6] جناب اسامہ عباس |
| 3] محترمہ عائشہ عزیز | 7] جناب دلاور میگھانی |
| 4] محترمہ ارم شاکر رحیم | |

دیگر امور

- 4] چیئرپرسن کی منظوری سے کسی بھی دیگر امور کی انجام دہی

بحکم بورڈ



مشعل محمد
کمپنی سیکرٹری

کراچی

28 فروری 2022

اعتراف

بورڈ آف ڈائریکٹرز اس موقع پر کمپنی کی روز مرہ صحت اور انسانیت کے لیے بہتر خدمات کی فراہمی کے لیے غیر معمولی کارکردگی، انتھک کاوشوں اور لگن پر GSK کے تمام ملازمین کا شکریہ ادا کرتا ہے۔
بورڈ اس کے ساتھ ساتھ کمپنی کے نتائج میں کامیابی کے لیے مسلسل معاونت اور لگن پر تمام اسٹیک ہولڈرز، سپلائرز اور شراکت داروں کا بھی شکریہ ادا کرنا چاہتا ہے۔

بحکم بورڈ
خیر خواہ



دلور میگھانی
چیف فائنانشل آفیسر



فرحان محمد ہارون
چیف ایگزیکٹو آفیسر

تاریخ: 9th February, 2022

چیف ایگزیکٹو آفیسر، ڈائریکٹر اور ایگزیکٹوز کے مشاہرے

چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹوز کے مشاہرے برائے سال 2021 کے بارے میں تفصیلی نوٹ، سالانہ رپورٹ کے منسلکہ فائنانشل اسٹیٹمنٹس کے نوٹ نمبر 35 میں بیان کیا گیا ہے۔

بورڈ کا جائزہ

بورڈ کی کارکردگی کے جائزے کے لیے بورڈ نے بیرونی جائزے کا انتخاب کیا۔ جائزہ پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس کی طرف سے کیا گیا۔ اس جائزے کے نتائج، قابل قدر بصیرت (insights) اور بورڈ کے ممبران کے لیے توجہ کے شعبوں کی صورت میں سامنے آئے۔
برائے مہربانی سال 2021 کے حوالے سے لیے گئے جائزے کی مزید تفصیلات کے لیے سالانہ رپورٹ کے صفحہ نمبر 93 سے 94 پر رجوع کریں۔

بورڈ کی ساخت اور کمیٹیاں

ڈائریکٹرز کی کل تعداد 7 ہے،

جن میں 5 مرد 2 خواتین شامل ہیں

31 دسمبر 2021 کو بورڈ کی ساخت درج ذیل ہے

نام	شعبہ
جناب ایم زیڈ معین مہاجر سید انور محمود محترمہ عائشہ عزیز	خودمختار ڈائریکٹر
جناب فرحان محمد ہارون* دلورمیگھانی	ایگزیکٹو ڈائریکٹر
جناب اسامہ عباس محترمہ ارم شاکر رحیم	نان ایگزیکٹو ڈائریکٹر

*سال کے دوران، جناب سہیل احمد متین 31 مارچ 2021 کو ریٹائر ہو گئے اور جناب فرحان محمد ہارون کا تقرر چیف ایگزیکٹو آفیسر / ایگزیکٹو ڈائریکٹر کے طور پر یکم اپریل 2021 کو عمل میں آیا۔

بورڈ کی ساخت اور اس کی کمیٹیوں کی تفصیلات سالانہ رپورٹ کے صفحہ نمبر 91 سے 92 پر دی گئی ہیں۔

لسٹڈ کمپنیز سے کمپلائنس (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019

میں سرائیٹ کرنے پر توجہ نے آپ کی کمپنی کی ان تمام شعبوں میں
لیڈرشپ پوزیشن کو مزید مستحکم بنا دیا ہے، جس میں یہ کام انجام
دیتی ہے۔

موجودہ اور مستقبل کی طلب پوری کرنے کے لیے، آپ کی کمپنی
سرگرم عمل رہتی ہے اور انتہائی فعال طور پر اپنی بہترین معیار کی
اختراعات کو مزید بہتر بنانے میں کوشاں رہتی ہے۔ بہر حال ایک ایسے
ماحول کی تشکیل کے لیے جہاں جدید حل فراہم تیزی سے فراہم کیے
جائیں، ایک conducive ریگولیٹری فریم ورک، ضروری ہے۔

ہمارا یقین ہے کہ قیمتوں سے متعلق پائیدار حکمت عملی اور بروقت
ریگولیٹری منظوریوں، اولین شرائط ہیں، بالخصوص جب اختراعات کے
لیے بھاری سرمایہ کاری درکار ہو۔

عالمی طور پر اشیاء کی قیمتیں اور بین الاقوامی لاجسٹکس سے متعلق
چیلنجز مستقبل میں منافع کے لیے بڑے خدشات ہیں۔

پیراسٹامول کی موجودہ قیمت میں گذشتہ سال کے مقابلے میں کئی گنا
اضافہ ہو رہا ہے اور سپلائی سے متعلق چیلنجز درپیش ہیں، ہمارا درد
سے متعلق شعبہ ہمارے منافع کو کم کرنے والے کے طور پر برقرار رہ
سکتا ہے۔ ریگولیٹری کی طرف سے، ایک ایسا جامع نظام تشکیل دینے کی
ضرورت ہے جہاں مشکل کیسز جہاں لاگت میں اضافہ ہو رہا ہو، کو
بروقت حل کیا جائے۔ ایسے میکانزم کی عدم موجودگی اعلیٰ معیار اور
کم لاگت کی ضروری ادویات کی راہ میں سنجیدہ خدشات پیدا کر
سکتی ہے۔

کمپنی کی کارکردگی، حکمت عملی اور آؤٹ لک پر سی ای او کی
پریزنٹیشن وڈیو کو کمپنی کی ویب سائٹ
www.pk-consumerhealthcare.gsk.com پر دیکھا جا
سکتا ہے۔

مشاہرہ کی پالیسی

کمپنی کے خودمختار ڈائریکٹرز، کنزیومر ہیلتھ کیئر انڈسٹری اور دیگر
اسی انداز کے کاروبار پر مبنی مارکیٹ کی سطح کے لحاظ سے، بیومن
ریسرس اینڈ ریمونیویشن کمیٹی کے تجویز کردہ اور بورڈ سے منظور
شدہ مشاہرے حقدار ہیں۔

پالیسی اور طریقہ کار کی اہم خصوصیات درج ذیل ہیں:

- کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو کوئی مشاہرہ ادا نہیں کرتی،
اور
- کسی ڈائریکٹر کو سفر، بورڈنگ لاجنگ اور اس کی طرف سے بورڈ کے
اجلاس، کمیٹیوں اور/یا کمپنی کے عام اجلاسوں میں شرکت کے لیے کیے
گئے دیگر اخراجات ادا/واپس کیے جائیں گے۔

بورڈ، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 سے
پوری طرح آگاہ ہے اور اس پر عمل درآمد کو یقینی بنانے کے لیے اس
نے، مینیجمنٹ کے ساتھ، متعلقہ اقدامات کیے ہیں۔ برائے مہربانی
لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق
کمپنی کے بیرونی آڈیٹرز کی طرف سے جاری کردہ اسٹیٹمنٹ آف
کمپلائنس پر ریویو رپورٹ سے سالانہ رپورٹ کے صفحہ نمبر 149 پر
رجوع کریں۔

کیپٹل اخراجات

کیپٹل اخراجات برائے سال 2021، 543 ملین روپے رہے۔ اخراجات میں
ایفرویسٹ ٹیبلیٹ کے لیے CaC-1000 Plus ہماری جامشورو سائٹ میں
پیکجنگ بیڈ کی اہم اسمبلی کی تبدیلی اور ہماری جام شورو سائٹ پر
پیناڈول لیکوٹڈ ان سورسنگ کی ضروریات پوری کرنے کے لیے سائٹ کی
نکاسی کے نظام کی تبدیلی اور اپ گریڈیشن شامل ہے۔
درج بالا اخراجات میں، اپنے پراڈکٹس کی بہترین کوالٹی کو یقینی بنانے
اور کمپلائنس کی مد میں، کمپنی نے کوالٹی سے متعلق ایکویٹمنٹ اور
کمپلائنس پر 58 ملین روپے خرچ کیے۔

مستقبل کا منظر نامہ

اور چیلنجز

پینڈمک (وبا) کے بعد سے، عالمی ہیلتھ کیئر سسٹم میں ذاتی حفاظت
کو یقینی بنانے کے سفر کا آغاز ہوا ہے، جہاں صارفین اپنی صحت اور
زندگی کی ازخود حفاظت کو ترجیح دیتے ہیں۔ یہ ان کمپنیز کے لیے
موقع ہے جو حفاظتی ہیلتھ کیئر شعبے میں کام انجام دیتی ہیں، جس
میں آپ کی کمپنی بھی شامل ہے۔ ہمارے گھریلو برانڈز بشمول
پیناڈول، CaC-1000 Plus، اینو، سینسوڈائن، اور بہت سے دیگر اپنے
وعدوں کو پورا کرنے کے لیے پاکستان میں ہمہ وقت تیار ہیں۔

بہترین انداز سے آگے بڑھنے کے عزم کی تکمیل کا سفر جاری رکھنے
اور ان بڑھتی ہوئی ضروریات سے اپنے آپریٹرز کو ہم آہنگ کرنے کے
لیے، ہم نے اہم شعبوں میں حکمت عملی کے تحت مختص کردہ وسائل،
کے حوالے سے پلانز وضع کیے ہیں۔

ہم پر امید ہیں کہ سال 2022 ہمارے پلانز کی کامیاب تکمیل کے سفر
کو جاری رکھنے میں اپنا کردار ادا کرے گا۔ سرمایہ کاری کے پلانز جدت
پر مبنی مزید ہیلتھ کیئر سلوشنز اپنے صارفین کو فراہم کرنے کے حوالے
سے وضع کیے گئے ہیں۔ سسٹمز، گنجائش میں اضافے، اور مارکیٹ

پراویڈنٹ فنڈ، گریجوٹی اور پینشن فنڈز میں سرمایہ کاری کی قدر

کمپنی اپنے ملازمین کے لیے ریٹائرمنٹ پلانز برقرار رکھتی ہے۔
پراویڈنٹ اور گریجوٹی فنڈز میں سرمایہ کاری کی قدر، 31 دسمبر
2021 کو درج ذیل ہے۔

پراویڈنٹ فنڈ ۳۲۵ ملین روپے
گریجوٹی فنڈ ۱۳۱ ملین روپے



معیشت اور نیشنل ایکس چیکر میں شراکت

آپ کی کمپنی نے انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹیز، اور ملازمین
کے ٹیکس کی مد میں سال 2021 میں نیشنل ایکس چیکر میں 1,805
ملین روپے شامل کیے ہیں۔ آپ کی کمپنی کی شراکت بذریعہ انکم
ٹیکس 832 ملین روپے، بذریعہ سیلز ٹیکس 482 ملین روپے، بذریعہ
کسٹم ڈیوٹی 408 ملین روپے اور ملازمین سے متعلق ٹیکس کی مد میں
83 ملین روپے ہے۔

اندرونی فائنانشل کنٹرولز کی مناسبت/موزونیت

بورڈ آف ڈائریکٹرز نے تمام تر افعال میں مؤثر اندرونی فائنانشل کنٹرولز
طے کیے ہیں۔ آپ کی کمپنی کا غیر جانبدار اندرونی آڈٹ فنکشن،
فائنانشل کنٹرولز پر عمل درآمد کی باقاعدگی سے نگرانی کرتا ہے، جبکہ
آڈٹ کمیٹی انٹرنل کنٹرول فریم ورک کے مؤثر ہونے کا جائزہ لیتی ہے۔
حوالہ: سالانہ رپورٹ میں آڈٹ کمیٹی رپورٹ کا صفحہ نمبر 106

کے عین مطابق ہوں۔ گذشتہ سال ہم نے GSK اقدار کی یقین دہائی کے
لیے جائزہ بھی لیا اور سال کے دوران میں اہم پیش رفت ہوئی کہ آپ
کی کمپنی اپنی اقدار اور توقعات پر عمل درآمد کو صحیح طور پر یقینی
بنائے۔ اس کا اظہار ہمارے ملازمین سے رابطے کے اسکور سے ہوتا ہے
جو کہ GSK یونیورس میں سب سے زیادہ ہے۔

تحریری معیارات:

کمپنی کی بے شمار پالیسیاں اور دیگر تحریری معیارات ہیں جو ہمیں
انتہائی ریگولیٹڈ انڈسٹری سے جڑے خدشات کے بہتر انتظام میں
معاون ثابت ہوتے ہیں۔

اسپیک اپ (آواز اٹھائیں) پروگرام:

کمپنی اس بات کو یقینی بناتی ہے کہ مکمل ایمانداری، انصاف، کشادگی
اور سالمیت کے ساتھ اپنے کاروبار کو انجام دیا جائے۔ کمپنی اپنے
ملازمین اور کاروباری شراکت داروں کی حوصلہ افزائی کرتی ہے کہ وہ
غلط طرز عمل یا قانونی طور پر کسی بھی قسم کے حقیقی خدشات کو
رپورٹ کریں اور ایسے خدشات سے آگاہ کرنے والے فرد کے خلاف کسی
بھی قسم کی انتقامی کارروائی کے خلاف انتہائی سخت پالیسیاں
موجود ہیں۔

قانونی معاہدوں کی گورننس (GOLA)

کمپنی کے GOLA SOP اس بات کو یقینی بناتے ہیں کہ اس کے
خدشات اور ذمہ داریاں مناسب انداز سے کم کی جائیں اور یقینی بنایا
جائے کہ تھرڈ پارٹیز سے کمپنی کی توقعات اور ضروریات (بشمول ان
کی کارکردگی اور GSK کی پالیسیوں پر عمل درآمد) اور GSK اور ہر
تھرڈ پارٹی کے حقوق اور ذمہ داریوں کو قانونی طور پر لاگو ہونے والے
معاہدے کی شکل میں واضح انداز میں قلمبند کیا جائے۔

متعلقہ پارٹی کی ٹرانزیکشنز

کمپنی تمام متعلقہ پارٹی ٹرانزیکشنز میں کوڈ آف کارپوریٹ گورننس پر
عمل درآمد کو یقینی بناتا ہے۔
مذکورہ ٹرانزیکشنز کی تفصیلات منسلکہ فائنانشل اسٹیٹمنٹس کے نوٹ
نمبر 36 میں سالانہ رپورٹ کے صفحہ نمبر 195 سے 196 پرفراہم کی
گئی ہیں۔

آڈیٹرز

موجودہ آڈیٹرز، یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے آڈیٹرز کے طور پر
کام جاری رکھنے کے لیے رضامندی کا اظہار کیا ہے۔ بورڈ آف ڈائریکٹرز
ان کے کمپنی کے قانونی ایکسٹرنل آڈیٹر کے طور پر 31 دسمبر 2022 کو
ختم ہونے والے سال کے لیے، متفقہ طور پر طے کردہ مشاہرے پر کام
جاری رکھنے کے حوالے سے آڈٹ کمیٹی کی تجاویز توثیق کرے گا۔

برقرار رکھتی ہے۔ ان مقاصد کے حصول کے لیے ایک منظم نکتہ نظر ترتیب دیا گیا ہے۔

اپنی جامشورو کی سائٹ پر پیشہ ورانہ صحت اور حفاظت کو بہتر بنانے کے لیے، چند اہم اقدامات کو کامیابی سے تکمیل تک پہنچایا گیا ہے جو سالانہ رپورٹ کے sustainability and CSR sections میں صفحہ نمبر 253 سے 264 پر بیان کیے گئے ہیں۔

اخلاقیات، عمل درآمد، اور رسک مینجمنٹ

کمپنی میں، ہمیں انتہائی ضابطے کے ساتھ چلنے والی انڈسٹری سے متعلق ہونے کے ضروری لوازمات کے طور پر بے شمار قانونی، انضباطی، ساکھ پر مبنی، آپریشنل اور حکمت عملی سے متعلق رسک کا سامنا کرنا پڑتا ہے۔ ہم ان خدشات سے اپنے اندرونی طریقہ کار اور اندرونی کنٹرول کے فریم ورک کے ذریعے مینیج کرتے ہیں، جس کا دارومدار بین الاقوامی رسک مینجمنٹ کے معیارات پر ہے۔

اخلاقیات اور عمل درآمد، طریقہ کار کی تیاری اور نفاذ کی معاونت کا ذمہ دار ہے، جو قوانین اور عالمی کمپنی پالیسیز پر عمل درآمد میں سہولت فراہم کرتے ہیں۔ عمل درآمد کا فنکشن، کاروبار کے ساتھ مل کر کام انجام دیتا ہے تاکہ خدشات کو مؤثر انداز سے مینیج کرنے، کنٹرولز کو سادہ بناتے ہوئے، کمپنی کی اقدار کو فروغ دینے اور مریضوں اور صارفین کی زندگیوں پر ایک مثبت تاثر چھوڑنے کے مشن کو کامیاب بنانے کے لیے کے لیے کامیاب فارمولے کے لیے معاونت فراہم کی جائے۔

کمپنی کے خدشات (risks) کا انتظام بے شمار کمپلائنس پروگرامز کے ذریعے کیا جاتا ہے، جو درج ذیل ہیں۔

رسک مینجمنٹ اینڈ کمپلائنس بورڈ

ہمارا رسک مینجمنٹ اینڈ کمپلائنس بورڈ مؤثر طور پر کاروبار کو ممکنہ طور پر پیش آسکنے والے بڑے خدشات کی شناخت، جائزہ، اسے کم کرنے، ان پر نظر رکھنے اور انہیں رپورٹ کرنے کا ذمہ دار ہے۔ تمام اہم کاروباری رسک یونٹس کا انتظام RMCB کے ذریعے چلایا جاتا ہے، جو اعلیٰ سطح سے اس بات کو فروغ دیتا ہے کہ خدشات کے حوالے سے کلچر، اور اندرونی کنٹرولز کی نگرانی یقینی بنایا جائے۔

RMCB نے ایک اسٹریکچر تیار کیا ہے جس کے ذریعے نامزدہ کردہ فنکشنل ہیڈز اہم خدشات کی شناخت اور انہیں دور کرنے کے ذمہ دار ہیں اور پھر ہر فنکشنل ہیڈ اپنے متعلقہ اہم خدشات کا جائزہ لیتا ہے، اسے درست کرنے، اور اس سے محفوظ رکھنے کے لیے اقدامات کرتا ہے تاکہ مناسب کنٹرولز پر عمل درآمد کو یقینی بنایا جائے اور جہاں کہیں بھی خلا دکھائی دے، اسے دور کرنے کے لیے واضح منصوبہ بندی کی جائے۔ کمپلائنس فنکشن ایک مضبوط اندرونی کنٹرول سسٹم تشکیل

دینے کے لیے خدشات پر مبنی نکتہ نظر (risk-based approach) کے نفاذ کے لیے سہولت فراہم کرتا ہے۔ یہ بالآخر خدشات کے انتظام کو فیصلہ سازی اور کاروباری آپریشنز کا اہم ترین جزو بنا دیتا ہے۔ RMCB کا اجلاس ہر سہ ماہی میں کم از کم ایک بار یا جب ضرورت ہو اس سے زیادہ بار، منعقد کیا جاتا ہے۔

رشوت ستانی، کرپشن کا تدارک اور معلومات کی رازداری:

کمپنی کا ABAC پروگرام اس بات کو یقینی بنانے کے لیے تیار کیا گیا ہے کہ نہ تو کمپنی اور نہ ہی اس کی تھرد پارٹیز کسی سرکاری ادارے یا ریگولیٹری باڈی، یا پرائیویٹ سیکٹر کے اداروں کو رشوت دیں (اور نہ ہی رشوت لیں)۔ یہ ہر طرح کی کرپشن کے خلاف مکمل عدم برداشت کو اور تمام تر کاروباری معاملات کے درست ریکارڈ رکھنے کو عزم کو یقینی بناتا ہے۔ یہ اس امر کو بھی یقینی بناتا ہے کہ معاملات پر کسی قسم کا غیر ضروری اثر رسوخ نہ ہو، کہ نہ تو کوئی ذاتی مفاد حاصل کیا جائے اور نہ ہی کسی قسم کی کرپشن ہو۔ کرپشن میں فراڈ، منی لانڈرنگ اور ٹیکس چوری شامل ہے۔ سادہ الفاظ میں یہ کمپنی کی اقدار کے مطابق کاروباری اخلاقیات کو یقینی بناتا ہے۔ رازداری کا تعلق اس بات سے ہے کہ ہم افراد، جیسا کہ مریضوں، ہیلتھ کیئر پروفیشنلز، صارفین، ملازمین اور کمپلنٹری ورکرز کی معلومات کا انتظام کس انداز سے کرتے ہیں۔ ذاتی معلومات سے مراد کوئی بھی ایسی معلومات ہے جو کسی کی بھی شناخت یا معقول طور پر شناخت کے لیے استعمال ہو سکے۔ کمپنی معلومات کی رازداری کے حوالے سے انتہائی سخت پالیسی رکھتی ہے اور اس خلاف ورزی کو کسی بھی صورت برداشت نہیں کیا جاتا۔

تھرد پارٹی کی نگرانی کا پروگرام:

اپنے مقصد کے حصول کے لیے، ہم اکثر تھرد پارٹیز کے ساتھ شراکت میں کام کرتے ہیں، جو اپنی صلاحیتوں، مہارت، یا اسکیل کے ذریعے ہمارے مشن کی تکمیل میں ہماری معاونت کرتے ہیں۔ ہم صرف انہی سیلائرز، ڈسٹری بیوٹرز، ایکوٹیٹی اسٹیک ہولڈنگز اور دیگر بزنس پارٹنرز/تھرد پارٹیز کے ساتھ کام کرنے کی کوشش کرتے ہیں، جو ہمارے اعلیٰ اخلاقی معیارات کے مطابق ہوں اور ذمہ داری سے اپنے فرائض انجام دیں۔ کمپنی نے ایک جامع تھرد پارٹی کی نگرانی کا پروگرام نافذ کیا ہے تاکہ خدشات کی مینجمنٹ کو مزید مضبوط کیا جائے۔ اس کا مقصد اس بات کو یقینی بنانا ہے کہ تھرد پارٹیز کی انٹرایکشن کے حوالے سے رسک کی جانچ کر لی گئی ہے اور اس کے لحاظ سے، مکمل طور پر ضابطے کے مطابق معاہدے کیے گئے ہیں۔

اقدار اور توقعات:

ہم کمپلائنس کے حوالے سے واضح اور جامع حل فراہم کرتے ہیں جو بھروسہ قائم کرنے کے لیے کمپنی کی اقدار (کسٹمر پر مرکوز، عزت، سالمیت اور شفافیت) اور توقعات (ہمت، احتساب، ترقی، اور ٹیم ورک)

کے طریقہ کار (good manufacturing practices)، اور GSK انٹرنل کوالٹی مینجمنٹ سسٹم کے مطابق تیار کیے جاتے ہیں

بیومن ریسورس ڈویلپمنٹ اینڈ

سکسیشن پلاننگ

(جانیشینی کی منصوبہ بندی)

ایک ٹیم کے طور پر، ہم ایسی طریقوں کو جاننے کے لیے سرگرم رہتے ہیں جن سے ہم اپنی سپلائی چین کے آخر میں اپنے صارفین کے بھروسے کو برقرار رکھتے ہوئے اس میں بہتری لا سکیں۔ ہم ہمیشہ اپنے صارفین کی ضروریات پر توجہ مرکوز رکھتے ہیں، ان کی حفاظت کو سب سے پہلے ملحوظ رکھتے ہیں، انہیں شفاف اور تازہ ترین معلومات فراہم کرتے ہیں، اور ہمیشہ اپنی پراڈکٹس کی ترویج اخلاقی دائرے میں رہتے ہوئے مناسب انداز سے کرتے ہیں۔ ہماری اقدار اس بات کی متقاضی ہیں کہ ہم ہمہ وقت اپنے صارفین کے مفاد کو سامنے رکھیں اور ان کا تحفظ کریں۔

آپ کی کمپنی اپنے لوگوں کو نہ صرف اہم ترین اثاثہ تسلیم کرتی ہے بلکہ اس بات کو یقینی بنا تے ہوئے فخر محسوس کرتی ہے کہ انہیں آگے بڑھنے کے بہترین مواقع، عزت، اختیار اور روشن امید فراہم کی جائے۔ ایک ایسی کمپنی ہونے کے طور پر، جو لوگوں کی مدد کے لیے پر عزم ہے، ہم یقینی بناتے ہیں کہ ہمارے ملازمین نہ صرف ہمارے اس وژن کے ساتھ بھرپور جذبے اور اخلاص کے جڑے رہیں بلکہ اپنی بہترین صلاحیتوں کا مظاہرہ کرنے کے لیے بھی ہر طرح سے تیار رہیں۔

ہمارے مریض اور صارفین ہماری اولین ترجیح ہیں۔ یہی وجہ ہے کہ، ہم اس بات کو یقینی بناتے ہیں کہ اپنے صارفین کی بات کو ان کی رائے، ضروریات اور توقعات کو سمجھنے کے لیے بہترین تعلق کے ساتھ ہر مرحلے پر سنا جائے۔ ہمارا مقصد، جذبہ اور فخر یہی ہے کہ اپنے صارفین کو سب سے پہلے رکھا جائے اور لوگوں کی صحت کو بہتر بنانے اور اسے برقرار رکھنے میں ان کی مدد کی جائے۔

اس مقصد کو ذہن میں رکھتے ہوئے، بیومن ریسورس ڈویلپمنٹ ٹیم ان سے رابطے میں رہتی ہے اور مسابقانہ مشاہرے، کارکردگی کی مینجمنٹ اور سکسیشن پلاننگ اور ترقی کے لیے بے شمار مواقع اور بین الاقوامی اسائنمنٹس پر مشتمل حکمت عملی ترتیب دیتی ہے۔ اسے اندرونی ٹیلنٹ ڈویلپمنٹ سسٹم کا نفاذ کرتے ہوئے معاونت فراہم کی جاتی ہے جو لیڈرز (رہنماؤں) کو فیصلہ سازی اور راست حکمت عملی کے لیے ضروری معلومات فراہم کرتا ہے۔

ماحولیات، صحت اور حفاظت (EHS)

آپ کی کمپنی نے ایک مستحکم EHS پر عمل درآمد کے لیے فریم ورک تیار کیا ہے اور مستقل اس میں بہتری اور علاقائی قانونی ماحولیاتی، صحت اور حفاظت کی ضروریات کو پورا کرنے کے لیے سرگرم عمل ہے۔ EHS ہمارے بزنس آپریشنز کا ایک اہم جزو ہے جو کام کی جگہ پر حفاظت، محفوظ ماحول اور توانائی سے متعلق مؤثر طریقہ کار کو یقینی بناتا ہے۔

اس کے ساتھ ساتھ، یہ مستقل رائے، اس بات کو یقینی بنانے ہوئے کہ ہمارے ملازمین بہترین انداز سے منسلک رہیں اور

“Keep it Human, Go Beyond, and Do What Matters Most”

(انسانی بنیادوں پر استوار رکھیں، آگے بڑھیں اور جو کام سب سے اہم ہو، وہی انجام دیں) کے اپنے اہم رویے پر یقین رکھتے ہوئے کام کے جائزے، اور کمیونیکیشن پروگرام کو پایہ تکمیل تک پہنچاتا ہے، اور شفافیت کو یقینی بناتا ہے۔

ہمارے چند حالیہ اقدامات محفوظ اور صحت مند کمیونٹی کے قیام میں انتہائی مؤثر ثابت ہوئے ہیں اور انہیں سالانہ رپورٹ کے sustainability and CSR سیکشنز میں صفحہ نمبر 253 سے 264 پر بیان کیا گیا ہے۔

اپنی بہترین کارکردگی کی روایت کے ساتھ، ہم مستقل جائزہ لیتے ہوئے ٹیم تیار کر رہے ہیں جو بجا طور پر اپنے آپ کو کمپنی کی بنیاد تصور کرے اور اپنی اپنی صلاحیتوں کو کمپنی کے ارتقا کے لیے بروئے کار لائے جس کا مقصد انڈسٹری میں ایک اعلیٰ کارکردگی کی حامل کنزیومر ہیلتھ کیئر گڈز کمپنی بننا ہے۔

پیشہ ورانہ حفاظت اور صحت

ملازمین کی صلاحیتوں میں اضافہ جو انہیں اس بات کی تربیت دے سکے کہ وہ ہر طرح کے حالات میں پیشہ ورانہ حفاظت کو اپنی پہلی ترجیح سمجھیں۔

صارفین/مریضوں کی حفاظت

توانائی کے مؤثر انداز سے استعمال کے معیارات پر عمل کر سکیں تاکہ ہمارے پانی اور توانائی کے استعمال کو کم سے کم کرتے ہوئے ایک سبز ماحول کو فروغ دیا جا سکے۔

آپ کی کمپنی اپنے صارفین اور مریضوں کی صحت پر توجہ مرکوز رکھتی ہے اسی لیے ہمیشہ بہترین معیار کی پراڈکٹس، جو استعمال میں محفوظ ہوں، کی فراہمی کے لیے، بہتری کی طرف گامزن رہتی ہے۔ اس عزم کی تکمیل کے لیے، ہم سخت ترین رہنما اصولوں کو نافذ کرتے اور ان پر عمل کرتے ہیں جو قابل بھروسہ برانڈز کی تیار ی اور سپلائی دونوں پر کنٹرول رکھے۔ ہمارے پراڈکٹس تمام تر علاقائی اور بین الاقوامی قوانین پر عمل کرتے ہیں اور موجودہ بہترین مینوفیکچرنگ

آپ کی کمپنی پیشہ ورانہ حفاظت اور صحت پر سخت کنٹرول نافذ کرتے ہوئے اپنے ملازمین کی صحت اور حفاظت کی اپنی روایت کو

آپریٹنگ نتائج کا جائزہ

ہولڈنگ کمپنی

31 دسمبر 2021 پر گلیکسو اسمتھ کلین کنزیومر ہیلتھ کیئر B.V نیدر لینڈ کے پاس 10 روپے فی شیئر کے حساب سے 100,423,259 عمومی شیئرز ہیں، جو کمپنی کے کل شیئرز کے 85.79% حصے کی نمائندگی کرتے ہیں۔

شیئر ہولڈنگ کا اندازہ

کمپنی کے شیئرز کا لین دین پاکستان اسٹاک ایکسچینج لمیٹڈ میں کیا جاتا ہے۔ 31 دسمبر 2021 تک کی شیئر ہولڈنگ سے متعلق معلومات اور دیگر متعلقہ معلومات سالانہ رپورٹ کے صفحہ نمبر 216 سے 219 تک فراہم کی گئی ہیں۔

چیئر پرسن کی طرف سے جائزہ

چیئر پرسن کا پیغام برائے شیئر ہولڈرز، سالانہ رپورٹ کے صفحہ نمبر 89 سے 90 تک دیا گیا جس میں درج معلومات میں درج ذیل شامل ہیں۔

- سال 2021 کے لیے بورڈ کا جائزہ
- بورڈ کی کمیٹی، جس میں شامل ہیں آڈٹ کمیٹی، ہیومن ریسورس اور ریمیونریشن کمیٹی، انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی، اور
- کمپنی کا کلچر۔

کمپنی کے ڈائریکٹرز اس مواد کی تصدیق کرتے ہیں۔

بنیادی آمدنی فی شیئر

ٹیکسیشن کے بعد فی شیئر بنیادی آمدنی 2020 میں 10.78 روپے فی شیئر کے مقابلے میں 18.21 روپے رہی۔

کارپوریٹ سماجی ذمہ داری

کارپوریٹ سماجی ذمہ داری کمپنی کی اخلاقیات اور پالیسی کا اہم ترین حصہ ہے اور یہ مستقل بنیادوں پر انجام دیا جاتا ہے۔ آپ کی کمپنی لوگوں کی مدد کے لیے
"Do More, Feel Better, Live Longer."
کے مشن کو آگے بڑھانے کے لیے پر عزم ہے۔

رپورٹ کے عرصے کے دوران، کمپنی نے معاشرے کی فلاح کیلئے بے شمار اقدامات کیے، جن کی وضاحت سالانہ رپورٹ کے صفحہ نمبر 253 سے 264 پر کی گئی ہے۔

اصل کاروبار (ٹول اور برآمدات کو منہا کرتے ہوئے) میں گذشتہ سال انہی دنوں کے مقابلے میں 21 فیصد اضافہ ہوا ہے۔ یہ کارگردگی، بنیادی طور پر طلب میں اضافے اور اس کے پیچھے کار فرما صارفین کے رجحانات کی بناء پر ہوا ہے۔ ہماری بہترین سپلائی چین اور مارکیٹ میں موجود، عمل درآمد کرانے والی ٹیمز نے یقینی بنایا کہ ہم تمام تر شعبہ جات میں صارفین کی ضروریات کو پورا کرنے میں کامیاب رہیں۔ اور دی کاؤنٹر (OTC) پورٹ فولیو، تنفس، درد کی مینجمنٹ اور غذائیت اور ہاضمہ سے متعلق صحت کے شعبوں میں بالترتیب 63%، 21% اور 17% اضافہ ہوا، جبکہ اورل ہیلتھ کیئر میں گذشتہ سال میں اسی عرصے کے مقابلے میں 31% اضافہ ہوا۔ ہماری آمدنی میں ٹول مینوفیکچرنگ کے کاروبار سے 3 بلین روپے اور برآمدات کے کاروبار سے 151 ملین روپے شامل ہوئے۔

سیلز کی 27.4% کی شرح سے منافع کا مجموعی مارجن 2021 کی تیسری سہ ماہی کے مقابلے میں معمولی کمی ظاہر کرتا ہے۔ پیراسٹامول (پیناڈول کے اہم خام مال) کے ایک چائنیز سپلائر کی بندش کی بناء پر اس کی قیمت میں جنوری 2021 سے مستقل اضافہ ہو رہا ہے۔ پیراسٹامول کی اس غیر پائیدار قیمتوں کے علاوہ، پاکستانی روپے کی قدر میں ہونے والی کمی کی بدولت 2021 کی دوسری ششماہی کے دوران لاگت پر دباؤ میں اضافہ ہوا، جو مستقبل قریب میں بھی جاری رہ سکتا ہے۔

پائیدار مجموعی مارجنز پر مستقل توجہ کے باعث، اپنے اہم برانڈز میں اضافہ کرتے ہوئے، ہم اپنے اخراجات کی سطح پر قابو پانے کے قابل ہوئے۔ گذشتہ سال اسی عرصے کے مقابلے میں کل سیلز اور کل اخراجات 18% سے بہتر ہو کر 16% فیصد ہو گیا۔

مزید یہ کہ، کیش فلو کے بہتر انتظام، اور گروپ کے دیگر اداروں سے اخراجات کی وسولی کی بناء پر، کمپنی کی دیگر آمدنی میں گذشتہ سال اسی عرصے کے مقابلے میں 294 ملین روپے کا اضافہ ہوا۔

ڈیویڈنڈ کا اعلان نہ کرنے

کی وجوہات

آپ کی کمپنی نے 2021 کے لیے بہتر منافع اور فی شیئر آمدنی فراہم کیا۔ بہر حال، آپ کی کمپنی اپنے اہم ترین برانڈز بشمول پیناڈول اور CaC-1000 Plus کی کیسٹی بلڈنگ میں مزید سرمایہ کاری کرتے ہوئے بہتر شیئر ہولڈر آمدن محفوظ کرسکتی ہے۔ مزید یہ مؤثر فارماسوٹیکل اجزاء (APIs) پر سیلز ٹیکس کا اطلاق مستقبل میں لیکوئڈ ذرائع پر دباؤ پیدا کرنے کا باعث بنے گا۔ جس کے نتیجے میں بورڈ آف ڈائریکٹرز نے ختم ہونے والے سال 2021 کے لیے ڈیویڈنڈ نہ دینے کا فیصلہ کیا ہے۔

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017 کے سیکشن 223 کے مطابق، کمپنی کی آڈٹ شدہ فائنانشل اسٹیٹمنٹس برائے سال مختتمہ 31 دسمبر 2021 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

ڈائریکٹرز رپورٹ کمپنیز ایکٹ کے سیکشن 227، اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق تیار کی گئی ہے، جیسا کہ وقتاً فوقتاً ترمیم کی جاتی رہی ہے۔

بنیادی سرگرمیاں

کمپنی ہیلتھ کنزیومر کیئر پراڈکٹس کی تیاری، مارکیٹنگ اور سیلز سے منسلک ہے۔ کمپنی پاکستان اسٹاک ایکسچینج میں 22 مارچ 2017 سے لسٹڈ ہے۔ کمپنی کا رجسٹرڈ آفس 35 ڈاکیارڈ روڈ، ویسٹ وہارف، کراچی پر واقع ہے۔

کاروباری جائزہ

یہ آپ کی کمپنی کے لیے مثالی سال رہا، کیونکہ ہم نے 24 بلین روپے کے خالص منافع کی حد کو اپنے آپریشنز کے آغاز کے بعد چھ سال کے عرصے میں عبور کیا۔ تمام تر بورڈ کے اہماء پر، ان تین سالوں کے دوران آپ کی مستقل معاونت پر میں، آپ تمام افراد، ہمارے معزز شیئر ہولڈرز، ملازمین، کاروباری شراکت دار، اور دیگر اسٹیک ہولڈرز کا تہ دل سے شکریہ ادا کرنا چاہوں گا۔ آپ کا بھروسہ ہمارے سفر کی راہوں کا تعین کرنے میں زبردست رہا۔

اس سنگ میل کو عبور کرنا، خوشی منانے، اور مستقبل کی راہوں کا تعین کرنے کا موقع ہے۔ آپ کی کمپنی، پاکستان بھر میں سب سے بڑی اور سب سے زیادہ قابل عزت ہیلتھ کیئر کمپنی ہے۔ پاکستان میں زبردست انداز سے موجودگی، اور سب سے بڑی عالمی کنزیومر ہیلتھ کیئر کمپنی کے حصے کے طور پر نئی پراڈکٹ لانچز اور سیلز میں غیر متوقع اضافے کی بناء پر، کمپنی کی پوزیشن میں اضافہ ہوا ہے۔ آپ کی کمپنی اپنے

“Do More, Feel better, Live longer”

کے وژن پر پوری طرح سے عمل پیرا ہے۔

بورڈ کا تجزیہ

بورڈ نے بورڈ اور اس کی کمیٹیز کا ایک خود مختار/ کارکردگی کا ایکسٹرنل جائزہ لیا۔ جائزے میں ان جگہوں کی نشاندہی کی گئی جہاں بہترین عالمی طریقہ کار کے مطابق مزید بہتری کی گنجائش ہے۔ اصل توجہ حکمت عملی، کاروباری مواقع، رسک مینجمنٹ، بورڈ کی ساخت اور مینجمنٹ کو نگرانی فراہم کرنے پر مرکوز رہی۔ برائے مہربانی جائزے کے حوالے سے مزید تفصیلات کے لیے سالانہ رپورٹ کے صفحہ نمبر 92 سے 94 سے رجوع کریں۔

اعتراف

میں بورڈ آف ڈائریکٹرز کی قابل قدر معاونت اور ان کے عزم پر ان کا شکریہ ادا کرتا ہوں۔ میں انتہائی اخلاص سے ہمارے محنتی اور مخلص ملازمین کی کاوشوں اور ان کے ساتھ ساتھ ہمارے صارفین، اسٹیک ہولڈرز، سپلائرز اور دیگر اسٹیک ہولڈرز کے کمپنی پر بھروسے پر ان کا بھی شکریہ ادا کرتا ہوں۔ یہ آپ کے ساتھ ہی کی بدولت ہے کہ ہم انتہائی تیزی کے ساتھ آگے بڑھ رہے ہیں اور سال بہ سال وسعت کی طرف گامزن ہیں۔



جناب ایم زیڈ معین مہاجر

چیئر پرسن

تاریخ: 9th February, 2022

مالیاتی رپورٹنگ

رپورٹنگ کی سخت نگرانی کے ساتھ، پاکستان میں لاگو مالیاتی رپورٹنگ کے فریم ورک کے مطابق اسٹیک ہولڈرز کو مالیاتی گوشواروں کی واضح تصویر پیش کرنا بورڈ کی ذمہ داری ہے۔ لہذا، یہ مالیاتی گوشوارے کمپنیز ایکٹ 2017 کی منکشف کرنے کی شرائط کی تکمیل کرتے ہوئے، نافذ العمل اکاؤنٹنگ اور رپورٹنگ معیارات کے مطابق تیار کیے گئے ہیں۔

بورڈ کمیٹیاں

بورڈ کو اپنی بہترین کارکردگی میں معاونت فراہم کرنے کے لیے، آپ کی کمپنی کی تین کمیٹیاں ہیں، جیسا کہ ذیل میں بیان کیا گیا ہے

- بورڈ آڈٹ کمیٹی
- ہیومن ریسورس اینڈ ریمیونیریشن اینڈ نومینیشن کمیٹی
- اور انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی

کمیٹی کے ممبران کے بارے میں حوالے کی شرائط سالانہ رپورٹ کے صفحہ نمبر 103 اور 105 سے 111 پر بالترتیب فراہم کی گئی ہیں۔

کمپنی کا کلچر (ثقافت)

ہماری کمپنی کی اقدار صارف اولین ترجیح (سب سے پہلے صارف)، ساکھ، عزت اور شفافیت، توقعات (ہمت، احتساب، ترقی اور ٹیم ورک) اور رویے، انسانی بنیادوں پر استوار کرنا، وہی کرنا جو سب سے زیادہ ضروری ہو اور آگے بڑھنا ہیں، جو ہمیں کام کے لیے سازگار ماحول پیدا کرنے میں مدد کرتی ہیں۔ یہ کمپنی کے ضابطہ اخلاق کے ساتھ جڑی ہیں، جسے حوالے کے لیے انتہائی سادہ بنا دیا گیا ہے۔ ہر ملازم اور کمپلیمنٹری ورکر کے لیے ہماری اقدار میں پوری طرح ڈھلنے کے لیے دیگر تربیتی پروگرامز کے ساتھ، ضابطہ اخلاق کے حوالے سے سالانہ لازمی تربیت کی تکمیل ضروری ہے۔ ہم ترقی کے انفرادی مواقع فراہم کرنے اور یہ جاننے پر یقین رکھتے ہیں کہ ملازمین کس طرح کام کرتے ہیں اور کیا حاصل کرتے ہیں۔ ہم چاہتے ہیں کہ کمپنی میں ہر شخص آپ کی کمپنی کے انسانیت کے ساتھ روزمرہ بہتر صحت کے مقصد پر پوری طرح یقین رکھتے ہوئے، اپنے کام پر فخر محسوس کرے۔

چیئر پرسن کا تجزیہ

مجھے اس بات کا اظہار کرتے ہوئے بے حد خوشی محسوس ہو رہی ہے کہ جی ایس کے کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ (کمپنی) نے گذشتہ سال کے مقابلے میں سیلز میں ۲۲ فیصد اضافے، اور بعد از ٹیکس کل منافع میں سیلز کے 6 فیصد سے اضافے کے بعد 9 فیصد کے ساتھ ایک اور سال کامیابی سے مکمل کیا ہے۔

COVID 19 کے باعث جنم لینے والے عالمی اور علاقائی سطح پر جنم لینے والے چیلنجز کے باوجود، آپ کی کمپنی کی طرف سے تسلسل کو برقرار رکھنے کے لیے بھرپور عزم، اس کی زبردست کارکردگی، لچک، اور اپنے مریضوں، صارفین، اسٹیک ہولڈرز اور دیگر کاروباری شراکت داروں کے ساتھ اخلاص کا منہ بولتا ثبوت ہے۔

ہمارے کاروبار میں مستقل ترقی دیکھنے میں آئی۔ پیناڈول اور CaC 1000 جیسے برانڈز نے انڈسٹری میں لیڈرشپ حاصل کرنے کے ساتھ دیگر حریفوں کے مقابلے میں کئی گنا کامیابی حاصل کی۔ فارما سیوٹیکل/او ٹی سی انڈسٹری بڑھ رہی ہے، اور COVID 19 کی وجہ سے جنم لینے والے چیلنجز نے کاروبار کے ماحول میں مزید بے یقینی پیدا کر دی ہے۔ جس امر نے آپ کی کمپنی کو کامیاب کیا، وہ اس طرح کی غیر یقینی صورتحال سے گزر جانے کی صلاحیت، اس کے لوگوں کی مضبوطی، پورٹ فولیو اور کلچر ہے۔

میں تمام اسٹیک ہولڈرز کے بھروسے اور کمپنی پر ان کے اعتماد پر ان کا شکریہ ادا کرنا چاہتا ہوں۔ ان کی اس معاونت نے آپ کی کمپنی کو ملک بھر میں لاکھوں مریضوں اور صارفین عالمی معیار کی حامل، جدید، قابل رسائی ادویات کی فراہمی میں زبردست کارکردگی اور طویل مدتی ویلیو (قدر) پیدا کرنے کے قابل کیا میں آپ کو آگاہ کرنے میں خوشی محسوس کر رہا ہوں کہ آپ کی کمپنی کو اس سال بے شمار اعزازات سے نوازا گیا ہے، بشمول، فارماسیوٹیکل کے شعبے میں پاکستان کی بہترین کارپوریٹ اینڈ سسٹین ایبل رپورٹ ایوارڈ 2020 میں پہلی پوزیشن، مینوفیکچرنگ کے شعبے میں ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس کی طرف سے بہترین سالانہ رپورٹ ایوارڈ 2020 میں مشترکہ سیکنڈ رنر اپ پوزیشن اور PESA یعنی فارما سمٹ ایکسپورٹ سمٹ اینڈ ایوارڈز میں ایک نمایاں فارماسیوٹیکل نمایاں ایکسپورٹر۔

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ ڈائریکٹرز کا انتخاب

کمپنیز ایکٹ 2017 کے سیکشن 159 (4) کے تحت نوٹس

کمپنیز ایکٹ 2017 کے سیکشن 159 (4) کے مطابق، ممبران کو مطلع کیا جاتا ہے کہ درج ذیل افراد نے کمپنی کے پاس اپنے آپ کو کمپنی کے 21 مارچ 2022 کو دوپہر 2:00 بجے ہونے والے، سالانہ اجلاس عام کے موقع پر ڈائریکٹرز کے انتخاب کے لیے پیش کرنے کے ارادے کا نوٹس فائل کیا ہے۔

1	جناب ایم زیڈ معین مہاجر	5	جناب اسامہ عباس
2	جناب فرحان محمد ہارون	6	محترمہ عائشہ عزیز
3	سید انور محمود	7	محترمہ اوزم ازمیانی
4	جناب دلاور میگھانی		

جیسا کہ خود کو انتخاب کے لیے پیش کیے جانے والے افراد کی تعدد کمپنیز ایکٹ 2017 کے سیکشن 159 (1) کے تحت طے کردہ ڈائریکٹرز کی تعداد سے زیادہ نہیں ہے، لہذا متذکرہ بالا امیدواران کے حوالے سے تصور کیا جاتا ہے کہ آئندہ سالانہ اجلاس عام میں بلا مقابلہ منتخب ہو جائیں گے اور ان کے عہدے کی مدت، الیکشن سے دن سے تین سال کے عرصے کے لیے ہو گی۔
درج بالا امیدواران کے تفصیلی پروفائل کمپنی تک کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر رسائی حاصل کی جاسکتی ہے۔

بحکم بورڈ



مشعل محمد
کمپنی سیکریٹری

کراچی

بتاریخ: 14 مارچ 2022



Sustainability and **Corporate** **Social Responsibility**





Social and Environmental Responsibility Policy

GSKCH is committed to drive the mission of helping people to **“Do More, Feel Better, Live Longer.”** The company thinks that the development of our connected communities best reflects the Company's success.

The company's social and environmental activities and actions have been described in depth refer on page 254 to 264 of the annual report and they include the following:



It also emphasizes the importance of long-term company development, which is seen in its significant social investments.

Sustainability Strategy & Focus

Our global future is predicated on long-term viability. We are moving towards higher future sustainability by developing innovative solutions to lessen adverse impacts on our environment. This is accomplished through our sustainability strategy, which is based on the approach that values people, planet, and profit. Our goal drives beyond business for implementing the long-term viability of those who are directly or indirectly associated with us, as well as the planet. We are dedicated to taking a broader view of sustainability and making sure that every action we take is consistent with our core standards. We strive to distribute profits to our shareholders while also ensuring that we can invest in the needs of our broader shareholder community and the world we live on.

The company invests money into new concepts that lead to better products and services. The company is taking good care of its employees by providing the training and awareness related to the operational safety standards through various programmes, contributing towards improving employees productivity and motivation.

Company's people has dedicated itself to sustaining a safe business processes by implementing the following sustainability projects in 2021, our manufacturing sites initiated various environmental protection measures for water, energy, and waste conservation such as Achievement of Zero Waste to Landfill and 100% Treatment of Waste Water, endorsed by Environmental Sustainability Center of Excellence. Moreover, the Elimination of Ozone Depleting Hydrocarbons chemicals from Company's operations includes CFCs, HCFS, R-11, R-12 & R-22.

We recognize the value of our people's health and safety, as well as the importance of preserving and protecting natural capital for our own long-term sustainability and the well-being of society as a whole.

Development Goals



GSK Consumer Healthcare has started its incredible journey with the purpose of **“Deliver better everyday health with humanity.”** Our values and expectations are at the heart of everything we do, and they define our culture. Acting with integrity is non-negotiable, and that means we can be proud of how we operate. At GSK Ch’s we set out clear choices by **going beyond, doing what matters most**, and **keeping it human** so we can deliver extraordinary things to our consumers and customers. we continued to build on our GSK CH Priorities of **Innovation, Performance** and **Trust** as part of our commitment to deliver game changing business results. To achieve this vision our strategy has advocated through Advance Technology, strong leadership, employee development, Employee Health and Safety, and our continued focus on being a Modern Employer.

Go Beyond

Our constant hunger and irresistible energy drives us to be better, move with pace and outperform competitors

Do What Matters Most

We prioritise the important and challenge the unnecessary

Keep It Human

Our dedication to consumers, customers and each other demands unmatched understanding and empathy



Goal 3: Good Health and Well-Being

GSK CH Pakistan has an established EHS framework of compliance and constantly raising the bar by striving to go beyond the local legal environmental, health & safety requirements. EHS is the driving force of our business operations which ensures safe workplace and healthy environment.

To make sure employee safety, Jamshoro Plant established a healthcare clinic for its employees to improve their health conditions. The services being offered include screening, doctor consultation, COVID-19 testing facility and pharmacy with a huge range of medicines. The clinic is operating 6 days a week and all facilities being provided are 100% free of cost.

Living Safety campaign was launched in 2021 to bolster risk management system, strengthen safety culture, and enhance continuous improvement.

In addition to that GSK CH has been supporting their employees by offering various programs to make sure their mental health is taken care; few are as below:

- Employee Assistance Programme (EAP): Practical Advice, Support, or counselling at no cost.
- Mental Health Trainings for Managers: to learn about mental health and understand simple actions to take support themselves, their team and family.
- Local Health Teams: Face to face support for employees.



Goal 4: Quality Education

Career development is about building experience and capability and is not defined solely by promotion and advancement. We offer our employees many opportunities both in our **Keep Growing Campus** and in **the MyLearning** portal, with the most effective mix of learning modalities e.g., instructor-led, e-learning, blended learning, and social learning. Employees can find suggestions on a wide variety of topics and get training courses that give in-depth expertise and knowledge to help them grow in their personal and professional life. We provide performance support, self-assessment tools, and resources to help an employee develop. In 2021 at Jamshoro site, total no. of **53,832** training were completed with the Total Training hours of **62,181**.



Goal 5/10: Gender Equality / Reduced Inequalities

We aim to create an inclusive workplace to attract and retain the most talented people from all background.

Being a modern employer is one of our core Trust commitments - creating an inclusive workplace where everyone can be themselves, feel good, and keep growing.

Diversity makes us stronger and it is important that we talk, share, and understand our cultural differences. The principles of **Modern Employer** and **Be You** are key to our success as a company. We want employees to feel supported in being their authentic selves at work. We strive to create inclusive environment where Everyone have the right to share their own thoughts, feelings, and perspectives. One way we achieve this is through our Employee Resource Groups, including the **Women's Leadership Initiative, Disability Confidence Network and Local ERGs**.

Women's
Leadership
Initiative

Disability
Confidence
Network

Local
ERGs



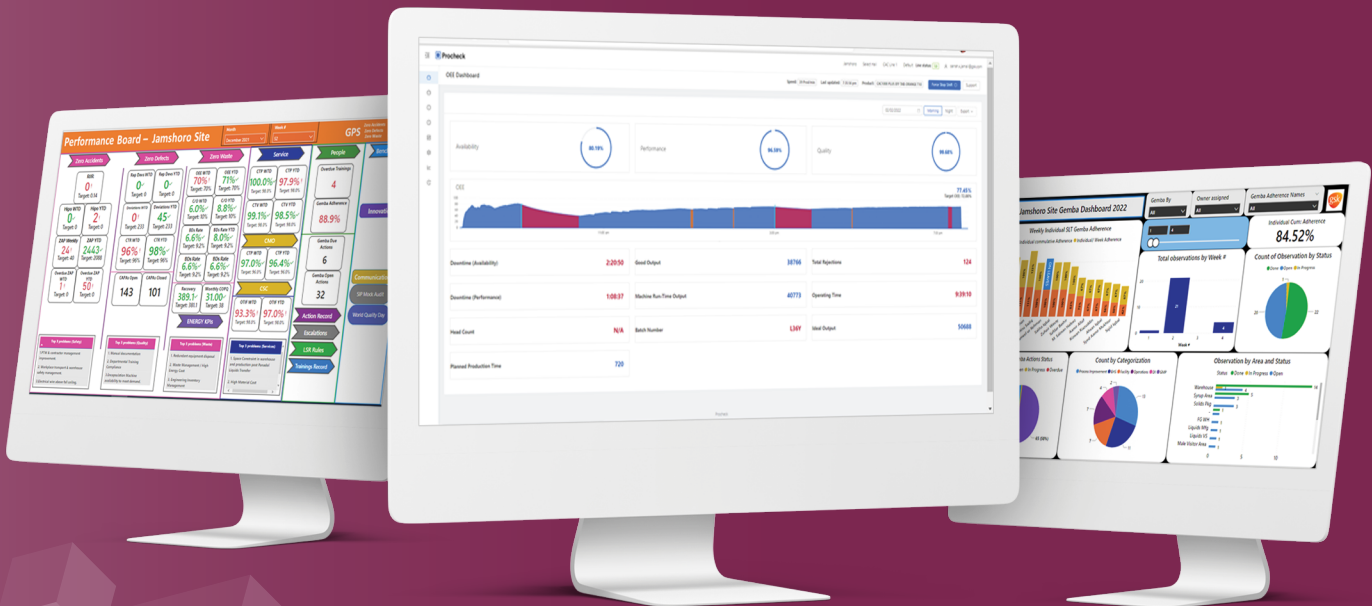
Goal 6: Clean Water and Sanitation

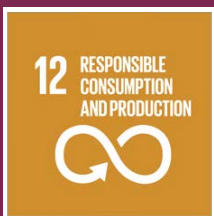
Site is maintaining Purified Water system for the managing of Pharmaceutical drugs. It's equipped with Double stage RO System and various pre-filtration system to reduce TDS and TSS. Site has robust maintenance plan to sustain Water quality and reduce waste.



Goal 9: Industry, Innovation, and Infrastructure

In 2021 we embrace transformation and relies more on technology to boost efficiency. Leveraging technology with our manufacturing and operational expertise has remained our focus over the time. Furthering this, we are on mission to transform all our reports using Digital Data Analytical tools and implement projects which could automate the existing system. Multiple initiatives were taken for reducing paper usage across the site. One of the major project was deployment of Digital OEE Toolkits on all packaging lines. It has benefited us in reducing paper usage to a huge amount also, gives live monitoring of machines over web. The main objective of all these projects to make each process more secure, improve productivity, and reduce paper usage thus bridging the digital gap and promoting innovation across all processes to facilitate sustainable development.





Goal 12: Responsible Consumption and Production

Site has promising energy program since many years to convert into Renewable energy. Site has added around 500KWp of Solar PVs in four phases from 2018 – 2021. Which covers at least 15-20% of total site annual consumption. It also avoids 581 Tons of Co2 annually.



Goal 13: Climate Action

Jamshoro is committed towards green practices and pursue continuous development for environment. For carbon neutrality exercise this year, Inkjet printers were converted to Thermal printers. Thermal labels are much more environmental friendly as the printers do not use a ribbon. It reduces the amount of non-recyclable waste and by-products. As they have a lower shipping weight, carbon footprint is also greatly reduced.

Moreover, the tree-plantation drives at Jamshoro Plant reflect the efforts to preserve the environment. This environmental campaign supports the Sustainable Development Goal (SDG) – Climate Action.

We are glad to announce that, once again GSK Jamshoro site has received the **18th Annual Environment Excellence Award (AEEA) 2021:**

- Jamshoro site environment sustainability target of 'Zero Hazardous Waste to Landfill'. This is being achieved through investing in both developing an in-house waste management system and facility and paying a considerable amount for complete destruction of hazardous waste through incineration in an EPA approved facility.
- Our wastewater effluent is being treated in the "Zero Discharge Wastewater Treatment Plant" based at Archroma (neighboring company, formerly known as Clariant). The plant has been designed with zero discharge as 75% of its wastewater is being recycled and reused. The remaining is being sent to evaporation ponds for natural evaporation. This also advocates our commitment of posing no harm to the environment.
- We also committed to conform to the Montreal Protocol through eradicating the use of CFCs and HCFCs based refrigerants. We have eliminated the use of all our R-11 and R-12 based refrigerants (CFCs).

GlaxoSmithKline Consumer Healthcare Pakistan Ltd.



These achievements recognizes our dedicated efforts towards environmental compliance sustainability as per GSK values. **Previously we have been recognized by the National Forum for Environment & Health committee during 2010, 2011, 2012, 2014, 2015, 2016, 2017, 2018,2019 and 2021.**

This Event was organized by NFEH (National Forum for Environment & Health), a purely Non-Governmental, Non-Profit and Voluntary Organization for promoting Environmental awareness and advancement.

Other CSR Activities



Covid Management

Covid-19 has caused many unprecedented healthcare challenges. To make sure employee safety, some of our key responses were:

- Establishment of site safety measures i.e. Temperature Monitoring, COVID Cleaning Drill, Hand sanitizers, floor mapping and social distancing.
- Inhouse Antigen RAPID Test for all employees
- Inhouse vaccination Camp at Site for all employees with the support of Sindh government Pakistan.
- Inhouse dispensary with doctor and pediatric staff.

Blood Donation Drive

GSKCH has an established EHS framework for ensuring a safe and healthy environment by consistently lifting the bar and striving to go above and beyond. Therefore, the EHS team together with the Regional Blood Centre (RBC), arranged a blood donation camp at Jamshoro plant. The volunteers for blood donation were first physically examined, investigated, and screened to ensure that the blood was collected from healthy donors. Medical doctors counselled and ensured donors were healthy and supervised throughout the session. **Total 69 people joined to save lives. One unit of blood can save 3 lives. Each person donated 500ml of blood which means that a total of 207 people will be benefited from this campaign.**

Sustainability Performance

2021 Highlights

SHAREHOLDER VALUE



Rs. 2,134 million

Eps



Rs. 18.23

Paid-up Share capital (No.)



117,054,508



AWARD

Received the 18th Annual Environment Excellence Award (AEEA) 2021.

LEARNING & TRAININGS



Total No of 53,832

Training has been completed with the Total Training hours of 62,181.06.

SAFE MAN HOURS



4,325,323

COVID MANAGEMENT



1500+

Covid test has been conducted during the year



Corporate Social Responsibility (CSR)

GSK CH is highly committed to Corporate Social Responsibility (CSR) in Pakistan. As a socially conscious organization, GSK CH actively contributes to charitable organizations that work for the welfare of the society.

This year, we have facilitated **“The Pakistan Association of the Deaf (PAD)”**, which is a leading organization in Pakistan representing deaf community at regional, national and international level. Their aim is to enhance the living standards of deaf and enable them to play an active and responsible role in the society.

Our Grants and Donations (G&D) Committee has generously approved grant for **“Ayesha Chundrigar Foundation (ACF)”**, which is an Animal Rescue organization for injured and abused stray animals such as dogs and cats, wild animals like kites and monkeys and working animals such as donkeys, horses, and camels. They provide shelter, medical treatment, food, and emotional rehabilitation to animals. ACF advocates kindness to animals and creates outreach programmes that aim at enabling a harmonious coexistence of animals and humans.

GSK CH also committed grant for **“Health Education & Livelihood Promoters (HELP)”**, who are working for the betterment and stability of underprivileged people of Balochistan. This will enable them to get Solar Lantern Lights and LifeStraw Community Water Filter which will benefit the deserving people for 4-5 years.

G&D Committee kindly approved grant to facilitate **“Madawa Welfare Society (MWS)”**, which is providing education, training, therapy, and easiness to the students having Down syndrome, Cerebral Palsy and slow learning problems.

GSK CH strongly believes in giving back and supporting the underprivileged community in Pakistan.



**Striving for
Excellence** in
Corporate Reporting



Unreserved Statement of Compliance to International Financial Reporting Standards

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and as adopted by SECP necessary for fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders.

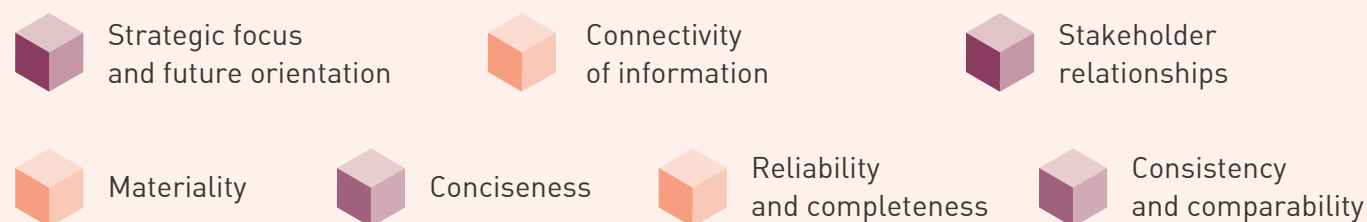
Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan.

IFRS adoption status is in detail is explained in note 2.5 of the annexed financial statements.

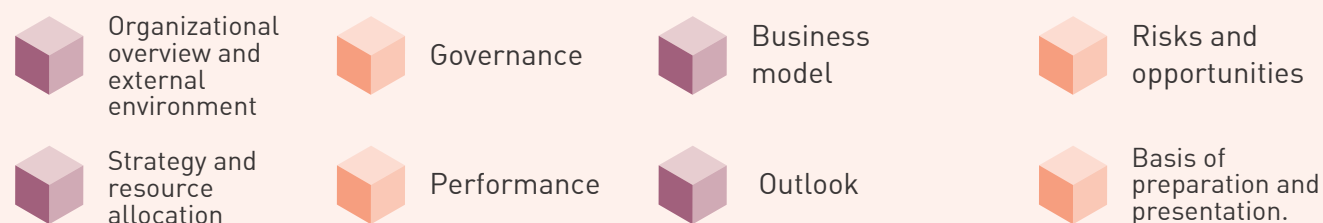
Integrated Reporting Framework

An integrated report 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 of value over the short, medium and long term. It is to be prepared in accordance with the Integrated Reporting Framework (the framework) issued by the International Integrated Reporting Council (IIRC).

The integrated reporting framework follows a principles-based approach, including the following guiding principles:



Integrated Report is to be presented by those charged with governance acknowledging the integrity and compliance with the framework, including the following content:



At present, the requirement to publish an integrated report is not mandatory in Pakistan. However, the Company has disclosed some of the above content in its annual report basis ICAPs BCR checklist. Please refer table of content for the respective page numbers.

Framework for Annual Reporting

Best Corporate Report Awards 2021

1

ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT



Sr.	Particular	Page no.
1.01	Principal business activities and markets local and international including key brands, products and services.	7, 162, 9
1.02	Geographical location and address of all business units including sales units and plants.	202
1.03	Mission, vision, code of conduct, culture, ethics and values.	21, 23
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.	28, 195, 19
1.05	Organization chart indicating functional and administrative reporting, presented with legends.	29
1.06	Identification of the key elements of the business model of the company	08
1.07	Key quantitative information (Number of persons employed as on the date of financial statements and average number of employees during the year, separately disclosing factory employees).	30
1.08	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	31
1.09	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.	33, 34
1.10	Significant changes from prior years.	34
1.11	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	34, 35
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2.02	Strategies in place or intended to be implemented to achieve those strategic objectives.	63
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2.05	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.	63
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3.08	A statement from the board of directors that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	67 - 68
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Sr.	Particular	Page no.
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