



# Our position on Working with Third Parties



## What is the issue?

At GSK, we are committed to operating to the highest ethical standards to help maximise the long-term sustainability of our business and of the communities in which we operate. We aim to comply with all laws, rules and regulations governing our activities and, in addition, have developed a comprehensive framework of GSK policies, guidelines and standard operating procedures to help drive high ethical standards.

We strive to conduct business with suppliers, distributors, equity stake holdings and other business partners (collectively, “Third Parties”) who share our commitment to high ethical standards and operate in a responsible way as set out in our [GSK Code](#).

This position statement summarises our approach to working with Third Parties. It sets out the minimum standards we expect of them, as well as other areas of importance to us (“Principles”).

These Principles (summarised at **Annex A**) underpin our current Third Party Risk Management programme. They reflect areas of particular high risk identified by GSK. Where deemed relevant to a particular Third Party, compliance with some or all of the Principles will be mandatory and required via contractual obligations and rigorous GSK oversight and risk-based audit. The Principles are a non-exhaustive list of GSK expectations. They will be supplemented over time.

## What is GSK’s view?

- GSK is committed to operating to the highest ethical standards to help maximise the long-term sustainability of our business and of the communities in which we operate. We will only work with Third Parties who share our approach.
- As a multinational organisation with global outreach, often exercising substantial influence over those with whom we conduct business, we have a role to play in driving best practice in key areas such as human rights, environmental protection, anti-bribery and corruption.
- GSK expects all Third Parties with whom we engage to comply with all applicable laws and regulations and to adopt, at a minimum, GSK’s Anti-Bribery & Corruption and Labour Rights Principles.
- In addition to meeting GSK’s Anti-Bribery & Corruption and Labour Rights standards reflected in the Principles at Annex A, where relevant, we expect Third Parties to comply with our standards on quality, health and safety and the environment. All expectations will be formalised in contracts and subject to appropriate levels of audit and oversight.
- When selecting suppliers, GSK considers business capabilities, capacities, innovation and alignment with the company’s ambition and ethical standards, as well as aligning to the principles of the Third Party Risk Management Program. Classification models assess risk and the shared sustainability impacts of potential relationships.
- We will take appropriate action against those Third Parties found in breach of their undertakings, up to and including termination of their contract with GSK.
- We have a responsibility to support Third Parties as part of our broader commitment to improving supply chain standards. Amongst other initiatives, we offer preferential payment terms to small and medium-sized companies in the UK and EU, and small businesses in



the USA. Through our supplier diversity programme we engage with and mentor small and diverse businesses in the UK and USA and help them identify potential areas for growth.

- To ensure transparency and accountability throughout our supply chain, we conduct thorough due diligence on relevant suppliers and their sub-tier supplier to assess their compliance with legal, social and environmental standards. Where required, we establish clear obligations that require our suppliers to disclose and manage their sub-tier relationships effectively.
- The behavioural expectations we set for Third Parties are matched by those we set for our staff, outlined as commitments in the GSK Code.

## Conclusion

GSK recognises the importance of working with Third Parties who share our culture of being ambitious for patients, accountable for impact, and doing the right thing by operating in a responsible and ethical manner. We make it a priority to exercise influence over the Third Parties with whom we conduct business, in an appropriate way, and to proactively support those Third Parties to meet our standards.

We manage our key partners via a Supplier Relationship Management programme designed to strategically engage suppliers, on how to maximize the value of the relationships to both companies. This focuses on mutual investment, targeted collaboration, and aligned objectives.

All of this is aligned with GSK's strategic focus on innovation, performance, trust, and culture. This commitment will take time and involves considerable resources; however, it is fundamental to our company and fully aligned with our values.

## Background

### GSK's Third Party Risk Management Programme

We spend over £11 billion every year with suppliers, distributors and other organisations including more than 24,000 suppliers that provide us with a wide range of goods and services. The process of embedding the GSK Principles into all relevant contracts will therefore take time. We have established a dedicated Third Party Risk Management Team focused on ensuring that all existing Third Parties have been risk assessed against the GSK Principles and remediation steps taken, including where appropriate, amending contracts to reflect GSK's Principles. It will also ensure that appropriate new Third Party contracts include commitments that meet our Anti Bribery and Corruption and Labour Rights Principles, our standards on quality, health and safety, the environment and that a risk-based audit programme is in place to oversee Third Party compliance with their contractual obligations.

### Ensuring an Open Working Environment

In addition to the Principles set out in **Annex A** which, where relevant, will be formalised in contractual terms, GSK encourages all Third Parties with whom we work to establish a culture which supports reporting of suspected violations of law, rules and regulations, and unethical conduct. Specifically, Third Parties are encouraged to:



- Enable their staff to report concerns or illegal activities in the workplace through formal reporting structures. These concerns should in turn be independently investigated, and if needed, corrective action should be taken.
- Create an environment where staff concerns may be reported without fear of reprisal or retaliation. GSK may act, in accordance with local laws, against any Third Party who threatens, or engages in retaliation or harassment of any person who has reported, or is considering reporting, a concern in good faith.

Issues and concerns can be reported using our web form or worldwide call centre lines, and may be reported anonymously where permissible by local laws and regulations [here](#).

### **GSK Support of Open and Non-Retaliatory Engagement**

All employees of Third Parties are encouraged to report suspected violations of law, rules and regulations related to their work with GSK, including fraud and unethical conduct either through their own internal reporting channels or through GSK's 'Speak up' Integrity channels. Worldwide numbers and information are available online at [www.gsk.com/speakup](http://www.gsk.com/speakup). This includes reporting misconduct by GSK staff (including complementary workers) with whom they do business. GSK is committed to non-retaliation and will maintain, as appropriate, confidentiality and anonymity with respect to all disclosures.

### **Support for Third Parties**

While we expect certain standards of Third Parties with whom we work, we also have a responsibility to support them as part of our broader commitment to improving supply chain standards. Small businesses, for example, often struggle with cash-flow issues. We therefore offer preferential payment terms to small and medium-sized companies in the UK and small businesses in the USA.

As part of our commitment to diversity and inclusion, we support suppliers owned by groups that are underrepresented in the supply chain such as those owned by women, ethnic minorities, LGBT+ individuals, veterans and people with disabilities. Through our supplier diversity programmes, we also engage with and mentor small and diverse businesses and help them identify potential areas for growth. We recognise that meeting our ambition of a net zero, nature positive, healthier planet requires close collaboration with our suppliers.

Our Sustainable Procurement Programme sets clear, industry-aligned standards for Climate and Nature and we actively support suppliers to meet these standards. We have launched industry programmes such as Energize (supporting suppliers to transition to renewable electricity) Activate (Supporting Active Pharmaceutical Ingredient suppliers to decarbonise) and Converge (supporting suppliers to reduce environmental impacts of their labs). We also partner with our top 30 suppliers to develop joint carbon reduction plans in line with our 2030 target. We will continue to work closely with suppliers to innovate, educate and remove barriers to meet our net zero and nature positive goals.



## GSK's Code

GSK has its own employee code of conduct which we refer to as The Code, setting out the fundamental standards to be followed by GSK people in their everyday interactions on behalf of the company, including engagement with Third Parties.

The Code sets out clear and simple commitments we make as individuals and together to help bring our culture to life, deliver on our ambition in the right way, and to make GSK a place where everyone can thrive.

The Code is supported by our global policies and standards, all of which are now located in a single place – our new Code Hub.

The Code covers a range of key behaviours expected of our staff but the following standards relating to conflicts of interest and acceptance of entertainment and gifts by GSK staff are particularly relevant to our work with Third Parties.

- **Conflicts of Interest:** We expect everyone to be aware of and report any conflicts of interest. Conflicts of interest arise when we have loyalties and interests that compete with our responsibilities at GSK. An actual, potential, or perceivable conflict can carry bribery and corruption, competition law and other reputational risks.
- **Acceptance of Entertainment & Gifts:** GSK has policy expectations governing the acceptance of entertainment and gifts from any person, organization, or agency related to, or associated with, GSK's business activities. Specifically:
  - GSK staff may accept entertainment when it is lawful and ethical, occasional, customary and reasonable in value, and meets a GSK business need or requirement (not just for employee personal well-being or use).
  - GSK staff may generally accept gifts of nominal value and within the country limit (e.g., pens, mugs, calendars, etc.) when such gifts are infrequent and customary in a business relationship.

Except as permitted above, GSK staff may not accept or solicit, directly or indirectly, from any Third Party, current or potential, any entertainment or gifts, including but not limited to the following:

- travel and overnight accommodation
- vacations
- cash payments
- cash equivalents (e.g., gift certificates or cheques)
- services
- loans (except as private individuals from banks or other financial institutions); or
- discounts (except those offered to GSK staff generally)



## Annex A

### GSK Principles

#### Anti-Bribery and Corruption

We have a zero-tolerance approach to bribery and all forms of corruption and expect all Third Parties with whom we work with to act with absolute business integrity and in compliance with all relevant international and domestic legislation. Third Parties will not, directly or indirectly, promise, offer, make, authorise, solicit or accept any financial or other advantage, to or from anyone to obtain or retain business or secure an improper advantage in the conduct of business. This rule applies regardless of whether they are government officials or work in a private sector entity. Financial or other advantage covers anything of value, including cash, gifts, services, job offers, loans, travel expenses, entertainment or hospitality.

GSK prohibits all facilitation payments as they are bribes. These are unofficial, improper or small transfer of value offered to secure or expedite a routine action to which the payer is legally entitled.

For further insight into GSK's own approach to managing bribery and corruption see [Anti-Bribery & Corruption Policy](#).

#### Anti-Competitive Behaviour

Third Parties will conduct their business consistent with all applicable anti-trust laws. They will strictly adhere to the letter and spirit of competition laws in all jurisdictions and will employ fair business practices including accurate and truthful advertising.

#### Labour Rights

Third parties shall be committed to uphold the human rights of workers and to treat them with dignity and respect, in line with the UN Guiding Principles on Business and Human Rights. Third parties are expected to meet the following labour rights principles and foster compliance with them by their own suppliers:

- **Freely Chosen Employment:** No use of forced, bonded, indentured or involuntary prison labour, including modern slavery and human trafficking. Workers should not pay for a job or have their freedom of movement denied. Workers must be able to leave their employer after reasonable notice, the period of which should be agreed upon engagement, and should receive all owed salary. They must not be required to lodge original identification papers or monetary deposits on starting work.
- **Child Labour and Young Workers:** No use of child labour. The employment of workers below the age of 18 only occurs in non-hazardous work and when young workers are above a country's legal age for employment, or the age established for completing compulsory education. Children under the age of 15 must not be employed in any circumstance. Robust age verification checks should be in place to ensure this expectation is met. Hazardous work includes (but is not limited to) working at night; working excessive overtime; or being exposed to chemicals, pesticides, machines or tools, dust or excessive cold, heat or noise.
- **Safe and healthy workplace:** All workers must be provided with clean and safe conditions in all work and residential facilities – see Environment, Health and Safety.
- **Non-Discrimination:** Provide a workplace free from discrimination. All workers must be treated with respect and dignity. The employment relationship must be treated on the principle of equal opportunity and fair treatment. Workers do not face discrimination on any grounds (including but not limited to race, colour, ethnic or national origin, age, gender, sexual orientation, gender identity, disability, religion, political affiliation, union membership, pregnancy or marital status) in any hiring or employment practices, including remuneration.



- **Fair Treatment:** Provide a workplace free of harassment, harsh and inhumane treatment, including mental, physical, sexual or verbal abuse, corporal punishment and no threat of any such treatment or any forms of intimidation. Written disciplinary procedures should be established and explained to workers in terms that are clear and understandable to them. Disciplinary and/or performance management actions should be recorded and explained to workers. Workers must have the right to trade union or other appropriate representation at a disciplinary action, which may lead to significant disciplinary penalties or dismissal.
- **Wages, Benefits and Working Hours:** Comply with applicable wage laws, including minimum wages (or a fair representation of the prevailing industry wage), paid leave and mandated benefits. Wages should always be enough to meet basic needs and to provide some discretionary income. A transparent process must be established to ensure that workers are compensated in a timely manner and fully understand the wages that they receive.
- **Freedom of Association and Collective Bargaining:** Open communication and direct engagement with workers to resolve workplace and compensation issues is encouraged. Workers' rights, as set forth in local laws, to freely join or not join labour unions, seek representation and join workers' councils are respected. Workers' representatives must be free to carry out their representative functions in the workplace, including collective bargaining. Workers can communicate openly with management about working conditions without threat of reprisal, intimidation or harassment.
- **Grievance mechanism:** Third parties must provide a grievance mechanism for workers to raise occupational concerns. This mechanism should be accessible, understandable and transparent to workers. Issues raised should be dealt with promptly by an appropriate level of management and feedback should be provided to those concerned, without any reprisal. This mechanism must also provide workers with the option of flagging concerns anonymously. Employees of third parties may also report concerns via GSK's 'Speak up' Integrity channels (worldwide numbers and information are available online at [here](#)).

For further insight into GSK's approach see our public policy position on [Human Rights](#).

## Confidential Information

Information is one of our most valuable assets and we are committed to safeguarding GSK information and all information entrusted to us. Our Third Party partners will therefore, always, be expected to safeguard proprietary, confidential and personal information related to their work with GSK. Specifically:

- **External Communications:** Third Parties will never communicate externally about GSK's prospects, performance or internal policies nor disclose inside information which could affect the price of GSK securities without proper authority. They will also be forbidden from making any public posting of confidential or proprietary information related to any aspect of GSK's business.
- **Information Management:** Third Parties will protect the confidentiality, integrity and availability of GSK information which they manage, store, transmit, or otherwise process. They will ensure this by implementing appropriate safeguards including policies, procedures, physical security and computer security controls.
- **Personal Information:** Third Parties will protect the confidentiality and security of any Personal Information they access or generate while working with GSK by ensuring implementation of appropriate safeguards and complying with applicable legislation. Use and disclosure of Personal Information will be limited to those purposes for which it was received to ensure that individuals' privacy rights are protected.





For further insight into GSK's approach to managing personal information see [Codes, standards and reports.](#)

## Patient Safety

Ensuring that the rights, dignity and safety of patients are safeguarded is central to every decision we make. We therefore expect the following of all Third Parties with whom we work:

- Adverse event reporting: Third Parties will be expected to report any Human Safety Information (HSI) relating to any GSK product - no matter how minor - to our relevant company safety departments within 24 hours of initial awareness (or next working day if over a weekend).
- Clinical Trial Standards: Third Parties will ensure that the rights of people taking part in any clinical research conducted on our behalf are protected, including through the informed consent process and procedures to protect patient privacy.

For further insight into GSK's own approach to conducting clinical trials in a responsible and ethical way see our public policy position on [Clinical Trials.](#)

## Commercial Practices

GSK is committed to responsible, principled and patient-centred promotional practices. Our approach conforms to high ethical, medical and scientific standards that are determined by law and regulation, promoted by industry associations and embraced by the company. We expect Third Parties interacting with healthcare professionals and healthcare organisations on our behalf to adhere to similarly high standards. These include, at a minimum, complying with all applicable ethical codes of practice, local industry codes, and legal and regulatory requirements.

## Environment, Health and Safety

Ensuring that our staff and anyone working at our Third Parties with whom we partner stay safe, healthy and productive is a priority for GSK. We therefore expect our Third Party partners to build healthy, high performing and safe working environments by:

- Providing a safe workplace and taking steps to ensure the physical and mental well-being of workers.
- Ensuring compliance with all relevant health and safety and environmental laws, regulations, permits, licenses, information registrations and restrictions.
- Implementing an environment, health and safety risk management process with clearly defined accountabilities for maintaining it.
- Providing sufficient resources, training, physical infrastructure and engineering controls necessary to protect people, the environment and local communities from harm.
- Minimising and seeking to reduce exposure of workers and communities to hazardous physical, chemical and biological agents under normal, abnormal and emergency operating conditions.
- Providing relevant information, education and training to workers so they can understand the hazards, risks and control measures associated with their job.
- Identifying and practising responses to a range of foreseeable emergencies based on the hazards and risks associated with operations.
- Ensuring early detection of fire, safe evacuation of people, and prompt action to minimise damage to the local environment and communities.





## Animal Welfare

We have a moral responsibility to ensure the consistent care, welfare and treatment of animals in our care. We have a company-wide policy that covers the standards we apply, and we expect our Third Parties to adhere to similarly high standards, aligned with the following principles:

- Legal Compliance: complying with all relevant statutes, legislation, regulations and guidelines for the care, welfare and ethical treatment of animals in the country where the studies or services are being performed.
- Animals supplied or used shall originate from colonies purpose bred for research.
- Husbandry: ensuring that, at a minimum, all animals in their care are given access to species appropriate food, water and housing, as set out in our Core Principles. Including access to species specific housing that promotes normal behaviours and minimises the development of abnormal behaviours as well as appropriate temperature and humidity levels.
- Professional care: ensuring humane care and a robust programme of veterinary care through guidance of a veterinarian and by appropriately trained staff.
- Training: work is performed by staff documented as trained and competent in the procedures.
- The 3Rs: following the principles of the 3Rs - replacement, reduction and refinement - in the selection and design of animal studies both in vivo and ex vivo.
- Pain Management: commitment to minimise pain or distress to animals under their care.
- Ethical Oversight: all studies should be approved by an institutional ethical review process.
- Scientific review: ensuring studies are subjected to independent scientific review conducted by GSK prior to study commencement.

For further insight into GSK's approach to protecting animal welfare see [Responsible Care and Use of Animals](#).

## Environmental Sustainability

GSK has committed to environmental sustainability goals in both climate and nature. The goals form part of our Trust priority and ESG approach, which support our aim to create long-term value for shareholders and meet the needs of patients and society.

We are committed to work towards a net zero, nature positive, healthier planet, with ambitious goals set for 2030 and 2045. Third Parties are critical partners in achieving our sustainability goals and effective collaboration is central to that success. We therefore expect our Third Party partners to:

- Operate in an environmentally responsible way: conserving natural and other resources (forests, fresh water etc), ensuring efficient management of resources, avoiding waste generation, and minimising their impact on climate and nature, as well as the surrounding communities, local and global environments.
- Commit to reduce greenhouse gas (GHG) emissions and demonstrate actions towards this commitment, such as rationalising the usage of resources that generate GHG emissions (including but not limited to energy, heat and fuels), transitioning to renewable electricity, implementing process efficiencies or taking any other reasonable means leading to GHG emission reduction across its operations and its supply chain.
- Operate in a transparent way: disclosing data requested by GSK relating to all aspects of the environment and using continuous improvement techniques to support GSK's value chain environmental goals.



- Ensure the safe management of materials and waste: appropriately reducing, managing, controlling and treating before the release into the environment any waste, wastewater or emissions with the potential to adversely impact human health or the environment.

For further insight see GSK's public policy position on [Environmental Sustainability](#).

### **Conflict Minerals**

GSK condemns the kind of human rights abuses funded by “conflict minerals” and we are committed to ensuring the ethical sourcing of any “3TGs”<sup>1</sup> used in our products. We therefore expect our suppliers, our Contract Manufacturing Organisations (CMOs) and their respective suppliers to exercise due diligence around the source and chain of custody of “Conflict Minerals” used in materials or products they supply to us. Specifically:

- Existing Third Parties: any existing suppliers or CMOs sourcing “Conflict Minerals” in a manner that benefits armed groups in the “Covered Countries” must identify alternative sources. A failure to do so will result in termination of the supply agreement.
- New Third Parties: Any new or renewed supply agreements signed by GSK with suppliers and CMOs will seek confirmation that any 3TGs supplies are conflict free (i.e. not benefiting armed groups in the “Covered Countries”.)

For further insight into GSK's approach see the public policy position on [Conflict Minerals](#).

### **Sanctions and Export Controls**

Third Parties engaged in business on behalf of GSK must understand and conduct their business in full compliance with all applicable sanctions and export control laws and regulations, including but not limited to compliance with restrictions on the movement of funds, products, goods, materials, services, software, and technology governed by those laws.

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<sup>1</sup> **Tungsten, Tantalum, Tin and Gold.** 3TGs are derived from the minerals cassiterite, coltan and wolframite.