

Corporate Governance

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The Board

Board composition		Board diversity		International experience	
Composition		Gender		International experience	
Executive	23%	Male	62%	Global	85%
Non-Executive	77%	Female	38%	US	100%
Tenure Non-Executive		Ethnicity		Europe	77%
Up to 3 years	40%	Ethnically diverse	15%	EMAP	69%
3-6 years	20%	White	85%		
6-9 years	30%	⊕ See more information on page 110			
9-10 years	10%				

Sir Jonathan Symonds, CBE

Non-Executive Chair

Age: 63

Nationality: British

Appointed: 1 September 2019



Skills and experience

Jon has extensive international financial, life sciences and governance experience.

Jon served as an Independent Non-Executive Director of HSBC Holdings plc from April 2014, and as Deputy Group Chairman from August 2018, until his retirement from the Board in February 2020. He was previously Chairman of HSBC Bank plc, Chief Financial Officer of Novartis AG, Partner and Managing Director of Goldman Sachs, Chief Financial Officer of AstraZeneca plc, and a Partner at KPMG. His governance experience includes roles as Non-Executive Director and Chair of the Audit Committees of Diageo plc and QinetiQ Group plc and Non-Executive Chair of Proteus Digital Health Inc.

Jon is a Fellow of the Institute of Chartered Accountants in England and Wales.

External appointments

Non-Executive Director, Rubius Therapeutics, Inc; Non-Executive Director, Genomics England Limited having previously served as its Chairman; Member, European Round Table for Industry; Senior Advisor to Chatham House.

Dame Emma Walmsley

Chief Executive Officer

Age: 52

Nationality: British

Appointed: 1 January 2017

Chief Executive Officer from 1 April 2017

Skills and experience

Prior to her appointment as GSK's CEO, Emma was the CEO of GSK Consumer Healthcare, a Joint Venture between GSK and Novartis, from its creation in March 2015. Emma joined GSK in 2010 from L'Oreal, having worked for 17 years in a variety of roles in Paris, London, New York and Shanghai. Emma was previously a Non-Executive Director of Diageo plc.

Emma holds an MA in Classics and Modern Languages from Oxford University.

External appointments

Independent director, Microsoft, Inc.

Iain Mackay

Chief Financial Officer

Age: 60

Nationality: British

Appointed: 14 January 2019

Chief Financial Officer from 1 April 2019

Skills and experience

Prior to joining GSK, Iain was Group Finance Director at HSBC Holdings plc, a position he held for eight years. A chartered accountant, Iain has lived and worked in Asia, the US and Europe and before HSBC was at General Electric, Schlumberger Dowell and Price Waterhouse. Iain was previously a Trustee of the British Heart Foundation and Chair of its Audit and Risk Committee.

Iain holds an MA in Business Studies and Accounting and holds an Honorary Doctorate from Aberdeen University in Scotland.

Iain is a member of the Institute of Chartered Accountants of Scotland.

External appointments

Member, Court of the University of Aberdeen and Chair of its Remuneration Committee; Member, The 100 Group and Chair of its Stakeholder Communications and Reporting Committee.

Dr Hal Barron

Chief Scientific Officer and President, R&D

Age: 59

Nationality: American

Appointed: 1 January 2018

Chief Scientific Officer and President, R&D from 1 April 2018

Skills and experience

Prior to joining GSK, Hal was President, R&D at Calico LLC (California Life Company), an Alphabet-funded company that uses advanced technologies to increase understanding of lifespan biology. Prior to this, Hal was Executive Vice President, Head of Global Product Development, and Chief Medical Officer of Roche, responsible for all the products in the combined portfolio of Roche and Genentech. At Genentech, he was Senior Vice President of Development and Chief Medical Officer. Hal was a Non-Executive Director and Chair of the Science & Technology Committee at Juno Therapeutics, Inc until March 2018, when it was acquired by Celgene Corporation. Hal previously served as a Non-Executive Board Director of GRAIL, Inc and an Advisory Board Member of Verily Life Sciences LLC.

As announced on 19 January 2022 Tony Wood will succeed Hal as CSO and Head of R&D with effect from 1 August 2022. From that date, Hal will transition to a non-independent Non-Executive Director with additional responsibilities to support R&D.

External appointments

Non-Executive Director of Altos Labs Inc; Associate Adjunct Professor, Epidemiology & Biostatistics, University of California, San Francisco.

Key ● Committee Chair (N) Nominations & Corporate Governance (A) Audit & Risk (R) Remuneration (S) Science (C) Corporate Responsibility

The Board continued

Charles Bancroft

Independent Non-Executive Director

Age: 62

Nationality: American

Appointed: 1 May 2020

Ⓐ Ⓝ

Skills and experience

Charlie has a wealth of financial and management experience in global biopharma.

Charlie retired from a successful career at Bristol Myers Squibb (BMS) in March 2020 where he held a number of leadership roles in commercial, strategy and finance. Beginning his career at BMS in 1984, he held positions of increasing responsibility within the finance organisation and had commercial operational responsibility for Latin America, Middle East, Africa, Canada, Japan and several Pacific Rim countries. He was appointed Chief Financial Officer in 2010, Chief Financial Officer and Executive Vice President, Global Business Operations in 2016 and Executive Vice President and Head of Integration and Strategy & Business Development in 2019. Charlie successfully steered BMS through a period of strategic transformation, including its recent \$74 billion acquisition of Celgene. Charlie also served as a member of the Board of Colgate-Palmolive Company from 2017 until March 2020.

External appointments

Board Member, Kodiak-Sciences Inc; Board Member, BioVector Inc; Advisory Board Member, Drexel University's LeBow College of Business.

The Board determined that Charlie has recent and relevant financial experience and agreed that he has the appropriate qualifications and background to be an audit committee financial expert.

Manvinder Singh (Vindi) Banga

Senior Independent Non-Executive Director

Age: 67

Nationality: British

Appointed: 1 September 2015

Senior Independent Non-Executive Director from 5 May 2016

Ⓝ Ⓐ Ⓡ

Skills and experience

Vindi has many years of commercial experience and a track record of delivering outstanding performance in highly competitive global consumer-focused businesses.

Prior to joining GSK, Vindi spent 33 years at Unilever plc, where his last role (amongst several senior positions) was President of the Global Foods, Home and Personal Care businesses, and a member of the Unilever Executive Board. Vindi sat on the Prime Minister of India's Council of Trade & Industry from 2004 to 2014 and was on the Board of Governors of the Indian Institute of Management (IIM), Ahmedabad. Vindi is also the recipient of the Padma Bhushan, one of India's highest civilian honours. Vindi has been a Non-Executive Director of the Confederation of British Industry (CBI) and Thomson Reuters Corp, Chairman of the Supervisory Board of Mauser Group, Chairman of Kalle GmbH, Director of High Ridge Brands LLC, Member of the Indo UK CEO Forum, and Senior Independent Director of Marks & Spencer Group plc.

External appointments

Partner, Clayton Dubilier & Rice; Non-Executive Director, The Economist Newspaper Limited; Member, Holdingham International Advisory Board; Board Member, International Chamber of Commerce United Kingdom; Member, Governing Board of the Indian School of Business, Hyderabad; Member, Global Leadership Council of Saïd Business School, Oxford; Chair of the Board of Trustees, Marie Curie; Chairman, UK Government Investments.

Dr Anne Beal

Independent Non-Executive Director

Age: 59

Nationality: American

Appointed: 6 May 2021

Ⓒ Ⓐ

Skills and experience

Anne brings extensive healthcare experience to the Board as a physician and entrepreneur combined with a passion for patient advocacy. She is a recognised health policy expert in the development of global and national programmes for improving healthcare access for all patient groups and in ensuring the voice of patients is reflected in research programmes.

Prior to her current roles, Anne spent six years at Harvard Medical School and Massachusetts General Hospital, where she was an instructor in paediatrics. She has also held leadership roles at the Commonwealth Fund and the Aetna Foundation. Anne was previously Deputy Executive Director and Chief Engagement Officer for The Patient-Centered Outcomes Research Institute in the U.S. and Chief Patient Officer and Global Head of Patient Solutions at Sanofi.

External appointments

Founder and CEO, AbsoluteJOI Skincare; Board Member, AcademyHealth; Board Member, Prolacta Bioscience.

Dame Vivienne Cox

Independent Non-Executive Director & Workforce Engagement Director

Age: 62

Nationality: British

Appointed: 1 July 2016

Ⓡ Ⓒ

Skills and experience

Vivienne has wide experience of business gained in the energy, natural resources and publishing sectors. She also has a deep understanding of regulatory organisations and government.

Vivienne worked for BP plc for 28 years, in Britain and Continental Europe, in posts including Executive Vice President and Chief Executive of BP's gas, power and renewable business and its alternative energy unit. Vivienne was previously a Non-Executive Director of BG Group plc and Rio Tinto plc, the Senior Independent Director of Pearson plc, Chairman of the Supervisory Board of Vallourec and the Lead Independent Director at the UK Government's Department for International Development. Vivienne was made a Dame Commander of the Order of the British Empire (DBE) in the 2022 UK New Year's Honours List for services to sustainability, diversity, and inclusion in business.

External appointments

Chair Designate, Victrex plc; Non-Executive Director, Stena AB; Advisory Board Member, African Leadership Institute; Vice President, Energy Institute; Advisory Board Member, Montrose Associates; Investment Advisor, QantX Ventures; Chair, Rosalind Franklin Institute; Vice Chair, Saïd Business School, Oxford and Member of its Global Leadership Council; Patron, Hospice of St Francis.

Key ● Committee Chair Ⓝ Nominations & Corporate Governance Ⓐ Audit & Risk Ⓡ Remuneration Ⓢ Science Ⓒ Corporate Responsibility

The Board continued

Dr Harry (Hal) C Dietz

Independent Non-Executive Director and Scientific & Medical Expert

Age: 63

Nationality: American

Appointed: 1 January 2022

Ⓢ

Skills and experience

Hal brings extensive experience in the field of human genetics which is central to GSK's approach to R&D. He is a former President of the American Society of Human Genetics and is recognised as the world's leading authority on a genetic disorder known as Marfan Syndrome. He also brings experience in development of novel therapies, through his role as Founder of and Scientific Adviser to Blade Therapeutics, a biopharmaceutical company focused on disease-modifying treatments for fibrotic and neurodegenerative diseases. In total, Hal has authored 282 original publications in peer-reviewed journals across his career.

As a physician scientist, he has dedicated his entire career to the care and study of individuals with heritable connective tissue disorders with primary perturbations of extracellular matrix homeostasis and function. His lab has identified the genes for many of these conditions, for which he uses model systems to elucidate disease mechanisms.

Hal has received multiple prestigious awards including the Curt Stern Award from the American Society of Human Genetics, the Colonel Harland Sanders Lifetime Achievement Award in Medical Genetics, the Taubman Prize for excellence in translational medical science, the Harrington Prize from the American Society for Clinical Investigation and the Harrington Discovery Institute, the Pasarow Award in Cardiovascular Research, the InBev-Baillet Latour Health Prize from the country of Belgium, and the Research Achievement Award from the American Heart Association.

He is an inductee of the American Society for Clinical Investigation, American Association for the Advancement of Science, Association of American Physicians, National Academy of Medicine, and National Academy of Sciences.

External appointments

Victor A. McKusick Professor of Paediatrics, Medicine, and Molecular Biology & Genetics in the Department of Genetic Medicine, The Johns Hopkins University School of Medicine; Investigator, Howard Hughes Medical Institute; Founder and Scientific Adviser, Blade Therapeutics; Consultant and Chair of Scientific Advisory Board, Aytu Biopharma; Independent Chair, GSK's Human Genetics Scientific Advisory Board.

Lynn Elsenhans

Independent Non-Executive Director

Age: 65

Nationality: American

Appointed: 1 July 2012

Ⓢ Ⓝ ⓐ

Skills and experience

Lynn has a wealth of experience of running a global business and significant knowledge of the global markets in which GSK operates.

Lynn served as Chair, President and Chief Executive Officer of Sunoco Inc from 2009 to 2012. Prior to joining Sunoco in 2008 as President and Chief Executive Officer, Lynn worked for Royal Dutch Shell, which she joined in 1980, and where she held a number of senior roles, including Executive Vice President, Global Manufacturing from 2005 to 2008. Lynn was previously a Non-Executive Director of the First Tee of Greater Houston, Flowserve Corporation, the Texas Medical Center, and a Trustee of the United Way of Greater Houston.

External appointments

Non-Executive Director and Chair of the Governance and Corporate Responsibility Committee, Baker Hughes Company; Board Director and Chair of the Audit Committee, Saudi Aramco; Advisory Board Member, Johns Hopkins University Whiting School of Engineering; Member, Audit Committee Leadership Network.

Dr Laurie Glimcher

Independent Non-Executive Director and Scientific & Medical Expert

Age: 70

Nationality: American

Appointed: 1 September 2017

ⓐ Ⓢ

Skills and experience

Laurie brings scientific and public health expertise to the Board's deliberations, and a wealth of global, publicly listed pharmaceutical business experience.

In addition to a number of senior leadership positions held at both Harvard Medical School and Harvard School of Public Health, Laurie has also served as Stephen and Suzanne Weiss Dean and Professor of Medicine at Weill Cornell Medical College and as an Attending Physician at the New York Presbyterian Hospital/Weill Cornell Medical Center. Laurie stepped down from the Board of Bristol-Myers Squibb (BMS) in 2017 after serving for 20 years on its Board. Laurie was previously a Non-Executive Director of the Waters Corporation and co-founder and Chair of the Scientific Advisory Board of Quantis Therapeutics Inc.

External appointments

Professor of Medicine, Harvard Medical School; CEO, President and an Attending Physician, Dana-Farber Cancer Institute.

Member, US National Academy of Sciences and the National Academy of Medicine; Member, Scientific Steering Committee of the Parker Institute for Cancer Immunotherapy; Independent Director, Analog Devices Inc; Director and Member of the Executive Committee, Breakthrough Cancer; Member, Scientific Advisory Boards of Repare Therapeutics Inc, Abpro Therapeutics, Kaleido Biosciences Inc, BioCentury Inc and Stand Up 2 Cancer.

Judy Lewent joined the Board on 1 April 2011. She retired from the Board on 5 May 2021.

The Board continued

Dr Jesse Goodman

Independent Non-Executive Director and Scientific & Medical Expert

Age: 70

Nationality: American

Appointed: 1 January 2016



Skills and experience

Jesse brings scientific and public health expertise to the Board's deliberations. He has a wealth of experience spanning science, medicine, vaccines, regulation and public health, and has a proven record in addressing pressing public health needs from both the academic and federal sectors.

Jesse previously served in senior leadership positions at the US Food and Drug Administration (FDA), including most recently as the FDA's Chief Scientist and previously as Deputy Commissioner for Science and Public Health and as Director of the Center for Biologics Evaluation and Research (CBER).

Jesse played a leadership role in developing the FDA's Regulatory Science and Medical Countermeasures Initiatives and has worked collaboratively with industry, academia, government and global public health and regulatory partners to prepare for and respond to major public health threats, including emerging infectious diseases, disasters and terrorism. He led the FDA's response to West Nile Virus and to the 2009 H1N1 influenza pandemic and served on the Senior Leadership Team for the 2010 White House Medical Countermeasure Review. Jesse was previously a member of both the Scientific Advisory Committee and the Regulatory and Legal Working Group of the Coalition for Epidemic Preparedness Innovations (CEPI).

External appointments

Professor of Medicine and Attending Physician, Infectious Diseases, Georgetown University and directs the Georgetown University Center on Medical Product Access, Safety and Stewardship (COMPASS); Board Member (formerly President), United States Pharmacopeia (USP); Board Member, Scientific Counselors for Infectious Diseases, Centers for Disease Control and Prevention (CDC); Board Member, Intellia Therapeutics Inc; Member, US National Academy of Medicine; Board Member, Adaptive Phage Therapeutics, Inc.

Urs Rohner

Independent Non-Executive Director

Age: 62

Nationality: Swiss

Appointed: 1 January 2015



Skills and experience

Urs has a broad business, banking and legal background and extensive senior level experience at multinational companies.

Urs has served as Chairman on a number of Boards, most recently for Credit Suisse Group from 2011 until April 2021. Prior to joining Credit Suisse in 2004, Urs served as Chairman of the Executive Board and CEO of ProSieben and ProSiebenSat.1 Media AG. This followed a number of years in private practice at major law firms in Switzerland and the US, having been admitted to the bars of the canton of Zurich in Switzerland in 1986 and the state of New York in the US in 1990.

External appointments

Member, International Advisory Board, Investcorp; Chair, Vega Cyber Associates AG.

GSK Leadership Team

Skills and experience

Dr Hal Barron¹
Chief Scientific Officer
and President, R&D

Hal joined GSK and the GSK Leadership Team (GLT) in 2018. See Board biographies on pages 83 to 86.

Roger Connor
President, Vaccines and Global Health

Roger joined the GLT in 2013. He was appointed President of GSK Vaccines in 2018. In addition to leadership of the Vaccines business, he leads GSK's Global Health organisation since 2021 and is also responsible for GSK's global procurement organisation. Roger is a member of the Board of Gavi, the Vaccine Alliance, and the Chair of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) CEO Vaccines Committee. Previously he was President, Global Manufacturing & Supply and, before that, Vice President, Office of the CEO and Corporate Strategy. Roger joined GSK in 1998 from AstraZeneca. Roger holds a degree in Mechanical and Manufacturing Engineering from Queen's University, Belfast and a Master's in Manufacturing Leadership from Cambridge University. He is a Chartered Accountant.

Diana Conrad
Chief People Officer

Diana was appointed Chief People Officer and member of the GLT in April 2019. She was previously Senior Vice President, HR, Pharmaceuticals R&D from 2016 where she played a key strategic role as leader of the R&D people and culture agenda to support its transformation.

Diana joined GSK Canada's HR team in 2000 where she held several roles of increasing responsibility before becoming Senior Vice President, HR for Consumer Healthcare in 2009.

Prior to joining GSK, she held HR roles in companies including GE Capital, Gennum Corporation and Zenon Environmental Laboratories. Diana has an Honours Bachelor of Arts from McMaster University in Canada.

James Ford
SVP and Group General Counsel,
Legal and Compliance

James joined the GLT in 2018, when he was appointed Senior Vice President and Group General Counsel, Legal and Compliance. He joined GSK in 1995 and has served as General Counsel Consumer Healthcare, General Counsel Global Pharmaceuticals, Vice President of Corporate Legal and was Acting Head of Global Ethics and Compliance. Prior to GSK, James was a solicitor at Clifford Chance and DLA. He holds a law degree from University of East Anglia and a Diploma in Competition Law from King's College. He is qualified as a solicitor in England and Wales and is an attorney at the New York State Bar. James is based in London but has practised law and lived in the US, Singapore and Hong Kong. James is co-chair of the US-based Civil Justice Reform Group and a director of the European General Counsel Association.

Sally Jackson
SVP, Global Communications
and CEO Office

Sally joined the GLT in March 2019 as Senior Vice President, Global Communications and CEO Office. She leads our Communications and Government Affairs function globally and is also the CEO's Chief of Staff. Prior to this, Sally was Senior Vice President Office of the CEO and CFO and she previously served as Head of Investor Relations. She joined GSK in 2001. Sally holds a degree in Natural Sciences from the University of Cambridge.

Iain Mackay
Chief Financial Officer

Iain joined GSK and the GLT in 2019. See Board biographies on pages 83 to 86.

Brian McNamara
CEO, GSK Consumer Healthcare

Brian is CEO, GSK Consumer Healthcare and CEO designate of the new Consumer Healthcare company, Haleon. He joined GSK in 2015 as Head of Europe and Americas for Consumer Healthcare and has led two successful Joint Ventures, first between GSK and Novartis and, more recently, with Pfizer. Previously, he was head of Novartis' OTC division. Brian began his career at P&G.

Brian is a Board member of the Consumer Goods Forum and a former Chairman and Board member of the Global Self-Care Federation (GSCF). He earned an undergraduate degree in Electrical Engineering from Union College in New York and an MBA in Finance from the University of Cincinnati.

¹ On 1 August 2022 Hal Barron will transition from his current role to become a Non-Executive Director and Tony Wood will join GLT as Chief Scientific Officer

GSK Leadership Team continued

Skills and experience

Luke Miels Chief Commercial Officer	<p>Luke joined GSK and the GLT in 2017. As Chief Commercial Officer he is responsible for our commercial portfolio of medicines and vaccines. Luke also co-chairs the Portfolio Investment Board with Hal.</p> <p>He previously worked for AstraZeneca as Executive Vice President of their European business and, prior to that, was Executive Vice President of Global Product and Portfolio Strategy, Global Medical Affairs and Corporate Affairs. Before that, he was head of Asia for Roche, based in Shanghai and then Singapore. Prior to that he held roles of increasing seniority at Roche and Sanofi-Aventis in the US, Europe and Asia.</p> <p>Luke holds a Bachelor of Science degree in Biology from Flinders University in Adelaide and a MBA from the Macquarie University, Sydney.</p>
Shobie Ramakrishnan Chief Digital and Technology Officer	<p>Shobie joined the GLT in 2021 when she was appointed Chief Digital and Technology Officer. She joined GSK in 2018 and has deep and broad experience in both biotech and hi-tech companies and, most recently, has led Digital and Technology for GSK's Global Commercial organisation, transforming the company's capabilities in digital, data and analytics and playing a pivotal role in establishing a more agile commercial operating model. Before joining GSK, Shobie held senior technology leadership roles in organisations including AstraZeneca, Salesforce, Genentech and Roche. She is a board member of Remediant and on the advisory board of Pistoia Alliance.</p> <p>Shobie holds a Bachelor's degree in Electronics Engineering from Vellore Institute of Technology, University of Madras, India.</p>
David Redfern Chief Strategy Officer	<p>David joined the GLT as Chief Strategy Officer in 2008 and is responsible for corporate development and strategic planning. Previously, he was Senior Vice President, Northern Europe with responsibility for GSK's pharmaceutical businesses in that region and, before that, he was Senior Vice President for Central and Eastern Europe. He joined GSK in 1994. David was appointed Chairman of the Board of ViiV Healthcare Limited in 2011 and a Non-Executive Director of the Aspen Pharmacare Holdings Limited Board in 2015.</p> <p>He has a Bachelor of Science degree from Bristol University and is a Chartered Accountant.</p>
Regis Simard President, Pharmaceuticals Supply Chain	<p>Regis joined the GLT in 2018, when he became President, Pharmaceuticals Supply Chain. He is responsible for the manufacturing and supply of GSK's pharmaceutical products. He also leads Quality and Environment, Health, Safety and Sustainability at a corporate level. Regis joined GSK in 2005 as a Site Director in France, rising to become Senior Vice President of Global Pharmaceuticals Manufacturing before his current role. Previously, he held senior positions at Sony, Konica Minolta and Tyco Healthcare. He is a member of the Board of ViiV Healthcare.</p> <p>He is a mechanical engineer and holds an MBA.</p>
Phil Thomson President, Global Affairs	<p>Phil joined the GLT in 2011. He was appointed President, Global Affairs in 2017, and has responsibility for the Group's strategic approach to stakeholder engagement, reputation and policy development. Previously, Phil was Senior Vice President, Communications and Government Affairs.</p> <p>Phil is Chair of The Whitehall & Industry Group and a Board member of the China-Britain Business Council.</p> <p>He earned his degree in English, History and Russian Studies from Durham University.</p>
Emma Walmsley Chief Executive Officer	<p>Emma joined GSK in 2010 and the GLT in 2011. See Board biographies on pages 83 to 86.</p>
Deborah Waterhouse CEO, ViiV Healthcare	<p>Deborah was appointed to the GLT in January 2020. She became Chief Executive Officer of ViiV Healthcare in April 2017.</p> <p>Deborah joined GSK in 1996 and prior to ViiV was the Senior Vice President of Primary Care within GSK's US business. She has a strong track record of performance in both specialty and primary care. Deborah led the HIV business in the UK before heading the HIV Centre of Excellence for Pharma Europe and held roles as General Manager of Australia and New Zealand and Senior Vice President for Central and Eastern Europe.</p> <p>Deborah is a Non-Executive Director of Schroders plc and holds a degree in Economic History and English Literature from Liverpool University.</p>

Nick Hirons was a member of the GLT and Senior Vice President, Global Ethics and Compliance until 31 July 2021. Karenann Terrell was a member of the GLT and Chief Digital and Technology Officer until 8 December 2021.

Chair's Governance statement

Board priorities: governance and delivery

In the last three years there has been significant change for GSK, in a highly dynamic operating environment, as it progresses towards the formation of two independent companies in the middle of 2022. In supporting both the separation of Consumer Healthcare (CH) and creation of new GSK, there have been three stages in our oversight work. The first was to ensure that there was clarity between the Board and management on GSK's strategy, its execution and, therefore, our key priorities. Then we focused on articulating our ambitions for a transformed GSK. This was completed for the biopharma business at the Investor Update (IU) in June 2021 and for the CH business at the end of February 2022. These ambitions will provide the foundation for enhanced performance management and a highly transparent way to track progress. The final stage has been to ensure the company's compensation system reinforces the performance culture that we are seeking to embed and only rewards delivery at and beyond our IU ambitions. The compensation system for CH will be determined by its new Board.

Our work has also been focused on creating the best platform for our CH business to be demerged to grow sustainably ahead of its categories in the years to come. The mechanism of separation of CH is a value-based process and at all times the Board has regard for what is in the best long-term interests of shareholders.

It has never been more important for the Board to operate to the highest standards of corporate governance in supporting and overseeing the delivery of GSK's transformation and the separation of CH. The Board continues to focus its work on our key priorities and on taking the important decisions necessary to progress them, and be held accountable for doing so by our shareholders and other key stakeholders.

Throughout 2021, the Board has significantly stepped up its engagement with shareholders. During 2021, I held over 40 meetings with a range of investors, who make up around nearly 40% of the company's share register. It is of prime importance for the Board to have a clear understanding of their views on the company's performance against our strategy and the Board's effectiveness in oversight of the transformation and separation processes. I share shareholders' perspectives with the Board, so we can continue to improve our alignment.

In October, Vindi Banga, the SID, and I attended a meeting with members of the Investor Forum at which we shared progress in preparing for the creation of new GSK as a pure biopharma company and the separation of the CH business. Included in this discussion were the plans and timings to create two boards with continuing oversight of the biopharma and CH businesses. In December, at our annual Governance Meeting, my Board colleagues and I were pleased to share more specifics with investors about our priorities, focus and oversight, as well as the progress made in 2021. The presentation slides from both these meetings are available on our website for your information.

Urs Rohner, Chair of the Remuneration Committee, has also consulted extensively on the new compensation proposals for the biopharma business. This statement seeks to summarise the governance work undertaken by the Board and our committees, in what was another exceptionally busy year.

The Board has maintained and continues to build on our ESG leadership which benefits the company, shareholders and all our stakeholders.

Current Board accountability: Priorities and focus

At the start of the year, following its annual evaluation, the Board reconfirmed its priorities. Namely to:

- remain objective and act in the best interests of the company and all shareholders
- put sustained value creation at the heart of our agenda
- align the Board agenda with our strategy, performance and pipeline priorities
- ensure management performance and succession is assessed against delivery
- use the IU targets to provide the foundation for enhanced performance management
- ensure that the separation of CH is a value-based process

Being explicit on the Board's priorities has meant that we have been able to maximise our time and focus at each meeting on further strengthening the fundamentals for GSK which will support value creation. We have concentrated our oversight on commercial execution, cost base, capital allocation, pipeline and culture to ensure delivery of the transformation of GSK.

This clarity has also helped underpin an increased agility in the way the Board has operated. You will see on page 94 that the Board, in combination with the Chairs' Committee, met over 36 times in 2021. We sought to improve our ability to respond quickly and adapt to events as they occur, whilst continuing to deliver our plans. The Chairs' Committee (comprised of our SID and Committee Chairs) has been authorised, where necessary, to engage and take decisions on urgent matters that arise between scheduled Board meetings. Being agile has been important in improving and sustaining our competitiveness so that, despite the challenging environment, we can continue to compete and deliver for patients and shareholders.

Chair's Governance statement continued

Having set our strategy, the Board challenged the proposed new ambitions and targets for the biopharma business which were then agreed and published at our IU. These new growth outlooks and ambitions seek to be clear on the step change in performance expected from new GSK from 2022. The Board will oversee and hold management to account for delivery against these public ambitions.

The Board adopted the same process of maximising value for GSK shareholders when considering the creation of CH as an independent, listed company (Haleon). We have focused on ensuring the business is well-positioned to grow sustainably ahead of its categories in the years to come and has a highly skilled management team to lead it.

Having completed this work, the Board was well-positioned to consider the unsolicited, conditional and non-binding proposals received to acquire the CH business. In exercising its fiduciary duties, all proposals were considered but rejected by the Board as they were not in the best interests of shareholders. This is because they fundamentally undervalued the business and its future prospects. The Board is confident that Haleon can deliver sustained organic annual sales growth in the range of 4-6% (CER) over the medium term.

We carefully considered how best to present our world-leading CH business and its management team to shareholders, analysts and prospective investors at the CH Capital Markets Day on 28 February. Management continues to make good progress towards our target to separate the CH business in the middle of the year, creating a publicly listed world-leading consumer health company. The Board's attention has been directed at overseeing the smooth execution of the demerger.

Current Board accountability

Priorities and focus

- Remain objective and act in the best interests of company and all shareholders
- Commitment to drive sustained value creation
- Board agenda aligned with strategy and performance and pipeline priorities
- Management performance and succession assessed against delivery
- Investor Update and targets provides foundation for enhanced performance management
- Separation of Consumer Healthcare, to create Haleon, is a value-based process
- Continuous engagement with shareholders

Board

Transformation & Separation

Mandate: How to separate to unlock and maximise long-term shareholder value
(Devolved into committee architecture in December 2021)

Nominations & Corporate Governance

Mandate: GSK Board design and transition, and Haleon Board and management team formation

Science

Mandate: Pipeline progress, Board strategic collaborations, key priorities in science and innovation

Corporate Responsibility

Mandate: GSK Trust priority for a responsible and sustainable business

Audit & Risk

Mandate: Financial reporting, risk and controls plus public documents delivering separation

Remuneration

Mandate: Alignment of GSK remuneration to Investor Update targets, Haleon's remuneration policy and separation impact

Chair's Governance statement continued

Board committee mandates

Our Board committees have never been more pivotal in supporting the Board. Their activities during 2021 are set out later in this report, but I would like to highlight below their key contributions in discharging the mandates allocated to them during the last year.

Transformation & Separation Committee: has dealt with the fundamentals of separation, not just the technical requirements, but how to best release and maximise long-term shareholder value. It considered: how we should best separate the CH business and the principal value to be achieved from each option; the capital structures required for the two companies to be competitive; how we should distribute shares in Haleon to our shareholders, and on which exchanges Haleon should list and why. This was a very comprehensive programme of work which was supported by independent advisers. This process is now well into the execution phase. Given the remaining work plans are clear, oversight has been devolved to the relevant committees as appropriate. Having fulfilled its mandate, the Committee has been decommissioned.

Audit & Risk Committee: has in particular been considering the financial implications of separation, including the progressive dividend policy adopted for 2022, and the preparation of the demerger documents for shareholders to consider before approving the separation of the CH business. It has also been overseeing the establishment of CH's financial controls.

Nominations & Corporate Governance Committee: has been overseeing key Board appointments for the transition of the company to a pure biopharma business. This included succession planning especially for the CSO, the subsequent appointment of Dr Tony Wood as our CSO Designate, and the appointment of Dr Anne Beal and Dr Hal Dietz to the Board as independent Non-Executive Directors.

The Board asked the Committee to take the opportunity to re-evaluate and determine the optimal biopharma Board composition, including skills, diversity, capabilities and experience. On separation from the middle of this year, it is expected that two of the members from the current GSK Board will join the Haleon Board. This will ensure that the new Haleon Board will have continuity of the history, knowledge and experiences of this Board as the Haleon Board establishes itself in its early years.

The Committee recommended the appointment of Sir Dave Lewis as Haleon Chair Designate in December, after an extensive search process. This followed the appointment of Brian McNamara as Haleon CEO Designate in July. Sir Dave is now responsible for building his full Haleon Board. Mr McNamara was pleased to introduce his management team to investors at the CH Capital Markets Day on 28 February 2022.

Science Committee: continued its focus on our pipeline progress strategic collaborations and the key priorities in science and innovation.

Corporate Responsibility Committee: focused its oversight on key aspects of our Trust priorities. The main areas of focus were our safety culture, inclusion and diversity, our charitable giving and community involvement and ESG performance for new GSK and the development of the ESG framework for the independent CH company, Haleon.

Remuneration Committee: has revisited our remuneration policy to focus on reinforcing a fundamental change in our performance culture and to support the delivery of our IU ambitions and ESG priorities for the biopharma company. The Committee Chair and I have consulted extensively with our shareholders on this policy and it will be subject to a binding vote at this year's AGM.

Further details of the Board and its committees' work during 2021 are set out in the following pages.

I look forward to connecting with you at our Annual General Meeting this year in May and updating you at that time on the transformation of GSK and progress on the CH demerger. Thank you for your continued support.

Sir Jonathan Symonds

Chair
28 February 2022

Board roles and responsibilities

Leadership

Chair

Jonathan Symonds

- leads and manages the business of the Board
- provides direction and focus
- ensures clear structure for effective operation of the Board and its committees
- maintains a dialogue with shareholders about the governance of the company
- sets the Board agenda and ensures sufficient time is allocated to promote effective debate to support sound decision making
- ensures the Board receives accurate, timely and clear information
- meets continuously with each Non-Executive Director to discuss individual contributions and performance, together with training and development needs
- shares peer feedback that is provided as part of the Board evaluation process
- meets regularly with all the Non-Executive Directors independently of the Executive Directors

 The Chair's role description is available on gsk.com

Chief Executive Officer

Emma Walmsley

- responsible for the management of the Group and its three businesses
- develops the Group's strategic direction for consideration and approval by the Board
- implements the agreed strategy
- is supported by members of the GLT
- maintains a continual and active dialogue with shareholders in respect of the company's performance

 The Chief Executive Officer's role description is available on gsk.com

Independent oversight and rigorous challenge

Non-Executive Directors

- provide a strong independent element to the Board
- constructively support and challenge management and scrutinise their performance in meeting agreed deliverables
- shape proposals on strategy and offer specialist advice to management
- each has a letter of appointment setting out the terms and conditions of their directorship
- devote such time as is necessary to the proper performance of their duties
- are expected to attend all meetings as required

Independence statement

The Board considers all of its Non-Executive Directors who are identified on pages 84 to 86 to be independent after being assessed against Provision 10 of the Financial Reporting Council's (FRC) UK Corporate Governance Code (Code). The review of the continuing independence and commitment of Lynn Elsenhans, who has served on the Board for more than nine years, is described on page 107. The independence and commitment of Vindi Banga, Dame Vivienne Cox, Dr Jesse Goodman and Urs Rohner, who will have served on the Board for over six years during the course of 2022, has been subjected to a rigorous review.

 The NED's role description is available on gsk.com

Senior Independent Director

Vindi Banga

- acts as a sounding board for the Chair and a trusted intermediary for other Directors
- together with the Non-Executive Directors, leads the annual review of the Chair's performance, taking into account views of the Executive Directors
- discusses the results of the Chair's effectiveness review with the Chair
- leads the search and appointment process and makes the recommendation to the Board for a new Chair
- acts as an additional point of contact for shareholders, maintains an understanding of the issues and concerns of major shareholders through briefings from the Company Secretary and Investor Relations.

 The Senior Independent Non-Executive Director's role description is available on gsk.com

Company Secretary Victoria Whyte

- secretary to the Board and all Board committees
- supports the Board and Committee Chairs in annual agenda planning
- ensures information is made available to Board members in a timely fashion
- supports the Chair in designing and delivering Board inductions
- coordinates continuing business awareness and training requirements for the Non-Executive Directors
- undertakes internal Board and committee evaluations at the request of the Chair
- advises the Directors on Board practice and procedures, and corporate governance matters
- chairs the Group's Disclosure Committee
- operates a Board-approved appointments policy that reflects the Board and external appointment requirements of the current Code
- is a point of contact for shareholders on all corporate governance matters

Board committee information

The Board has established the following committees:

Board committee	Role	Membership comprises	Board committee report on page
Science	Supports the Board in its understanding of the key strategic themes, upon which the company's R&D strategy is based, and of any external transactions, by performing in-depth reviews of the underlying scientific assumptions to give the Board technical assurance. It also undertakes more in-depth risk oversight of R&D-related risks	Dr Jesse Goodman (Chair) Dr Hal Dietz (from January 2022) Dr Laurie Glimcher Charles Bancroft (from May 2021 to February 2022) Judy Lewent (until May 2021)	105-106
Corporate Responsibility	Considers GSK's Trust priority and oversight of progress against the associated Trust commitments which reflect the most important issues for responsible and sustainable business growth. It has oversight of the views and interests of our internal and external stakeholders and reviews issues that have the potential for serious impact upon GSK's business and reputation	Lynn Elsenhans (Chair) Dr Anne Beal (from May 2021) Dame Vivienne Cox Dr Jesse Goodman	104-105
Transformation & Separation (Devolved into the committee architecture and disbanded in December 2021)	Advises and assists the Board on the transformation and separation of the company and oversees the associated risks in separating the Group into Biopharma and Consumer Healthcare companies	Sir Jonathan Symonds (Chair) Charles Bancroft Vindi Banga Dame Vivienne Cox Lynn Elsenhans Urs Rohner Judy Lewent (until May 2021)	110
Nominations & Corporate Governance	Reviews the structure, size and composition of the Board, the appointment of members to Board committees and the appointment of Corporate Officers and makes recommendations to the Board as appropriate. It plans and assesses orderly succession for Executive and Non-Executive directors and reviews management's Succession Plan to ensure its adequacy Is responsible for reporting to the Board, overseeing and monitoring corporate governance arrangements and for making recommendations to the Board to ensure the company's standards and arrangements are consistent with existing corporate governance standards and emerging best practice. It also reviews the company's conflicts of interest	Sir Jonathan Symonds (Chair) Charles Bancroft (from May 2021) Vindi Banga Lynn Elsenhans Urs Rohner Judy Lewent (until May 2021)	107-110
Audit & Risk	Reviews the financial reporting process, the integrity of the company's financial statements, the external and internal audit process, the system of internal control and the identification and management of risks, and the company's process for monitoring compliance with laws, regulations and ethical codes of practice Initiates audit tenders, the selection and appointment of the external auditor, setting their remuneration and exercising oversight of their work	Charles Bancroft (Chair from March 2021) Vindi Banga Dr Anne Beal (from July 2021) Lynn Elsenhans Dr Laurie Glimcher Judy Lewent (Chair until March 2021 and member until May 2021)	111-115
Remuneration	Sets the company's remuneration policy having regard to GSK's workforce remuneration so that GSK is able to recruit, retain and motivate its executives The Remuneration policy is regularly reviewed to ensure that it is consistent with the company's scale and scope of operations, supports the business strategy and growth plans, is aligned to the wider workforce and helps drive the creation of shareholder value (The Chair and the CEO are responsible for evaluating and making recommendations to the Board on the remuneration of Non-Executive Directors)	Urs Rohner (Chair) Vindi Banga Dame Vivienne Cox	119-152

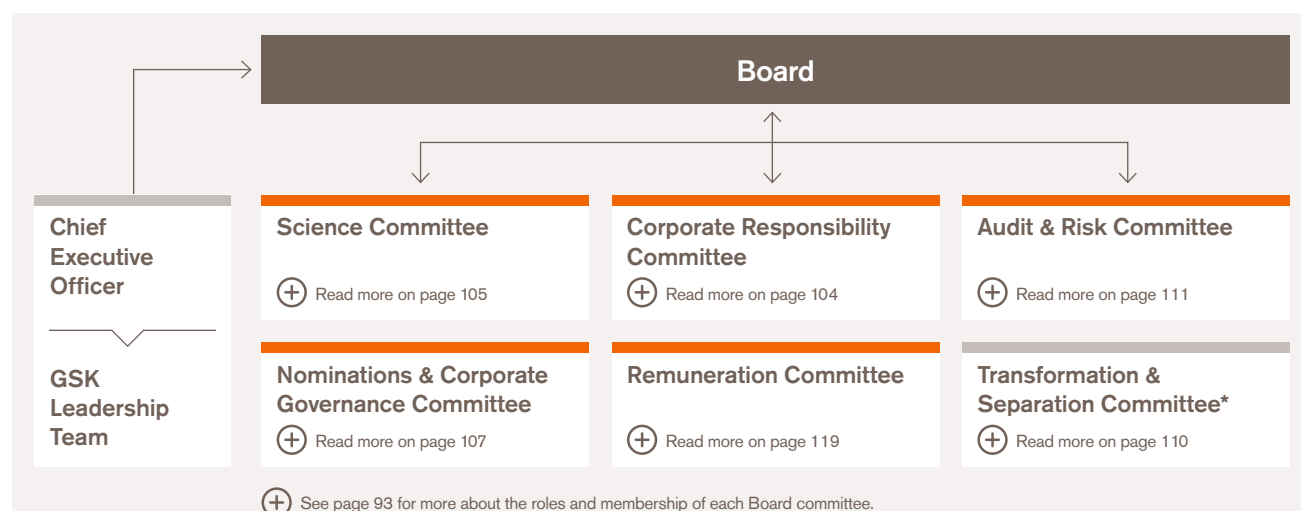
Each Board committee has written terms of reference which have been approved by the Board and are reviewed at least annually to ensure that they comply with the latest legal and regulatory requirements and reflect best practice developments. The current full terms of reference of each Board committee are available on gsk.com. The number of committee meetings held and committee members' attendance are described on page 94.

Details of committee members' skills and experience are included in their biographies under 'The Board' on pages 83 to 86. In accordance with the FRC's Code, the Board has determined that Charles Bancroft has recent and relevant financial experience. It has also agreed that he has the appropriate qualifications and background to be an audit committee financial expert as defined by the Sarbanes-Oxley Act of 2002, and has determined that he is independent within the meaning of the Securities Exchange Act of 1934, as amended.

Board architecture

The corporate governance framework is designed to improve the effectiveness of the Board and to support the GSK Leadership Team (GLT). It continues to evolve to support the delivery of our strategy and priorities. The alignment of our Board architecture with the Board's agenda to support the demerger is illustrated on page 90.

GSK's internal control and risk management arrangements, described on pages 112 and 46 to 54, are an integral part of our corporate governance framework.



Attendance at scheduled Board and committee meetings during 2021

	Board	Nominations & Corporate Governance	Audit & Risk	Remuneration	Science	Corporate Responsibility	Transformation & Separation*
Total number of scheduled meetings	6	6	6	6	3	4	3
Members	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Sir Jonathan Symonds	6	6					3
Emma Walmsley	6						
Iain Mackay	6						
Dr Hal Barron	6						
Charles Bancroft	6	3 (3)	6		2 (2)		3
Vindi Banga	6	6	6	6			3
Dr Anne Beal	3 (3)		2 (2)			3 (3)	
Dame Vivienne Cox	6			6		4	3
Lynn Elsenhans	6	6	6			4	3
Dr Laurie Glimcher	6		6		3		
Dr Jesse Goodman	6				3	4	
Urs Rohner	6	6		6			3
Judy Lewent	3 (3)	3 (3)	3 (3)	3 (3)	1 (1)		2 (2)
Number of ad-hoc meetings	15	7	4	7	6	1	

For Charles Bancroft, Dr Anne Beal and Judy Lewent, the numbers in brackets denote the number of meetings which these individuals were eligible to attend. Dr Beal joined the Board and the Corporate Responsibility Committee on 6 May 2021 and the Audit & Risk Committee on 23 July 2021. Charles Bancroft joined the Science and Nominations & Corporate Governance committees on 6 May 2021. Judy Lewent retired from the Board following the AGM on 5 May 2021.

In addition to the ad-hoc meetings included in the table above, the Chairs' Committee, that was established at the end of 2020, met on 15 occasions to consider various items of business during 2021.

* The Transformation & Separation Committee was devolved into the committee architecture and disbanded in December 2021

The Board is pleased to report that in 2021 it was in full compliance with the provisions of the FRC's Code, with the exception of Code provision 38. This requires alignment of pension rates for executive directors with those available to the local workforce. From 1 January 2023 any current Executive Directors still in role will have their pension rates aligned to the wider workforce local to them. This will then replicate the pension arrangements for any new Executive Directors appointed to GSK. This transition was set out in the 2019 and 2020 Annual Reports. In addition, provision 38 requires that only base salary should be pensionable; however, US pension arrangements for employees allow basic salary and bonus to be pensionable. Following Dr Barron's transition to a Non-Executive Director with effect from 1 August 2022 this requirement will be met.

The Board is also pleased to report that it has consistently applied the principles of the FRC's Code as set out in the pages of this and the Remuneration reports. A copy of the Code is available on the FRC's website, www.frc.org.uk.

Board activity

The Board discharges its responsibilities through an annual programme of meetings. Papers and presentations are given to the Board (and its committees) to focus its oversight of strengthening the fundamental elements of the business and its growth-based performance ambitions, the transformation and separation of GSK to create two world-leading companies and our ESG leadership priorities in pursuit of the company's strategy.

This information helps the Board facilitate effective decision making and input, or aid the Board's oversight and awareness of business performance or routine good governance practices operated by the company. Further details of a selection of principal decisions taken by the Board (and its committees) and how the interests of relevant stakeholders were taken into account in arriving at their decisions are set out on pages 96 to 98.

Items of business considered critical to GSK's long-term success through the achievement of the key priorities are highlighted below.

Areas of focus in 2021

<p>Further strengthening GSK's fundamentals</p>	<p>The Board's oversight of the fundamentals of the commercial execution, cost base, capital allocation, pipeline and culture included:</p> <ul style="list-style-type: none"> – receiving regular progress updates and providing input into the company's Vaccines mRNA strategy plan – receiving and discussing commercial strategy performance reports from Pharmaceuticals, Vaccines and ViV Healthcare businesses – reviewing and approving the objectives and ambitions for the company and patients that were announced at the Investor Update in June – approving GSK's progressive new dividend policy – approving the Board's 2021-23 priorities – approving business development transactions and strategic partnerships with third parties, including Vir Biotechnology, CureVac, iTeos and Alector – receiving updates on R&D strategy, progress and the company's pipeline – receiving quarterly reports from the CEO, CFO and CSO – scrutinising the Group's financial performance – setting the company's new purpose and simplified culture – oversight of projects and collaborations with third parties, to develop vaccines and treatments for COVID-19 – reviewing the risks and impacts of COVID-19 on the Group's business and performance – approving the terms of the global settlement and licensing agreement with Gilead
<p>Separation of Consumer Healthcare</p>	<p>The Board's preparation for the demerger as a value-based process included:</p> <ul style="list-style-type: none"> – regularly discussing and scrutinising transformation plans for Consumer Healthcare business – receiving and discussing commercial strategy performance reports from Consumer Healthcare business – discussing plans for Consumer Healthcare up to and beyond separation as Haleon at the annual Board and GLT strategy day – approving the appointment of the Haleon Chair and CEO designates and planning for the Haleon Board composition – reviewing and rejecting unsolicited proposals for the Consumer Healthcare business
<p>New GSK</p>	<p>The Board's oversight of the creation of GSK as a pure biopharma business and delivering a step change in performance included:</p> <ul style="list-style-type: none"> – regularly discussing and scrutinising transformation plans for new GSK – discussing plans for the company up to and beyond separation as new GSK a pure biopharma company at the annual Board and GLT strategy day – reviewing and approving the objectives and ambitions for the company and patients that were announced at the Investor Update – receiving updates on R&D strategy, progress and the company's pipeline – succession planning for the new GSK Board, including approval of the appointments of a new Non-Executive Director and Corporate Responsibility Committee Chair successor and a new Non-Executive Director and designated Scientific & Medical Expert
<p>Maintaining ESG leadership</p>	<p>The Board's oversight of Trust and the ESG agenda included:</p> <ul style="list-style-type: none"> – approving the Trust section of the Annual Report – approving the Task Force on Climate-related Financial Disclosures in the Annual Report – delegating specific responsibility to the Corporate Responsibility Committee for oversight of Human Rights in the company's operations
<p>Regular governance oversight</p>	<p>The Board's focus on a routine programme of good governance activities included:</p> <ul style="list-style-type: none"> – reviewing the quarterly financial results, dividend proposal, earnings guidance, investor materials and results announcements and receiving reports from the external auditor – approving the Annual Report and Form 20-F – setting the annual budget and plan, and the forward-looking three-year forecast – conducting an annual review of the Board's enterprise risk responsibility framework and enterprise-wide risks – considering observations and agreeing actions from the Board's external evaluation – reviewing and continuing to evolve the Board's governance architecture – evaluating the CEO's 2020 performance, and setting her 2021 objectives – reviewing the annual talent and succession plan – receiving reports from Board committees and the Workforce Engagement Director – discussing the employee PULSE survey results – receiving reports on corporate governance and regulatory developments and the Company Secretary's report – approving the company's modern slavery statement and gender pay gap positioning – reviewing stakeholder perception research

Board progress in 2021

The Board and its committees have been highly focused on their key priorities and ensuring GSK's fundamentals continue to be enhanced.

Board members' decision making on these significant matters included the consideration of the interests of GSK's key stakeholders and how decisions could potentially affect them. The papers considered by the Board and its committees sought to highlight the relevant stakeholder impacts of and perspective on these matters – whether positive or negative.

Selected examples of some of the principal decisions taken by the Board in 2021, and how the Board considered relevant stakeholders' perspectives are described below:

Progress area	Principal decision	How Board/Committee regarded stakeholder interests	Stakeholder groups, and other section 172 duties considered
Commercial execution	<p>China:</p> <p>The Audit & Risk Committee recommended incremental changes to the commercial model in China to the Board for approval</p> <p>Further details are available on page 111</p>	<p>The Committee reviewed GSK China's implementation of the healthcare professionals (HCP) speaker engagements and sales force incentive (SFI) policy changes to date. It noted tangible improvements observed in our people and customer engagement</p> <p>In this context, the Committee considered further incremental changes to our HCP engagement and SFI programme in China. This included a plan for an increase in the number of city-level Healthcare Organisations (HCOs) to increase our reach. Further improvement of HCP coverage across the country enables our innovative Specialty Care products to ultimately reach more patients. To continue to safeguard key stakeholder interests including patients, the Committee reviewed a risk assessment, the training approach and the proposed implementation of controls over the new potential HCOs before recommending this change</p>	<p>Stakeholders:</p> <p>HCPs and medical experts, employees, investors, governments and regulators, patients and consumers</p> <p>Other s172 duties:</p> <p>Long-term results, our workforce, business relationships and reputation</p>
Cost base	<p>Transformation programme:</p> <p>The Board concluded its oversight of the savings made from the transformation programme to achieve a cost base competitive with its peers</p>	<p>The Board agreed to the acceleration of this programme to generate additional savings that could be invested in the R&D pipeline for the potential benefit of patients and to deliver shareholder returns</p>	<p>Stakeholders:</p> <p>Investors, patients and employees</p> <p>Other s172 duties:</p> <p>Long-term business performance, our workforce and our business relationships</p>
Capital allocation	<p>Dividend policy change:</p> <p>The Board reviewed and approved the implementation of a new progressive dividend policy for implementation from 2022</p> <p>Further details are available on page 111</p>	<p>The Board, with support from the Audit & Risk Committee, carefully considered this matter before concluding to move to a progressive dividend policy from 2022. In consideration of its duties, the Directors examined the importance of predictable returns, particularly in uncertain times</p> <p>As part of its deliberations, the Board carefully balanced the impact of and trade-offs between reducing the dividend against the importance of setting up new GSK with the right capital structure and the resources to invest, grow and improve shareholder returns over the longer term</p> <p>Ultimately, the Board determined that setting a progressive dividend policy in this way would support the investment needed to deliver growth, unlock further shareholder value and develop an even stronger pipeline of innovative products capable of transforming the lives of our patients</p>	<p>Stakeholders:</p> <p>Investors, patients and our people</p> <p>Other s172 duties:</p> <p>Our long-term results, workforce and business relationships and reputation and fairness between our shareholders</p>
Pipeline	<p>Business development, collaborations and deals:</p> <p>The Science Committee considered the scientific merits of these opportunities prior to the Board's review and approval</p> <p>Further details are available on page 106</p>	<p>The Science Committee and Board reviewed many business development opportunities during the year. Those leading to concluded transactions included:</p> <ul style="list-style-type: none"> – A collaboration with iTeos Therapeutics to enable next generation immune-oncology combinations – Expansion of the collaboration with Vir Biotechnology to advance new therapeutics for influenza and other respiratory viruses and – Collaboration with Alector to co-develop antibodies for neurodegenerative diseases <p>These deals were considered in the context of their potential to help GSK deliver transformational medicines to patients</p>	<p>Stakeholders:</p> <p>Patients, employees and investors</p> <p>Other s172 duties:</p> <p>Our long-term results, workforce and business relationships</p>

Board progress in 2021 continued

Progress area	Principal decision	How Board/Committee regarded stakeholder interests	Stakeholder groups, and other section 172 duties considered
New growth ambitions	<p>Investor Update:</p> <p>The Board approved the June Investor Update (IU) objectives and ambitions with a focus on GSK's growth outlook and for maximising shareholder value creation including:</p> <ul style="list-style-type: none"> – competitive growth and margin outlook – competitive sustainable returns and value creation and – new ambitions for shareholders and society <p>Further details are available on page 111</p>	<p>The Board drew on comprehensive investor feedback and other key stakeholder research and outreach to help inform and shape the agreed ambitions shared at the IU event for new GSK, our patients and shareholders, and impacting the health of more than 2.5 billion people over the next ten years. The Audit & Risk Committee also reviewed the proposals</p> <p>The details of how stakeholder interests were then taken into account by the Remuneration Committee when incorporating key IU ambitions into the updated 2022 Remuneration policy for GSK are described in the 'Remuneration policy review' principal decision below</p>	<p>Stakeholders:</p> <p>Patients and consumers, our people and investors, governments and regulators, non-governmental organisations and multilateral organisations</p> <p>Other s172 duties:</p> <p>Long-term business performance, our workforce, business relationships, the community and our environment, our reputation and fairness between our shareholders</p>
Separation of Consumer Healthcare	<p>Rejection of unsolicited proposals for CH business:</p> <ul style="list-style-type: none"> – The Board had ensured that the CH business was well-positioned to sustainably grow ahead of its categories in the years to come and had a highly skilled management team to lead it – It was confident that the CH business could sustainably deliver organic sales growth in the range of 4-6% (CER) over the medium term <p>Demerger of CH:</p> <p>The Board approved:</p> <ul style="list-style-type: none"> – the retention of a stake in the Consumer Healthcare company, Haleon, post demerger – Haleon's opening capital structure and – the separation of CH to create Haleon by mid-2022 <p>Further details are available on page 110</p>	<p>Having completed this foundational work, the Board was well-positioned to consider the unsolicited, conditional and non-binding proposals received to acquire the CH business</p> <p>The proposals were rejected as they were not in the best interests of shareholders since they fundamentally undervalued the business and its future prospects</p> <p>The Board, supported by the Transformation & Separation Committee, considered the best way to release maximum shareholder value, and for the two companies be set on firm foundations to be able to most effectively serve their patients and customers respectively</p> <p>This included the most appropriate capital structures required for the two companies to be competitive, how to distribute shares in Haleon to GSK's shareholders, whether to retain a stake in Haleon, and on which exchanges Haleon should list and why</p>	<p>Stakeholders:</p> <p>Patients and consumers, our people, investors, governments and regulators, non-governmental organisations and multilateral organisations</p> <p>Other s172 duties:</p> <p>Long-term business performance, our workforce, our business relationships, the community and our environment, our reputation and fairness between our shareholders</p> <p>Stakeholders:</p> <p>Patients and consumers, our people and investors, governments and regulators, non-governmental organisations and multilateral organisations</p> <p>Other s172 duties:</p> <p>Long-term business performance, our workforce, our business relationships, the community and our environment, our reputation, and fairness between our shareholders</p>
Remuneration	<p>Remuneration policy review:</p> <p>The Remuneration Committee approved a new 2022 Remuneration policy and measures for the biopharma company, which is subject to a binding shareholder vote at our 2022 Annual General Meeting. It incorporates new long- and short-term incentives including:</p> <ul style="list-style-type: none"> – Sales and adjusted operating profit growth measures aligned to the IU ambitions and – ESG measures reflecting the company's work in this regard 	<p>Prior to developing the new 2022 Remuneration policy (the new policy), on behalf of the Remuneration Committee, the Remuneration Committee Chair and the Chair:</p> <ul style="list-style-type: none"> – considered investor feedback on the key ambitions set out at the IU event and engaged with its major investors, and proxy advisers on the proposed changes – consulted with the Corporate Responsibility Committee on GSK's ESG commitments and Trust priorities – listened to the views of an ESG expert, outlined in the 'ESG leadership' principal decisions below, concerning views of stakeholders on the linkage of ESG to remuneration incentives and – met with the Chief People Officer and the HR leads for each area of the business to hear their views on remuneration arrangements at GSK and wider workforce pay alignment opportunities for new GSK <p>They also consulted with investors and proxy advisers on the new policy proposals. Following engagement, the Committee then carefully considered the feedback before finalising the design of the new policy</p> <p>Further details are available on pages 143 to 152</p>	<p>Stakeholders:</p> <p>Our people, investors, patients and consumers, governments and regulators and proxy advisers</p> <p>Other s172 duties:</p> <p>Long-term results, our workforce the community and our environment and our reputation</p>

Board progress in 2021 continued

Progress area	Principal decision	How Board/Committee regarded stakeholder interests	Stakeholder groups, and other section 172 duties considered
ESG leadership	<p>Leading ESG expert view and insights on GSK:</p> <p>Following a wide-ranging and comprehensive briefing and debate with a recognised ESG expert, the Corporate Responsibility Committee agreed a programme of actions to further improve our ESG communications and IR engagement by:</p> <ul style="list-style-type: none"> – providing further evidence, metrics and data to investors of how the company's culture is being transformed – more proactively targeting our long-term investor base and – increasing the availability of our Board committee Chairs to help strengthen understanding of their committees' approach and work <p>Further details are available on page 105</p>	<p>The ESG expert:</p> <ul style="list-style-type: none"> – provided an overview of ESG investor expectations – described major trends in ESG and the causal drivers – covered GSK and sector specific issues, including culture, net zero and intangibles and – shared developments around ESG links to remuneration <p>The Committee considered the positive and negative historical stakeholder perceptions together with GSK's focus on purpose, mission and culture</p> <p>The company's new environmental sustainability goals had been announced the previous year. The company's approach could be further enhanced by strengthening the alignment to remuneration incentives with delivery of ESG ambitions. The expert's insights were considered as part of the development by the Remuneration Committee of the ESG remuneration measures explained in the Remuneration Report</p>	<p>Stakeholders: Investors, patients, employees, governments and regulators, non-governmental organisations and multilateral organisations</p> <p>Other s172 duties: Long-term results, our business relationships, the community and our environment, our reputation and fairness between our shareholders</p>
New GSK	<p>Board succession planning:</p> <p>The Nominations & Corporate Governance Committee agreed:</p> <ul style="list-style-type: none"> – a set of key guiding principles for the new GSK Board and – an optimal Board skills matrix <p>This supported the development of a roadmap for future appointments over the medium term to help deliver on our stated ambitions for patients and shareholders</p> <p>Further details are available on page 107 and 108</p>	<p>The Committee considered the optimal future composition of the new GSK Board for the future</p> <p>To appropriately reflect stakeholder interests, the Board wished to be constituted so as to:</p> <ul style="list-style-type: none"> – be diverse in the broadest sense – have appropriate operational depth across the life science value chain and from a general commercial perspective – have experience of major customer markets, and – needed the skills and insights of members who could continue to ensure the company's leadership position in ESG 	<p>Stakeholders: Patients and consumers, our people and investors</p> <p>Other s172 duties: Our long-term business performance, workforce and business relationships and reputation</p>
Settle significant litigation	<p>Gilead – Dolutegravir global settlement</p> <p>The Board approved the terms of the global settlement and licensing agreement in which Gilead would:</p> <ul style="list-style-type: none"> – make an upfront payment of \$1.25 billion to ViiV Healthcare and – pay a 3% royalty on all future US sales of Biktarvy and in respect of the bictegravir component of any other bictegravir-containing products sold in the US 	<p>The decision to settle this global litigation was taken after careful consideration in the context of bringing certainty for investors and to support additional investment in the business for the future and thereby benefiting patients and investors</p> <p>Further details are available on page 58</p>	<p>Stakeholders: Investors, patients, governments and regulators</p> <p>Other s172 duties: Long-term results, our business relationships and our reputation</p>

Board's approach to continuous engagement

How we engage with our main stakeholder groups – including patients, shareholders, consumers, customers and employees – across the company is summarised on pages 44 and 45 of our strategic report.

How the Board considered the interests of our stakeholders in its discussions and decision making in 2021 is set out in the:

- Section 172 statement on page 116, and the sections it references in this Annual Report
- principal decisions the Board and its committees made, on pages 96 to 98

Our stakeholders rightly have high expectations of us. Our dynamic operating environment presents many challenges and opportunities. The Board aims to make sure that remaining commercially successful is balanced and aligned with meeting our stakeholders' expectations, upholding our reputation, maintaining our licence to operate and building trust. The Board engages with many stakeholders, to ensure it identifies and responds to their expectations effectively.

The influence and importance of different stakeholder groups can vary, depending on the matter being considered. Certain stakeholders' interests can be in conflict, meaning the Board needs to make balanced judgements.

Stakeholder engagement and feedback helps us identify emerging issues. It also enables the Board to make decisions in the context of what is relevant and important to each of them.

Our principal Board committees, and the GLT, undertake engagement on the Board's behalf in accordance with their remit. This means that they can build a detailed understanding of how our actions or plans are/or may impact stakeholders. These insights are shared with the Board, as appropriate.

In particular, the Board receives a substantial amount of information about stakeholders' perspectives from the work of the Corporate Responsibility Committee, which is discussed on pages 104 and 105.

Board members regularly receive:

- the CEO's Board report
- a specific external stakeholders report. This provides strategic insights based on an analysis of key developments, achievements and risks impacting our reputation and the perceptions of external stakeholders
- a monthly investor relations report which summarises investor perceptions
- regular corporate governance and litigation and regulatory updates

The Board also learns of stakeholder views through:

Engagement and feedback events such as: the quarterly investor results calls, the annual general meeting, employee survey reports, and through the Workforce Engagement Director's reports and experts presenting at Board or committee meetings. In particular, during 2021, the Investor Update and the Chair and SID's meeting with Investor Forum members provided additional sources of investor feedback.

Other opportunities: to gain wider stakeholder views are provided during the annual strategy meeting with the GLT, as part of the annual budget and planning process, and in reviewing specific aspects of the company's policies or strategy.

In addition, Board members are encouraged to meet individually with employees, shareholders and other key stakeholders during their induction, and then on an ongoing basis. They are encouraged to report to the Board on such experiences where relevant and material.

Our people

We have well-established and strong engagement mechanisms with our colleagues, which are described on pages 11 and 45. Two key governance channels help communicate what our people are thinking to the boardroom:

- feedback from our global, as well as smaller, more targeted PULSE employee surveys
- the work of our Workforce Engagement Director, Dame Vivienne Cox, who regularly gathers and explains colleagues' views to the Board, as she outlines below

The Chair and other Non-Executive Directors also regularly meet our people around the Group and report back to the Board. As COVID-19 restrictions permitted during the year, they were pleased to meet with our employees in person, individually and in small groups, as well as continuing to meet virtually.

The Chair, Workforce Engagement Director and Corporate Responsibility Committee Chair designate met with leaders of our employee resource groups (ERGs), for example, as part of a continuing dialogue about progress on our inclusion and diversity agenda, as well as on other issues that mattered to ERG members and employees.

2021 has been a significant year of change for our people. The Future Ready transformation programme has intensified and increased anticipation around the demerger of Consumer Healthcare and the shape of GSK. Ahead of this, PULSE surveys with smaller groups of employees have meant that the Board and GLT could check sentiment more quickly and frequently, and could provide valuable insights on the impact of major initiatives, events or communications.

Board's approach to continuous engagement continued

This year, the Board and GLT spent more time in listening sessions with leaders and small groups of employees who have front-line roles across the company. This has helped to better understand the future of and build people's confidence in GSK – as well as testing and listening to feedback on the new purpose, strategy and culture. In 2021 Emma held more than 25 small group sessions with the workforce. The GLT cumulatively held more than 40 sessions specifically focused on new GSK. This provided rich feedback, which has helped shape internal communications and achieve record engagement levels, with 37,000 employees joining two live events.

Post-event surveys show good progress is being made in explaining new GSK and building confidence, with less positive sentiment around how employees have been feeling. The Board is acutely aware that the pandemic has increased fatigue and reduced resilience for many of our people. This has reinforced the importance of prioritising and caring for our people and providing the support they need to be successful. The Board monitors this not only through employee engagement, but also with quarterly monitoring of how many employees are taking up support, how many are absent, and how many are leaving the company. The Board was pleased that the GLT chose to recognise every employee with a week's thank you pay award in recognition of resilience and strong delivery in extraordinary circumstances.

Workforce Engagement Director

This is my third year as Workforce Engagement Director. In this time, I have appreciated the chance to meet with different people across the company and to listen carefully to their views and perspectives. During the year, the engagements I have attended have continued to be virtual; however, I am very pleased that this has not prevented people from being very open and transparent in their discussions with me.

Purpose, strategy and culture

As I established the programme of visits at the start of 2021, I was conscious that it would be a year of significant change. The transformation programme to restructure the Group in advance of separation was launched in 2020. It has continued throughout 2021 and, with it, there has naturally been some uncertainty for our people. Therefore, I was keen to use my role to understand the impact of these changes on the organisation. Additionally, as the separation has been getting closer, it has raised questions in the minds of our people about the future shape of new GSK and the Consumer Healthcare business as a new listed company. In particular, I wanted to understand how the work done by the Board and the GLT to define a new purpose, strategy and embed a new simplified culture, which is discussed elsewhere in the Annual Report, was being experienced.

Probably the most consistent message I have heard this year is the value people attach to working for a company with a strong sense of purpose and a clear strategy. Additionally, the people I have met are supportive of the new culture. They appreciate the simplicity and the clarity that it brings.

I have continued, with Jon, our Chair, to engage with our diversity Employee Resource Groups (ERGs), specifically on the impact of the announcement of the company's public aspirations for improving ethnicity and gender representation in the workforce and leadership positions. Overall, their responses were positive while continuing to encourage the Board and GLT to intensify their efforts to support and promote diverse talent.

Other engagement programme highlights

I joined a Site Directors' and Site Quality Leaders' meeting comprising a group of employees who had recently been appointed to these roles. My meeting with them was part of a longer induction programme they undertake. I took part in the session where they discussed the impact of the new culture on their roles. They stressed the importance of ensuring continuous improvement at their sites.

In the mid-point of 2021, I met with HR leaders and I was impressed by their energy and commitment, through to and beyond separation. It was clear that their focus on People, Culture, Leadership and Capability would be key to supporting an environment where people can thrive, and additionally how important the new simplified HR systems and operating model would be to ensuring quality support for all our people.

The 'Ahead Together' session was an ambitious and well-received two-day digital event which brought together 1,500 employees from around the world. The objective was to share thinking and progress on the launch of two new companies and exchange ideas about the opportunities that lie ahead.

Finally, I spent time with a group of high potential Commercial employees from the Greater China and Intercontinental region who were completing a virtual development programme. We discussed their key learnings, which were the importance of developing resilience and building trust.

After each meeting with an employee group, I share my thoughts and observations with the leaders and the Board on a non-attributable basis. Perhaps the most valuable aspect is that on an ongoing basis, those views and perspectives can be factored into the Board and GLT discussions and decision making.

Dame Vivienne Cox

Workforce Engagement Director
28 February 2022

Our shareholders

The Board seeks to directly engage with private retail and institutional shareholders in several ways. These include regular communications, the Annual General Meeting and our annual Governance Meeting, and through the work of our Investor Relations team, the Chair, Sir Jonathan Symonds and our Company Secretary, Victoria Whyte.

During the year, our CEO, Emma Walmsley, and CFO, Iain Mackay, gave quarterly results presentations to institutional investors, analysts and the media by webcast teleconference. They are also regularly joined by the CSO, the Chief Commercial Officer, CEO, ViiV Healthcare, President Global Vaccines and the CEO, GSK Consumer Healthcare. They are available to provide more detailed insights into their areas of responsibility.

Through regular meetings, Emma and Iain have an ongoing and active dialogue with institutional shareholders about our performance, plans and objectives. In 2021 the CEO held 56 individual meetings with major shareholders and hosted 32 group meetings with actual and potential major shareholders. The CFO held 84 individual meetings and 46 group meetings.

The Chair has always maintained an active dialogue with shareholders too – including fund and portfolio managers – as well as seeing governance professionals. During 2021 the Chair held 43 meetings with a range of investors, who make up nearly 40% of the company's share register. This enables him to have a current understanding of investor views, insights and perspectives about the company. He also covers with investors, Board succession planning arrangements in his capacity as Chair of the Nominations & Corporate Governance Committee.

The Chair, CEO and the rest of the Board had a particular focus in 2021 on communicating our plans about the demerger to shareholders and the future ambitions for GSK as a biopharma business. As part of this extensive outreach, in June the CEO and other members of the GLT hosted a virtual Investor Update to provide a clear view of the strategy for GSK and its outlook for growth and ambitions.

In October at an Investor Forum-hosted event, and in December at the annual Governance Meeting, the Chair provided an update on how the Board and its committees have aligned their work to drive the demerger and establish key governance workstreams to support delivering it and to focus GSK's future as a biopharma business.

Investor materials for these events are available on [gsk.com](https://www.gsk.com).

Annual Governance Meeting

This year's event was virtual with institutional shareholders, key investment industry bodies and proxy advisory firms. The Chair was joined by our Senior Independent Director, Workforce Engagement Director, Committee Chairs and GSK's external audit partner.

We shared with investors the priorities and focus of the Board and its committees and progress made in 2021. This included a continued focus on strengthening the fundamentals of the business, maintaining ESG leadership, strong oversight of progress towards separation to create a world-leading Consumer Healthcare company and the new growth outlooks and ambitions set for GSK to deliver a step-change in performance from 2022.

The Remuneration Committee Chair shared details of the Committee's review of executive remuneration arrangements for GSK ahead of separation. This included an updated GSK policy, focused on reinforcing the delivery of the public performance ambitions set out in the IU in June 2021 and delivery of our public ESG commitments. This will be submitted to a binding shareholder vote at the 2022 AGM.

The Workforce Engagement Director discussed her programme of engagements to gather and help the Board further understand our people's perspectives on our new purpose, strategy and the new simplified culture and the CH demerger.

The meeting was well received and shareholder feedback was shared subsequently with the rest of the Board.

Annual General Meeting

Due to restrictions on public gatherings in light of the COVID-19 situation at the time, shareholders were unable to physically attend the 2021 AGM held at our registered office in Brentford. Therefore, our priority was to seek to provide live electronic access to the AGM for as many shareholders as possible. Our aim was to promote a similar type of meaningful engagement with the Board as would occur at a conventional AGM. Pleasingly, 142 shareholders joined the meeting electronically to watch or listen to updates from our Chair and the CEO, to ask questions, and vote. All our proposed resolutions were approved by shareholders, with majorities ranging from 93% to 99%.

It is intended that our AGM in May 2022 will be held at the Sofitel London Heathrow Hotel and will use a hybrid format to allow our shareholders the flexibility to attend, ask questions and vote either in person or electronically. See further details on page 291.

Board-led purpose and culture

The Board's role is to promote GSK's sustainable success, drive long-term growth for shareholders and value for stakeholders. Our strategic report on pages 1 to 81 demonstrates how we work to achieve these goals. Our Corporate Governance report on pages 83 to 118 explains how our governance arrangements support our oversight of the strategic transformation into two separate businesses, as well as our new ambitions for patients and shareholders. This work will be supported by our renewed company culture.

The Board is responsible for setting the Group's overall purpose and culture. This is fundamental to conducting our business to the highest standards, promoting long-term success and unlocking, protecting and maximising value for shareholders.

In the four years Emma Walmsley has been CEO, the Board has worked to change our culture. While always being guided by our purpose and values, our culture is moving to one that works more effectively towards our long-term strategic priorities: Innovation, Performance, Trust. The Board saw the momentum and ambition around the two new businesses in 2021 as a unique opportunity to unify our people behind one purpose, one strategy and one culture.

Our new purpose is to unite science, talent and technology to get ahead of disease. We have a clear ambition to make an even more meaningful impact on human health and create better, more sustainable returns. We want to do this in an environment that allows outstanding people to thrive.

For the Board, 'getting ahead' means preventing disease as well as treating it. It means innovating by combining ideas, capabilities and know-how inside and outside GSK. Our focus for R&D is to deliver new vaccines and medicines using the science of the immune system, human genetics and advanced technologies. And we do this making a deep commitment to our stakeholders to operate responsibly.

Essential to these plans is embedding a new, simplified culture, one in which we:

- are ambitious for patients, by delivering what matters better and faster
- are accountable for impact, by having clear ownership and the support to succeed
- do the right thing, by working with integrity and care and understanding that people count on us

The Board's discussions during the year focused on the new purpose and culture centred on:

- the rationale for this change
- a review of employee engagement and feedback when trialling this change
- the next steps the Board and GLT needed to take to make this change real for our people

To more clearly identify where we are making progress – and where we need to make changes – the Board and GLT have changed how we track and measure this culture change. We are now using more insights, measuring more frequently, being more responsive and making this information easier to access. This will help drive progress in the short-term and make significant change over the long-term. For further details see page 11.

The Board was also briefed on the proposed new mission, strategy and culture for Haleon. Its culture will be focused on three behaviours:

- Go beyond
- Do what matters most
- Keep it human

These are described in more detail on page 43 and were launched formally by the Haleon Chair and CEO Designates at their Capital Markets Day on 28 February 2022.

The Board will also support GSK's new culture by appointing and promoting the right people, upholding and incentivising the right behaviours with strong governance controls and thorough processes, and training and developing employees.

The Board recognises that the 'tone from the top' drives a company's culture. The Board and GLT must be role models and lead by example, using their words, actions and behaviours to set the template for our people. Like all our people, members of the Board take the following key training and awareness modules:

- Living our values and expectations, which explores our values, expectations and culture and how they apply to our operations and ways of working
- Anti-bribery and corruption
- Inclusion and diversity

For more detail about our new, single definition of culture, and how we invest in and reward our people, see pages 11 and 37.

The Board also remains committed to getting ahead of issues that matter for the sustainability of our company, be it pricing and access, the environment, or stronger diversity and inclusion. More progress in these areas is set out on pages 34 to 40 of our strategic report and in our ESG Performance Report, available on [gsk.com](https://www.gsk.com).

Our Code of Conduct embodies our values, so the Board reviews and refreshes it regularly. It is available on [gsk.com](https://www.gsk.com).

Our corporate standards and employee policies are aligned with our values. They include our long-standing Speak Up system, which enables our people to raise matters confidentially or anonymously without fear of reprisal. The Board, through the Audit & Risk Committee, reviews Speak Up reports provided by our Legal and Compliance team. Our Speak Up channels and reports are managed by an independent third party, with cases then investigated by Legal and Compliance.

Board performance

The Board evaluates its performance, and that of its committees, every year and is facilitated externally at least once every three years. External evaluations were facilitated in 2019 and 2020 by Jan Hall of No 4, a business advisory company.

In 2021, the Board and Committee evaluation process was a composite of three key assessments. First, Korn Ferry conducted interviews with each Board Director to elicit their views on the ideal future composition of the Board. Directors were provided in advance with information on peer company Board composition and committees as an input to these discussions. The conversations with Board Directors covered a range of topics including:

- The key challenges and opportunities for GSK over the next five years (eg science, M&A, China, areas of management strength and support)
- The culture of GSK
- Which skills and experience to prioritise in recruiting new Non-Executive Directors to the Board. The imperatives and desirable attributes were considered against the strategic opportunities that lie ahead and
- The workings of Board committees and how they obtained external input

The findings formed the basis for the transition plan and optimal composition of the new GSK Board. The Nominations & Corporate Governance Committee report on page 107 explains how the results of this work are being taken forward. The next step followed the annual Board and GLT strategy meeting, when Non-Executive Directors formed three groups to discuss their thoughts on the day's discussions. They agreed their key insights and priorities. These were then debated by the Board the next day. The conclusions reached were incorporated into the Board's priorities for action in 2022. Finally, Non-Executive Directors completed a short questionnaire on the performance of the Board and its committees during the year. The responses were collated and summarised before being considered by the Board.

The Board then agreed updated priorities for the year ahead which encapsulated the actions identified at each stage of the evaluation process. In addition, it was agreed to use the annual Strategy meeting of the Board and GLT in the Autumn of 2022 to reset and recalibrate the Board for the future as new GSK.

Board committees

The review of the Board committees involved questionnaires being completed by committee members. Each committee was considered to operate effectively. To enhance their performance further, the following improvement points were agreed:

- **Corporate Responsibility:** to continue to bring direct external stakeholder perspectives into the Committee's discussions to provoke quality debate in respect of the company's Trust priority
- **Audit & Risk:** to continue to balance the Committee's work between current issues and longer term perspectives. The Committee would also continue to seek more focused materials to enhance its oversight further
- **Remuneration:** to bring more external perspectives on changing remuneration practice and trends to the Committee's attention to ensure it remained contemporary in its thinking
- **Nominations & Corporate Governance:** to focus on delivery of the transition plan to create the optimal composition for the new GSK Board
- **Science:** to continue to support the CSO and his leadership team whilst providing its perspectives and opinions on R&D's work

Chair

The SID sought feedback from each of the Directors on the performance of the Board and Chair. The unanimous view was that the Board is functioning very effectively and has been continually strengthened; and the Chair has provided excellent leadership throughout an important and eventful year. Board culture was very inclusive and purposeful in focusing on the really important issues of strategy, performance and talent.

Progress on 2020 Board evaluation

Progress against the conclusions of the 2020 Board evaluation review is set out below.

Areas of focus for 2021	Progress/achievements
Consideration had and would continue to be given to stop any unnecessary tasks to free more time to focus on the priorities with the pre-condition that creating shareholder value was of prime importance	Board priorities were agreed and adhered to in structuring Board discussions. Key priorities were the key driver in examining performance and transactions. This would remain a key focus.
Consideration would also be given to making the best use of the Board's time during virtual meetings and incorporating opportunities for 'unstructured discussions' where possible	There was increased use of break-out sessions to focus on and bring different perspectives to particular issues. In October, to facilitate greater in person interaction despite ongoing COVID-19 restrictions, the Board, committee and annual strategy meetings were held at dual sites in the UK and US. The Chair led the meeting in the UK for UK/European-based Directors and the CEO led the meeting for US-based Directors. In addition, specific time was set aside for GLT members to meet with Board members without a set objective or agenda. These discussions were greatly appreciated by all and a welcome opportunity to connect.
The Science Committee would look to further deepen its understanding of how R&D's resources were allocated	The Board and Science Committee meeting agendas were designed to facilitate these deeper dives in line with Board's agreed key priorities. See page 106
There was a desire to further enhance root cause analysis that was undertaken when incidents or issues occurred. This was to ensure they could be avoided in the future and as part of the Group's approach to further improving performance	This enhanced approach was the foundation of the global safety review.

Board committee reports

Corporate Responsibility Committee report

Lynn Elsenhans

Corporate Responsibility Committee

I am pleased to present this report, which will be my sixth and final one as Chair of the Corporate Responsibility Committee (the Committee).

Role of the Committee

The Committee oversees GSK's Trust priority and the company's progress against our Trust commitments, which reflect the most important areas for responsible and sustainable business growth. Our Trust priority covers management's work across ESG factors, and it is integral to GSK's overall strategy.

The Committee has oversight of the views and interests of our internal and external stakeholders and reviews issues that could seriously impact GSK's business and reputation.

In doing so, the Committee has continued to oversee:

- progress on our Trust commitments through regular reports from GLT members and senior managers
- GSK's approach to managing the risks and opportunities associated with ESG factors that help create value for shareholders and society
- management understanding of key issues and stakeholder perspectives by listening directly to key independent expert voices and
- the principal risks most relevant to its area of expertise and responsibility, namely: product quality, non-promotional engagement, supply continuity, environmental sustainability and health and safety

Key activities in 2021

Safety culture: The Committee reviewed progress on the delivery of a global safety improvement plan across GSK's businesses developed after a comprehensive and far-reaching external evaluation of our safety culture. In reviewing the actions for embedding and sustaining the plan's safety improvements into the future, the Committee has encouraged a strong focus on:

- education and training to further build capabilities; while
- ensuring there is clear accountability from leaders for safety through heightened awareness and application of GSK's simplified culture to "do the right thing with integrity and care because people count on us"

Inclusion & diversity (I&D): The Committee continued to assess the progress of GSK's I&D strategy and commitments. This has included in particular, implementation of changes to HR processes and monitoring arrangements needed to support the delivery of the aspirational diversity targets announced in last year's Annual Report. The Committee considered key requirements of strengthening succession planning arrangements for diverse talent and the application of the broad concept of 'equity' in the workplace to further evolve the I&D strategy. I&D is an incredibly important part of the culture at GSK and the Committee reviews and supports the comprehensive annual I&D training and awareness session undertaken by the Board and all our people.

Charitable giving: GSK has had a tremendous and longstanding commitment to charitable giving and community involvement. The Committee reviewed this existing approach and how GSK compares to its peers. It considered how to leverage this approach to align to GSK's core purpose, strategy and culture and encouraged its impact to be measured in terms of its contribution to the commitment announced at the Investor Update in June, to positively impact the health of over 2.5 billion people over the next ten years.

ESG performance for new GSK: The Committee reviewed management plans for the six areas of ESG focus for new GSK, outlined to investors by the company in June 2021. Working with the Audit & Risk and Remuneration Committees, the Committee reviewed management's proposals for specific metrics to measure progress on these six areas and the recommendation of the creation of a single ESG performance rating assessment as a KPI for GSK after the demerger. It also reviewed an approach for the risk management and governance oversight arrangements to measure and report ESG performance. The Committee was pleased to support these changes to help retain and develop further GSK's ESG leadership position.

Consumer Healthcare (CH): In preparation for the demerger, the Committee has reviewed and discussed with CH management their progress in developing a distinctive and holistic responsible business and ESG framework that would support its purpose, strategy and culture on becoming a listed company with a focus on the key responsible business issues for the new company. In doing so, the Committee scrutinised this framework and the proposed targets, including environmental sustainability targets, which have incorporated key insights and expectations gathered from investors, analysts and other external stakeholders.

Stakeholder insights and benchmarking

The Committee pays close attention to the evolving views and expectations of the company's broad range of key stakeholders. It receives a regular report on stakeholder insights at each meeting to ensure it considers the issues that may have a bearing on GSK's reputation and the delivery of our responsible business agenda. Employee insights and feedback were discussed in relation to the progression of the company's modern employer agenda.

Our Board committee reports continued

In keeping with a desire to continually bring external perspectives into the Committee room, in 2021 the Committee benefited from direct engagement and insights about expectations of our sector and the company specifically in two areas. Firstly, was receiving an expert's insights on investor views on ESG trends and expectations, the outcomes of which are reported on page 98. Secondly, was gathering expert views on the rising expectations of governments and investors for businesses to understand Human Rights impacts and risks.

The Committee monitors investor expectations on ESG reporting and disclosure on an ongoing basis. GSK continues to align to best practice in reporting, in accordance with the Sustainability Accounting Standards Board (see 2021 ESG Performance Report) and the Task Force on Climate-related Financial Disclosures (see page 49).

In addition, the Committee monitors the company's ESG performance in various indices and in relation to our peers. In this respect, we were particularly pleased that GSK was ranked first in the Dow Jones Sustainability Index in the pharmaceutical industry group, had improved our Carbon CDP rating from B to A-, and was rated in the top 3% of Sustainalytics' pharmaceuticals sub group. These and other external benchmarks help to evidence GSK's acknowledged leadership in ESG, and this continues to be a key driver in the goal to deliver health impact and shareholder returns.

Committee aims for 2022

The Committee will continue to scrutinise and monitor progress on GSK's material Trust topics and relevant enterprise risks. As the company demerges, it will focus on oversight for how GSK is embedding its new approach to ESG performance measurement.

Corporate Responsibility Committee Chair succession

I was delighted to welcome Dr Anne Beal, who has brought extensive healthcare experience to the Board and our Committee as a physician and public health expert, in May 2021. Since then, Anne and I have been working on a smooth transition and handover before she succeeds me as Committee Chair at the conclusion of the AGM in May. I will continue to serve as a Committee member to provide continuity and support, until I retire and step down from the Board at the conclusion of the demerger later this year. It has been my privilege to serve as a member of the Board, to chair this Committee and help shape and oversee, in particular, the development and embedding of a framework of a focused set of commitments to support the company's Trust priority and our approach as a responsible business. Listening carefully to all the views of our stakeholders has helped to inform the positive steps we have taken in reinforcing our position as a leader in ESG.

Lynn Elsenhans

Corporate Responsibility Committee Chair
28 February 2022

Science Committee report

Dr Jesse Goodman Science Committee

I am pleased to present my fifth report of the Science Committee's (the Committee) activities.

Key activities in 2021

Since the Committee's inception in 2017, we have continued to refine our focus to provide greater value to the Board's deliberations. In particular, the Committee has focused on ensuring the validity of the key scientific assumptions which drive the company's R&D strategy, as well as providing technical assurance, particularly in relation to potential transactions.

Pipeline progress

At the start of the year the Committee closely reviewed the 2021 objectives for the biopharma business, including those relating to pipeline progression. Delivering a pipeline to help patients is at the heart of what GSK does and the Committee monitors its progression closely, both in terms of strategy and performance. The Committee has held a number of discussions with Dr Hal Barron, our CSO, and with R&D leaders throughout the year and has been encouraged with the progress made as we approach separation.

Since the separation was announced in 2018, R&D's strategy has delivered a strong pipeline of assets with the potential to bring transformational vaccines and medicines to patients. Some of the most notable approvals in the last year include:

- *Jemperli* (dostarlimab) – for the treatment of endometrial cancer, the most common female reproductive cancer. This is another major milestone for GSK's oncology pipeline and has the potential to transform the lives of women who previously had limited treatment options.
- *Cabenuva* (cabotegravir, rilpivirine) – the first long-acting injectable treatment for HIV. *Cabenuva* has the potential to transform HIV care for patients by reducing treatment dosing days from 365 to 12 per year. In addition, *Apretude* received FDA approval in December 2021 as the first long-acting injectable option for HIV prevention.

In November 2021, the company announced positive phase III data for daprodustat, a potential new oral treatment for patients with anaemia of chronic kidney disease.

COVID-19

Regarding our pipeline of COVID-19 solutions, *Xevudy* (sotrovimab), a monoclonal antibody developed in collaboration with Vir Biotechnology, was approved in Europe and received Emergency Use Authorisation in the US as a treatment for patients with COVID-19. Studies show that *Xevudy* also retains activity against the Omicron variant. In terms of vaccines, GSK has announced positive phase III results for the plant-based COVID-19 vaccine candidate being developed with Medicago. This vaccine, Covifenz, was approved in Canada in February 2022. In February 2022, we also announced the intention to seek regulatory authorisation for the COVID-19 vaccine being developed with Sanofi, based on data from both booster and phase III efficacy trials.

Our Board committee reports continued

In February 2021, we also reported a collaboration with CureVac to jointly develop next generation mRNA vaccines for COVID-19 with the potential to address emerging variants.

Scientific deep-dives

Innovation remains a key priority for GSK. Therefore, the Committee has continued to meet with the CSO and our talented R&D leadership to undertake deep-dives into some of the exciting and complex areas of science that are of strategic importance to GSK, including:

- Immunology
- Oncology with a focus on Synthetic Lethality
- Vaccines mRNA Strategy

The science of the immune system is a key pillar of our R&D strategy. It will be leveraged to develop novel therapeutics as well as potentially revolutionise drug discovery and development. GSK's partnership with 23andMe provides the company with exclusive insights in this field which represents an enormous opportunity for R&D to build on a strong existing portfolio. The Committee was pleased to see how immunology has already been embedded across GSK R&D, including within oncology, vaccines, ViiV and infectious diseases.

Business development

In addition to oversight of the company's organic R&D innovation, the Committee has continued to review potential business development transactions. The Committee receives regular previews of potential business development opportunities being explored and undertakes in-depth technical reviews of transactions prior to their presentation to the Board. These transactions have added new programmes which aim to differentiate GSK's pipeline from competitors and support organic development within the company.

Key transactions reviewed by the Committee during the year include:

iTeos: The collaboration with iTeos to co-develop an anti-TIGIT monoclonal antibody. With this collaboration GSK is well-positioned to produce next-generation immuno-oncology therapies, especially those targeting the CD226 axis.

Alector: The collaboration to develop two potential first-in-class monoclonal antibodies for a range of neurodegenerative diseases including Parkinson's disease and Alzheimer's disease.

Arrowhead Pharmaceuticals: The exclusive licence agreement with Arrowhead Pharmaceuticals, under which GSK will develop and commercialise Arrowhead's investigational RNAi therapeutic being developed as a treatment for patients with chronic liver disease.

Halozyme Therapeutics: The global collaboration and license agreement between ViiV Healthcare and Halozyme, granting exclusive access to Halozyme's ENHANZE drug delivery technology to enable development of ultra long-acting medicines for HIV.

Shionogi: The exclusive license agreement between ViiV Healthcare and Shionogi to develop a third-generation HIV integrase inhibitor with potential for use in ultra long-acting HIV regimens.

Enhanced R&D governance

The Committee has been particularly impressed with developments in R&D governance since Dr Barron was appointed in 2018. During 2021, Vaccines and Pharma R&D were fully united into a single organisation. This has enabled R&D to be more effective, not just in terms of efficiencies but also in the sharing of technical and scientific expertise.

The benefits of these governance enhancements have already become apparent with improvements made in both cycle times across clinical development and the probability of success from pivotal studies.

Three and a half years ago, management set out a new approach to R&D. Under Dr Barron's leadership our pipeline in 2021 stands out as having advanced notably. During 2022, the Committee will emphasise the need to continue this momentum up to and beyond separation.

Board and Committee changes

We welcomed Dr Hal Dietz to the Committee on 1 January 2022. His experience in the field of human genetics will add significant value to the Committee's discussions. His appointment also means that the Committee is very well-rounded in the areas of expertise required to evaluate GSK's strategy, pipeline and potential business development targets.

Judy Lewent left the Committee upon her retirement from the Board after the 2021 AGM. Charles Bancroft joined the Committee in May 2021 until February 2022 following the appointment of Dr Dietz.

The Committee participated in the CSO succession planning and was fully supportive of Tony Wood's appointment. We are pleased that Dr Barron will join the Committee in August when he transitions to a Non-Executive Director.

Dr Jesse Goodman

Science Committee Chair
28 February 2022

Nominations & Corporate Governance Committee report

Jonathan Symonds

Nominations & Corporate Governance Committee

I am pleased to present my third report as Chair of the Nominations & Corporate Governance Committee (the Committee).

Key activities in 2021

The Committee played an important role in delivering our key priorities to transform GSK and separate the CH business. The Committee met 13 times during the year and this report sets out our work during 2021.

Key priorities	Status
Succession planning for the CSO and his R&D Leadership Team	CSO succession candidate identified and subsequently appointed CSO Designate
Appoint a Chair of the Corporate Responsibility Committee to succeed Lynn Elsenhans	Dr Anne Beal joined the Board in May 2021
Appoint a third Scientific & Medical Expert (SME)	Dr Hal Dietz joined the Board in January 2022
Design target GSK Board composition and recruit high calibre Non-Executives to complete the new GSK biopharma Board	Target GSK Board composition agreed and search for new Non-Executive Directors for GSK in progress
Appoint the Haleon CEO and assemble an appropriately seasoned management team	Brian McNamara appointed as Haleon CEO Designate in July 2021. Haleon Management Team announced in December 2021
Appoint a Chair for Haleon and support the composition of the Haleon Board	Sir Dave Lewis appointed Haleon Chair Designate in December 2021. Selection of the remaining Haleon Board in progress

Shaping the GSK Board for the future

Management succession planning

The Committee, with all Non-Executive Directors present, continuously assess the succession plans for management and the other Executive Directors to ensure we have appropriate succession plans and a diverse pipeline of potential successors in place.

During 2021, given the importance of the CSO and leadership of R&D, the Committee, in collaboration with the CEO, and as appropriate the CSO, intensified our planning to identify a potential CSO succession candidate. The Committee was supported by the Chief People Officer (CPO) and the Science Committee. The Committee followed a comprehensive process before making a recommendation as described below. This is replicated in assessing succession candidates.

The Committee and the Science Committee reviewed a diverse long list of internal and external potential successor candidates from which a short list of candidates was compiled. These were interviewed by Science Committee members, the Chair, CEO, CPO and CSO. The Committee was joined by all the Non-Executive Directors to review the final candidates. Following this extensive process, the Non-Executive Directors agreed to identify Dr Tony Wood as the CSO's successor.

The CPO, CEO, CSO and Dr Wood then established a transition plan which was approved by the Committee to ensure a smooth transition should it become necessary.

In January 2022, the Board activated the succession plan following Dr Barron's decision to accept the position of CEO and Co-Chair of Altos Labs from August 2022. Since Dr Wood has been a key partner to Dr Barron in delivering GSK's R&D approach, and has wide experience and expertise across science data and new technologies, he is perfectly placed to build on Dr Barron's outstanding progress and to deliver value from the pipeline. The Board therefore agreed to appoint Dr Tony Wood as CSO Designate and he will succeed Dr Barron as CSO and become a member of the GLT on 1 August 2022. Further details of his background can be found on page 5 and in the company's announcement issued on 19 January 2022 which is available on gsk.com.

The Committee also recommended as part of the CSO transition plan that Dr Barron be appointed a Non-Independent Non-Executive Director and member of the Science Committee with effect from 1 August 2022, initially for a three-year term. This would support the CSO transition process.

Corporate Responsibility Committee Chair

In my 2020 report, I described the search for Lynn's successor as Chair of the Corporate Responsibility Committee (CRC). This resulted in Dr Anne Beal's appointment to the Board on 6 May. Anne has brought extensive healthcare experience as a physician and entrepreneur, combined with a passion for patient advocacy. Further details of her experience and the rationale for her appointment are included in the company's announcement on 6 April 2021 which is available on gsk.com. A transition process is underway to enable Anne to succeed Lynn as CRC Chair at the close of the 2022 AGM. Despite serving for over nine years, Lynn's experience as a CEO and from sitting on other boards means that she continues to demonstrate all the characteristics of independence expected by the Board in carrying out her role on the Board.

Third Scientific Medical Expert (SME)

I am pleased to confirm that the search for a third SME was successfully concluded. We continued to fine-tune the selection criteria as the process evolved and considered the following:

- An outlook on the future direction of R&D, innovation and the treatment and management of human health
- Experience of people leadership and management at 'scale', either in an academic or industry setting
- Interested in, and having a deep understanding of, a breadth of scientific and therapeutic areas, particularly in immunology as well as genomics and genetics. Having perspectives on the ability to harness digital technologies (including Artificial Intelligence) to enhance the research and development of new medicines and
- Able to deliver complex science to a broad audience. Highly collaborative and a willingness to engage proactively on topics beyond their own immediate realm of expertise

Our Board committee reports continued

The Committee was pleased to recommend the appointment of Dr Hal Dietz to the Board with effect from 1 January 2022. Dr Dietz brings his extensive experience in the field of human genetics, which is central to GSK's approach to R&D and will add further strength to the Science Committee and Board discussions. Further details of Hal's experience and the rationale for his appointment are included in the company's announcement on 27 October 2021, which is available on [gsk.com](https://www.gsk.com).

Transition to a new GSK Board

In planning the structure of the new GSK Board as an independent biopharma company, the Committee commissioned Korn Ferry to meet with each Board member to gather their views on the optimal Board design for the future. Further details on this process are given on page 103. A skills matrix was developed which mapped current Board members' skills and capabilities and the succession planning needs for the Board. This was discussed with all Non-Executive Directors and the key capabilities were further refined and a final target skills matrix was agreed. The Committee then agreed the briefs to initiate the search for three new Non-Executive Directors to be appointed to the Board in the next 12 to 18 months. The Committee is following its search process to recruit for these roles. Long lists of candidates for both roles have been considered.

Haleon Board appointments

The Committee appointed a sub-Committee comprising, the Chair, Vindi Banga, Dame Vivienne Cox, Dr Beal and Mr Rohner, to progress Haleon Board appointments. It then reported progress at each scheduled Committee meeting. Final decisions were reached by the Committee with all Non-Executive Directors invited to participate.

Haleon CEO and CFO: The Committee conducted an extensive global search and selection process to appoint the Haleon CEO and CFO designates. This work followed the Committee's search process. In particular, the CEO role profile contained the key selection criteria and responsibilities the successful candidate would need to fulfil most especially after the demerger. These emphasised the importance of establishing the new Haleon Board to deliver the growth strategy and to drive significant shareholder value. This would require a relentless focus on innovation, promoting a high performance and inclusive culture whilst also operating to the exacting standards of corporate governance.

Following interviews by Board members with internal and external candidates, the Board was pleased to endorse the Committee's recommendation to appoint Brian McNamara as Haleon CEO Designate. The Board noted in particular Brian's strong track record of success in building the CH business and his considerable experience of FMCG and consumer health. This meant that he was uniquely suited and the right choice to unlock the growth potential of Haleon as an independent listed company. Further details of Brian's experience and the rationale for his appointment are included in the company's announcement on 22 July 2021, which is available on [gsk.com](https://www.gsk.com).

The Committee reviewed Brian's proposed leadership team for Haleon (in particular the proposed CFO and Chief People Officer) which was announced in December 2021. Following extensive internal and external searches for each role, shortlisted candidates were interviewed by the relevant panel of Non-Executive Directors against the agreed role criteria. The Committee then approved the final appointees. The Haleon management team was then introduced to investors at the CH Capital Markets Day on 28 February 2022.

Haleon Chair: The Committee followed its search process to select the Haleon Chair. This search focused on candidates with the following knowledge, experience and commitment:

- Significant listed Board experience with an understanding of investors, analysts, banks, regulators and governments
- A high degree of financial acumen and successful business track record in creating shareholder value and growing businesses
- A strong emphasis on coaching skills and the ability to create a high-performance environment
- Deep experience of consumer facing businesses, with a high degree of customer-centricity. International experience, preferably in the US and China
- Strong strategic skills and a track record of innovative thinking, coaching and development
- Be well respected and have high credibility with all stakeholders, including investors, capital market participants, regulators and governments
- Have high integrity, strong values and be driven by a strong sense of purpose
- Understand the role of a Chair of a FTSE 100
- Possession of humility and a subdued ego and a strong emotional commitment and passion for the CH business
- Be committed to diversity in all its forms, resilient and open-minded with strong judgement as well as a natural team builder

The Committee agreed that Sir Dave Lewis, a highly experienced and respected global business leader in consumer goods and retail, was the most suitable candidate to lead the Haleon Board. It was noted that at the time of his selection he was deemed to meet the independence requirements of the Code. The Committee's recommendation was subsequently endorsed by the full Board. Further details of Sir Dave's experience and the rationale for his appointment are included in the company's announcement on 20 December 2021, which is available on [gsk.com](https://www.gsk.com).

Sir Dave is now progressing the search for high calibre non-executive directors to build the Haleon Board. To ensure continuity, it is expected that two Non-Executive members of the GSK Board will transfer to the Haleon Board on completion of the demerger. The company's CH joint venture partner (Pfizer) has the right to appoint up to two Non-Executive Directors. The new Haleon Board will be announced publicly later in the year as part of demerger arrangements.

Our Board committee reports continued

Ways of working

The Committee seeks to follow best practice in all the appointments it recommends, agreeing the criteria for each role, the most appropriate interview panel, before then considering a comprehensive and diverse long list of candidates. Shortlisted candidates are interviewed and assessed against the chosen criteria. Due diligence is then undertaken before the Committee makes its final recommendation. Executive search firms are appointed in accordance with the company's procurement policy based on their expertise relative to each role. The Committee has agreed that only search firms who were signatories to the Voluntary Code of Conduct of Executive Search Firms on gender diversity and best practice would be engaged.

The Committee worked with a number of executive search firms in 2021 who provided additional consultancy services to the company as outlined below:

- Korn Ferry: general recruitment, executive search and assessment services, coaching and other HR-related services
- Egon Zehnder: executive search, assessment and coaching services to specific senior executives
- Heidrick & Struggles: executive search services
- Spencer Stuart: executive search and assessment services

The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Board Committee Chair and GLT membership changes

During the year and up to the date of this report, the Committee approved the following changes to the membership of our Board committees and GLT.

Director	Membership	Appointment date	Retirement date
Charles Bancroft	Chair of Audit & Risk Committee Chair	9 March 2021	
	Member of Nominations & Corporate Governance, and Science committees	6 May 2021	8 February 2022 (stepped down from Science Committee after Dr Hal Dietz joined the Committee)
Dr Anne Beal	Member of Corporate Responsibility and Audit & Risk committees	6 May 2021 23 July 2021	
Dr Hal Dietz	Member of Science Committee	1 January 2022	
Judy Lewent	Chair of Audit & Risk Committee Chair Member of Audit & Risk, Nominations & Corporate Governance, Remuneration, Science and Transformation & Separation committees		9 March 2021
			5 May 2021
Lynn Elsenhans	Chair of Corporate Responsibility Committee Member of Audit & Risk, Corporate Responsibility and Nominations & Corporate Governance committees		4 May 2022
			After CH Demerger
Dr Anne Beal	Chair of Corporate Responsibility Committee	4 May 2022	
Shobie Ramakrishnan	Chief Digital and Technology Officer and member of GLT	16 December 2021	

Board composition, tenure and diversity

The Board seeks to balance its composition and tenure and that of its Committees, and to refresh them over time. This enables the Board to benefit from the experience of longer-serving Directors and the fresh perspectives and insights from newer appointees. Our Non-Executive Directors are drawn from a wide range of industries and backgrounds, including the pharmaceuticals industry and R&D, vaccines, consumer products and healthcare, medical research and academia, insurance and financial services. Collectively they have a wealth of experience of complex organisations with global reach. Many of our Board members also have experience of longer-cycle industries, which is of great assistance in understanding our sector.

We are committed to the diversity of our Boardroom, just as GSK is committed to equal opportunities for all employees at all levels of our organisation. The Board and management seek to encourage a diverse and inclusive culture throughout the company. An effective Board needs a range and balance of skills, experience, knowledge, ethnicity, gender, social-economic backgrounds and independence, with individuals who are prepared to challenge each other and work collaboratively. This mix needs to be complemented by a diversity of personal attributes, including character, intellect, judgement, honesty and courage.

Our Board committee reports continued

Board and GLT diversity targets

The Committee is responsible for developing measurable objectives and monitoring progress towards their achievement to assist the implementation of the Board's diversity policy, including gender and ethnic diversity. Our progress against these targets is set out below. For consistency, the diversity metrics as at 1 January 2022 are shown in line with our gender diversity submission to the FTSE Women Leaders Review (the Review).

Diversity objectives	Progress achieved	
	Status	Performance
At least 33% of Board positions held by women	Exceed objective	38.4%
At least 33% of GLT positions held by women	Met objective	35.7%
At least 33% of combined GLT and direct report positions held by women	Exceed objective	42.5%
At least one Board Director is ethnically diverse	Exceed objective	Two Directors

The Committee is particularly intent on increasing gender and, especially, ethnically diverse representation on the Board and GLT, and further developing the pipeline of direct reports to the GLT from ethnically diverse backgrounds.

The Committee is supportive of the new gender diversity targets in the Review published in late February 2022, including 40% women on boards by 2025. It has been pleased that for many years the Board's gender representation target has been comfortably exceeded and normally over 40% of Board positions have been held by women. We are in a transitional period as the company separates and the CH business is demerged. The Committee is working to transition to the target Board profile for the new biopharma company. As a result, the composition and diversity of the Board during this transition will inevitably be subject to fluctuation. I look forward to confirming completion of this work in next year's report and reporting our progress against the Review's increased gender diversity targets.

The representation of women and ethnically diverse leaders is covered on page 37, as part of the diversity of GSK's global workforce. Progress against our inclusion and diversity commitments, including gender and ethnicity, is illustrated in our ESG Performance Report on [gsk.com](https://www.gsk.com).

Sir Jonathan Symonds

Nominations & Corporate Governance Committee Chair
28 February 2022

Transformation & Separation Committee report

Jonathan Symonds

Transformation & Separation Committee

I am pleased to present my second and final report as Chair of the Transformation & Separation Committee (the Committee) given that it has now fulfilled its purpose and mandate.

The Committee was established in May 2020 charged with two principal functions:

- **Exercising oversight of the Future Ready transformation programme**, particularly delivery of the targeted cost savings and separation of the company's infrastructure prior to the delivery team moving from project design into implementation and
- **Considering the optimal form of separation**. This also included the implications of separation and the most appropriate listing location for Haleon

The Committee was pleased that the Future Ready transformation programme was completed to schedule by the end of 2021 and exceeded the cost savings identified to be derived from this programme.

During 2021, the Committee undertook a programme of work to understand and consider the key fundamentals of separation. This was not just the technical requirements. It considered how to best unlock, release and maximise long-term shareholder value. This work was supported by guidance and advice from external experts as appropriate. The Committee began by considering how we should separate and the principal value to be achieved from each option available. Discussions then progressed to the capital structures required for the resulting two companies to be competitive as independent entities. Following a decision to demerge the CH business it was important to determine how to distribute shares in Haleon to our shareholders, and on which exchanges Haleon should list and why. The Committee also considered whether to retain a stake in Haleon and how big a stake to retain.

This was a very intensive and detailed programme of work as the Committee addressed these major questions and the impact for all our stakeholders. It then reported to the Board accordingly on its conclusions and recommendations.

This process is now well into the execution phase. Oversight of the remaining work more appropriately rests with the other specialist Board committees and has been devolved to them as appropriate, or will be reviewed and overseen directly by the Board.

Having fulfilled its mandate, it was agreed that the Committee be decommissioned.

I would like to thank Board colleagues for their commitment and diligence in supporting the Committee's work in this respect.

Sir Jonathan Symonds

Transformation & Separation Committee Chair
28 February 2022

Audit & Risk Committee report

Charles Bancroft

Audit & Risk Committee

I am pleased to present this report, which is my first as Chair of the Audit & Risk Committee (the Committee).

I joined the Committee back in May 2020. I succeeded Judy Lewent as Chair in March 2021 after a comprehensive transition. I have been drawing on my business background, including the ten years I served as CFO of the major pharmaceutical company, Bristol Myers Squibb. In doing so, I have always viewed people, processes, systems and importantly, culture as the critical foundation for successfully managing financial reporting, audit and compliance risks. In my time serving on this Committee and through my observations more generally as a Board member, I am confident that GSK controls score highly in all these areas. I would therefore like to share my initial impressions of these key aspects.

Our culture and people

GSK has a strong compliance culture with a consistent tone and engagement from the top. This is regularly considered and emphasised in Committee discussions, and we have a zero-tolerance approach to any unethical behaviour. Our risk management and internal control framework is mature and well embedded in the organisation as demonstrated on pages 46 and 112 of the Annual Report. This enables the Committee to evaluate and oversee how GSK manages principal and emerging risks.

The Committee also routinely exercises oversights of improvements to our compliance culture. Everything we do at GSK is underpinned by having great people with the right skill sets. Indeed, our corporate governance framework requires good people to make quality decisions and do the right thing.

As Committee Chair, I have unfettered access to the senior leadership and key members of their teams. Regularly throughout the year, I met individually with key Committee attendees from management, including the CFO, General Counsel, Chief Compliance Officer, Head of Audit & Assurance, the Group Financial Controller, the Company Secretary, and external auditor. Additionally, the Committee members have an opportunity to speak at the end of each meeting with the external auditor without management being present. Crucially, we also have the ability to speak with key members of management in private sessions or alone as required.

Our processes and systems

These are fundamental for appropriate financial reporting, controls and managing risks. We are well positioned in this respect, as the company's main accounting and reporting systems are centralised into two global instances of SAP. We also have a well-established One Finance model with centralised transactional and controller activities embedded in GSK's four regional hubs. This frees up our in-market finance people to focus on the core business operations and decision making. The Committee continues to exercise regular oversight and monitoring activities over these critical financial systems.

The integrity of our financial statements, including the Annual Report and quarterly results announcements, is an enduring key focus of the Committee. Since joining the Board and Committee, I have been impressed with the clarity and rigour around these processes. The Committee's position has always been to aim for clear and transparent financial disclosure in all of GSK's financial reporting.

As the previous Committee Chair highlighted in her report last year, we have continued to ensure that the company's financial reporting and controls framework remains robust and did not require any fundamental changes. This has been important despite the ongoing impact of COVID-19 on the company's ways of working. In addition, the external auditor regularly tests our financial systems and controls and challenges management, and reports their results to the Committee. This includes any areas of deficiencies that the external auditor has identified and progress in remediation of issues, all of which are discussed and evaluated.

Key activities in 2021

Key decisions: As usual, it has been a busy year for the Committee. Not only working through its regular programme of activities, but making important decisions in support of the Board's progression of its key priorities. These have included reviewing, in support of the Board:

- further incremental changes to the company's commercial model in China
- the company's new growth ambitions before they were shared at the Investor Update in June 2021 and
- the move to a progressive dividend policy from 2022

The matters considered and their outcomes are reported on pages 96 and 97.

Preparation for the demerger

The Committee is also a key CH governance delivery workstream. We are now increasingly reviewing the technical aspects of delivery of the demerger. The Committee is specifically accountable for reviewing and recommending to the Board approval of key transaction documents and related matters.

Our Board committee reports continued

The Board is ultimately responsible for the decision to demerge, both in respect of the timing and final terms of the demerger. It will make the recommendation of the transaction to shareholders through the publication of the GSK Shareholder Circular. The Committee's role is to scrutinise these documents prior to the Board's review. This process for both the Committee and the Board will continue to intensify in the first half of this year as the formal point of separation approaches.

The Committee has been assisting the CH management in establishing a robust internal control and risk management framework ready for separation. The overarching principle has been to replicate GSK's current internal governance controls and finance systems and, where necessary, adapt the existing framework and processes. The Committee is pleased that the CH business is currently well advanced in setting up the governance, processes and organisations to be managing all processes in a 'business as usual' environment in Q2 2022.

Internal control framework

Our Board recognises its obligation to present a fair, balanced and understandable assessment of GSK's current position and prospects. Reflecting this responsibility, it is accountable for evaluating and approving the effectiveness of GSK's internal controls, including financial, operational and compliance controls, and risk management processes.

We ensure the reliability of our financial reporting, and compliance with laws and regulations, through our internal control framework. This is a comprehensive enterprise-wide risk management model which supports the Board's continuous identification, evaluation and management of the Group's principal risks, as required by the FRC's Code. The framework is designed to manage the risk of us not achieving our business objectives.

A fit-for-purpose framework – complemented by our corporate values, culture, expectations and Speak Up processes – ensures that the risks associated with our business activities are actively and effectively controlled in line with our agreed risk appetite. We believe GSK's framework provides reasonable, but not absolute, assurance against material misstatement or loss.

The Board mandates the Group's Risk Oversight & Compliance Council (ROCC) of senior leaders to assist the Committee in overseeing risk management and internal control activities. It also provides the business with a framework for risk management and upward escalation of significant risks. Risk Management and Compliance Boards (RMCBs) across the Group promote the 'tone from the top' and establish our risk culture, as well as ensuring effective oversight of internal controls and risk management processes.

Each principal risk has an assigned risk owner, drawn from senior management, who is accountable for managing his/her principal risk with oversight by a GLT Member, including setting and implementing risk mitigation plans. Risk owners report quarterly on their respective risk management approach and progress at the ROCC and the appropriate Board Committee. Our Compliance function assists the ROCC and RMCBs. Compliance is responsible for advancing enterprise-wide risk management and for developing risk-based and ethically sound working practices. It also actively promotes ethical behaviours by enabling all employees to operate in line with our values and comply with applicable laws and regulations.

Our Audit & Assurance (A&A) function provides independent assurance to senior management and the Board on the effectiveness of risk management Group-wide, in line with an agreed assurance plan. This helps senior management and the Board to meet their oversight and advisory responsibilities in fulfilling GSK's strategic objectives and building trust with patients and other stakeholders. A&A has a dual reporting line to our CFO and the Committee.

The Committee receives regular reports from business units, principal risk owners, Compliance and A&A on areas of significant risk to the Group and on related internal controls. These reports assess the internal control environment within each principal risk area, including enhancements to strengthen controls. Following consideration of these reports, the Committee reports annually to the Board on the effectiveness of GSK's internal controls.

In 2021, through the authority delegated to the Committee, the Board conducted a robust assessment of the Group's principal risks. This assessment, which was in line with the FRC's 2018 Code, included consideration of the nature and extent of risk the Board is willing to take in achieving GSK's strategic objectives.

The Board, via the Committee, also oversaw the effectiveness of our internal control environment and risk management processes across the Group for the whole year, up to the approval date of this Annual Report.

A review of the Group's risk management approach is further discussed in the 'Risk management' section of the strategic report on pages 46 to 54.

Our management of each principal risk is explained in 'Principal risks and uncertainties' on pages 275 to 287. The Group's viability is discussed in the Group risk management section of the strategic report on page 53.

Our Board committee reports continued

Significant issues relating to the financial statements

In considering GSK's quarterly financial results announcements and the financial results in the 2021 Annual Report, the Committee reviewed the significant issues and management judgements in determining those results. It reviewed management papers setting out the key areas of risk, actions taken to quantify the effects of the relevant issues, and judgements made by management on the appropriate accounting required to address those issues in the financial statements.

The significant issues considered in relation to the financial statements for the year ended 31 December 2021 are set out in the following table, with a summary of the financial outcomes where appropriate. The Committee and the external auditor have discussed the significant issues addressed by the Committee during the year and the areas of particular audit focus, as described in the Independent Auditor's Report on pages 156 to 167.

Significant issues considered by the Committee in relation to the financial statements	How the issue was addressed by the Committee
Going concern basis for the preparation of the financial statements	<p>The Committee considered the outcome of management's half-yearly and year end reviews of current and forecast net debt positions and the various financing facilities and options available to the Group.</p> <p>The Committee also considered management's review of the current and longer-term impacts of the COVID-19 pandemic, at the outbreak of the pandemic and at the year end. Following consideration of these assessments, which included stress testing and viability scenarios, sources of liquidity and funding, forecasts and estimates, the Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate.</p>
Revenue recognition, including returns and rebates (RAR) accruals	<p>The Committee reviewed management's approach to the timing of recognition of revenue and accruals for customer returns and rebates. The US Pharmaceuticals and Vaccines accrual for returns and rebates was £5.0 billion at 31 December 2021 and the Committee reviewed the basis on which the accrual had been made and concurred with management's judgements on the amounts involved. A fuller description of the process operated in the US Pharmaceuticals and Vaccines business in determining the level of accrual necessary is set out in 'Critical accounting policies' on page 80.</p>
Provisions for legal matters, including investigations into the Group's commercial practices	<p>The Committee received detailed reports on actual and potential litigation from both internal and external legal counsel, together with a number of detailed updates on investigations into the Group's commercial practices. Management outlined the levels of provision and corresponding disclosure considered necessary in respect of potential adverse litigation outcomes and also those areas where it was not yet possible to determine if a provision was necessary, or its amount. At 31 December 2021, the provision for legal matters was £0.2 billion, as set out in Note 31 to the financial statements, 'Other provisions'.</p>
Provisions for uncertain tax positions	<p>The Committee considered current tax disputes and areas of potential risk and concurred with management's judgement on the levels of tax contingencies required. At 31 December 2021, a tax payable liability of £0.7 billion, including provisions for uncertain tax positions, was recognised on the Group's balance sheet.</p>
Impairments of intangible assets	<p>The Committee reviewed management's process for reviewing and testing goodwill and other intangible assets for potential impairment. The Committee accepted management's judgements on the intangible assets that required writing down and the resulting impairment of £455 million in 2021. See Note 20 to the financial statements, 'Other intangible assets' for more details.</p>
Valuation of contingent consideration in relation to Viiv Healthcare	<p>The Committee considered management's judgement that it was necessary to increase the liability to pay contingent consideration as a result of increases in sales forecasts as well as the unwind of the discount and updated exchange rate assumptions. After cash payments of approximately £0.8 billion in the year, at 31 December 2021, the Group's Balance sheet included a contingent consideration liability of £5.6 billion in relation to Viiv Healthcare. The settlement with Gilead resulted in a re-measurement of the existing liabilities for the contingent consideration at the year end and is included in the closing balance.</p>
Viiv Healthcare put option	<p>The Committee reviewed and agreed the accounting for the Pfizer put option and concurred with management's judgement on the valuation of the put option of £1.0 billion at 31 December 2021. The settlement with Gilead resulted in a re-measurement of the Pfizer put option at the year end and is included in the closing balance.</p>

Our Board committee reports continued

Auditor's reappointment

External auditor

External auditor appointment

Last tender	May – December 2016
Transition year	2017
First shareholder approval of current auditor	May 2018
First audited Annual Report and 20-F	Year ending 31 December 2018
Next audit tender required by regulations	2026

There were no contractual or similar obligations restricting the Group's choice of external auditor. The Committee considers that during 2020 the company complied with the mandatory audit processes and audit committee responsibility provisions of the Competition and Markets Authority Statutory Audit Services Order 2014.

Effectiveness and quality of external audit process

The Committee is committed to ensuring that GSK receives a high-quality and effective external audit. In evaluating Deloitte's performance during 2020, prior to making a recommendation on its reappointment in early 2021, the Committee reviewed the effectiveness of its performance against the criteria which it agreed with management at the beginning of 2020. The detailed criteria used for judging the effectiveness of Deloitte as external auditor (which are based on audit approach and strategy, high-quality independent audit, effective partnership and value for money) and its overriding responsibility to deliver a smooth, thorough and efficiently-executed audit for 2021 are available on gsk.com. In undertaking its review, the Committee considered:

- the overall quality of the audit
- the independence of Deloitte
- whether Deloitte exhibited an appropriate level of challenge and scepticism in its work

Deloitte's length of tenure was not taken into account when assessing its independence and objectivity, as it was only recently appointed as GSK's auditor. However, the Committee did consider how effectively it had assumed its role as auditor. The Committee also considered feedback on the 2021 external audit, through a survey of Committee members and the financial management team at corporate and business unit level. The survey covered the:

- effectiveness of the auditor's challenge
- integrity of Deloitte
- transparency of its reporting to management and the Committee
- clarity of the auditor's communication and ways of working
- alignment of the 2021 audit to the Group's investment in Systems, Applications and Products (SAP)
- quality of the audit team's leadership
- skills and experience of the audit team

The Committee Chair regularly meets independently with the audit partners. The Committee also meets the auditor at the end of each meeting to discuss progress, as appropriate. Having reviewed the above feedback, and noted any areas of improvement to be implemented by the audit team for 2022, the Committee was satisfied with the:

- effectiveness of the auditor and the external audit process and
- auditor's independence, qualifications, objectivity, expertise and resources

The Committee therefore agreed to recommend the reappointment of Deloitte to the Board at the forthcoming AGM. In making its recommendation, the Committee was free from the influence of any third party.

Non-audit services

Our management operates on the presumption that other accountancy firms will provide non-audit services to GSK. However, where the external auditor's skills and experience make it the only suitable supplier of non-audit support – such as for audit-related matters, tax, and other services – it may be used, in the best interests of the company. In line with GSK's non-audit services policy, the Committee must ensure that auditor objectivity and independence is safeguarded by reviewing and pre-approving the external auditor's provision of such services. The company policy complies with the FRC's 2019 Revised Ethical Standard and the Sarbanes-Oxley Act of 2002. It observes the following core policy features on engaging the external auditor for non-audit services:

GSK non-audit services policy, key features:

Process: All non-audit services over £50,000 are put to competitive tender with other financial services providers, in line with the Group's procurement process, unless the skills and experience of the external auditor make it the only suitable supplier.

Safeguards: Adequate safeguards are established so that the objectivity and independence of the Group audit are not threatened or compromised.

Fee cap: The total fee payable for non-audit services should not exceed 50% of the annual audit fee, except in special circumstances where there would be a clear advantage in the auditor undertaking the additional work.

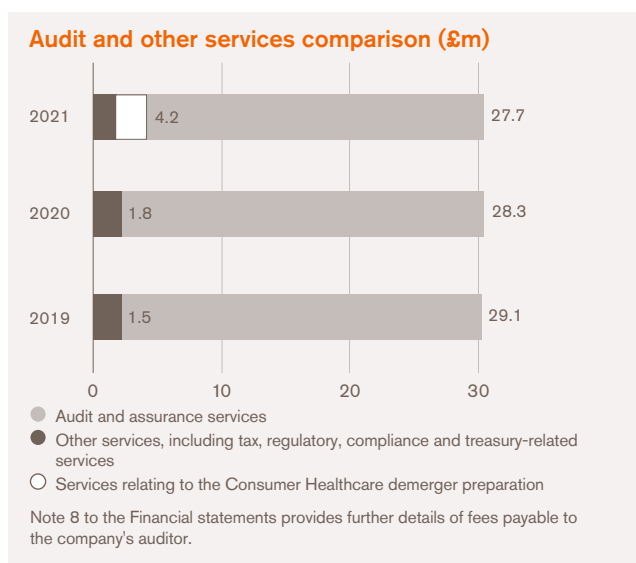
Prohibitions: GSK's policy includes a 'whitelist' of permitted non-audit services in line with the relevant regulations. Any service not on this list is prohibited.

Pre-approval: All non-audit services require pre-approval as set out in the table below to ensure services approved are consistent with GSK's non-audit policy for permissible services. This process ensures all services fall within the scope of services permitted and pre-approved by the Committee and does not represent a delegation of authority for pre-approval.

Value	Pre-approver
More than £50,000	Committee Chair and CFO
Between £25,000 and £50,000	Group Financial Controller
Under £25,000	Designate of the Group Financial Controller

The fees paid to the company's auditor and its associates are set out overleaf. Further details are given in Note 8 to the financial statements, 'Operating profit' on page 184.

Our Board committee reports continued



During the year, fees for audit related and other assurance services of £4.0 million have increased by £2.4 million compared to 2020. This increase is due to work associated with Deloitte's reporting accountant role in preparing for the demerger of the Consumer Healthcare business. Including audit fees in respect of the GSK pension schemes of £0.2 million, fees for audit related and other assurance services represent 15.2% of the annual audit service fee (2020: 6.3%). Excluding the demerger work, fees for audit related and other assurance services would have represented 2.2% of the annual audit fee.

The Committee considered that hiring Deloitte to undertake the reporting accountant role for the demerger was in the best interests of shareholders because:

- Deloitte possessed the type of expertise, experience, size and international scope required to handle a major demerger of this scale and complexity
- the company benefited specifically from Deloitte's in-depth knowledge and understanding of our CH business and their processes and compliance environment and
- management time, that would otherwise have been devoted to educating another firm on the company's business and operations, could instead be spent on delivering the demerger and creation of Haleon.

The Committee considered the level of non-audit services incurred as part of its annual review of Deloitte's independence set out on page 114 and was satisfied that the auditor continued to be independent and exercise objectivity throughout 2021.

Fair, balanced and understandable assessment

The need for an annual report to be fair, balanced and understandable is one of the key compliance requirements for a company's financial statements. To ensure that GSK's Annual Report meets this requirement, we have a well-established and documented process governing the coordination and review of Group-wide contributions to the publication. This runs in parallel with the process followed by the external auditor. The Committee received a summary of management's approach to GSK's 2021 Annual Report to ensure it met the requirements of the FRC's Code. This enabled the Committee, and the Board, to confirm that GSK's 2021 Annual Report as a whole is fair, balanced and understandable and provides the necessary information for shareholders to assess the company's position and performance, business model and strategy.

Code of Conduct and reporting lines

We have a number of well-established policies (including a Code of Conduct), which are available on gsk.com, together with details of our confidential Speak Up lines for reporting and investigating unlawful conduct.

Charles Bancroft

Audit & Risk Committee Chair
 28 February 2022

Section 172 statement

Company directors are required by law to promote the success of their organisation for the benefit of both shareholders and their wider stakeholders, including employees, suppliers and the community.

This statement aligns to such requirements, as set out in Section 172 and Section 414CZA of the Companies Act 2006 (the Act). It indicates how, during the year, our Directors addressed the matters set out in Section 172(1) (a) to (f) of the Act when performing their duties. To avoid duplication, it incorporates information from other areas of the Annual Report. The Board considers that the statement focuses on those risks and opportunities that are strategically important to GSK, and consistent with the Group's size and complexity.

This allows it to build trust and fully understand the potential impacts of the decisions it makes on all our stakeholders. Our engagement with GSK's main stakeholder groups, including our patients, shareholders, consumers, customers and employees at all levels and across the organisation, are summarised on pages 44 and 45 of our strategic report.

The company's governance architecture and processes are summarised on pages 94 to 103 of our Corporate Governance report. This summary explores how the Board considers all relevant matters in making its principal decisions to contribute to the delivery of GSK's long-term priorities of Innovation, Performance and Trust.

More information on the issues, factors and stakeholders that the Board considers relevant to complying with Section 172(1) (a) to (f) of the Act can be found in the locations outlined below.

The Board has had regard to the following matters:

(a) Long-term results

The likely consequences of any decision in the long-term

Strategic report:

Our business model (page 1)
Chair's statement (page 3)
CEO's statement (page 5)
Key performance indicators (page 12)
Risk management (page 46)
Viability statement (page 53)

Corporate Governance report:

Chair's governance statement (page 89)
Board activity (page 95)
Board progress in 2021 (page 96)
The Board's approach to continuous engagement (page 99)
Board-led purpose and culture (page 102)
Audit & Risk Committee report (page 111)

(d) The community and our environment

The impact of the Group's operations on the community and our environment

Strategic report:

Trust section including:
Environment (page 39)
Environment, Health and Safety, and Environmental Sustainability risks (page 48)
Climate-related financial disclosure (page 49)

Corporate Governance report:

Corporate Responsibility Committee report (page 104)

gsk.com:

ESG Performance Report

(b) Our workforce

The interests of the Group's employees

Strategic report:

Our business model (page 1)
Our culture (page 11)
Being a modern employer (page 37)
Stakeholder engagement (page 44)

Corporate Governance report:

Board activity (page 95)
Board progress in 2021 (page 96)
The Board's approach to continuous engagement (page 99)
Board-led purpose and culture (page 102)
Audit & Risk Committee report (page 111)
Nominations & Corporate Governance Committee report (page 107)

Remuneration report:

Remuneration Committee Chair's statement (page 120)
Directors' pay in a wider setting (page 132)

gsk.com:

Gender pay gap report

(e) Our reputation

Our desire to maintain our reputation for high standards of business conduct

Strategic report:

Our culture (page 11)
Trust (page 34)
Ethics and values (page 38)
Human rights (page 38)
Reporting and investigating concerns (page 38)
Anti-bribery and corruption risk (pages 47 and 279)
Non-financial information statement (page 54)
Our approach to tax (page 60)

Corporate Governance report:

Corporate Responsibility Committee report (page 104)

gsk.com:

Modern slavery statement

(c) Our business relationships

The importance of developing the Group's business relationships with suppliers, customers and others

Strategic report:

Our business model (page 1)
Our external environment (page 13)
Stakeholder engagement (page 44)
Innovation (page 17)
Performance (page 29)
Reliable supply (page 38)
Working with third parties (page 38)
Risk management (page 46)

Corporate Governance report:

Board activity (page 95)
Board progress in 2021 (page 96)
The Board's approach to continuous engagement (page 99)
Audit & Risk Committee report (page 111)
Corporate Responsibility Committee report (page 104)

(f) Fairness between our shareholders

Our aim to act fairly as between members of the Group

Corporate Governance report:

Chair's governance statement (page 89)
The Board's approach to continuous engagement (page 99)
Transformation & Separation Committee report (page 110)
Investor information (page 257)

Directors' report

Our Directors' powers are determined by UK legislation and our Articles of Association, which contain rules about the appointment and replacement of Directors. They provide that Directors may be appointed by an ordinary resolution of the members or by a resolution of the Board, provided that, if appointed by the Board, the Director retires at the next Annual General Meeting following their appointment.

Our Articles also provide that all Directors are required to seek re-election annually at the Annual General Meeting in accordance with the FRC's Code.

A Director will cease to be a Director if he or she:

- becomes bankrupt
- ceases to be a Director by virtue of the Companies Act or the Articles
- suffers mental or physical ill health and the Board resolves that he or she shall cease to be a Director
- has missed Directors' meetings for a continuous period of six months without permission and the Board resolves that he or she shall cease to be a Director
- is prohibited from being a Director by law
- resigns, or offers to resign and the Board accepts that offer
- is required to resign by the Board

Directors' conflicts of interest

All Directors have a duty under the Companies Act 2006 to avoid a situation in which they have, or could have, a direct or indirect conflict of interest or possible conflict with the company. Our Articles provide a general power for the Board to authorise such conflicts.

The Board reviews any new potential or actual conflict, which is recorded by the Company Secretary. Directors are not counted in the quorum for the authorisation of their own actual or potential conflicts. The Nominations & Corporate Governance Committee reviews the Register of Conflicts on an annual basis which the Board subsequently approves.

On a continuing basis, the Directors are responsible for informing the Company Secretary of any such new actual or potential conflicts that may arise or if there are any changes in circumstances that may affect an authorisation previously given. Even when provided with authorisation, a Director is not absolved from his or her statutory duty to promote the success of the company. If an actual conflict arises post-authorisation, the Board may choose to exclude the Director from receipt of the relevant information and participation in the debate, or suspend the Director from the Board, or, as a last resort, require the Director to resign.

The Nominations & Corporate Governance Committee reviewed the register of potential conflict authorisations (the Register of Conflicts) in January 2022. The Committee reported to the Board that the conflicts had been appropriately authorised and that the process for authorisation continued to operate effectively. The Committee then recommended the approval of the Register of Conflicts to the Board which it subsequently approved. Except as described in Note 39 to the financial statements, 'Related party transactions', during or at the end of the financial year no Director or Person Closely Associated had any material interest in any contract of significance with a Group company.

Our Articles prohibit a Director from voting on any resolution concerning his or her appointment or the terms or termination of his or her appointment.

Independent advice

The company has an agreed procedure for Directors to take independent legal and/or financial advice at the company's expense where they deem it necessary.

Indemnification of Directors

Qualifying third party indemnity provisions (as defined in the Companies Act 2006) are in force for the benefit of Directors and former Directors who held office during 2021 and up to the approval and signature of the Annual Report.

Change of control and essential contracts

We do not have contracts or other arrangements which individually are fundamental to the ability of the business to operate effectively. Neither is the company party to any material agreements that would take effect, be altered, or terminate upon a change of control following a takeover bid. We do not have agreements with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the company's share plans may cause options and awards granted under such plans to vest on a takeover.

Details of the termination provisions in the Executive Directors' service contracts are given in the full version of the company's 2020 Remuneration policy which is available at www.gsk.com in the Investors section.

Directors' Report continued

Content of the Directors' report

For the purposes of the UK Companies Act 2006, the Directors' report of GlaxoSmithKline plc for the year ended 31 December 2021 comprises:

Directors' report

Section	Pages
Corporate governance report	82 to 118
Employee engagement	100
Directors' statements of responsibilities	154 to 155
Investor information	257 to 310

The strategic report sets out those matters required to be disclosed in the Directors' report which are considered to be of strategic importance:

Strategic report

Section	Pages
Risk management objectives and policies	46 to 54 and 275 to 287
Likely future developments of the company	1 to 81
Research and development activities	17 to 28
Business relationships	38
Diversity	37
Provision of information to and consultations with employees	11 and 37
Carbon emissions	39
Section 172 statement	44 to 45 and 116

The following information is also incorporated into the Directors' report:

	Location in Annual Report
Interest capitalised	Financial statements, Notes 17 and 20
Publication of unaudited financial information	Group financial review, page 55
Details of any long-term incentive schemes	Remuneration report
Waiver of emoluments by a Director	Not applicable
Waiver of future emoluments by a Director	Not applicable
Non pre-emptive issues of equity for cash	Not applicable
Non pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking	Not applicable
Parent company participation in a placing by a listed subsidiary	Not applicable
Provision of services by a controlling shareholder	Not applicable
Shareholder waiver of dividends	Financial statements, Notes 16 and 44
Shareholder waiver of future dividends	Financial statements, Notes 16 and 44
Agreements with controlling shareholders	Not applicable

The Directors' report

- has been drawn up and presented in accordance with and in reliance upon English company law and the liabilities of the Directors in connection with that Report shall be subject to the limitations and restrictions provided by such law.
- was approved by the Board of Directors on 28 February 2022 and signed on its behalf by:

Sir Jonathan Symonds

Chair
28 February 2022