

METHODOLOGICAL NOTE – disclosure of transfers of value

company: GSK (GlaxoSmithKline Oy and GlaxoSmithKline Consumer Healthcare Oy)

year: 2016

Collaboration between GSK and the healthcare professionals benefits the patients and is essential for medical development. Several useful medicinal innovations, new treatments and vaccines, especially to treat respiratory diseases, HIV and other infectious diseases, have been developed by GSK as a result of this collaboration. Healthcare professionals add valuable insight of clinical patient work to GSK. At the same time educational events and congresses enable that healthcare professionals have access to latest medical scientific information and increase their possibilities to educate themselves and maintain their professional skills.

As of beginning of 2016, GSK ended payments to healthcare professionals to speak about our prescription medicines or vaccines to other healthcare professionals. At the same time GSK also stopped providing financial support directly to individual healthcare professionals to attend medical congresses. These changes at GSK are global and go further than the current industry codes. Diverse collaborative work with healthcare professionals has continued for example in conducting clinical research and as advisory board activities.

GSK issues one disclosure report for each country, showing all transfers of value made to healthcare professionals (HCPs) and healthcare organisations (HCOs) by the company (GlaxoSmithKline Oy and GlaxoSmithKline Consumer Healthcare Oy) related to the collaboration. The principle is named disclosure on individual basis except collaboration related to research and development (R&D) where transfers of value are reported as an aggregate as per EFPIA guidance.

Disclosure on individual level (specifying name of recipient) requires the written consent from the HCP. If GSK has not obtained this consent or the HCP has withdrawn it, the transfers of value are disclosed as an aggregate at the end of the HCP part of the report in section “Other”. The individual HCP cannot be identified and only the number of recipients and their share (%) is disclosed for each reporting category.

Categorisation of the transfers of value – healthcare professionals:

As of beginning of 2016, GSK ended payments to healthcare professionals to speak about our prescription medicines or vaccines to other healthcare professionals. For the most part transfers of value from GSK to HCPs include fees related to consultant engagement, for example Advisory board activities, and separately itemized expenses related to the engagement (travel and/or accommodation). These are reported in the Fee for service and consultancy -category in the disclosure report and in 2016 composed 98 % of the transfers of value to HCPs from GSK. Fees paid by GSK are based on the duration of the service. The consultancy fees paid by GSK, which are aligned with Akava recommendations, are based on the running time of the service and consist of the service itself and the planning/preparatory work required. For example, travel time is not separately reimbursed.

GSK also stopped providing financial support directly to individual healthcare professionals to attend medical congresses as of beginning of 2016. In the disclosure report the Contribution to costs of events -category the transfers of value are travel expenses related to educational events arranged by GSK. These compose less than 2 % of the transfers of value to HCPs from GSK.

The personal details in the disclosure report are based on the information provided by the HCP on the disclosure consent form.

Healthcare organisations:

Collaboration with HCOs and transfers of value reported by GSK in 2016 mainly (92 %) relate to contribution to the costs of events. This category includes for example GSK's direct financial support for arranging educational events. In these cases GSK has in return obtained for example a booth at the exhibition or an advertisement. GSK might also have contributed for example to cover the venue costs, hospitality, equipment and material for the event. In 2016 over one third of GSK's contribution to costs of events has been allocated to the national medical days. Supporting memberships are also reported in this category.

Grants to institutions, organisations or associations for the support of healthcare or research are also disclosed in the HCO-section of the disclosure report. In 2016 grants composed 7 % of the transfers of value to HCOs from GSK.

The receiving HCO is identified and the details in the report are based on the information in the written contract between GSK and the HCO.

Research and development:

In Finland the R&D emphasis is on clinical vaccine studies. The transfers of value in this category reported for 2016 relate for example to pediatric rotavirus vaccine extension studies and research on meningitis and pertussis vaccines. The disclosed transfers of value are mainly research funding to research institutions. Majority of the funding relate to research personnel fees. In the R&D category transfers of value are reported as an aggregate as per EFPIA guidance

Individual disclosure:

The collaboration between GSK and healthcare professionals is defined and described in a written contract for the service. A HCP who has received a transfer of value has an unique identifier in the GSK financial system. This identifier is used to link each transfer of value to the individual HCP. The identifier is global, which ensures that also cross-border payments are correctly allocated.

The transfers of value related to research and development and to HCO collaboration are identified and allocated in similar manner.

Other general principles and methods applied by GSK in reporting are described in the table below:

Term	Definition
Reporting date	<p>GSK has defined two types of Transfers of Value for Reporting Date purposes:</p> <ul style="list-style-type: none">• a <i>Monetary Transfer of Value</i> is a payment of money made to an HCP/HCO by GSK either directly or through an intermediary (for example, fees for service). The Reporting Date for these Transfers of Value will be the actual payment date, irrespective of when the event happened (for example, when a consultancy fee is paid, not when the work took place).• a <i>Non-monetary Transfer of Value</i> is a benefit received from GSK either directly or through an intermediary <i>without</i> a monetary payment (for example, a flight is paid to a travel agent or event organiser). The Reporting Date for these Transfers of Value will be

	the event date (for example, date when the event took place).
Value Added Tax (VAT)	GSK has taken the decision to report values including VAT wherever possible due to the complexity of VAT regimes around Europe and the inconsistency of whether VAT may or may not be reimbursable depending on where the transaction took place and the country of residency of the HCP or HCO. All other taxes are included in the reported values. For HCP-fees which have been paid as salary, the gross amounts without social costs are disclosed.
Currency conversions	GSK records Transfers of Value in the currency in which the transaction took place. The report will show all values in the currency of the country in which the report is made.
HCPs employed by GSK	GSK will not report payments made to HCPs who are employed by GSK as staff members. GSK considers that it would be inappropriate to disclose an employee's salary, bonus, expenses and benefits.
Novartis methodology	<p>On 2 March 2015, GSK and Novartis completed a three-part transaction, as a result of which GSK acquired Novartis' global Vaccines business (excluding influenza vaccines); created a new world leading Consumer Healthcare joint venture with Novartis; and divested its Oncology business to Novartis.</p> <p>In respect of the Oncology business transferred to Novartis, we are not disclosing any Transfers of Value for which the Reportable Date is after 2 March 2015.</p> <p>For both the Consumer Healthcare business contributed by Novartis into the joint venture and the Vaccines business acquired by GSK, we are reporting all Transfers of Value made under arrangements set up after integration of the relevant business.</p>
Multi-year contracts	<p>Transfers of Value are reported on the relevant Reporting Date (payment date or event date – see above) irrespective of the duration of the contract.</p> <p>In Finland the contracts between GSK and the HCP/HCO are as a rule made in maximum for one calendar year.</p>

The report published on the GSK's webpage is the officially maintained report. Data contained in this report is valid at time of reporting in May 2017.