



Tax strategy

Ahead Together

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Introduction from our CFO

Our approach to tax is a key part of our ESG (Environmental, Social and Governance) agenda – underpinning the trusted relationship with the countries and communities in which we operate.

I am passionate about our mission to unite science, technology and talent to get ahead of disease together – and to do so in a way that creates sustainable long-term value for patients, shareholders, and society. As a global biopharmaceutical company, we have a unique and exciting opportunity to improve the health of more than 2.5 billion people worldwide while delivering growth and making GSK a place where people can thrive – all whilst having a positive ESG impact.

In addition to transforming health outcomes through our innovative medicines and vaccines, tax plays an important role in the contribution we make to society. A transparent, financially sustainable tax system that enables companies and citizens to thrive is fundamental to supporting economic growth and fostering trust between business and the communities we serve.

At GSK, we believe it is important to be appropriately transparent about how we manage our tax affairs, ensuring clarity and understanding for all stakeholders and building trust. In this document, we provide a comprehensive overview of our tax profile, the principles and processes that guide our approach to tax, and an explanation of the tax information provided in our 2024 Annual Report.

To this end, we have published information on our Total Tax Contribution (“TTC”), which highlights the full fiscal contribution we make in the countries where we operate and also our full Country-by-Country Reporting (“CBCR”) data.

In addition, we aim to provide background on the complexities and uncertainties associated with discovering and developing new medicines or vaccines. These insights are vital to understanding the broader financial context in which we operate, including the tax profiles that arise at different stages of the product lifecycle.

Given the importance of tackling climate change, we have also included details on our approach to environmental taxes and how we look to use these to drive positive changes across our business as part of our commitment to net zero.

We are determined to continually improve our tax reporting practices and welcome any feedback or discussion in this regard.

Julie Brown
Chief Financial Officer

Our Global Tax strategy has been prepared to meet the requirements of paragraph 16 of Schedule 19 to the UK Finance Act 2016 and sets out our approach to tax as well as an overview of our global tax profile. It applies to the UK and all other countries in which we operate. While the financial information within this report covers 2024, the strategy set out applies for the year ended 31 December 2025. This publication was approved by the Board on 7 October 2025, subject to final endorsement by the Group Audit and Risk Committee, which was provided on 9 October 2025.

Our tax principles

Our tax principles, underpinned by our culture, long-term priorities and code of conduct, enable a common understanding and consistent approach to tax.

Business makes a major contribution to the public purse through its tax contribution. This includes direct taxes (such as corporate income tax) and indirect taxes (such as VAT, environmental taxes and customs duties) as well as other taxes (such as employment taxes and property taxes). It is therefore important that companies explain their approach to tax. This helps inform dialogue about tax and tax policy.

We are supportive of efforts to ensure companies are appropriately transparent about how their tax affairs are managed. To this end we have published this tax strategy (which includes a summary of our TTC and CBCR data) and regularly engage in discussions with stakeholders who are keen to understand our tax profile and our approach to tax. This is in addition to the tax disclosures in our Annual Report and our full CBCR data.

As a global biopharmaceutical company, we have a substantial business and employment presence in many countries around the world and pay a significant amount of tax. This includes corporate income tax, other business taxes, and tax associated with our employees. We also collect a significant amount of tax on behalf of governments, such as income tax from payments to our employees and VAT along our supply chain. We have included further details on our TTC for key markets later in this document, giving a better reflection of our overall fiscal contribution in a particular country.

Our tax principles enable a common understanding and consistent approach to taxation across GSK.

Principle 1: We are transparent.

We are transparent with stakeholders and regularly provide communication regarding our approach to tax and taxes paid.

Principle 2: We have a robust risk management and governance framework.

We have strong governance to adhere to our tax principles and manage tax risk in line with our tax risk management framework. Our approach to tax is overseen by our Board of Directors.

Principle 3: We respect tax law and the underlying policy intent.

We comply with tax law in the countries in which we operate and are committed to operate in line with the spirit of tax laws as well as the letter of the law.

Principle 4: We do not seek abusive tax results.

We act with integrity and do not engage in artificial tax arrangements or seek to avoid tax through the use of 'tax havens'.

Principle 5: We engage constructively with authorities.

We seek to develop cooperative relationships with tax authorities, based on mutual respect, transparency and trust. Where appropriate, we also provide constructive business input on tax policy matters, advocating reform that supports economic growth, job creation and the needs of our patients.

Principle 6: We support the business.

We support the business with principled, timely and commercial tax advice, ensuring profits are recognised in line with economic activity and through the appropriate use of investment incentives where the intent is aligned with the business activity, which helps GSK be tax efficient and deliver on its purpose of discovering and developing needed medicines and vaccines.

Our tax risk management framework

We have strong governance to adhere to our tax principles and manage tax risk in line with our tax risk management framework.

Decisions, activities and operations undertaken across our business give rise to areas of uncertainty, some of which relate to tax (tax risk). Tax risk generally falls into one of three categories: operational (related to tax processes and systems), technical judgement (on the interpretation of tax law), and political and legislative changes that impact tax rules. Managing tax risk is about understanding where and why these uncertainties arise and deciding how these are addressed.

How do we manage tax risk?

Tax risk in all countries in which we operate is managed through robust internal policies, processes, training and compliance programmes. Our Board of Directors, supported by the Audit and Risk Committee, is responsible for approving our tax policies and risk management arrangements as part of our wider risk management and internal control framework. Our internal control framework is our comprehensive enterprise-wide risk management model and the means by which GSK ensures the reliability of financial reporting and compliance with laws and regulations. Our Risk Oversight and Compliance Council (ROCC) and the Audit and Assurance function help the Audit and Risk Committee oversee tax risks and the strategies used to address them.

Who manages tax risk?

Our tax affairs are managed on a global basis by a team of tax professionals, led by the Global Head of Tax, who work closely with the business on a day-to-day basis to ensure that we remain accountable for our impact. GSK's Global Tax team is part of our Global Finance function, with the Global Head of Tax reporting directly to the Chief Financial Officer.

The Global Tax team are suitably qualified for the roles they perform, with specific geographic, operational and technical responsibilities, including specialists in Corporate Income Tax, Transfer Pricing, Tax Reporting, Indirect Tax, Customs Duties and Employment Tax. Training needs are supported in order that they are able to provide up to date technical advice in line with their responsibilities. Like all of our employees, the Global Tax team are required to adhere to our [Code of Conduct](#). If they, or anyone else, feels uncomfortable about our approach to tax or adherence to our Tax Principles they are encouraged to raise it, with our i-Sight integrity lines enabling them to do so on a confidential basis.

How do we determine what level of tax risk is acceptable?

We are not prescriptive on the level of tax risk we are prepared to accept. However, we do not take speculative tax positions or those that bring material tax risk. Where there is material uncertainty on the tax treatment of a transaction, or where the necessary expertise is not available within the Global Tax team, external advice is sought before any position is taken. External advisers are required to adhere to our Code of Conduct.

What are the key tax risks faced by GSK?

The key tax risks faced by GSK, together with the measures in place to mitigate these risks, are set out in our tax risk management framework below.

Our tax risk management framework

Governance		
Risk Management Control Boards (RMCBs) promote the "tone from the top", establish our risk management culture and oversee internal controls. The boards ultimately report to the Risk Oversight and Compliance Control, Audit and Risk Committee and the Board.		
Risk		
Operational	Technical judgement	Political and legislative
Compliance failure due to inadequate tax processes, personnel or systems.	Uncertainty in the interpretation or application of tax law.	Failure to identify, interpret or implement changes in tax legislation.
Mitigating measures		
In-house operational tax, compliance, reporting and technology specialists partner with leading accounting firms, leveraging their global expertise across a range of compliance activities and their scale to invest in leading tax compliance technologies, to deliver tax compliance and statutory filings across the globe.	In-house tax specialists, supported by external advisers, support the local implementation of our business strategy, engaging proactively with tax authorities where possible to resolve areas of uncertainty and to bring the Group's tax returns up to date by closing open tax audits.	In-house tax specialists partner with local advisers to monitor emerging changes in the local and international tax environment, proactively engaging with policy setters to provide constructive business input on tax policy matters.

Taxation across the biopharmaceutical lifecycle

Our biopharmaceutical business is built on developing new and innovative medicines and vaccines with a long lead time and significant upfront investment.

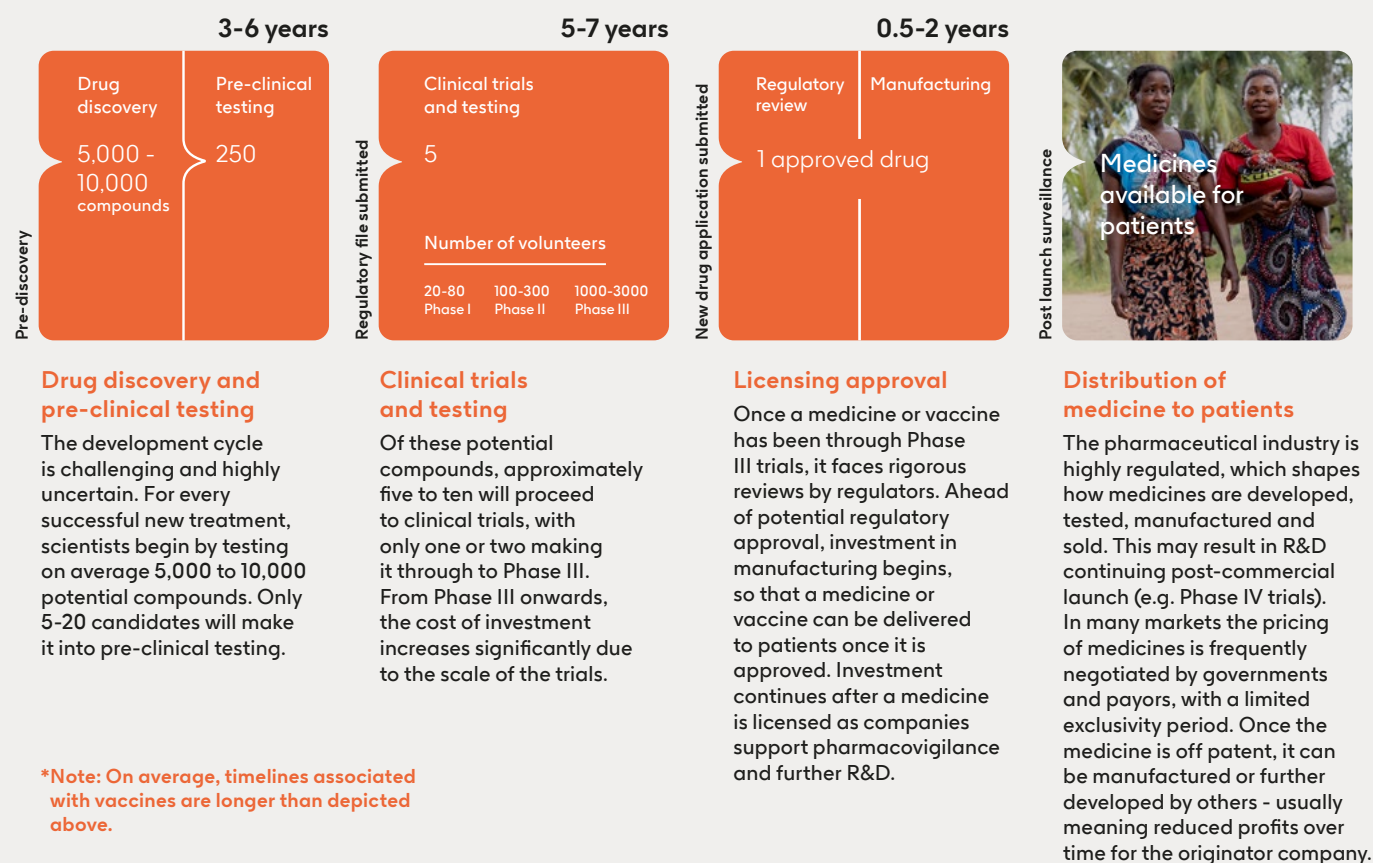
Our biopharmaceutical business is built on the discovery and development of new and innovative medicines and vaccines. We focus on uniting science, technology and talent to get ahead of disease and deliver transformational medicines and vaccines.

As an industry, developing new products can take up to 15 years and carries significant risk – less than 10% of drugs in clinical testing get approved. There are significant upfront

costs, which vary depending on where an asset is in the R&D lifecycle. Given the inherently uncertain nature of drug discovery, there are no guarantees of a return.

In 2024, GSK invested a total of £6.4 billion in biopharmaceutical research and development across different stages of the biopharmaceutical lifecycle.

Timeline and development stages for a pharmaceutical* product (industry average)



Investment in R&D can result in intellectual property (IP), such as patents related to new medicines. The ownership of our IP reflects the countries which drive R&D activity and bear the upfront investment costs and associated risks. IP can enable us to generate a return on our upfront investment in discovering and developing new products, although this might be 10-15 years or more down the line.

This long lifecycle means that looking at a single year's corporate income taxation in our industry is not necessarily reflective of our overall tax contribution. Our corporate income tax profile in any given country at any given time

will be driven by factors such as the lifecycle stage and IP ownership and may therefore fluctuate year on year. We also pay various other types of tax which are often more stable across the lifecycle which is why we think our TTC, considering the different types of taxes we pay and collect, is more representative of the overall economic contribution we make to the countries in which we operate.

On the next page, we set out what the lifecycle means for the taxes paid and collected – the tax profile – at different stages of discovering and developing a new medicine.

Tax profile across the biopharmaceutical lifecycle

A significant amount of employer taxes are paid in respect of those employees involved at all stages of the biopharmaceutical lifecycle. This includes those involved in the early drug discovery and development work, those supporting clinical trials and regulatory reviews, those undertaking manufacturing and distribution activities to get our medicines to patients, as well as all related support functions.

Property taxes are paid on facilities where R&D, manufacturing and other activities are carried out.

Indirect taxes, e.g. customs duties, tariffs and VAT, can arise throughout the lifecycle on the cross-border transfer of medicines, active pharmaceutical ingredients and other materials used in the medicine manufacturing process.

Certain countries provide tax incentives (such as R&D tax credits) to support business investment in R&D. These may be provided either via enhanced tax relief or as a grant against qualifying R&D spend, reducing the cost of capital for high-risk and costly R&D.

The amount of corporate income taxes paid will vary significantly across the lifecycle:

- Until a medicine is available to patients, corporate income taxes are low as no income is generated and significant upfront investment costs are incurred, which give rise to material economic losses. Some corporate income taxes may nevertheless be paid on R&D and support service activity which is remunerated on a cost-plus basis.
- Once a medicine is available to patients, corporate income taxes are paid on profits generated, with profits recognised in countries in accordance with the activities undertaken and any arising IP. Patent box type regimes (which provide a low corporate income tax rate on profits relating to patented products) may reduce the level of tax on such profits.

As a UK headquartered group, with effect from 1 January 2024, we are subject to the OECD's global minimum corporate income tax regime (Pillar 2) on a global basis. This ensures that we pay a minimum tax rate of 15% in each jurisdiction where we operate and may result in a reduction in the benefit of R&D incentives (including any Patent Box type regimes) or additional tax being payable.

GSK also collects a significant amount of tax on behalf of governments throughout the supply chain (including income tax on payments to employees and VAT).

Our Total Tax Contribution

The taxes we pay are a key element supporting our ESG strategy, helping us to build trust with and generate value in the communities in which we operate.

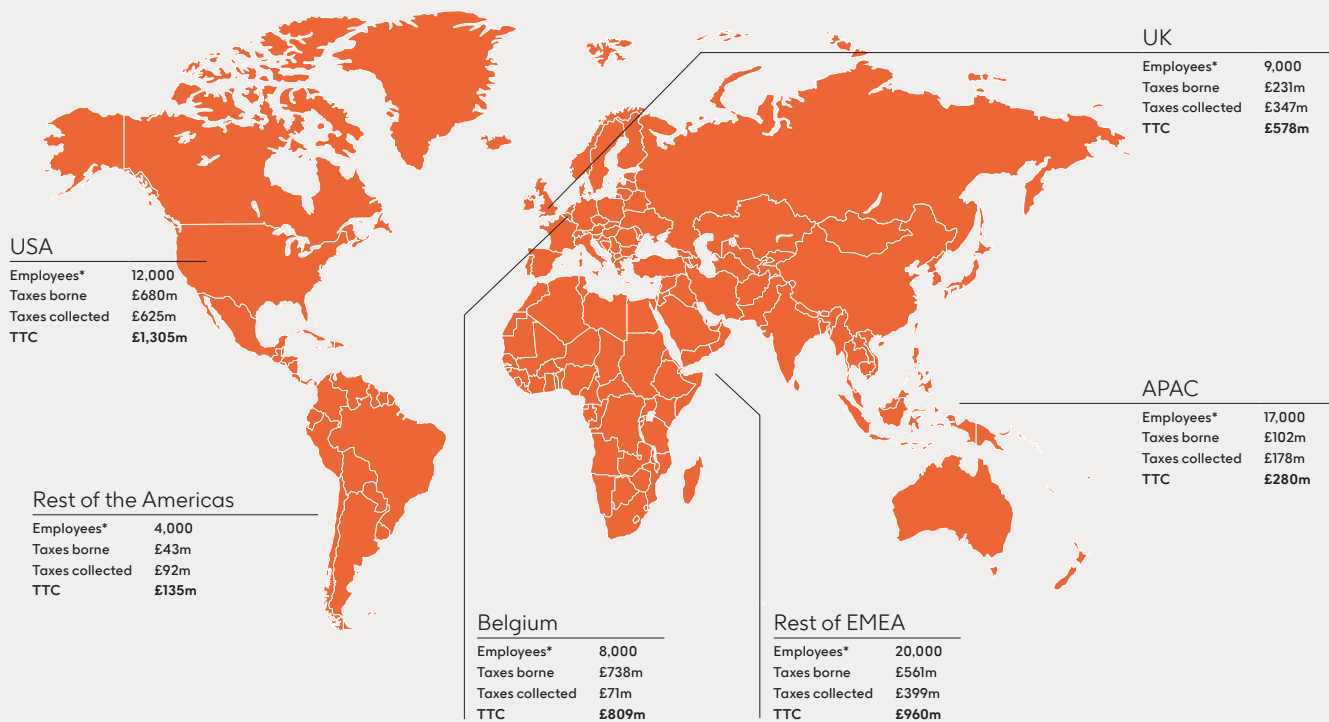
Overview

Our total tax contribution for 2024 was in excess of £4,067 million¹ – with £2,355 million relating to taxes borne by GSK² and £1,712 million relating to taxes collected by GSK³.



Geographical breakdown of Total Tax Contribution

We employ nearly 70,000 people worldwide, across 75 countries. The majority of these are based where our main R&D centres, manufacturing sites and distribution network are located:



^{*}The number of employees is the number of full-time equivalent employees on our CBCR data (to the nearest 1,000) which may be different to total headcount. Please refer to our full CBCR data for exact employee numbers.

¹ Our Total Tax Contribution (“TTC”) reflects our corporate income taxes paid (including any Pillar 2 taxes) globally plus other taxes borne and taxes collected for our top 20 countries (by external turnover). Our TTC is calculated on a cash tax basis, representing the amounts that were paid out or received during the 2024 calendar year. This may differ from the amounts lodged in the 2024 tax returns, due to timing differences, as there are different processes and timings by which authorities require taxes to be paid.

² Taxes borne refer to the taxes that we are required to pay directly to the government generated by our operations. They represent a direct expense for GSK, e.g. corporate income taxes (including any Pillar 2 taxes) and employer taxes.

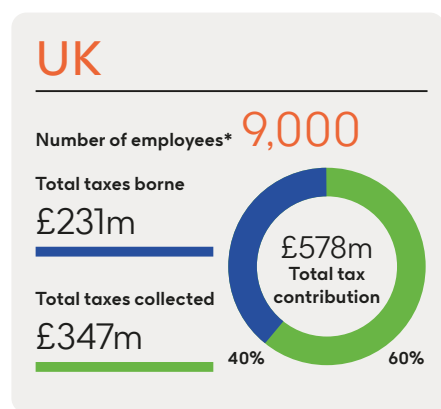
³ Taxes collected refers to the total amount of taxes generated by our operations that GSK collects on behalf of governments, e.g. employee taxes and VAT. Where a country’s position is a net VAT refund this is disclosed as nil as this is neither a cost to the business nor tax collected on behalf of governments.

Our key locations

R&D is central to our purpose to get ahead of disease together with the activity undertaken in our strategic global R&D centres driving this mission.

Our biopharmaceutical business is built on innovative R&D and developing new medicines and vaccines to address unmet patient need. The UK, Belgium and US are home to our strategic R&D centres and are where much of our IP is located, aligned with the activity which has generated it. In addition to R&D these territories also undertake activities supporting other aspects of our product lifecycle, such as manufacturing, distribution and support service activities. The UK is also where our global headquarters are located.

Between them these three countries are home to over 40% of our employees and are where almost 70% of our profit before tax is recognised. Here we provide more detail on the activity and tax profile in each of these jurisdictions:

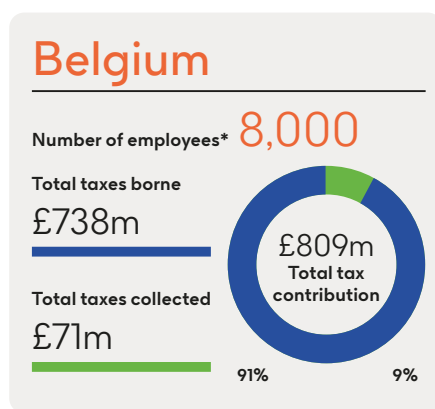


Business Activity:

- We are a UK headquartered multinational group employing over 9,000 people across 9 sites. Our UK based employees undertake R&D, manufacturing and distribution activities, as well as headquarter and corporate functions. The UK is one of our largest R&D hubs and the majority of our senior leadership team are based in the UK.
- The strategic R&D activity and governance activity we perform in the UK means that our UK IP Owners fund much of the R&D work underpinning our pharmaceutical pipeline and they own any resultant IP when this R&D is successful in resulting in a medicine which can be delivered to patients. This means that the UK bears much of the significant upfront investment costs and risk associated with developing our pharmaceutical products as well as the profits generated by commercialised medicines.

Our tax profile in UK:

- Our total tax contribution in the UK is made up of £105m of corporate income tax which is mainly driven by the profits of our pharmaceutical business as well as £123m of employer taxes. We also collect £347m of taxes on behalf of the Government, the majority being taxes paid by our employees.
- We benefit from certain Government incentives to support investment in R&D activity in the UK including the R&D Expenditure Credit and the Patent Box. Both of these incentives are aligned with our Tax Principles by being transparent in nature and driven by the underlying business activity they are seeking to support.
- As a UK headquartered group, we are subject to the OECD's global minimum corporate income tax regime (Pillar 2) on a global basis. This ensures that we pay a minimum tax rate of 15% in each jurisdiction where we operate and may result in a reduction in the benefit of R&D incentives or additional tax being payable.

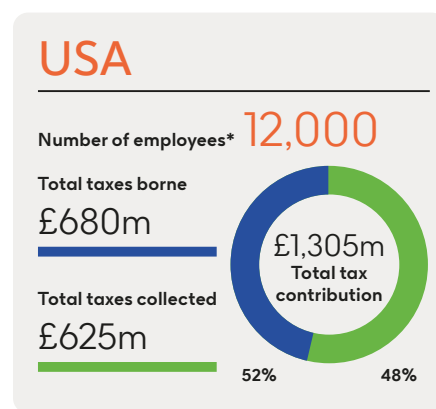


Business Activity:

- GSK's vaccines business has been headquartered in Belgium since 1945, with a significant proportion of our vaccines R&D, manufacturing and corporate functions based at three sites in Belgium. Over 20% of our 8,000 people who work in Belgium specialise in the discovery of new vaccines and the development of combination products for the prevention of infections that cause serious medical problems in the world. The majority of our vaccines senior leadership team are based in Belgium.
- The majority of our vaccines intellectual property and pipeline is owned and governed from Belgium, meaning that Belgium bears the significant upfront investment costs and risks associated with the development of our vaccines portfolio, as well as the profits relating to commercialised vaccines.

Our tax profile in Belgium:

- Our total tax contribution in Belgium is made up of £331m of corporate income tax which is mainly driven by the profits of our vaccines business as well as £407m of employer taxes. We also collect £71m of taxes on behalf of the Government.
- We benefit from certain Government incentives to support investment in R&D activity in Belgium including the R&D Tax Credit, Innovation Income Deduction and reduction in wage withholding taxes for employees engaged in R&D. All of these incentives are aligned with our Tax Principles by being transparent in nature and driven by the underlying business activity they are seeking to support.
- As a UK headquartered group, we are subject to the OECD's global minimum corporate income tax regime (Pillar 2) on a global basis. This ensures that we pay a minimum tax rate of 15% in each jurisdiction where we operate and may result in a reduction in the benefit of R&D incentives or additional tax being payable.



Business Activity:

- We have a significant presence in the US, employing over 12,000 people, engaging in R&D, manufacturing and distribution activities. The US is also our largest commercial market, representing around 52% of our global sales.
- In addition to being one of our major commercial markets, the US is one of our global R&D centres and owns IP, both legacy IP and some arising from recent acquisitions such as Tesaro, Sierra, Affinivax, Aiolas Bio and IDRx. The US bears the costs of the associated R&D, where this IP is still being developed, as well as recognising profits generated by commercial medicines.

Our tax profile in USA:

- Our total tax contribution in the US is made up of £517m of corporate income tax which is mainly driven by the profits arising on our pharmaceutical business as well as other activities we undertake in the US. We also pay £163m of employer taxes. We also collect £625m of taxes on behalf of the Government, the majority being taxes paid by our employees. Although not included in our total tax contribution numbers, we also bear and collect taxes related to US Federal healthcare programs with a combined amount of over £150m.
- We benefit from certain Government incentives to support investment in R&D and ownership of certain IP rights in the US such as R&D tax credits and FDII. All of these incentives are aligned with our Tax Principles by being transparent in nature and driven by the underlying business activity they are seeking to support.
- As a UK headquartered group, we are subject to the OECD's global minimum corporate income tax regime (Pillar 2) on a global basis. This ensures that we pay a minimum tax rate of 15% in each jurisdiction where we operate and may result in a reduction in the benefit of R&D incentives or additional tax being payable.

*The number of employees is the number of full-time equivalent employees on our CBCR data (to the nearest 1,000) which may be different to total headcount. Please refer to our full CBCR data for exact employee numbers.

Our approach to tax

We seek to develop cooperative relationships with tax authorities, based on mutual respect, transparency and trust.

How we work with tax authorities

We seek to maintain open and constructive relationships with tax authorities worldwide, meeting regularly to discuss our tax affairs and real time business updates wherever possible, to support their work and help manage tax risk in accordance with our framework.

As an example, in the UK, GSK has an open and transparent relationship with HM Revenue & Customs ("HMRC"). We have regular meetings throughout the year to discuss business changes and where HMRC can ask us for any information.

We are also the first biopharmaceutical company in Belgium to be accepted into the "Co-operative Tax Compliance Programme" a framework for engaging with the tax authorities based on trust and transparency.

We submit tax returns according to statutory time limits and engage proactively with tax authorities to seek to ensure our tax affairs are current, entering into continuous audit programmes and bilateral and multilateral advance pricing agreements ("APAs") where appropriate. These arrangements provide long-term certainty for both tax authorities and GSK over the tax treatment of our business, based on full disclosure of all relevant facts. Approximately 45% of GSK's group sales are covered by APAs that have either been agreed or are under negotiation.

The complexity of tax regulations means that we may occasionally disagree with tax authorities on the technical interpretation of a particular area of tax law. We seek to resolve any differences of interpretation with tax authorities in a cooperative manner. In exceptional cases, we may have to resolve disputes through formal proceedings – establishing clarity for all stakeholders in an open and transparent manner.

Inputting to tax policy discussions

We monitor government debate on tax policy in our key jurisdictions so that we can understand and share an informed point of view regarding any potential future changes in tax law, in support of a transparent and financially sustainable tax system. Where relevant, we provide pragmatic and constructive business input to tax policy makers either directly or through industry trade bodies, to help inform reforms that support economic growth and job creation.

Examples of this approach include our Global Head of Tax being co-chair of HMRC's Business Tax Forum which aims to improve the operation of the UK tax system for both HMRC and large business alike; and our constructive input to the development of the OECD's minimum tax framework where we continue to provide business input to the OECD as part of the Business Advisory Group to the OECD.

It is essential that tax policy considers and appropriately incentivises the significant upfront investment required to develop innovative medicines, which are the result of R&D investment decisions made many years earlier. Certainty and

stability of tax regimes is also fundamental when the risks and rewards of the business can sit decades apart.

We follow established procedures and channels for engaging with tax authorities, government officials and ministers. In line with the law, our Code of Conduct and our Values, we will not bribe or otherwise induce tax officials, governments or ministers, and all employees receive regular Anti-Bribery and Corruption training.

Transfer pricing

We are subject to taxation throughout our supply chain. The worldwide nature of our operations means that our cross-border supply routes, necessary to ensure supplies of medicines into numerous countries, can result in conflicting claims from tax authorities as to the profits to be taxed in individual countries. This can lead to double taxation (with the same profits taxed in more than one country).

To mitigate the risk of double taxation, profits are recognised in territories by reference to the activities performed there and the value they generate. To ensure the profits recognised in jurisdictions are aligned to the activity undertaken there, and in line with current OECD guidelines, we base our transfer pricing policy on the arm's length principle and support our transfer prices with economic analysis and reports.

The 'arm's length' principle

An underlying principle of transfer pricing is that two companies within the same group must act as if they were independent enterprises, with each appropriately rewarded for the functions they perform, assets they employ and risks they assume when entering into intra-group transactions. An appropriate reward is that which would be obtained in a transaction between unrelated parties. This is known as the 'arm's length' principle.

External tax advisers

We partner with external advisers to deliver our global tax compliance and statutory filings. Partnering with external advisers provides GSK with access to technical expertise, the latest in compliance technology and global expertise across a range of compliance activities, ensuring that we have a sustainable platform to manage the increasing demands of digitally-driven tax compliance.

To supplement the subject matter expertise of our Global Tax team, we engage tax advisers to provide specialist input on areas of uncertainty, review the implications on our business of new tax legislation and provide support with significant transactions.

As an example, external advisers have been engaged to support us on our acquisition of Aiolos Bio, Inc. to ensure any

tax risks associated with the acquisitions were identified and appropriately managed. External advisers have also assisted us in entering into APAs in various countries. These arrangements provide long-term certainty over the tax treatment of GSK's business, based on full disclosure of all relevant facts.

Technology

We embrace technology to deliver our tax compliance obligations in a robust and efficient way. Examples of this include testing how AI can be used to accurately allocate customs classifications to products across our supply chain and the adoption of machine learning to review and categorise employee expenses for tax purposes in the UK. This work was supported by external advisers and discussed with HMRC.

Environmental taxes

Having a positive impact on the planet is one of our ESG focus areas – with our approach to environmental taxes and initiatives being an important part of this area.

Our approach to environmental taxes is fully aligned to our tax principles and wider approach to tax. Our key focus here is to ensure compliance with all environmental taxes and actively supporting the business in achieving its wider ESG goals whilst proactively engaging with the wider debate on the role and effectiveness of green taxes.

Examples of our engagement with the business on environmental taxes and initiatives include:

- spearheading technology projects with stakeholders from across the business, to streamline and enhance data collection and maintenance for environmental taxes and other non-tax environmental measures;
- monitoring developments and changes to the EU and UK Carbon Border Adjustment Mechanisms and engaging with the business to ensure the impact of this new legislation is understood and to help facilitate positive behavioural change; and
- supporting the business to understand the impact of changes to the EU's fluorinated gas legislation, partnering with wider stakeholders to understand the new requirements and providing tax technical input on the compliance requirements where necessary.

Our approach to tax planning

We do not engage in artificial tax arrangements – those without business or commercial substance. We do not seek to avoid tax by using 'tax havens' or transactions we would not fully disclose to a tax authority.

When considering how to structure an investment or transaction, this process will be driven by the wider business strategy, with the tax impact being one of many factors considered. Where a choice exists on how to structure an investment or transaction, and where this is in line with our business strategy and tax principles, we will choose the more tax efficient option.

We have a zero-tolerance approach to tax evasion and the facilitation of tax evasion.

Our locations

Our Annual Report provides a full list of all our subsidiaries, associates, joint ventures and joint arrangements – and the jurisdictions in which they are tax resident.

We have operations in over 70 countries, delivering medicines and vaccines to patients and we are committed to delivering medicines and vaccines to patients across the globe. As a result, we have long-standing operations in a limited number of countries that have a low headline rate of corporation tax or those which may be perceived to be 'tax havens' (under the Pillar 2 rules we are subject to a minimum rate of taxation of 15% in each jurisdiction in which we operate):

Here, we give further information on these:

Bermuda:

- GSK has a long-established group insurance company in Bermuda, allowing GSK to aggregate operational risks and reinsure them within established Global and Bermudian insurance markets. This enables us to get better pricing and coverage than if every group company were to insure their own risks.
- GSK also acquired a Bermudian entity as part of the acquisition of the Tesaro Inc group of companies in 2019. Following the acquisition, the Tesaro business was integrated with GSK's wider operations, and this entity now has limited economic activity.

Bulgaria:

- Our entity in Bulgaria was incorporated in 2003 and performed distribution activities until 2022. We have formally started the liquidation process for this entity.

Costa Rica:

- GSK established a company in Costa Rica nearly a decade ago that is responsible for distribution in Costa Rica and is a shared services centre. We employ over 300 people in the country and pay tax on profits commensurate with local activities.

Hungary:

- GSK has been present in Hungary for over 30 years. We have a manufacturing site at Gödöllő involved in the production of our diphtheria and tetanus vaccines. We employ over 300 people in the country and pay tax on profits commensurate with local activities.

Panama:

- Our presence in Panama, which started almost 50 years ago, encompasses distribution, R&D activity and the provision of business support services and supply chain management services to the region. We employ over 100 people in the country and pay tax on profits commensurate with local activities.

United Arab Emirates:

- Our entity in the United Arab Emirates was established in 2023 and it employs over 200 people engaged in selling, marketing and distribution activities in the UAE and Gulf markets. A new federal corporate tax system has been implemented in the United Arab Emirates, effective for financial years commencing on or after 1 June 2023.

Appendix A: Explanation of the tax charge in our Annual Report

The GSK consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). This appendix includes the total results of GSK plc for 2024.

The tax charge reported in our 2024 Annual Report is set out below. This section provides further information on specific elements of the tax charge.

Taxation charge based on profits for the year

For the year ended 31 Dec, 2024	£'m
UK current year charge	186
Rest of World current year charge	1,458
Charge/(credit) in respect of prior periods	(92)
Current taxation	1,552
Deferred taxation	(1,026)
	526

The tax charge in our Annual Report reflects the corporate income tax arising on our profits. As outlined earlier in this document, corporate income tax is one important element of our tax contribution alongside other forms of tax such as employer taxes and property taxes. These other forms of taxation are integrated elsewhere in our accounts and are in addition to the corporate income tax presented here. Our current year tax charge is the amount of tax we expect to pay on the profits arising in 2024.

The charge in respect of prior periods is an adjustment to the current year tax charge booked in earlier years. This compares the tax charge booked in the Annual Report for a particular year with the tax charge booked in the filed tax returns for that year. Differences can arise for a number of reasons, including the calculations in the tax returns being made on a different basis (e.g. due to differences between IFRS and local accounting standards) and the tax charge for a particular year being amended following the resolution of open issues with tax authorities.

Deferred tax arises where there is a mismatch between the time at which items are recognised in the accounting profit and the time at which they are reflected in a tax return. An example of this is pension contributions where, in general, tax relief arises at the time the contributions are paid rather than at the time they accrue in the accounts. Deferred tax is recognised on these items to ensure the total tax charge for the period accurately reflects all items in the accounting result, including those which will only impact the current tax charge in future years.

Why does the amount of corporate income tax paid differ from the current tax charge in the accounts?

Our current tax charge for 2024 was £1,552m and we made cash tax payments of £1,307m during 2024. We expect these figures to be different due to a number of factors.

The main driver for the difference is the timing of when cash tax payments are made in respect of a financial year, with some being made in the year in question and some being made after the year end. As such, cash tax payments made in 2024 may relate in part to the 2023 current tax charge and in part to the 2024 current tax charge. Further payments in respect of the 2024 position may fall due in 2025.

Another factor is that tax returns may subsequently be amended where open issues are closed with tax authorities, leading to additional payments being made or refunds being received in later years.

Appendix A: Explanation of the tax charge

in our annual report continued

Reconciliation of core and total tax charge

GSK's total reported results represent the Group's overall performance for the year. The disclosures in our Annual Report reconcile the total tax charge for the year of £526m to the tax charge computed by applying the UK statutory rate of taxation (25% for 2024) to the Group's total profit before tax, setting out the main items which drive the difference.

Core results are a non-IFRS measure that exclude the impact of one-off transactions, such as acquisitions and disposals, as well as the amortisation or impairment of intangible assets and major restructuring costs. Further information on this is provided on pages 87 and 88 of our 2024 Annual Report.

Below we have provided additional reconciliations in respect of the tax charges on core profit and adjusting items, to help explain our effective tax rate.

For the year ended 31 Dec, 2024	Total	Adjusting items	Core profit
	£'m	£'m	£'m
Profit before tax	3,477	(5,136)	8,613
UK statutory rate of taxation (25%)	869	(1,285)	2,154
Differences in overseas tax rates	185	57	128
Benefit of intellectual property incentives	(602)	51	(653)
R&D credits	(89)	0	(89)
Permanent differences on disposals, acquisitions and transfers	2	1	1
Other permanent differences	302	252	50
Re-assessments of prior year current tax estimates	(92)	11	(103)
Re-assessments of prior year deferred tax estimates	(40)	(33)	(7)
Changes in tax rates	(9)	10	(19)
Tax charge / (credit)	526	(936)	1,462
Effective tax rate	15.1%	18.2%	17.0%

GSK's effective tax rate (the tax charge for the year expressed as a percentage of the profit before tax) differs from the UK statutory tax rate 25% for 2024) principally as a result of:

- the jurisdictional split of profits and the applicable jurisdictional tax rates. This is influenced by product sales and the ownership of intellectual property, the profits on which may be eligible for innovation incentives such as the UK and Belgian Patent Box regimes. It is also influenced by the OECD's Pillar 2 model rules that introduced a global minimum corporate tax rate that erodes some of the benefit provided by Patent Box regimes;
- Innovation incentives providing tax relief related to GSK R&D expenditure, designed to stimulate employment and investment in R&D;
- permanent differences which arise where there are items recognised for accounting purposes but not for tax purposes and vice versa – an example of this is taxes on intra-group dividends;
- a reassessment of estimates of uncertain tax positions following settlement of a number of open issues with tax authorities; and
- the impact of deferred tax items which are taxable or deductible in future periods becoming subject to different tax rates.

Appendix B: Our 2024 CBCR position

Introduction to CBCR

By way of further detail on our tax profile in the various locations in which we operate we have provided a summary of our Country-by-Country Reporting (CBCR) data below, which is aligned with the requirements of the EU's Public CBCR Directive.

CBCR was introduced as best practice by the OECD in 2017 for tax risk assessment purposes and over 100 countries have adopted the requirement. CBCR involves taxpayers setting out a jurisdictional breakdown of the activities undertaken and key financial data.

Our business activities vary from jurisdiction to jurisdiction and we can undertake multiple activities within the same jurisdiction. Under the OECD and EU rules, CBCR is prepared using aggregated financial data which reflects intra-group transactions which are eliminated in the group's consolidated financial statements. This results in a position which could appear very different from that disclosed in our Annual Report. For example, Total Income in our CBCR report consists of both related party and unrelated party revenue. This results in a 'grossed-up' revenue number for CBCR purposes only, which is significantly larger than the revenue figure in our Annual Report which only includes third party revenues.

Our CBCR data has been sourced primarily from our consolidation reporting systems, which use IFRS and are subject to GSK's group financial control processes. Data is reported in GBP and rounded to the nearest GBP'000.

A summary of our CBCR reports can be accessed via the following link: [Corporate reports archive | GSK](#)

Definitions of terms used in CBCR

Below is a summary of the key definitions used in our CBCR data that have been prescribed by the OECD⁴.

Total Income: Revenues for the relevant financial year, which are to be calculated as the sum of the net turnover, other operating income, income from participating interests, excluding dividends received from affiliated undertakings, income from other investments and loans forming part of the fixed assets, other interest receivable and similar income. For this purpose, revenues shall include transactions with related parties.

Profit or (loss) before tax: The profit or loss before income tax for the relevant financial year.

Corporate income taxes paid: The amount of corporate income taxes (including any Pillar 2 taxes) paid by (or refunded to) GSK on a cash basis during the relevant financial year. In some cases, this may include payments made in relation to previous years or future years as tax payments are often made in arrears or in advance. It also includes taxes withheld on payments to a GSK company in the period. It does not include withholding taxes collected by GSK on payments to third parties.

Corporate income taxes accrued: The current tax expense recognised on taxable profits or losses of the financial year. It does not include adjustments in respect of earlier years, deferred tax or provisions for uncertain tax liabilities.

Employees: The number of employees on a full-time equivalent basis reported as at the end of the relevant financial year.

Accumulated earnings: The amount of accumulated earnings at the end of the relevant financial year, meaning the sum of the profits from past financial years and the relevant financial year, distribution of which has not yet been decided upon.

⁴ It should be noted that these are CBCR definitions which may differ from IFRS.

Glossary

Terms	Definition
Advance Pricing Agreements (APA)	An agreement between a taxpayer and tax authority(ies) determining the transfer pricing methodology for pricing the taxpayer's international transactions for a certain period.
Arm's length principle	The principle stating that the amount charged by one related party to another for a given product must be the same as if the parties were not related.
Cash tax	The amount of tax actually paid by an entity to meet tax obligations during a specific time period. This may include payments in respect of a liability from the previous financial year as well as payments on account in respect of the current year.
Corporate income tax	Tax levied by jurisdictions on the profits of a company which is tax resident there.
CBCR	Country-by-Country Reporting (CBCR) is a financial reporting requirement introduced as best practice by the OECD, adopted by over 100 countries. CBCR involves taxpayers providing a jurisdictional breakdown of the activities undertaken and key financial data.
Customs duty	A tax levied on imports (and, sometimes, on exports) by the customs authorities of a country.
Deferred tax	An accounting adjustment required to the group tax charge when an item is included in the financial statements in one year but is taxed in another year – for example, some payments to the Group pension funds in accordance with IFRS.
Employer taxes	Taxes paid by employers which are calculated by reference to employees.
Effective tax rate	The tax charge for the year shown as a percentage of the profit before tax.
HMRC	HM Revenue & Customs, the UK's tax, payments and customs authority.
IFRS	A common set of accounting standards set by the International Financial Reporting Standards Foundation.
Indirect tax	A tax levied on goods and services rather than on income or profits. Customs duty, excise, stamp duty and value added tax are examples of indirect tax.
OECD	The Organisation for Economic Co-operation and Development is an intergovernmental economic organisation founded in 1961 to promote economic growth, prosperity, and sustainable development. They encourage and coordinate international collaboration on tax matters to promote consistency and best practice.
Pillar 2	The OECD's global minimum tax framework that applies to multinational enterprise groups and largescale domestic groups and ensures a minimum level of corporate income tax in each jurisdiction in which they operate.
Profit before tax	A company's profits after deducting all expenses from revenue (including operating expenses and interest) except for corporate income taxes.
Transfer pricing	Rules and methods for pricing transactions between enterprises under common ownership or control.
VAT	Value Added Tax (VAT) is a type of sales tax levied on the value of goods and services provided. Many countries apply VAT exemptions to sales of pharmaceutical products.