GlaxoSmithKline

Investor education event: Environment

Tuesday, 5 April 2022

Frannie DeFranco: Hello everyone. Thank you for joining our event. Before we get started, I wanted to flag that we will be recording this event, so I am going to start that recording right now.

Thank you. I am Frannie DeFranco, a Director on the Investor Relations Team, and I am delighted to welcome you to the first in a series of investor education events focussed on GSK's position and strategy for key ESG topics. Today's event will focus on our approach to the environment.

We circulated today's presentation materials to our distribution list earlier and have posted the slides on the Speeches and Presentations page of the Investor section on GSK.com.

Our event today is scheduled for 45 minutes. The first 30 minutes will be a presentation followed by 15 minutes of Q&A. When we get to the Q&A portion, we will use the 'Raise Hand' function in Webex and then use Webex features to invite investors one by one to turn on their videos, come off mute, and ask their questions. When you are asking a question, please introduce yourself and your company and, if necessary, we will capture any outstanding questions using the Q&A function and follow up with answers after.

ESG performance to deliver health impact and shareholder returns

Today's event, in line with our Investor Update in June, will be focussed on New GSK where ESG will continue to be an integral part of our strategy and investment case. We believe our approach to ESG will support sustainable performance and long-term growth, build trust with all of our stakeholders, reduce risk to operations and enable delivery of positive social impact.

We will be prioritising our resources around the six material ESG areas that you see here; access, global health and health security, inclusion and diversity, product governance, ethical standards and, of course, environment, which is what we are here to discuss today.

Now let me introduce you to our speaker, Claire Lund. Claire is our Vice President of Sustainability and will be taking you through our environment strategy.

Claire Lund – Vice President of Environmental Sustainability

Claire has led the design of GSK's climate net zero and net nature positive ambitions by 2030 and is now leading the delivery of these goals. She currently sits on the Strategic

Advisory Group of Business for Nature and has a Masters in Science from City University on Energy and Environmental Technology Economics.

Claire joined GSK in 2013 and has held different roles in Procurement before becoming Head of Environmental Sustainability in 2017. Before joining GSK, Claire worked in the public sector in the Cabinet Office as the Lead for Energy Procurement Transformation, so without further ado, let me pass the presentation over to Claire.

Agenda

Claire Lund: Thank you, Frannie, and thank you for all attending today. In our short time together, I will try and cover quite a lot of topics grouped around six key areas; firstly an overview of our environmental strategy and goals, secondly how environmental sustainability supports long-term value creation, thirdly how we are integrating sustainability into operations to ensure delivery, fourthly detail on our approach on climate and nature and progress against our targets, fifthly how we partner to deliver our goals and drive wider change and finally talking about external recognition of our approach.

Ambitious goals for 2030

In November 2020, we set ambitious industry-leading goals to have a net zero impact on climate and to be net nature positive by 2030. This is across our entire value chain, so from discovery through to disposal. We recognise the interrelationship between the impact on climate and nature loss and, of course, the impact on human health. Our climate and nature strategies are mutually reinforcing as many of the solutions have multiple benefits.

The strategy was developed with support and input from the GSK Leadership Team, the Board, as well as input from leading external specialists in environmental sustainability.

GSK has long been committed to reducing our environmental impact and we were one of the first pharmaceutical companies to set ambitious environmental targets in 2010, but in 2020, we realised we needed to pivot from doing less harm to doing more good. Our goals will address the impact our business has on the environment, but importantly beyond this, we are helping to adapt and build resilience to the new health challenges that a changing environment will bring.

We are working on developing and manufacturing new medicines and vaccines needed for the diseases most affected by climate change and to be better prepared against future pandemic risks.

We are also playing our part in building strong health systems, especially in countries that are most vulnerable to climate-related shocks. This work is being led by our Chief Global Health Officer, Thomas Breuer. I won't go into much more detail on that today, but if

we turn to Slide 6, I will start taking us through the more specific details on the environmental sustainability strategy.

Strategy overview

Having headline goals is great, but to embed delivery we've put in sub-categories and targets for both climate and nature. These targets all have a 2020 baseline and we have some interim targets in 2025 to make sure we are on track for the 2030 goals.

2021 was the first full year delivering against our new sustainability goals and we published data on our progress for the first time in the Annual Report last month. I am pleased to say that we reduced our impact on the environment at the same time as growing our business with sales up 5%, decoupling environmental impact with growth.

You can read more on our ESG Environment Performance Report on GSK.com, but I am actually going to start taking you through a few of those highlights today.

Before we progress to look at the highlights, I will just spend a few minutes looking at how we approach our climate and nature-related risks and opportunities.

Climate and nature related financial disclosures

Delivering these goals is not just the right thing for people and planet, it also makes business sense. This is increasingly moving into the call for more disclosure and transparency which we absolutely support in a coordinated and aligned manner and as one of the first in our industry to voluntary disclose against the Task Force on Climate-Related Financial Disclosures, we used the TCFD to inform our new targets, actions and approach.

We are also an early supporter of the Taskforce on Nature-Related Financial Disclosures and we are embedding this process into the business from the beginning. We have senior representatives from the Finance Team leading the Metrics and Targets sub-group on behalf of GSK.

You may be aware that TNFD launched their beta framework last month. The final versions are due out in September next year and we will start to integrate that framework as part of our reporting.

If I then turn to Slide 8, I will talk about some of the specific business risks and opportunities.

Sustainability supports long-term business success

In setting these ambitious goals we wanted to ensure and help make New GSK more resilient, protect our supply chains, and help us adapt ahead of anticipated regulation change as well as provide potential growth opportunities. Some of the key physical risks to

our business include increasing frequency of extreme weather events, water stress, hot days causing disruption at manufacturing sites and other operations and potentially reduced productivity.

There are also financial risks such as carbon pricing which could increase our operating costs. In addition, regulations governing the use of high global warming potential substances could lead to increasing costs and/or restrictions on the use of propellant in our metered dose inhalers.

Fortunately, there are increasing business opportunities for companies that can accelerate the shift to a low carbon and nature positive economy. For example, more than 50 countries around the world are now committed to low carbon healthcare systems. This is starting to lead to an increasing demand for low carbon vaccines and medicines and we are already seeing an increased focus on sustainability in the commercial and tendering processes.

Beyond climate change, we also know that our business relies on thriving natural ecosystems, whether it's the raw materials we use in our medicines, the water used in our manufacturing or scientists looking to nature for inspiration, like the R&D partnership we announced a few weeks ago on genomic drug discovery from fungi.

The goals we have set for both climate and nature seek to mitigate these risks, take advantage of the potential business opportunities and have a positive impact on human health.

If we move to Slide 9, I will share how we are embedding these goals into GSK and across GSK.

Integrating sustainability into operations

To ensure delivery of our climate and nature goals, we are integrating this into our operations, so it's not just an add-on topic but core to how we do business. To start, we have Board oversight for sustainability which is primarily driven through our Corporate Responsibility Committee. Additionally, the GSK Leadership Team regularly addresses ESG topics and management responsibility for environmental sustainability sits with Regis Simard who is the President of the Pharmaceutical Supply Chain. This includes personal objectives aligned with rewards for delivery against our sustainability goals.

From 2022, we are explicitly linking key ESG targets, including progress on the delivery of our climate and nature goals, to the reward of our Executive Directors and other senior leaders across the company.

Our Corporate Responsibility and Rem Committees are aligned on agreeing and tracking performance against climate and nature goals.

Then, finally, we have the GSK Sustainability Council which includes teams from across GSK, such as Manufacturing, R&D, Procurement and Facilities Management all working together to deliver our environmental targets and embed them as standard working practices. Each work stream or enabling function has a senior accountable leader responsible for delivering.

Regis attends all three bodies to ensure management accountability and continuity and alignment across the Boards. The Council is supported by the Global Sustainability Team which is led by me and a team of experts.

Net zero impact on climate

Now, I have covered a bit more of the strategic context, I will turn now to look at the progress against our targets. I will start with our climate goal.

Climate targets aligned to industry standards

Our climate goal covers the full value chain of emissions from our own operations as well as our supply base and patient use emissions. The Science Based Targets Initiative has accredited that our carbon targets align to the 1.5^{o} C pathway and will be re-accrediting our targets after separation for New GSK's footprint.

Our climate strategy covers all greenhouse gases which we convert into a carbon equivalent for accounting and reporting purposes. I will use the term carbon here for simplicity, but I do refer to all greenhouse gases.

We will continue to work hard on reducing our emissions across our operations and the supply chain in line with the pathway. However, there are still some residual emissions that it might not be possible to eliminate within the 2030 timeline.

For these, we aim to use responsible and high-quality carbon renewable solutions. We estimate this will be for around 20% of our footprint, but these solutions provide multiple benefits, including nature, health and wellbeing as well as carbon removal.

Clear understanding of where to focus our efforts

On this slide you can see that we have mapped our carbon footprint across the entire value chain so it ensures we have a clear understanding of where to focus our efforts. This understanding informed our pathway to help reach net zero which is the glide path you can see included on the right.

Both of these charts are on GSK.com, but let me talk you through some of the detail.

Operational emissions: 8% overall footprint

Looking first at our operational emissions, in 2021 we reduced our operational footprint by 15% compared to 2020. We will continue to focus on key activities, including investment in renewable electricity, electric vehicles and, of course, ongoing energy reductions.

In 2021, we reached 67% renewable electricity which was an increase of 15% since 2020. Our sites in over 15 countries, including the UK, Belgium and Spain, now source 100% renewable electricity. We achieved this primarily through either new investment in wind and solar at our sites or offsite through power purchase agreements.

Investments in onsite renewables also help build our resilience to energy supply and price shocks, a very relevant issue in the current crisis. For example, at our site in Scotland in Irvine, we have 85% energy security coming from renewables and biogas, a closed loop heat system with onsite production which delivers also opex reductions.

In addition, we are a member of EV100 and committed to transitioning our sales fleet to low carbon vehicles and to install charging infrastructure at over 100 sites by 2030.

In 2021, 4% of our sales fleet were electric or hybrid and we have vehicle charging points at over 30 of our sites already.

We set up a pilot project in the US in partnership with our fleet management company to deploy electric and hybrid plug-in vehicles and install home charging facilities.

We continue to accelerate our successful energy reduction programme. This includes doing onsite energy analysis to identify and drive efficiencies, save energy and costs, but we also apply the principles of green chemistry to look at how we can optimise resource in both the drug development and the production processes.

Finally, we are collaborating with industry partners to investigate new clean technologies to reduce the use of natural gas for energy and heat production. We already have, as I mentioned, the biogas facilities operating which use waste products on our site to convert to heat sources and in 2021 we had no coal coming from our own operations.

Indirect emissions: 92% overall footprint

The challenge for us and for many sits outside of our own operations. For us, about 92% of our carbon footprint comes actually from the supply chain and patient use, so to meet our ambitious environmental commitments we must work end-to-end and collaborate to be efficient, but in our latest data, our Scope 3 emissions actually reduced by 8%.

First of all, looking at the 42% of our footprint that comes from the goods and services that we buy, in November last year we were one of the founding members for the Energize project which was with nine other global pharmaceutical companies which was a first of its kind collaboration for members to engage their shared supply chains, to collectively contract renewable energy. This is via an aggregate power purchase agreement, so this will help our suppliers to reduce their Scope 2 emissions, which thereby in turn reduces our Scope 3 emissions as well.

Overall nearly 150 suppliers have already registered their interest in this programme, including over 100 GSK suppliers, so if these suppliers all move to 100% electricity, we really do start to make an impact on the carbon reduction programme.

We are continuing to encourage our suppliers to join the programme and we expect the formation of the first PPA buying cohort in Autumn this year.

We are also participating and partnering with Manufacture 2030 to help us proactively engage our suppliers and to measure and manage emissions in our supply chain. So far suppliers registered on our platform account were around 30% of our upstream emissions from purchased goods. This platform is used by some of our peers, so our suppliers are receiving consistent requests, reducing reporting burdens but also costs.

Manufacture 2030 also provides site-based environmental impacts which directly link to us, so it can help us improve our carbon and nature reporting but more importantly allows us to take targeted action and see the impacts. The platform is more than just a reporting tool. It actually provides recommended actions, practical support to the suppliers which typically help with carbon waste and water reductions.

Turning to look at our patient use which contributes to around 50% of New GSK's total climate impact, this is because the current gas used in our metered dose inhalers is a greenhouse gas. We have initiated an R&D programme to find an alternative greener propellant for our rescue inhaler. Preclinical trials for this project have already begun and, if successful, we expect to reduce the environmental impact of our rescue inhalers by at least 90%.

As a pharmaceutical R&D programme for a new product, this is a complex process, dependent upon clinical efficacy and safety trials and of course regulatory processes which can take several years. We are aiming to have data available to support regulatory submissions by 2025. Updates will be communicated as milestones which are achieved along the way.

At the same time, we already have a range of low carbon maintenance dry powder inhalers where clinically appropriate for patients. All new respiratory products are already in low carbon formats, meaning without a propellant.

An assessment by the Carbon Trust showed that the life cycle footprint of our dry powders is around 24 times lower than a propellant-based inhaler for one month's treatment and we are now going further with this portfolio and working with our partners, including the Carbon Trust, to develop carbon neutral inhalers in the UK. We have achieved the UK certification through starting to deliver product-specific carbon reduction plans and then offsetting the remaining carbon that cannot currently be reduced by supporting a reforestation or carbon removal programme in Ghana.

Then finally on logistics, which now accounts for only 2% of our indirect emissions, we are continuing to transition from transporting our products from air freight to sea freight wherever possible. This means both lower distribution costs but also of course a smaller footprint.

Net positive impact on nature

We are the first company in our sector and one of the first in the industry to set a net nature positive goal. If we turn to Slide 16, I will take you through the details.

Nature targets – leading and aligning to industry standards

Measuring and accounting for how companies impact the natural world is very much an emerging field. We wanted to be part of that journey, recognising that having a climate goal was not enough. We are collaborating with partners to understand how to best measure our nature impacts and meet industry standards. We are working with the Science Based Targets Network for Nature to trial the methodology for our sector.

We will align to the Science Based Targets Network approach to measure our impact on nature and our dependencies and we will seek to accredit the target when the methodology is finalised.

As I mentioned earlier, we also sit on the Taskforce for Nature-Related Financial Disclosure and we support the coordination and alignment of the disclosures framework.

We have broken the nature goal down into three areas; first, water, second, waste and materials and third into biodiversity. I will look at these targets and progress against each of these areas individually starting with water.

Water targets

Water is a key part of the nature strategy since it is also fundamental to human health and sustainable production of our medicines and vaccines. We have mapped our water footprint to understand the volume of water use across the value chain, where in the world water is being used and our impacts on water quality.

Water challenges are much more localised, so by better understanding our water use and the impact, we can focus our efforts where we have the biggest risks and where we can make the most difference in a way that responds to specific local challenges.

We committed all GSK sites to comply with our water stewardship code by 2025 and, in 2021, 91% of our sites already complied with this code. This involves reducing the amount of water we use, improving the water quality, minimising discharges and working with the community and public sector stakeholders to address the local water challenges. These are context-based goals which mean they reflect the water base and challenges.

We also committed to reducing water use at all our sites and in 2021 we reduced overall water use in our operations by 16% compared to 2020 and by 21% in sites in high water stress regions.

At all our sites where water resources are under stress, we have committed to water neutrality by 2030, which means we will go further and take collaborative action to carry out water and sanitation education and infrastructure initiatives across the water basin. We have identified eight initial water basins in water stressed regions where we have manufacturing sites, including South Africa, India and Pakistan which we will prioritise for investment in water neutrality in a way that is responsible and responsive to local challenges.

I will just give an example: At our site in Cape Town, we are working with the Water Resilience Coalition, WWF and local partners to address the shared water challenges by clearing alien plant species and replanting with local flora to create greater resilience in the water basin. For our Nashik site in India, we are working with Save The Children as part of a programme to ensure that schools in India have well maintained water, sanitation and hygiene facilities.

We are committed to keeping any active pharmaceutical ingredient emissions from manufacturing, including those that might contribute to antimicrobial resistance below the predicted no effect concentration level not only for our sites, but also for our key suppliers.

We're a partner in the Innovative Medicines Initiative Project, which is a leading collaboration across industry, academia, governments and other focused actions on the prioritisation of risk of medicines in the environment.

This programme is addressing the science and data gap behind safe levels of the environmental risk for APIs, making environmental data and APIs more accessible, supported with credible science. This project is supporting also the greener design of pharmaceuticals.

In 2021, 95% of our sites and 90% of our suppliers that manufacture antibiotics complied with the AMR Alliance industry standards on safe discharges. We lead the AMR benchmark, which includes recognition of our environmental risk management approach.

Materials and waste targets

The second category was materials and waste, which focuses on the transition towards the circular economy, and, as you can see on this slide, our targets cover waste from our suppliers, at our sites, and from our products and packaging.

Starting with our sites, in 2020 we achieved zero waste to landfill at all of our sites, and in 2021 we reduced the waste from our sites by 7% and recovered 43% of these materials through circular routes like reuse and recycling.

For our supply chain, we're building a detailed waste footprint to identify hotspots. We'll use this footprint to engage suppliers on waste reduction, and it will also help us to find opportunities to reduce our products' end of life waste.

On our products and packaging, we're taking a two-pronged approach: firstly, preventing future challenges through embedding eco design into our R&D and manufacturing organisation. The European Commission estimates that more than 80% of the environmental impact of a product is determined at the design stage, so making sure that environmental sustainability is considered during the development, file and launch of a new product is the most effective way to ensure that products we bring to patients have a reduced environmental footprint in the future.

This is also the cost-effective time to design in optimised processes and packaging needs. For example, we recently established a PVC-free blister tablet as the first intent material which will now go into future products, launching first in Japan and Europe in 2025.

Then secondly, we're looking at targeting hotspots across the existing product portfolio and taking action. A lot of our packaging is cardboard, and we're working to make this as sustainable as possible, including reductions but ensuring deforestation-free sourcing

by 2025. In 2021, 84% of our Tier 1 paper suppliers are certified as deforestation-free, the card is obviously recyclable, and we're moving to increased use of recycled grade paper.

Additionally, we're removing paper leaflets and moving to e-leaflets, where regulation allows. For example, we are piloting removal of leaflets for our flu vaccine in Taiwan, which not only saves paper, but also has the potential of reducing the carton size.

On plastics, around 50% of our plastic packaging footprint is already technically in a recyclable format, but subject to waste restrictions and regulations. The two remaining areas of focus are blister packs and our dry powder inhalers. For existing blister packs, we're applying the work for the new products to our current portfolio at the appropriate time when the product lifecycle changes come into play. For our low carbon dry powder inhalers, we've completed detailed product and packaging assessments to identify projects that will reduce the packaging footprint and costs. For the majority of projects identified, there were both the potential of environmental benefits and cost of goods savings.

Finally, we are aware that recycling rates are low across the world. We are engaging in industry collaboration to look at recyclable packaging and medicine take-back schemes at a sector level, moving beyond niche take-back schemes.

Biodiversity targets

I'll turn now to look at our biodiversity targets. This is the final part of our nature strategy, spanning both our operations and our supply chain. For our operations, we've committed to net positive biodiversity impact at our sites by 2030, so this is going to require investment at our site level to improve habitats, protect species and improve soil and water quality. In 2021, we piloted the approach with baseline assessments and set action plans going on three sites.

At our Stevenage site in the UK, we've created a landscape plan in partnership with Kew Gardens, to deliver a 39% biodiversity increase, which includes grass, woods, heathlands. We are also working with Natural England to calculate the additional benefit for water and air quality in human health.

We know that making nature accessible improves mental and physical wellbeing, investing in site biodiversity is also investing in health and wellbeing for our people and our employees, as well as supporting team building, as people can get actively involved with these local projects.

To address biodiversity in our supply chain, our target is that 100% of our agricultural, forestry and marine-derived materials will be sustainably sourced and

deforestation-free by 2030. The complexity of our operations and supply chain makes this an ambitious undertaking, requiring a phased approach.

In 2021, we developed sustainable sourcing plans for 17 of the highest-risk materials in our supply chain, which includes paper, palm oil and soy. For each material we are adopting a road map aligned with the Science Based Targets for Nature approach, to both avoid, reduce and then restore.

This is also about building resilience to key materials needed for current and future products, including the development of synthetic alternatives, where appropriate, by going beyond our first tier suppliers to map how these materials are sourced, and putting into place action plans to increase sustainability.

Then beyond our value chain, we are also investing in nature-based solutions to protect and restore land, in a way which contributes to both carbon removal and water basin restoration, and so helps us achieve our climate and water targets together. For example, GSK is a participant in the Lowering Emissions by Accelerating Forest finance, or the LEAF coalition, which supports the high-quality emissions avoidance from tropical and sub-tropical forest countries, helping to reduce and end deforestation and protect future biodiversity. This initiative has mobilised over a billion dollars in financing, and it's one of the largest ever public-private efforts to protect tropical forests. We are currently assessing these projects.

That concludes the section of the presentation covering our progress against our specific targets on nature and climate, but we know we can't achieve any of this progress alone, so if I turn to Slide 20 I will look at how we're collaborating, and who we're collaborating, with others.

Working together to develop new ways of thinking and innovative approaches

As I said, working together with partners and peers and customers and suppliers and governments to develop new ways of thinking and innovative approaches to solving these challenges is critical, so we have to go beyond our value chain, drive systemic change across industry, and that's why we chose to be a principal partner of COP26. It was a pivotal moment for action in climate change, and we firmly believe our sector can help accelerate collaboration and momentum to net zero.

2022 is going to be an important year, we hope, for nature, with the UN Biodiversity Conference at COP15 set to take place in China later this year, and we're working with partners to help raise business ambition on nature, and ensure health and the healthcare sector are part of this dialogue.

ESG Rating Performance

If we turn to Slide 21, which is where we're looking at the benchmarks on ESG performance. We currently have a leading position in most of the important sustainability ratings indexes, including those with sector-specific relevance, and we have a clear aim to retain top-quartile leadership in these ratings as New GSK.

On this slide you will see we have pulled out several indices we are asked about the most from investors, and in 2021 we increased our score from B to A- in CDP, in climate change, placing us in the leadership band for our sector. We are also recognised in the top 8% of submitting companies as a supplier engagement leader on climate change.

We scored a B in CDP water, in line with the sector average, and B in forests for timber and palm oil commodities, which was ahead of most of our sector, and we ranked first in the Dow Jones Sustainability Index, which includes environmental sustainability disclosure and the AMR benchmark.

Environment performance to deliver health impact and business growth

In summary, our approach is designed to respond to the key risks and opportunities for long-term business success, and to build trust with stakeholders. Delivering our ambitious sustainability goals is at the heart of New GSK's purpose, strategy and culture, and a key driver in our goal to deliver health impact and long-term growth.

I will now hand back to Frannie for some of the Q&A. Thank you.

Q&A housekeeping

Frannie DeFranco: Thank you so much, Claire, and thank you everyone for joining us. As promised at the beginning, we would like to move into Q&A for about twelve minutes it looks like we have left, so if you could use the 'Raise Hand' function in the Webex, that would be really helpful. What I will do then is promote you, you can come off mute and you can turn your video on and we can see you, and then we can get into that.

It looks like we have a couple of questions on the line, so Charles, I'm going to change your role, make you into a panellist, you should now be able to be unmuted – make sure locally you are unmuted as well, and if you like you can turn your video on and we can see you.

Charles Pitman (Redburn): Thank you for taking my questions, I just have two quick ones, if I may, firstly, I was just wondering what sort of direct investments are

being made by GSK to increase the availability of renewable electricity, given GSK is not alone in needing access to this, and it will directly impact your own Scope 3 emissions?

Then secondly, in terms of the remuneration of your Executive Directors, I was wondering what proportion is expected to be linked to ESG targets? I understand you probably can't give us details on what those targets might be, but maybe also a question on the timeframe that those will be associated to. Will these be a multi-year milestone, such as meeting the '25 or '30 targets, or will they be an annual achievement or progression towards those targets? Thank you.

Claire Lund: Right, that felt like three questions, but that's fine! In terms of investment in renewables, you're right, we are actually directly investing in on-site renewables for our own sites. I'll talk it through in two stages: we announced around £50 million investment in on-site and near-site renewables, so that really does contribute not only to energy resilience but also cost and opex reductions as well. Then when we talk about what we're going to do for our suppliers, that was the Energise Project I was talking about, where we collectively with nine other pharma peers, have put forward investment in setting up a framework for other suppliers in our joint networks to access renewable power purchaser deals. By setting that up we've created the framework, we've invested in that framework and set-up, and then suppliers can now access the renewable electricity, so that's investment in renewables.

In the Rem and the ESG piece, Victoria Whyte, who is our Company Secretary, is really happy to talk about the details on the Rem strategy and structure with ESG, but I can share I think at the moment that around 10% is going to be linked to ESG, both in short-term and long-term incentives. For the environmental side of things, again, that will be linked to the long-term strategic objectives for Rem.

Don't forget it's also included in senior leaders' objectives who are engaged on the workstreams and the programmes already, so that's already embedded into objectives, we're linking it to the Rem as well, and then of course we always have reward and recognition schemes through the company too.

If you want more details on where we're at with the Rem and ESG structures, please do reach out to Victoria Whyte, who will be more than happy to take you through that.

Jimmy Muchechetere (Investec Wealth & Investment): Hello, thank you very much, a fantastic presentation, I think you covered a lot of good ground. Since I'm limited to two questions, I'll just ask two quick ones: one is, on the internalisation of some of the costs you have mentioned, to what extent are those included in your guidance or in your projections? You talked about carbon pricing as an externalised cost that might yet become

internalised, I'm just interested broadly, beyond just carbon price, but all the other costs of all the other things you have to do.

The second one, really interesting is TNFD, of which I think you are a pioneer and doing very well – perhaps just some timelines. You mentioned it was started this year, but what can we expect and when can we expect coming from that? Thank you.

Claire Lund: Great, thank you. In terms of investment and costs, I'll quickly state totally the obvious, which is, these costs have already been included, embedding them into our ways of working and our operations, so there's no change to the earnings per share guidance that we've already issued. How we're setting these up is when we're looking at different projects and programmes, that just becomes part of the business strategy and structure. I gave you examples of where we've looked at projects particularly on breaking down the cost of goods, and actually you bring in sustainability benefits at exactly the same time, so when you're looking at doing lifecycle changes or projects, it's marrying the benefits, the costs, the impacts together, so we're not keeping these as separate costs bases or projects and programmes, it is fully integrating into the ways of working.

The second one on TNFD, Cassandra, who is leading that work for GSK, would be more than happy to talk to you about the details of TNFD, but I can tell you the Beta framework was launched last month, so it is publicly available now for exactly that, the testing, challenge, and questions. I think the aim is to have that reviewed and launched September, later in the year, so please do contribute on the Beta testing, that's exactly why we're part of it, we really want it to usable, aligned with other disclosures, and I think it is extremely important that that feedback does come in, so I would encourage that feedback, please.

Amy Wilson (Federated Hermes): Hello. Very interesting presentation, thank you very much for explaining a little bit of your sustainability strategy to us. I have a quick question on AMR, you explained that you linked AMR to water reduction target, and I was wondering if there were any other sectors in your sustainability strategy to which you had linked AMR?

Claire Lund: That's a great question, and AMR is a huge topic in its own right, I think Amy. Where we focused on AMR is particularly in environmental strategies around the water quality challenges, so making sure that we're complying with the AMR Alliance standards and benchmarks, not only for our sites – that's the water quality coming from our sites – but also our suppliers as well. That's one aspect of it where we're monitoring the water quality aspects and compliance with those standards.

There are a lot of other programmes, as you're probably aware, across anti-microbial resistance, which is looking at different treatments, whether it's vaccines or other areas, which is linking into the vaccines portfolio, so there is an integrated approach on anti-microbial resistance. We have new products coming through on antibiotics as well, so it is from the environmental lens very much looking at the water quality aspect, and targeting to make sure that we're hitting the right levels on that.

As part of the IMI PREMIER, that's also looking at the huge data gap, not just on anti-microbial resistance but other APIs as well, so it's taking that same approach and applying that to other active pharmaceuticals in the environment.

Hopefully that's answered your question, Amy.

Amy Wilson: Yes, thank you very much.

Miranda Beacham (Aegon Asset Management): Hi, just a couple of questions: first of all, great presentation, really interesting, a lot of it really dealing with the environmental part of ESG, and I think if you were to do another one I would be really interested to hear about the more social part of your ESG journey, in particular things like access to medicine, how you ensure that there's a fair distribution of medicines at reasonable cost to countries that can otherwise not afford it.

Second question I have for you is, you said that 95% of sites and 90% of your suppliers have safe water discharges - just so I can understand how it works in practice, what do you do with those that are not compliant? How do you work with them, how long do you give them, what penalties do they have to pay, etc.?

Claire Lund: I'm going to take your second one first, because I'm going to leave Frannie to cover future topics for these investor events, so let me cover your second question first, Miranda.

In terms of what are we doing on the water quality aspects and how are we tackling it, we do work with both our sites and our suppliers, we put harder and tougher targets, clearly, on our own sites, so they have corrective action plans which they have to remediate within six months, so looking at what can they do to address that level, have they breached it, what actions do they need to take to get back under that? They have detailed timelines to comply with that again.

The same with our suppliers, we'll take an approach of working with them to understand why it happened, how long it would take them to really fundamentally address the issue, so is that investment in new technology on sites, is it monitoring standards that

they don't have in place, so we'll take the approach that is appropriate to understanding the problem.

Again, we do put timelines on that, we are committed under the AMR benchmark as well to set quite tough timelines around that as well. For our own sites it's a bit of a stronger lined approach, for our suppliers it's understand the real issues and build the plan to tackle that issue, and we will not be waiting until 2030, particularly on antimicrobial resistance, so we are focusing much more on shorter timelines for that one.

Miranda Beacham: If they fail to hit those targets, say you have a supplier that fails to hit those targets, do you get rid of them? How often does it happen that you have to exit a supplier?

Claire Lund: The good news is we haven't had to exit a supplier for that reason at the moment. I think that will be an interesting challenge as we start to get towards '23, '24, '25 timelines, at what point is the technology not going to be actually working. Again it comes back to, Miranda, what is the challenge, why can't they reach those levels - is it monitoring, is it technology to reduce, is it willingness to invest, is it inability to invest? A lot of it comes down to what is the problem, before you reach that penalty of, do we exit that supplier?

The first question I'm conscious I haven't answered, but I'm going to ask Frannie to cover that one.

Frannie DeFranco: That's totally fine. In terms of understanding more on things like the S&G in the future, that's the reason we're doing these events, to see what the interest is, so we'll come back and hopefully do a number more events, this year into next year, and then we can highlight the other areas. Hopefully that's helpful and we'll come back with more, thank you for putting your video on.

I recognise that we are at time, and I want to be respectful of everyone's time. I did see a question that came in the chat from Bill Butterly, Boston Partners Global Investors, asking "would one of the panellists please address whether GSK is sure that any solar panels that supply renewable energy have no parts or ingredients that were supplied from Uighur labour?"

I can tell you that we're not currently directly sourcing from that region that you have in question, that we're committing to conducting business with the respect of human rights as set out by the UN Guiding Principles on Business and Human Rights, and we expect the parties that we work with to do the same. Hopefully that answers your question.

If other questions have come through in Q&A or have been emailed to us, we'll be sure to come back to you all, but to be respectful of time, I'm going to close. Thank you very much Claire, and thank you for all of the questions that came through, and hopefully we'll see you all again soon. Thank you very much.

Claire Lund: Thank you.

[*Ends*]