Responsible business

Our approach to ESG is an integral part of our strategy and investment case. It helps us build trust and create value for our shareholders and society – so we can get ahead of disease together.

Responsible business

Being a responsible business means getting ahead of disease together in the right way. We therefore need to consider ESG impacts across everything we do, from the lab to the patient. That's why ESG is embedded in our strategy and supports our sustainable performance and long-term growth. It helps us build trust with and deliver returns to our stakeholders, reduce risk to our operations and deliver positive social impact.

Our six ESG focus areas

We can only deliver on our purpose if we embed ESG into everything that we do. We have identified six ESG focus areas that address what is most material to our business and the issues that matter to our stakeholders. These focus areas are core to our strategy and are the areas where we can have the greatest positive impact on some of society's most urgent challenges. These focus areas are:

- Access to healthcare
- Global health and health security
- Environment
- Diversity, equity and inclusion
- Ethical standards
- Product governance

Our approach is guided by extensive stakeholder engagement and the key issues relevant to our industry and company. The results of our most recent materiality assessment reaffirmed that the most material issues for our business were well aligned with our six ESG focus areas. We are aware, however, that being a responsible business is not a static requirement and our operating environment continues to change at pace. We will continue to adapt, respond and proactively change our approach, to ensure GSK continues to deliver strong ESG performance.

Our ESG Performance Rating

To support the integration of ESG into strategy delivery and to make our ESG performance measurable and verifiable, we have introduced a new ESG Performance Rating. The rating is one of our corporate KPIs and measures progress against key metrics aligned to each of our six focus areas. In 2022, this included 23 metrics, and we cover our performance against these in this section of the report.

The metrics were developed with stakeholder input, and our understanding of the key issues for our industry and our company. We are committed to ensuring that our ESG Performance Rating responds to stakeholder expectations, so we will continue to review the metrics as our business and external expectations change.

To create the ESG Performance Rating, management sought metrics that:

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

How we assess performance

GLT is accountable for delivering progress against the metrics and regularly reviews performance along with the Board's Corporate Responsibility Committee (CRC). Each individual metric is assessed as either: on track (metric met or exceeded); on track with work to do (at least 80% of metric has been achieved); or off track (metric missed by more than 20%).

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

On track: 70% of all metrics are on track

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

Off track: more than 50% of all metrics are off track

2022 ESG Performance Rating

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

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

External benchmarking

Detailed below is how we perform in key ESG ratings that we are frequently asked about by investors:

- **Access to Medicines:** Ranked 1st in the Access to Medicines Index in 2022 and an industry leader in the 2021 Antimicrobial Resistance Benchmark
- **S&P Corporate Sustainability Assessment:** Ranked 2nd in the pharmaceuticals industry with a score of 86 (as at 17 February 2023) and included in the DJSI World and Europe indices
- **FTSE4Good:** Member of FTSE4Good Index since 2004
- **CDP:** A- in Climate change, B in Water security, A- in Forests (palm oil) and B in Forests (timber)
- **Sustainalytics:** Low risk rating
- **MSCI:** AA rating
- **Moody's ESG solutions:** Ranked 2nd in the pharmaceuticals sector
- **ISS Corporate Rating:** B+ rating

+ For full details of progress against our six focus areas, our latest materiality assessment and our ESG Performance Rating and 23 metrics, please see our ESG Performance Report

Access

Our ambition is to positively impact the health of 2.5 billion people by the end of 2030. We will achieve this by developing vaccines and medicines and making them available through responsible pricing, strategic access programmes and partnerships.

Our commitment

Make our products available at value-based prices that are sustainable for our business and implement access strategies that increase the use of our medicines and vaccines to treat and protect underserved people.

How we assess performance

- Develop and externally publish pricing and access principles
- Progress towards our 2030 goal of reaching 1.3 billion people in lower income countries with our products

Progress in 2022

Putting the right value on innovation

We follow a set of pricing and access principles, published for the first time in 2022. These help us to get the balance right between responsible pricing and a sustainable, profitable business that allows us to re-invest financial returns in future innovation, while ensuring people can access medicines and vaccines.

In 2022, in the US, through GSK and ViiV Healthcare's Patient Assistance Programs Foundation, we provided prescribed medicines and vaccines to more than 78,000 low-income uninsured, underinsured and Medicare Part D patients.

In the US, during the year, our combined average net price (after discounts, rebates or other allowances) for our pharmaceutical and vaccines portfolio increased by 1.4%, while the average list price increased by 3.8% compared to 4.9% (list) for the industry, which demonstrates we are responsible in our pricing decisions[1]. Over the past five years, the average net price for our products decreased by 1.1% annually, while the average list price rose by 3.9% compared to 5.0% (list) for the industry[1].

Reaching patients in lower income countries

Our goal is to reach 1.3 billion people in lower income countries with our products by the end of 2030, through access initiatives such as voluntary licensing, donations and our work with Gavi, the Vaccine Alliance. In 2022, we reached 73 million people with our products and supplied an additional 533 million doses of albendazole[2]. In 2022, we ranked first in the Access to Medicines Index for the eighth consecutive time.

Vaccines

We have been a partner with Gavi since its foundation in 2000. We reserve our lowest vaccine prices for Gavi and similar organisations and, in 2022, we passed the milestone of supplying Gavi with more than one billion vaccines since 2010.

Our partnership includes supplying *Cervarix*, a critical vaccine in lower income countries for addressing cervical cancer. In 2022, we supplied around 40 million doses of our pneumococcal vaccine, *Synflorix*, to eight Gavi-eligible countries at our lowest price. Our *Rotarix* vaccine against rotavirus reaches children across 27 Gavi-eligible countries and four former Gavi countries. Since March 2021, as well as *Synflorix*, we have also offered *Rotarix* through the Humanitarian Mechanism, to civil society organisations serving refugees and working in other emergency situations. We are also a long-standing supplier of oral polio vaccines (OPV) through UNICEF and, in 2022 alone, supplied around 95 million doses to help eradicate polio.

Neglected tropical diseases

In 2022, we donated 533 million doses of albendazole, a medicine used to help eliminate lymphatic filariasis and treat soil-transmitted helminths. We have also extended our soil-transmitted helminths commitment to include pre-school children and made an additional commitment to donate albendazole for treatment of echinococcosis.

HIV

In 2022, ViiV Healthcare and the Medicines Patent Pool (MPP) signed a new voluntary licensing agreement to allow generic manufacturers to develop, manufacture and supply cabotegravir long-acting for HIV pre-exposure prophylaxis.

ViiV Healthcare also has voluntary licensing agreements with 17 generic manufacturers to produce and sell low-cost single or fixed-dose combination products containing our HIV medicine dolutegravir for adults in 95 low- and middle-income countries, with one direct licence and the others via the MPP. There are similar agreements with 14 generic manufacturers for children, covering 123 countries. As a result of these voluntary licence agreements, around 21 million people living with HIV across 122 countries had access to a generic product containing dolutegravir by the end of 2022. This is at least 80% of people living with HIV on antiretrovirals in low- and middle-income countries.

In 2022, ViiV Healthcare donated around 7,200 packs of antiretroviral medicines to NGO partners and national HIV and AIDS programmes to support people living with HIV who have been impacted by the conflict in Ukraine. ViiV has also provided over £800,000 through its Positive Action programme to support 11 community-based organisations with humanitarian response activities, both within Ukraine and in surrounding countries hosting refugees.

1 Industry averages are sourced from *Drug Channels* annual brand-name drug list change report

2 The 73 million figure includes people reached with *Synflorix*, *Rotarix*, *Cervarix*, OPV and *Mosquirix* vaccines and people with access to a generic dolutegravir product through our voluntary licensing agreements; however it does not include people reached through albendazole, for which an assessment will be made in 2025 by the WHO and GSK

Positive Action, ViiV Healthcare's community grant-giving programme, celebrated its 30th anniversary in 2022 with a year-long campaign to showcase the people at the heart of the programme, the partners in implementation and the progress made through collaboration. It invested more than £12.6 million in 2022, reaching approximately 392,000 people and providing 137 grants across 33 countries.

Malaria

Working with our partners, more than 1.2 million children in Africa have now received at least one dose of our malaria vaccine, *Mosquirix* (RTS,S/AS01 E). In September 2022, the WHO awarded pre-qualification to the vaccine.

This is a prerequisite for UN agencies to procure the vaccine, and an important step in rolling it out in countries with moderate to high *P. falciparum* malaria transmission.

GSK, PATH and Bharat Biotech have agreed a product transfer to help ensure long-term supply of the RTS,S malaria vaccine. We have committed to supply up to 18 million doses over the next three years, in addition to our donation of up to 10 million doses to the WHO-coordinated Malaria Vaccine Implementation Programme in Ghana, Kenya and Malawi.

+ **For full details of our progress against our six focus areas, please see our ESG Performance Report**

Global health and health security

We use our expertise to address the biggest health challenges for underserved people around the world.

Our commitment

To develop novel products and technologies to treat and prevent priority diseases, including pandemic threats.

How we assess performance

– Progress three Global Health pipeline assets to address priority WHO diseases

Progress in 2022

Global health R&D

In June 2022, GSK, including ViiV Healthcare, announced a £1 billion investment in R&D to help us get ahead of infectious diseases in lower income countries. The 10-year investment will support R&D on new medicines and vaccines to prevent and treat tuberculosis (TB), malaria, HIV, enteric diseases, and neglected tropical diseases, and to reduce AMR. In 2022, we progressed 12 Global Health pipeline assets to address priority WHO diseases, including malaria and TB, exceeding our target of three.

We want to discover shorter, simpler and safer treatments for TB. In 2022, alongside our partners and through public-private research consortiums, we continued to progress our pipeline of novel TB medicines. In 2022, we announced positive phase IIa study results for GSK3036656, a new first-in-class candidate medicine for patients with TB. Results of the study demonstrated the potential for the candidate to become a component of simpler treatment regimens in the future.

In partnership with BioVersys, the University of Lille and the Innovative Medicines Initiative (IMI) project, TRIC-TB, we also successfully completed phase I trials of BVL-GSK098, which has the potential to help tackle drug resistance by boosting the activity of an existing antibiotic.

With our partners, we've brought two products for the prevention and treatment of malaria to market – the world's first vaccine against malaria, and a single-dose, radical cure for *P. vivax* malaria.

In March 2022, the Australian regulator, the Therapeutic Goods Administration, approved the use of single-dose medicine tafenoquine in children aged two and above in combination with chloroquine for the radical cure of *P. vivax* malaria.

The FDA approved *Triumeq PD*, the first dispersible single tablet formulation containing dolutegravir for children weighing more than 10kg, which increases the age-appropriate treatment options for children living with HIV. At the end of 2022, the CHMP of the EMA also issued a positive opinion recommending marketing authorisation for *Triumeq PD* for children 14kg and above.

Invasive non-typhoidal salmonella disease can be life-threatening for children in Africa and is a key driver of AMR. We're using our innovative vaccine technology in partnership with the University of Oxford and Vacc-iNTS, to develop a potential candidate vaccine using our Generalised Modules for Membrane Antigens technology.

To help support global R&D, in December 2022, we announced the fourth call for proposals as part of the Africa Open Lab. The call for proposals is aimed at African early-career scientists who are based in sub-Saharan Africa, with a focus on infectious diseases which disproportionately affect sub-Saharan populations, such as malaria, TB and neglected tropical diseases.

Getting ahead of antimicrobial resistance

We have more than 30 R&D projects across medicines and vaccines that are relevant to AMR, ranging from early- to late-stage development. These include gepotidacin, which could be the first novel oral antibiotic treatment for uncomplicated urinary tract infections in over 20 years; and in 2022, we announced an exclusive licence agreement with Spero Therapeutics for tebipenem HBr, a late-stage antibiotic that may treat complicated urinary tract infections. 13 of these projects target pathogens deemed 'critical' or 'urgent' by the WHO and the US CDC. See page 22 for more about our R&D pipeline.

Surveillance is central to tackling AMR. In 2022, we shared data from our long-running Survey of Antibiotic Resistance (SOAR) study, which tracks community-acquired respiratory infections, with the new AMR Register, developed by Vivli. In 2022, we also worked with the AMR Industry Alliance to publish a new Antibiotic Manufacturing Standard. This provides clear guidance to manufacturers in the global antibiotic supply chain to help ensure that their antibiotics are made responsibly and in compliance with scientifically robust discharge limits.

+ For full details of our progress against our six focus areas, please see our ESG Performance Report

Future pandemic preparedness

In July 2022, GSK, along with other major biopharmaceutical companies, signed up to the Berlin Declaration. This sets out the industry's vision for equitable access during future pandemics.

The declaration stated the sector's willingness to reserve an allocation of real-time production of medicines and vaccines for distribution to priority populations, as determined by health authorities, during future pandemics.

In 2022, GSK concluded a series of contracts under which we would provide at least 200 million doses of pandemic influenza vaccine to governments around the world.

In February 2022, we extended our pandemic influenza vaccine stockpile contract with the United States government. This was followed by a renewed agreement, in June 2022, for supply of pandemic influenza vaccines to the WHO, and in July 2022, a contract with the government of Canada for both seasonal and pandemic influenza vaccines. We signed an agreement with Europe for the reservation and future production and supply of pandemic influenza vaccines. We are also continuing to partner with the BARDA to manufacture and assess the safety and immunogenicity of pandemic influenza vaccine candidates.

Environment

We continue to work hard to do more to protect the environment, often in partnership with others. We've set clear and measurable targets to help achieve our goals.

Our commitment

Commit to a net zero, nature positive, healthier planet, with ambitious goals set for 2030 and 2045.

How we assess performance

The following metrics are included in our ESG Performance Rating and support delivery of our carbon and nature ambitions:

- Climate
  - Operational emissions reduction (scope 1 and 2 market-based emissions)
  - Industrialisation of green *Ventolin* initiated, and clinical and non-clinical data available to support regulatory submissions
  - Percentage of carbon offset volume in project pipeline
- Water
  - Average of the percentage of GSK sites and suppliers compliant with wastewater active pharmaceutical ingredient limits and the percentage of suppliers that are compliant with the AMR Industry Alliance Common Antibiotic Manufacturing Framework and discharge limits
- Waste and materials
  - Operational waste and material reduction at our sites
- Biodiversity
  - Number of high-risk materials implementing sustainable sourcing roadmaps

Progress in 2022

Climate

We have set a clear pathway to a net zero impact on climate with ambitious goals for 2030 and 2045. We have updated our climate targets to be in line with the new Science Based Targets initiative (SBTi) Net-Zero Standard. By 2030, we aim to reduce carbon emissions across all scopes by 80%, against a 2020 baseline, with the remaining 20% offset through investment in high-quality nature-based solutions. We have also now set a longer-term target to reduce carbon emissions by at least 90% with the remainder tackled through high-quality offsets by 2045. For additional context on these changes see pages 16 and 17 of the ESG Performance Report.

Targets[1]**:**

- 80% reduction in carbon emissions and investment in nature-based solutions for the remaining 20% of our footprint by 2030 (all scopes)[2]
- 100% renewable electricity by 2025 (scope 2)
- Net zero emissions across our full value chain by 2045 (all scopes)[3]

1 Targets are measured against a 2020 baseline

2 Previously stated as net zero by 2030

3 This is a new longer-term target, aligned to the SBTi Net-Zero Standard definition of net zero

Responsible business continued

Performance

In 2022, we reduced our scope 1 and 2 carbon emissions by 6% compared with 2021. This was primarily through increasing our use of renewable electricity and continued delivery of energy efficiency across our sites, such as the installation of new solar panels, upgraded lighting and replacing chillers to reduce the use of ozone depleting refrigerant. As a member of RE100, we have committed to source 100% renewable electricity by 2025. In 2022, we reached 73%, an increase of 6% since 2021 and 28% since 2020.

Following the demerger of our Consumer Healthcare business, we are restating our value chain carbon footprint for our baseline year 2020. In 2021 (our latest available data), our scope 3 emissions reduced by 13% compared with 2020. These reductions reflect the evolution of our product portfolio.

Approximately 29% of our total emissions footprint comes from the goods and services that we buy. In September 2022, we launched a Sustainable Procurement Programme, which will require our suppliers to, among other things, disclose emissions, set carbon reduction targets aligned with 1.5°C, and switch to renewable power and heat.

We are also working with our peers through the Energize programme to encourage the use of renewable energy throughout the pharmaceutical sector's supply chain. In 2022, nine suppliers formed the first Energize buyer's cohort, who together will purchase two terawatt-hours of renewable electricity.

See pages 55 to 62 for our disclosure on climate risk and resilience in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Nature

We are committed to working towards our goal of having a net positive impact on nature by 2030, by reducing our environmental impacts across water, waste and materials, and biodiversity and by investing in protecting and restoring nature.

Targets[1]:

- Achieve good water stewardship at 100% of our sites by 2025[2]
- Reduce overall water use in our operations by 20% by 2030
- Be water neutral in our own operations and at key suppliers in water-stressed regions by 2030[2]
- Zero impact active pharmaceutical ingredient (API) levels for all sites and key suppliers by 2030[3]
- Zero operational waste, including eliminating single-use plastics, by 2030[4]
- 25% environmental impact reduction for our products and packaging by 2030
- 10% waste reduction from our supply chain by 2030
- Positive impact on biodiversity at all sites by 2030
- 100% agricultural, forestry and marine-derived materials sustainably sourced and deforestation free by 2030

Performance

In 2022, we reduced overall water use in our operations by 5% since 2021 and by 1% in sites in high water stress regions. This is a decrease of 23% for overall water use and 6% for sites in high water stress regions against our 2020 baseline. This achieved our 2030 overall water use reduction target, which we will now review. 100% of our sites are now good water stewards, in line with the Alliance for Water Stewardship's definition.

We have initially identified three water basins in water-stressed areas in Algeria, India and Pakistan where we have manufacturing sites, and where we aim to be water neutral. At our manufacturing facility in Nashik, India, we have built plants for rainwater harvesting.

In 2022, 100% of our sites and 98% of our suppliers that manufacture antibiotics complied with AMR Alliance industry standards on safe discharges.

In 2022, we continued to reduce the waste from our sites and increase the amount of materials recovered through circular routes like reuse or recycling. We are also targeting materials across our existing product portfolio.

We are progressing our plans for net positive biodiversity at our own sites by investing in individual site action plans that improve habitats, protect species and improve soil and water quality. In 2022, we completed baseline biodiversity assessments for 80% of our sites. We have commenced biodiversity uplift projects at our three largest R&D facilities. We have also completed a full assessment of our biodiversity impact (across the entire value chain) and will be taking targeted actions to address the highly-stressed areas.

In the lead-up to the UN Convention on Biological Diversity, the critical COP15 conference in Canada at the end of 2022, we worked with partners to call for mandatory disclosure by businesses and financial institutions of their impacts and dependencies on nature.

We are part of the LEAF Coalition (Lowering Emissions by Accelerating Forest finance), a private-public effort to protect tropical forests. We are also testing a framework for voluntary carbon credits from the Voluntary Carbon Market Integrity Initiative, which is working to establish a globally-standardised benchmark to guide the use of carbon credits by companies.

See pages 62 to 63 for how we plan to disclose on our impacts and dependencies on nature in line with the emerging Taskforce on Nature-related Financial Disclosures (TNFD) framework.

+ **For full details of our progress against our six focus areas, please see our ESG Performance Report**

1 Targets are measured against a 2020 baseline

2 See our Environment Basis of reporting for definition

3 Zero impact against predicted no effect concentrations

4 Where regulatory obligations allow, and excluding plastics which are critical to product discovery and development and health & safety

Diversity, equity and inclusion

Diversity, equity and inclusion (DEI) are central to our purpose of getting ahead of disease together. Being an inclusive and diverse business – and doing business inclusively – makes us more successful, making the most of our people's potential and increasing our positive impact.

Our commitment

Create a diverse, equitable and inclusive workplace; enhance recruitment of diverse patient populations in our clinical trials; and support diverse communities.

How we assess performance

- 75% of phase III trials initiated in 2022 will have proactive plans in place designed to enrol appropriately diverse trial participants, consistent with disease epidemiology
- Performance towards 2025 aspirations through fair and equitable opportunities:
  - have women hold at least 45% of VP-and-above roles globally by the end of 2025
  - have at least 30% ethnically diverse leaders in our roles at VP and above in the US, and increase the percentage of Black or African American, and Hispanic or Latinx VP-and-above leaders year on year
  - have at least 18% ethnically diverse leaders in our roles at VP and above in the UK, and increase the percentage of Black VP-and-above leaders year on year
- Improve year-on-year spend with certified US-based diverse-owned suppliers

Progress in 2022

Building an inclusive business

We are committed to improving diversity in clinical trial enrolment and are already using our disease insights to set diversity enrolment goals. At the end of 2022, 100% of GSK's phase III trials had a diversity plan in place to enrol the groups most affected by the disease being studied, based on epidemiology data. For example, in our hepatitis B trials, a disease that disproportionately affects people of African and Asian descent, 52% of participants are of Asian origin, and we are actively working to improve the representation of participants of African descent.

Our supplier diversity programme is well established in the US, and an expansion plan is being developed for the UK. We have a target to increase spend annually with certified US-based diverse-owned suppliers. This was significantly exceeded in 2022 through a combination of spend increases with selected suppliers in marketing, sales and technology, as well as identification of new global diverse suppliers and a strong multi-year strategy of engagement with key advocacy groups.

Our *GSK Science in the Summer* initiative offers free, hands-on STEM learning to students in traditionally under-represented groups in STEM careers or from under-resourced communities in the US. In 2022, it reached more than 30,000 students nationwide.

Nurturing all our people

In 2022, 42% of women held VP-and-above roles globally, compared with 40% in 2021. Women made up 47% of all employees in 2022, and 50% of all management roles.

We published our sixth UK gender pay gap report in 2022. Our gender pay gap for all permanent UK-based GSK employees is -1.36% (mean), compared to the national average of 13.9%. We published our first UK ethnicity pay gap report for 2022 using the same approach as our gender pay gap. Our ethnicity pay gap for all permanent UK-based GSK employees is 0.06% (mean), at this time there is no national average comparator.

In those countries that meet our criteria for data confidentiality and anonymity, we disclose the race and ethnicity of our people at each level and set aspirational targets. Currently, the US and the UK meet those criteria. In the US in 2022, we have 31.3% of ethnically diverse leaders at VP level and above, reaching our 2025 aspirational target of at least 30%, and increasing the percentage of Black or African American and Hispanic or Latinx people in those roles year on year. In the UK in 2022, we have 14.3% of ethnically diverse leaders at VP and above, continuing to make progress towards our 2025 aspirational target of reaching at least 18%. Black representation at VP and above remains flat and we will be focused in our efforts to achieve our aspiration for year-on-year growth.

We are members of the UK government's Disability Confident scheme and are an active member of the Valuable 500 pledge, a grouping of 500 global companies committed to placing disability inclusion on the leadership agenda. We are delivering on the scheme's objectives through our long-term, measurable, disability confidence plan, which includes educating our people on the issue.

In 2022, we introduced a new global minimum standard of 18 weeks' parental leave for primary and secondary carers for all forms of family, a new global minimum standard for care of a family member for end of life or serious health emergencies, insured benefits to include same sex partners wherever possible, a new financial wellbeing service and mental health training – available to everyone.

This year, we were recognised as a Gold employer within Stonewall's Top Global Employers Index. Our Allyship programme received an award recognising the tangible impact the campaign has had on the lives of LGBT+ employees. We also achieved the Human Rights Campaign Foundation's Best Places to Work for LGBT+ Equality standard in 2022.

+ For full details of our progress against our six focus areas, please see our ESG Performance Report

Ethical standards

Our culture guides our people to do the right thing and Speak Up about any concerns they have. It is important that all our people live up to this, and we expect the same of our suppliers.

Our commitment

Promote ethical behaviour across our business by supporting our employees to do the right thing and working with suppliers that share our standards and operate in a responsible way.

How we assess performance

- 100% of employees and complementary workers complete GSK's 2022 mandatory training
- Percentage of employees who believe they 'can and do Speak Up if things don't feel right' is above the general industry benchmark[1]
- Number of employees leaving GSK's employment for misconduct in the last 12 months versus the three-year rolling average
- 80% of direct high-risk suppliers achieve GSK's minimum EcoVadis score or have an improvement plan in place

Progress in 2022

Supporting GSK people to do the right thing

In 2022, we launched our new Code of Conduct which reflects our purpose to unite science, technology and talent to get ahead of disease together. Our new Code sets out the commitments we make as a company and to each other to deliver on our purpose and ambitions. In 2022, 100% of employees and 98% of complementary workers completed the accompanying global mandatory learning curriculum where due by year end.

Those in certain high-risk roles or geographic regions also complete additional anti-bribery and corruption (ABAC) training. In 2022, 100% of employees and 96% of complementary workers completed this training where due by year end. Our approach to managing ABAC risk, and other risks relating to ethical standards, forms part of our well embedded risk management framework, which is described in detail on pages 51 to 52.

Reporting and investigating concerns

This year, we have updated how we report the breakdown of types of policy violations to provide more granularity by case class. In 2022, we saw an overall decrease in disciplinary cases, attributed to, in part, a revision to our procedures for discipline regarding late completion of mandatory training, now reported under the employee conduct category.

Upholding our commitment to human rights

We are signatories to the UN Global Compact and our Human Rights Position statement lays out our commitment to the UN Guiding Principles on Business and Human Rights. During the year, we established a Human Rights Steering Group, which has a formal reporting mechanism to the Board's Corporate Responsibility Committee.

In 2022, we developed guidance to enhance supplier visits to help employees better understand labour and human rights non-compliances. To support this guidance, we also developed and delivered labour rights training to environment, health and safety (EHS) and procurement employees to better equip them to spot human rights issues when visiting suppliers.

We are committed to the application of fair and equitable pay practices, which includes ensuring that all employees globally receive pay that is competitive in their local markets and sufficient to support a sustainable standard of living. In 2022, we completed the first global living wage review in partnership with the Fair Wage Foundation. We assessed the pay of all our employees (over 75,000 people in 87 countries) and differences were detected in fewer than 200 cases, in 11 countries. All necessary adjustments will be made by the end of the first quarter of 2023. We will be factoring the living wage data into our standard compensation processes to ensure that we continue to offer a fair wage, and have built an annual living wage review into our standard cycle.

Working with third parties

We expect our third parties to meet our ABAC and labour rights standards and to comply with our standards on quality, health and safety, and the environment. See pages 285 to 295 for further information.

We updated our Third-Party Risk Management (TPRM) programme, which evaluates and mitigates risks introduced by third parties engaged by GSK to provide goods or services.

In 2022, for our high-risk third parties – determined by location in high-risk markets and size of spend – we performed 7,168 assessments across 20 risk areas. Over 62% of these assessments presented risks in one or more areas. Most of these third parties are goods and services providers (77%), distributors and wholesalers (5%), contract manufacturers and suppliers (1%) and direct material suppliers (1%). We also use tools to assess how suppliers manage risks, including EcoVadis desktop assessments.

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

We visit sites, in person or virtually, to help suppliers better understand and control their risks. The relaxation of travel restrictions has allowed us to increase in-person visits to identify and reduce risk, enabling us to conduct 50 physical visits across 63 priority suppliers this year[1]. We completed warehouse safety surveys for 54 priority suppliers, 38 contract manufacturing suppliers and 15 large warehouses that hold stock this year. These surveys have generated corrective and preventative action plans, all of which we expect to complete in 2023.

In 2022, we conducted 47 supplier audits, compared with 49 in 2021, following industry standard Pharmaceutical Supply Chain Initiative guidelines, with any corrective and preventative actions tracked to completion. We have also trained more than 600 supplier employees on EHS and ESG fundamentals in 2022, revised EHS contractual obligations, tracked management actions to completion and have helped suppliers improve their EcoVadis scores[2]. See page 293 for further information.

Data and engagement

We have created a new digital, privacy and information security team within Legal and Compliance, to streamline support and provide expertise around GSK's digital and data strategy.

Privacy and the ethical use of data are part of the global mandatory learning curriculum Living our Code that all our people have to complete. We ensure that key privacy personnel have certifications and sufficient training and experience to carry out their roles effectively.

We are investing in our AI/ML capability to, for example, help analyse patients' genetic data. We are mindful that AI and machine learning can raise ethical issues and are subject to evolving decisions from policymakers on how best to promote trust in these systems and avoid unintended outcomes or harmful impacts.

In R&D, we have oversight boards and a new advisory panel that oversees controls to manage how we use or re-use data and respond to bioethical questions in our research activities.

Political engagement

As a major multinational company, we seek to contribute to public policy debate, especially in relation to life sciences and healthcare. In all of our political engagements, we are committed to ensuring that we adhere to the highest ethical standards and legislative requirements. We do not make corporate political contributions, nor do we sponsor party political meetings anywhere around the world.

+ For full details of our progress against our six focus areas, please see our ESG Performance Report

Product governance

Ensuring the quality, safety and reliable supply of our products is critical to protecting patients and delivering health impact.

Our commitment

We commit to maintaining robust quality and safety processes, and using data and new technologies responsibly.

How we assess performance

- Average number of critical and major findings by FDA/MHRA/EMA regulators[3]
- Percentage of inspections from all regulators with no critical findings or official action indicated
- Number of FDA warning letters
- Total number of Class I/II external product recalls across all markets
- Register and disclose all human subject research of GSK products. Specifically, register protocol summaries for studies initiated in 2022; and disclose results summaries for studies with results due in 2022

Progress in 2022

A focus on quality management

Our GSK Quality Management System is a detailed and specific framework which describes how we comply with regulatory requirements and other standards across our markets. It addresses global and local regulations across manufacturing and distribution processes, and is based on principles defined by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use.

1 Our EHS priority suppliers are API suppliers who are, or will be, medically-, R&D- or revenue-critical to GSK, or are high spend suppliers

2 The 600 supplier employees trained includes data from our previous Consumer Healthcare business

3 We consider any observations from the FDA as major

Responsible business continued

Inspections, recalls and audit

In 2022, we had 122 regulatory inspections at our manufacturing sites and local operating companies, compared with 111 in 2021. We remain prepared for inspections from regulators and received no warning letters from the US FDA or critical findings from the Medicines and Healthcare products Regulatory Agency (MHRA) and EMA regulators in 2022; however we received one critical finding from the Chinese regulator[1]. We continue to learn from and respond to all inspection findings, taking the necessary action to address them.

Throughout 2022, we had no Class I product recalls. There were fewer Class II and III recalls than in 2021[2]. We will not hesitate to voluntarily recall products to protect patients.

Working with our suppliers on quality

We expect all our contract manufacturers and suppliers to comply with GSK standards, and regularly conduct audits to verify that they do. In 2022, we conducted 1,060 quality audits of suppliers, with an increased focus on API suppliers.

We have a comprehensive quality oversight model that is aligned to our Quality Management System and uses a risk-based approach to assess, qualify, manage and monitor our third-party suppliers, driving continuous performance.

Maintaining pharmacovigilance

Pharmacovigilance aims to protect those who use medicines and vaccines and support public health programmes with reliable, comprehensive information on the overall benefit-risk balance of our products. We have a well established and rigorous worldwide system to monitor and review the safety of our products throughout clinical development and after regulatory approval.

Vigilance against falsified medicines and vaccines

We have a robust approach to handling all falsified product incidents, ensuring that cases of confirmed counterfeit products are reported to the WHO and to relevant regulatory authorities. We actively participate in legal proceedings against illegal actors, provide regular training to customs and local authorities and we monitor online marketplaces and social media to request takedowns of sites illicitly selling prescription-only medicines.

Committed to transparency

As part of our commitment we have made 7,377 protocol summaries and 6,295 summaries of results available since the set-up of the GSK trial register in 2004. We have also listed 2,559 studies for data sharing via www.vivli.org and www.clinicalstudydatarequest.com.

+ For full details of our progress against our six focus areas, please see our ESG Performance Report

1 Critical finding from one inspection by the Chinese regulator of a third-party manufacturing facility used by GSK

2 Class I recalls are triggered by a reasonable probability that the use of or exposure to a violative product will cause serious adverse health consequences or death. Class II recalls address the use of or exposure to a violative product which may cause temporary or medically reversible adverse health consequences, or where the probability of serious adverse health consequences is remote. Class III recalls relate to the use of or exposure to a violative product which is not likely to cause adverse health consequences