

## Introduction

This statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 (Cth) and is published on behalf of GlaxoSmithKline plc and its group companies. The reporting entities covered by this single joint statement are listed in the Annex. Both GSK plc and its group companies will be collectively referred to as "GSK" or "Group" for the purpose of this statement.

This statement refers to the financial year ending 31 December 2021 and sets out the steps we have taken to address modern slavery risks in our business and supply chains. Our previous statements can be read [here](#).

## GSK's structure, business and supply chains

GSK is a science-led global healthcare company headquartered in the United Kingdom. We develop and deliver medicines, vaccines and consumer healthcare products that impact human health at scale. Our operations span the value chain from identifying, researching, developing and testing ground-breaking discoveries, to regulatory approval, manufacturing and commercialisation. Information on our range of products can be found [here](#).

In 2021, we delivered 1.7 billion medicines, over 767 million vaccines and 3.7 billion consumer healthcare products. Turnover was £34.1 billion in 2021. The US represents our largest single commercial market, followed by International and Europe. We employ over 90,000 employees across 92 countries, with almost two thirds based in Europe and North America. We also have workers who are not directly employed by GSK who are known as complementary workers and are a vital part of our workforce.

We have global commercial operations, with our main research & development centres based in Europe and the US. Our manufacturing network includes 63 sites in 35 countries. Further information on our business can be found in our [Annual Report](#).

GSK's supply chains are complex and have significant scale. In 2021, we spent around £16 billion with over 37,500 third parties that provide us with:

- Goods and services that are required for our research and development activities such as clinical trial support and laboratory equipment and supplies.
- Goods and services that we use to manufacture, store and deliver our products such as raw materials, pharmaceutical ingredients, bottles, tubes and packaging materials, warehousing and transportation.
- Goods and services that are required to run our business, including IT, marketing and other agency support, catering and facilities management, engineering and construction services.
- We also partner with a network of external contract manufacturing organisations that supply finished and semi-finished products for sale and distribution by GSK such as tablets, ointments, inhalers and syringes.

## Policies

Our [Code of Conduct](#) is the foundation of our company policies. It sets out the core standards and ethical behaviours that employees and complementary workers should apply in their daily work and embeds respect for human rights and labour rights across the business.

The Code is underpinned by several policies and standard operating procedures that help to mitigate against the risk of modern slavery:

- Our [Human Rights Policy](#) sets out our commitment to conduct business with respect for international human rights standards.
- Our Global Employment Guidelines and [Working with Third Parties Policy](#) set out the minimum standards for our own employment practices and those expected of our third party partners. They are based on international standards, including the International Labour Organization core conventions, and prohibit any form of forced labour or child labour. They also make clear our expectation that no worker should pay for a job.
- Our Standard Operating Procedure for Safeguarding and Non-retaliation defines our approach to protecting and supporting individuals who work for GSK and report concerns of significant misconduct in good faith (including exploitative labour practices).
- Other relevant policies include those on Equal and Inclusive Treatment of Employees, Pre-employment Screening, [Conflict Minerals](#), [Deforestation-Free Sourcing](#) and [Anti-bribery and Corruption](#).

## Assessment of modern slavery risk

To assess modern slavery risk, we refer to external data sources (e.g. Alliance 8.7 Global Estimates of Modern Slavery and the US State Department's list of goods produced by child and forced labour), engage with our peers and consult with external experts. To identify the business activities with greater exposure to modern slavery risk, we consider the following factors:

- Reliance on low skilled workforce
- Dangerous or undesirable work
- Presence of migrant workers
- Presence of labour intermediaries
- Offshore production
- Long, complex, or non-transparent supply chains
- Presence of child labour
- Country risks i.e. poverty, conflict, weak enforcement of international human rights standards

We believe that the risk of modern slavery in our directly employed workforce is low. This is due to the highly regulated nature of our industry, our employees being largely educated or skilled, or undertaking work in controlled environments where there are established policies and processes.

Our exposure to the risk of modern slavery increases when we engage with third parties, particularly in categories such as catering, cleaning, transportation, protective equipment and clothing, warehousing, construction, manufacturing, packaging and promotional goods suppliers.

We recognise that certain raw materials and commodities carry a heightened risk of modern slavery. This year we developed responsible sourcing plans for the 17 highest-risk materials in our supply chain, including paper, palm oil and soy, and we are strengthening further our standards for all other raw materials.

## Due diligence processes

Our approach to managing the risk of modern slavery forms part of our broader efforts to respect human rights.

### Governance

A central human rights team works with senior representatives from across the business including legal and compliance, procurement, corporate affairs and human resources to oversee our approach to addressing human rights risks, including modern slavery. In 2021, we undertook an external review of the management of our human rights approach. The assessment showed that GSK's most significant human rights risks are well understood and managed, and we will address areas for improvement during the year to come. The Corporate Responsibility Committee of the Board reviewed the assessment findings and discussed key developments in business and human rights with an internationally recognised human rights expert.

### Embedding respect for human rights

Everyone at GSK has to complete training on what the company expects from them. In 2021, we renamed this mandatory employee code of conduct training 'Working at GSK' and improved the content to focus on risk and compliance, as well as diversity and creating an inclusive workplace. In 2021, 99.8% of employees and 98.8% of contract workers completed this training.

Our Values Assurance programme assesses the business against a framework describing expected behaviours and ways of working, and provides reporting on how well our culture supports both performance and management of risks. Individual discussions with randomly selected employees and complementary workers take place across multiple countries where issues – including labour rights violations – can be raised and follow up ensures concerns are addressed. In 2021, 17 reviews took place, with one review deferred due to the pandemic. A wide range of working practices were covered, such as equal and inclusive treatment, employment practices and health and wellbeing. There were no signals suggestive of modern slavery.

### Overseeing third parties

We aim to work with third parties that share our values and work to the ethical and business standards expected by GSK. Our global Third Party Oversight (TPO) programme enables us to identify labour rights risks before entering into contracts with third parties. The programme requires very high risk third parties to have their management systems assessed by [EcoVadis](#), an independent sustainability ratings service, to ensure they meet the principles set

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out in our Working with Third Parties Policy. The assessment is tailored to the third party's industry, size and location and covers labour and human rights, environment, ethics, and sustainable procurement.

In 2021, over 11,667 third parties underwent a risk assessment through the TPO programme. Of these, 1,752 were rated as high risk for labour rights and these were mitigated with appropriate contract clauses and monitoring. We undertook 139 EcoVadis assessments for third parties evaluated as very high risk for labour rights and 88% achieved at least the minimum score we expect. We are engaged with the remaining third parties who are required to take action to address shortcomings.

In 2021, we audited 79 high risk third parties on environment, health and safety, and labour rights. In countries where physical visits were not possible due to COVID-19, these were virtual. No incidences of modern slavery were identified through these audits. Six major incidences of labour rights non-compliance were found at six suppliers: one in Italy, four in India and one in Pakistan, for issues related to policies, working hours and overtime wages. Corrective action plans to address major adverse findings are tracked and followed up through engagement activities. This includes verification of corrective actions and engagement meetings with key third parties using visual streaming media when necessary. We have agreed corrective action plans with two suppliers in India and the supplier in Italy. We are working with the other three suppliers to generate corrective action plans for implementation following their audit.

Sites are re-audited on a frequency proportionate to the risk they pose. We aim to drive continual improvement, however if we see no significant ongoing reduction in labour rights risk, where performance is poor, we may choose to suspend or terminate work with a third-party.

## **Collaboration & Training**

GSK invests in industry and cross-industry collaboration to seek continuous improvements in our approach to identifying and addressing modern slavery risks. We currently participate in the following forums: the Pharmaceutical Supply Chain Initiative's Human Rights and Labour Sub-Committee, the UN Global Compact Network UK Modern Slavery Working Group, the Business for Social Responsibility Human Rights Working Group, and Action for Sustainable Derivatives.

In 2021, through our participation in the Pharmaceutical Supply Chain Initiative ("PSCI"), we contributed to a number of projects to build members' and suppliers' capability to address human rights, including:

- Developing a maturity model and learning content plan for suppliers to assess the maturity of their practices from a human/labour rights perspective and to undertake training using PSCI resources freely available on the website.
- Engagement with five carnaúba wax producers in Brazil about their efforts in preventing and remedying potential forced labour and modern slavery cases in their operations and improving their human rights practices.
- Commissioning a project to create a responsible sourcing process for procurement professionals and an evidence evaluation tool for high-risk raw materials. The process and tool will help procurement teams to evaluate whether suppliers have adopted sufficient measures to address human rights risks linked to the sourcing of raw materials.
- Commissioning a project to develop training for PSCI members and suppliers on eight topics: freely chosen employment; child labour and young workers; non-discrimination; fair treatment; wages, benefits, working hours; freedom of association; management systems; and implementing the UN Guiding Principles on Business and Human Rights.

We also delivered presentations on labour rights as part of a series of procurement competency weeks to build buyers' understanding of our forced labour and child labour risks.

## **Reporting and investigating concerns**

We want to maintain an open environment where people feel confident to raise concerns about possible breaches of our Code of Conduct or suspected violations of country laws and regulations. Anyone within or outside GSK can raise issues or speak to an independent third party through our [Speak Up](#) facility, available in 49 languages, confidentially or anonymously if they prefer. GSK is committed to promptly investigating all reports of unethical, illegal or inappropriate activity. In 2021 there were no reports suggestive of modern slavery. More information on policy violations that took place in 2021 can be found in our [Annual Report](#).

## **Measuring Effectiveness**

We review the effectiveness of our modern slavery risk management programme by assessing our suppliers' ability to detect and mitigate modern slavery risk, investigation and analysis of reports of modern slavery and remediation

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actions taken in response and engaging regularly and collaborating with stakeholders. We recognise that as a complex and hidden issue, modern slavery requires more effort to uncover, particularly in lower tiers of supply. As we continue our due diligence activities, we will consider the need for additional ways to assess the effectiveness of our actions.

## Consultation and approval process

GSK plc operates and manages its subsidiaries through global policies, systems and processes that are designed to be consistently applied across the Group, including in the area of third-party oversight, audit processes and contract governance. This statement has been prepared in consultation with our key teams that collaborate to deliver our labour rights risk identification, assessment and management processes for our own operations and supply chain. This includes: corporate responsibility; third party oversight; third party environment, health & safety; human resources; ethics & compliance; procurement, and legal teams.

Members of the GSK plc and GSK Australia executive teams considered and provided comments on this statement prior to publication. This statement was approved by the GSK plc Board of Directors.



Iain Mackay  
Chief Financial Officer

1 March 2022

## Annex

This statement applies to GSK plc and all entities within the GSK Group of companies as set out below.

### Reporting entity:

GlaxoSmithKline plc (registered in England and Wales No. 3888792). 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom.

In accordance with the UK Modern Slavery Act 2015, the following GSK plc UK entities are included in this statement:

Glaxo Operations UK Limited  
GlaxoSmithKline Consumer Healthcare (Overseas) Limited  
GlaxoSmithKline Consumer Healthcare (UK) IP Limited  
GlaxoSmithKline Consumer Healthcare (UK) Trading Limited  
GlaxoSmithKline Consumer Trading Services Limited  
GSK Consumer Healthcare Export Ltd  
GlaxoSmithKline Export Limited  
GlaxoSmithKline Intellectual Property (No.2) Limited  
GlaxoSmithKline Intellectual Property (No.4) Limited  
GlaxoSmithKline Intellectual Property Development Limited  
GlaxoSmithKline Intellectual Property Limited  
GlaxoSmithKline Intellectual Property Management Limited  
GlaxoSmithKline Research & Development Limited  
GlaxoSmithKline Services Unlimited  
GlaxoSmithKline Trading Services Ltd  
GlaxoSmithKline UK Limited  
GlaxoSmithKline US Trading Ltd  
Glaxo Wellcome UK Ltd  
Phivco UK II Limited  
SmithKline Beecham Limited  
ViiV Healthcare Trading Services Limited  
ViiV Healthcare UK (No.3) Limited  
ViiV Healthcare UK Limited

In accordance with the Australian Modern Slavery Act 2018, the following GSK plc Australian entities are included in this statement:

GlaxoSmithKline Consumer Healthcare Australia Pty Ltd  
GlaxoSmithKline Australia Pty Ltd  
GlaxoSmithKline Holdings Pty Ltd  
GlaxoSmithKline Investments Pty Ltd