

Q1 2023 ESG updates at a glance

Dear investors and analysts,

It's been a great start to 2023. We connected with several of you on our ESG roadshow and via email after we shared updates on our diversity targets, our retrospective study on US clinical trial diversity, and, of course, our ESG Performance Report.

As with last quarter, we hope this addendum will serve as a tool to highlight ESG activity including updates that were published this quarter.

We'd love to hear from you so please reach out to our team with your comments and questions.

Thank you,

GSK Investor Relations

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Six areas of focus

We are guided by our purpose to unite science, technology, and talent to get ahead of disease together. Integral to this is running a responsible business, one which builds trust and reduces risk to deliver sustainable health impact at scale, shareholder returns, and to support our people to thrive. To do so, we have prioritised our resources to focus on six material areas:



> Access



> Global health and health security



> Diversity, equity and inclusion



> Environment



> Product governance



> Ethical standards

Ahead Together

ESG highlights from our Q1 2023 results presentation

83%

Published 2022 ESG Performance report that included a new rating showing 83% of metrics are being met or exceeded

90 countries

Advanced access to cabotegravir for PrEP across 90 countries via sublicensing agreements with Medicines Patents Pool

100%

Addressing clinical trial diversity with 100% of phase III studies including a demographic plan

Leader in AMR

Positive phase III gepotidacin data and proposed *Brexafemme* exclusive license strengthen position as a leader in antimicrobial resistance (AMR)

Progress on diversity targets:

42%

senior roles held by women (up from 40%)

31%

of US senior roles ethnically diverse (up from 27%)

14%

of UK senior roles ethnically diverse (up from 13%)

Did you know?

We now include ESG updates in our [press release](#). For a full list of activity since Full-year and Q4 2022 results and more details on each update please reference the ESG section of our Q1 2023 press release.



Image: Mandeep, Integrated System Support Manager, GSK UK

2022 ESG Performance Rating

In March, we published our [ESG Performance Report](#) which included, for the first time, our new ESG Performance Rating. This new rating is one of our corporate KPIs and measures progress against key metrics aligned to each of our six focus areas. We shared this in an email to investors when it was published but thought it would be helpful to provide the summary table here for your reference.

Our 2022 ESG Performance Rating is **on track**, based on 83% of all performance metrics being met or exceeded.

Assessment of performance against our annual targets has been reviewed, and the overall ESG Performance Rating score has been externally assured for 2022

	Commitment	Metric	2022 Highlights
Access	Make our products available at value-based prices that are sustainable for our business and implement access strategies that increase the use of our medicines and vaccines to treat and protect underserved people	Develop and externally publish pricing and access principles Progress towards our 2030 goal of reaching 1.3 billion people in lower income countries with our products	<ul style="list-style-type: none"> Published pricing and access principles to guide our approach to responsible pricing In 2022, we reached 73 million people with our products and supplied an additional 533 million doses of albendazole¹
Global health and health security	Develop novel products and technologies to treat and prevent priority diseases, including pandemic threats	Progress three Global Health pipeline assets to address priority WHO diseases	<ul style="list-style-type: none"> Progressed 12 Global Health pipeline assets to address priority WHO diseases, including malaria and tuberculosis (TB) Positive phase IIa study results for a new first-in-class candidate medicine for patients with TB The Australian Therapeutic Goods Administration approved the use of single-dose tafenoquine in children aged two and above in combination with chloroquine for the radical cure of <i>P. vivax</i> malaria The FDA approved <i>Triumeq PD</i> – increasing age-appropriate treatment options for children living with HIV

¹ The 73 million figure includes people reached with *Synflorix*, *Rotarix*, *Cervarix*, OPV and *Mosquirix* vaccines and people with access to a generic dolutegravir product through our voluntary licensing agreements; however it does not include people reached through albendazole, for which an assessment will be made in 2025 by the WHO and GSK. Scope 1 emissions cover emissions from the direct combustion of fuels on our sites to generate heat and electricity, emissions from our sales fleet vehicles, fugitive losses of propellant during the manufacturing of inhalers and losses from refrigerants used in GSK-owned ancillary equipment and emissions from on-site waste treatment.

2022 ESG Performance Rating continued

	Commitment	Metric	2022 Highlights
Environment	<p>Commit to a net zero, nature positive, healthier planet with ambitious goals set for 2030 and 2045</p>	<p>Climate</p> <ul style="list-style-type: none"> Operational emissions reduction (scope 1 and 2 market-based emissions)² Industrialisation of green <i>Ventolin</i> initiated, and clinical and non-clinical data available to support regulatory submissions Percentage of carbon offset volume in project pipeline³ <p>Water</p> <p>Average of the percentage of GSK sites and suppliers compliant with wastewater active pharmaceutical ingredient limits and the percentage of suppliers that are compliant with the AMR Industry Alliance Common Antibiotic Manufacturing Framework and discharge limits</p> <p>Waste and materials</p> <p>Operational waste and material reduction at our sites</p> <p>Biodiversity</p> <p>Number of high-risk materials implementing sustainable sourcing roadmaps</p>	<ul style="list-style-type: none"> Reduced our scope 1 and 2 carbon operational emissions by 6% from 2021 Reduced our scope 3 value chain emissions by 13% since 2020 Made good progress towards reformulating <i>Ventolin</i>, which could reduce the climate impact of our metered dose inhalers by up to 90%, if the clinical trials are successful 94% of GSK sites and suppliers are compliant with wastewater discharge limits 100% of our sites are now good water stewards, in line with the Alliance for Water Stewardship’s definition We achieved our target of reducing our overall water use by 20% by 2030 against our 2020 baseline and will now review our target Completed baseline biodiversity assessments for 80% of our sites 12 high-risk materials implementing sustainable sourcing roadmaps
Ethical standards	<p>Promote ethical behaviour across our business by supporting our employees to do the right thing and working with suppliers that share our standards and operate in a responsible way</p>	<ul style="list-style-type: none"> 100% of employees and complementary workers complete GSK’s 2022 mandatory training Percentage of employees who believe they ‘can and do Speak Up if things don’t feel right’ is above the general industry benchmark⁴ Number of employees leaving GSK’s employment for misconduct in the last 12 months versus the three-year rolling average 80% of direct high-risk suppliers achieve GSK’s minimum EcoVadis score or have an improvement plan in place 	<ul style="list-style-type: none"> Achieved 99% overall completion of GSK’s mandatory training – while 100% of employees completed the training, we only met a 98% completion rate for complementary workers 87% of employees believe they ‘can and do Speak Up if things don’t feel right’ The number of employees leaving GSK’s employment for misconduct increased as a result of enhancing our risk identification and targeted interventions in 2022⁵ 82% of direct high-risk suppliers achieved our minimum EcoVadis score

² Scope 2 emissions include any purchased electricity, steam, compressed air and chilled water.

³ Percentage of 2.3 MtCO₂ offsetting volume in 2030 project pipeline.

⁴ The general industry benchmark is 65% according to 2022 research by *KornFerry*.

⁵ In 2022, we continued to embed greater focus on the use of risk analytics and monitoring aligned to increasing levels of business activities, enhancing risk identification and targeted interventions. Additionally, we focused on closure of cases, resulting in a decrease in open cases at year end compared to prior years with a correlation to rising numbers of employees who were dismissed or agreed to leave the company voluntarily as a result of misconduct.

2022 ESG Performance Rating continued

	Commitment	Metric	2022 Highlights
Diversity, equity and inclusion	Create a diverse, equitable and inclusive workplace; enhance recruitment of diverse patient populations in our clinical trials; and support diverse communities	<ul style="list-style-type: none"> 75% of phase III trials initiated in 2022 will have proactive plans in place designed to enrol appropriately diverse trial participants, consistent with disease epidemiology Performance towards 2025 aspirations through fair and equitable opportunities: <ul style="list-style-type: none"> have women hold at least 45% of VP-and-above roles globally by the end of 2025 have at least 30% ethnically diverse leaders in our roles at VP and above in the US, and increase the percentage of Black or African American, and Hispanic or Latinx VP-and-above leaders year on year have at least 18% ethnically diverse leaders in our roles at VP and above in the UK, and increase the percentage of Black VP-and-above leaders year on year Improve year-on-year spend with certified US-based diverse-owned suppliers 	<ul style="list-style-type: none"> 100% of phase III trials initiated in 2022 had proactive demographic plans in place Women made up 42% of VP-and-above roles globally, compared with 40% in 2021 In the US, we had 31.3% ethnically diverse leaders at VP level and above, and increased the percentage of Black or African American, and Hispanic or Latinx VP-and above Leaders In the UK, we had 14.3% ethnically diverse leaders in our roles at VP and above, however our percentage of Black VP-and-above leaders remained the same as in 2021 Significantly exceeded our target to increase spend with certified US-based diverse-owned suppliers in 2022
Product governance	Commit to maintaining robust quality and safety processes, and using data and new technologies responsibly	<ul style="list-style-type: none"> Average number of critical and major findings by FDA/MHRA/EMA regulators Percentage of inspections from all regulators with no critical findings or official action indicated Number of FDA warning letters Total number of Class I/II external product recalls across all markets Register and disclose all human subject research of GSK products. Specifically, register protocol summaries for studies initiated in 2022; and disclose results summaries for studies with results due in 2022 	<ul style="list-style-type: none"> Received no warning letters from the US FDA or critical findings from the MHRA and EMA regulators in 2022 99% of inspections from all regulators had no critical findings or official action indicated We continued to reduce our level of recalls across all markets, with no Class I product recalls in 2022, and fewer Class II and III recalls than in 2021 We have made 7,377 protocol summaries and 6,295 summaries of results available, and listed 2,559 studies for data sharing since the set-up of the GSK trial register in 2004

Recent questions from investors:

1.

How do you measure ESG performance?

We introduced a new ESG Performance Rating which is one of our corporate KPIs and measures progress against key metrics aligned to each of our six focus areas. In 2022, this included 23 metrics which are summarised on pages 5 to 6 of our [ESG Performance Report](#).

The metrics were developed with stakeholder input, and our understanding of the key issues for our industry and our company. In creating this rating, management sought metrics that:

- Are well defined to ensure we have a standardised approach
- Can be used consistently in future years
- Are ambitious and achievable
- Can be externally assured
- Are meaningful for stakeholders

2.

How do the metrics ladder up to the KPI?

GSK's Leadership Team is accountable for delivering progress against the metrics and regularly reviews performance along with the Board's CRC*.

Each individual metric is assessed as either: on track (metric met or exceeded); on track with work to do (at least 80% of metric has been achieved); or off track (metric missed by more than 20%).

In order to calculate the overall ESG Performance Rating, performance across all metrics is aggregated to a single score to illustrate whether we are on track, on track with work to do, or off track. This rating is defined as:

- On track: 70% of all metrics are on track
- On track with work to do: more than 50% of all metrics are either on track, or on track with work to do
- Off track: more than 50% of all metrics are off track

3.

How does ESG align to remuneration?

In 2022, the Remuneration Committee, with the support of the CRC*, introduced ESG performance measures into both our short and long-term incentive plans, to reward delivery of key ESG commitments.

The ESG element consists of: human capital management in the form of diversity, equity and inclusion, which forms 10% of the annual bonus opportunity for GLT; and our climate net zero and nature net positive ambitions, which form 10% of our long-term incentive plan opportunity for senior leaders. These metrics align to our ESG Performance Rating.

For more details reference [page 133 in the GSK Annual Report](#).

*CRC: Corporate Responsibility Committee

Committed to ESG investor engagement

Upcoming events

2 May	JP Morgan fireside chat with Claire Lund, VP Sustainability and Clare Griffin, VP Reputation and Responsible Business (virtual)
15 May	ODDO Sustainability Conference with Claire Lund, VP Sustainability (virtual)
22 May	Morgan Stanley Sustainable Futures Conference with Claire Lund, VP Sustainability (virtual)
6 June	Investor education event on clinical trial diversity (virtual)
7 June	TD Cowen Sustainability Week ESG panel with Clare Griffin, VP Reputation and Responsible Business



Image:
Ted Chapman,
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at GSK Worthing, UK