GSK

Ahead Together

Our pathway to net zero impact on climate

March 2023

We're committed to a net zero, nature positive, healthier planet, with ambitious goals set for 2030 and 2045.

This document gives more detail on the pathway we have set to a net zero impact on climate, although there are many interdependencies with our nature goal.

Our climate targets

We have set a clear pathway to a net zero impact on climate. By 2030, we aim to reduce carbon emissions by 80% with the remainder offset through investment in high-quality nature-based solutions, and by 2045, we aim to be at the Science Based Target Initiative Net Zero Standard, with carbon emissions reduced by at least 90% and the remainder tackled through high-quality offsets.

2025

100% renewable electricity (scope 2)

2030

80% reduction in carbon emissions and investment in nature-based solutions for the remaining 20% of our footprint (all scopes)*

2045

Net zero emissions across our full value chain by 2045 (all scopes)

- Our net zero targets cover the full value chain of emissions reductions, from a baseline of 2020
- We have re-submitted our new carbon targets and pathway to the Science Based Targets Initiative to verify that they align to a 1.5° pathway, following the demerger of our Consumer Healthcare business
- We have submitted our 2045 target to the Science based Targets Initiative for verification by their Net Zero Standard
- We disclose progress against these targets annually in our Annual Report and ESG Performance Report

* Previously stated as net zero by 2030, and updated to align with the SBTI Net Zero Standard. See page 16 of the ESG Performance Report for more context

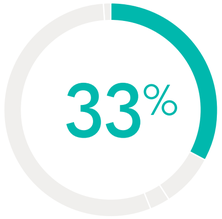
Our value chain carbon footprint

We have mapped our carbon footprint across our value chain to ensure we have a clear understanding of where to focus our efforts, which informs our pathway to net zero.

This is the first time we have restated our footprint as a fully focused biopharma company, following the demerger of our Consumer Healthcare business.

Purchased goods and services

Scope 3 emissions from the goods and services that GSK buys from other companies.

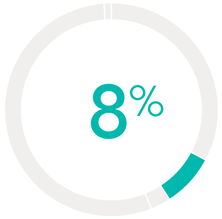


3.1m tonnes CO_2e per annum

Purchased goods	1.8m tonnes CO_2e per annum
Purchased services	0.9m tonnes CO_2e per annum
Capital investments	0.2m tonnes CO_2e per annum
Commuting	0.05m tonnes CO_2e per annum
Business travel	0.05m tonnes CO_2e per annum
Upstream energy	0.1m tonnes CO_2e per annum

GSK's operations

Scope 1 and 2 emissions from running our labs, factories and commercial offices.*



0.8m tonnes CO_2e per annum

Energy	0.5m tonnes CO_2e per annum
HFA and manufacturing emissions	0.2m tonnes CO_2e per annum
Sales force	0.1m tonnes CO_2e per annum

* Scope 1 and 2 market-based emissions

Logistics

Scope 3 emissions from delivering medicines and vaccines across the globe.

0.3m tonnes CO_2e per annum

Upstream logistics	0.2m tonnes CO_2e per annum
Downstream logistics	0.1m tonnes CO_2e per annum

Patient use

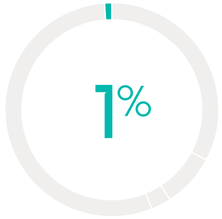
Scope 3 emissions from patients using our products.

5.1m tonnes CO_2e per annum

Use of metered dose inhalers	5.0m tonnes CO_2e per annum
Use of other products	<0.1m tonnes CO_2e per annum

Disposal

Scope 3 emissions from the disposal of our products by GSK patients.



0.1m tonnes CO_2e per annum

9.39m
Total estimated GSK emissions
tonnes CO_2e per annum*

* based on data from 2021

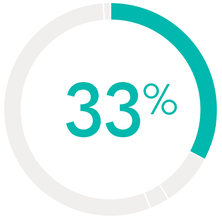
Priority actions to reduce emissions

We are taking action to reduce emissions across our full value chain, prioritising the highest impact areas.

Beyond 2030 we expect we will be left with the harder to tackle emissions from across our supply chain, our own operations, logistics, and disposal. Addressing these residual emissions will in many cases be dependent on technologies, infrastructure and regulatory frameworks that will require broad public/private collaboration, and so our decarbonisation is interdependent and following a similar timeframe to the broader economic transition.

Purchased goods and services

Scope 3 emissons



3.1m tonnes CO_2e per annum

- Sustainable Procurement Programme, driving targeted supplier engagement and setting sustainability standards
- Deep engagement with 30 most impactful suppliers
- Peer collaboration through Energize programme to expand access to renewable electricity across our shared supply chains
- Manufacture 2030 helping with engagement, measurement and the development of emission reduction glidepaths for suppliers
- Activate programme with peers to reduce the environmental impact in Active Pharmaceutical Ingredient value chains

GSK's operations

Scopes 1 and 2 emissons

0.8m tonnes CO_2e per annum

Renewable electricity and heat

- Members of RE100
- Onsite production through wind turbines and solar panels, together with buying green electricity
- Developing green heat strategy

Electric vehicles

- Members of EV100
- Committed to transition our sales fleet to low-carbon vehicles by 2030
- Target to install charging infrastructure at 100 sites

Energy reductions

- Ongoing focus on energy efficiency programmes

Logistics

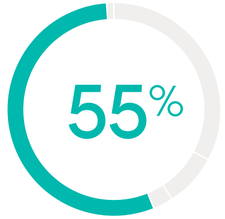
Scope 3 emissons

0.3m tonnes CO_2e per annum

- Maximising transition from air freight to sea freight
- Ensuring full container optimization
- Sector peer collaboration to identify common logistic routes and to pilot 'green corridors'

Patient use

Scope 3 emissons



5.1m tonnes CO_2e per annum

- Predominantly from the propellant used in metered dose inhalers (MDIs) for asthma and chronic obstructive pulmonary disease
- Investing in an R&D programme to reduce greenhouse gas emissions, with good progress towards reformulating an alternative gas that could reduce the climate impact by up to 90%, if the clinical trials are successful
- Beyond MDIs, product stewardship programme to embed eco-design principles for all new products

Full carbon footprint includes 1% scope 3 emissions from the disposal of our products by GSK patients.

Our approach to carbon offsets

Whilst we are focused on emissions reductions to meet our carbon targets, at the same time, we are investing in high quality nature protection and restoration projects that support our net-zero and nature positive goals, and deliver co-benefits to human health.

We plan to secure carbon credits for the 20% emissions we estimate to have as residual in 2030, and for a maximum of 10% residual emissions by 2045. We aim to secure all of the credits for the 2030 target through nature investments by 2028. These credits will be issued later in the decade and will be retired against our 2030 residual emissions and onwards, yearly.

For our 2030 target we are prioritizing carbon removal credits, but we will also secure a proportion of carbon avoidance and reductions credits in recognition of their critical role in conserving existing carbon stocks and protecting nature. For our 2045 Net Zero target, we will aim to only secure carbon removal credits.

We plan to secure carbon credits for the 20% emissions we estimate to have as residual in 2030, and for a maximum of **10% residual emissions by 2045**.

Credit quality and integrity

We understand the scepticism around the quality of some of the existing carbon credits in the Voluntary Carbon Market (VCM). That's why we aim to ensure our credits are of the highest quality:

- We partner with expert developers and NGOs to invest in early-stage projects for the long term and ensure the design is inclusive of nature and health co-benefits
- We work with external experts to identify appropriate criteria for investments, covering carbon technical aspects (scientific verification, additionality, leakage, permanence etc) and other impacts (avoidance of harm, benefit-sharing mechanism, IPLC and vulnerable communities' co-benefits, scientific innovation, etc)
- We work with multiple partners to run extensive due diligence on projects before investments
- We are testing guidance provided by the Voluntary Carbon Market Integrity Initiative, which is working to establish a globally standardised benchmark to guide the use of carbon credits by companies

Current projects in our portfolio

We are investing in community-led projects with an aim to restore over 2500 hectares of mangroves in Indonesia. Mangroves play a crucial role in climate regulation and climate change mitigation because of their carbon sequestration potential. Also, mangroves make the local population more resilient to flooding, improve the local fish ecosystem, water quality, and contribute to local health and livelihood.

Project expected to deliver between 120,000 and 240,000 tonnes of removal credits annually from 2028 to 2035.

The Carbon Trust have certified one of our dry powder inhalers in the UK as our first carbon neutral medicine. We've achieved this through starting to deliver a product-specific carbon reduction plan and then offsetting the remaining carbon that cannot currently be reduced by supporting a reforestation project in Ghana.

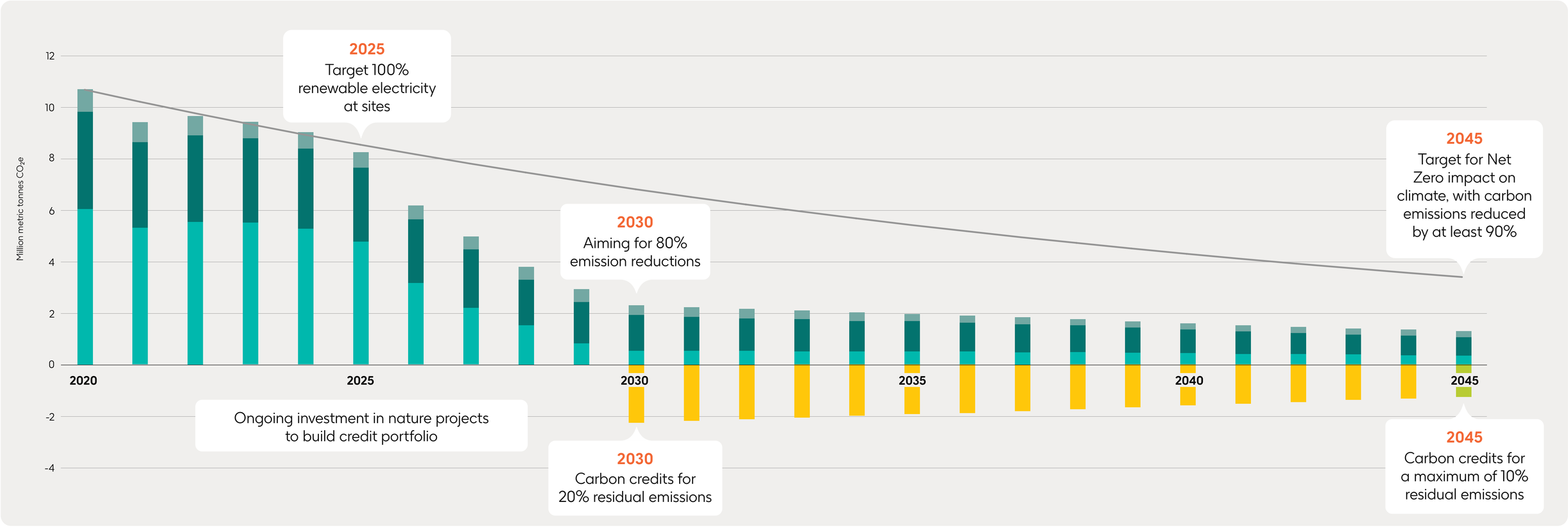
We are open to co-investment opportunities if they increase the scale of the potential impact on the ground and reduce the risks, intrinsic in nature projects. For example, we are part of the LEAF coalition (Lowering Emissions by Accelerating Forest finance), a private-public effort to protect tropical forests.

Credit volume secured through LEAF to be confirmed.

We recognise that this is a fast-moving space, and that methodologies and guidelines will likely evolve as we implement our plans. We commit to remaining flexible and transparent about our progress and learning.

Our pathway to net zero

The graph below shows our projected carbon reduction pathway to 2030 and 2045 across the different parts of our carbon footprint, along with our planned offsets.



KEY:

- Patient use/Disposal: scope 3 emissons
- Purchased goods and services/ Logistics: scope 3 emissons
- GSK's operations: scope 1 and 2 emissions
- Retirement of removal, reduction and avoidance credits
- Retirement of removal credits only
- SBTI 1.5° pathway

Ahead Together

Annual progress against these targets is published in the ESG Performance report
ESG resources | GSK

Our TCFD disclosure is published in the Annual Report
Financial reports | GSK

More information about our approach to sustainability is on our website here:
Environmental sustainability | GSK

gsk.com