Investor education event: Environment
5 April 2022
ESG performance to deliver health impact and shareholder returns

Access

Global health & Health security

Inclusion & Diversity

Environment

Product Governance

Ethical Standards

- Sustainable performance and long-term growth
- Trust for all stakeholders
- Reduced risk to operations
- Positive social and environmental impact
Claire Lund
Vice President of Environmental Sustainability
Six key areas to cover

1. Strategy and goals
2. Long-term value creation
3. Integration into operations
4. Targets and progress
5. Working in partnership
6. External recognition
Ambitious goals for 2030:
Net zero impact on climate ☀
Net positive impact on nature 🌿
Strategy overview

Our environmental sustainability targets

**Net zero impact on climate by 2030***

- Net zero emissions across all operations by 2030 (scope 1 and 2)
- 100% renewable electricity by 2025 (scope 2)
- Net zero emissions across our full value chain by 2030 (scope 3)

**Net positive impact on nature by 2030***

**Water**
- Achieve good water stewardship at 100% of our sites by 2025
- 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
- Zero impact active pharmaceutical ingredient levels\(^1\) for all sites and key suppliers by 2030

**Materials and waste**
- Zero operational waste, including eliminating single use plastics\(^2\) by 2030
- 25% environmental impact reduction for our products and packaging by 2030
- 10% water reduction from supply chain by 2030

**Biodiversity**
- Positive impact on biodiversity\(^3\) at all sites by 2030
- 100% of agricultural, forestry and marine derived materials sustainably sourced and deforestation free by 2030\(^4\)

*Targets use 2020 as baseline  1. Below the predicted no-effect level  2. Where regulatory obligations allow and excluding plastics which are critical to product discovery and development and health & safety  3. GSK-owned sites  4. Target updated in December 2021 to reflect priority materials

Across our entire value chain – from lab to patient use and disposal
Climate and nature related financial disclosures

Managing environmental risks and opportunities

- TCFD provides recommendations for climate-related disclosures and enables stakeholders to understand carbon-related assets and exposures to climate-related risks
- GSK was one of the first in our sector to disclose against TCFD
- GSK’s climate-related disclosures are consistent with TCFD recommendations
- TNFD was established in response to the growing appreciation and need to factor nature into financial and business decisions
- GSK leads TNFD Metrics and Targets Working Group
- In March, TNFD launched a beta version of the framework
Sustainability supports long-term business success
The right thing for people, planet, and our business

Risks

- **Supply**: Increasing frequency of extreme weather events and hot days could cause disruption at manufacturing sites
- **Operational costs**: Carbon pricing on operational carbon emissions could increase operating costs
- **Increasing restrictions**: Regulations governing use of high global warming potential substances could lead to increasing cost and restrictions

Opportunities

- Builds business resilience
- Protects supply chain
- Adapts ahead of expected regulation change
- Spurs innovation
- Commercial growth
Integrating sustainability into operations

Delivery of our climate and nature goals by 2030 is embedded across our business

**Corporate Responsibility Committee (CRC)**
- Board level with Chair, CEO, and President Pharmaceutical Supply Chain (Regis Simard) as regular attendees
- Oversees Trust priorities, including environmental sustainability goals
- Exercises oversight, provides guidance, and reviews performance
- New CRC Chair, Dr. Anne Beal, from May 2022

**GSK Leadership Team**
- Ensures effective framework to manage risks and deliver on commitments
- Regis Simard has responsibility for environmental sustainability
- From 2022, ESG remuneration target for nature and climate ambitions

**GSK Sustainability Council**
- Attended by leaders from across the business who play a key role in delivering our goals e.g. procurement, finance, R&D, facilities, manufacturing
- Chaired by Regis Simard
- Supported by Global Sustainability Team who provide specialist expertise and advice to the business
Net zero impact on climate
Climate targets aligned to industry standards

Covers **full value chain** of emissions reductions

**Science Based Targets Initiative** accredited that our carbon targets align to a 1.5° pathway

Disclosed climate change risks aligned to the **Taskforce for Climate-related Financial Disclosure (TCFD)** since 2019

### Climate targets*:

- Net zero emissions across all operations by 2030 (scope 1 and 2)
- 100% renewable electricity by 2025 (scope 2)
- Net zero emissions across our full value chain by 2030 (scope 3)

* Targets use 2020 as baseline
Clear understanding of where to focus our efforts

Understanding our value chain carbon footprint

Projected carbon reduction pathway to 2030

11.59m  Total estimated new GSK emissions (million CO2e per annum)*

*As per UNFCCC 2019
Operational emissions: 8% overall footprint

Reduced Scope 1 and 2 carbon emissions by 15% compared to 2020

- **Renewable electricity**
  - Member of RE100
  - In 2021, reached 67% renewable electricity, +15% since 2020

- **Electric vehicles**
  - Member of EV100
  - In 2021, 4% of sales fleet electric or hybrid vehicles

- **Energy reductions**
  - Energy efficiency programmes
  - Green chemistry
Indirect emissions: 92% overall footprint

Reduced Scope 3 emissions by 8%

**Supply chain**

- 40% of overall footprint
- Launched **Energize** with peers to reduce supplier emissions
- **Manufacture 2030** helping to engage suppliers to measure and manage emissions reductions

**Patient use**

- 50% of overall footprint
- Initiated R&D programme to find alternative, greener propellant; if successful would reduce impact >90%

**Logistics**

- 2% of overall footprint
- Transitioning from air freight to sea freight wherever possible
Net positive impact on nature
Nature targets – leading and aligning to industry standards

- Covers **full value chain** of our impact on nature

- Trialing **Science Based Targets For Nature** methodology for our sector; will seek to accredit our target when the methodology is finalised

- Lead a working group for the **Taskforce for Nature-related Financial Disclosure (TCFD)**

Nature targets cover:

- Water
- Materials and waste
- Biodiversity
Water targets
Fundamental to human health and sustainable production of medicines and vaccines

Achieve good water stewardship at 100% of our sites by 2025
- In 2021 91% of sites already complied with code

Reduce overall water use in our operations by 20% by 2030
- In 2021 reduced overall water use in our operations by 16% compared to 2020

Be water neutral in operations and at key suppliers in water stressed regions by 2030
- Reduced water use by 21% in sites in high water stress regions
- Identified 8 initial water basins in water stressed regions

Zero impact active pharmaceutical ingredient levels for all sites and key suppliers by 2030
- In 2021, 95% of sites and 90% of our suppliers that manufacture antibiotics complied with AMR Alliance industry standards on safe discharges

1. Below the predicted no-effect
Materials and waste targets
Scope of waste targets support transition to circular economy; keeps materials in use

Zero operational waste, including eliminating single use plastics\(^1\) by 2030

- Zero operational waste to landfill in 2020
- In 2021, reduced waste by 7%; recovered 43% of these materials through circular routes like reuse or recycling.

10% waste reduction from supply chain by 2030

- Building a waste footprint to identify hotspots across supply chain

25% environmental impact reduction for our products and packaging by 2030

- Eco-design programme
- Sustainable cardboard packaging
- Launching first PVC free blister packs
- Product ‘tear-downs’ to find environmental improvement opportunities

---

1. Where regulatory obligations allow and excluding plastics which are critical to product discovery and development and health & safety
Biodiversity targets

Spans operational and supply chain impact, and nature-based solutions

Positive impact on biodiversity at all sites\(^1\) by 2030

- Piloted approach with baseline assessment and action plans at three sites
- Pilot projects will be rolled-out so all GSK sites have measurable and effective biodiversity plans in place by 2025

100% of agricultural, forestry and marine derived materials sustainably sourced and deforestation free by 2030

- Sustainable sourcing plans for 17 highest-risk materials
- Developed sustainable sourcing standards for paper packaging based on Forest Stewardship Council requirements

Nature-based solutions for climate and health

- Participant of the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition

---

1. GSK-owned sites
Working together to develop new ways of thinking and innovative approaches
**ESG Ratings Performance**

Leading scores in various ESG ratings

<table>
<thead>
<tr>
<th><strong>CDP</strong></th>
<th><strong>MSCI</strong></th>
<th><strong>Sustainalytics</strong></th>
<th><strong>CDP Forests</strong></th>
<th><strong>AMR Benchmark</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A- in Climate</td>
<td>AstraZeneca</td>
<td>Novartis</td>
<td>GSK</td>
<td>GSK</td>
</tr>
<tr>
<td>B in Water</td>
<td>GSK</td>
<td>Low, 17.0</td>
<td>B</td>
<td>B</td>
</tr>
<tr>
<td>B in Forests</td>
<td>Merck</td>
<td>Roche</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Supplier Engagement Leader</td>
<td>Sanofi</td>
<td>Bristol Myers-Squibb</td>
<td>Medium, 21.2</td>
<td>Medium, 22.5</td>
</tr>
<tr>
<td></td>
<td>Bristol Myers-Squibb</td>
<td>Sanofi</td>
<td>A</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>Pfizer</td>
<td>Eli Lilly</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Pfizer</td>
<td>Eli Lilly</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Pfizer</td>
<td>Eli Lilly</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Pfizer</td>
<td>Eli Lilly</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Pfizer</td>
<td>Eli Lilly</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Pfizer</td>
<td>Eli Lilly</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

**Dow Jones Sustainability Index**

1st in Pharma group

Top quartile positions in various ESG ratings and indexes for our sector

Clear aim to retain top quartile leadership in these ratings as New GSK

---

1. Up from B the previous year
2. In line with sector average
3. Forest scores published for first time; Received B in both timber and palm oil commodities, above sector average of C for timber and in line with sector average for palm oil
4. Awarded to 8% of companies who disclosed to the full climate questionnaire
Environment performance to deliver health impact and business growth

Access

Global health & Health security

Inclusion & Diversity

Environment

Product Governance

Ethical Standards

- Sustainable performance and long-term growth
- Trust for all stakeholders
- Reduced risk to operations
- Positive social and environmental impact
Q&A will be moderated using the “raise hand” function

When you are selected to ask a question, you will be promoted to speaker

Once promoted to speaker, please turn on your video and come off mute to ask your question

If we run out of time, please submit your questions using the Q&A function