

Responsible business

ESG is embedded in our strategy. It helps us deliver our purpose and supports our sustainable performance and long-term growth.



Responsible business

Our approach

We are a global biopharma company with a purpose to unite science, technology and talent to get ahead of disease together. To deliver our purpose, we need to consider ESG impacts across everything we do, from the lab to the patient. That's why ESG is embedded in our strategy and supports our sustainable performance and long-term growth. It helps us to build trust with and generate value for our stakeholders, reduce risk to our operations and create positive social impact.

We have identified six ESG focus areas that address what is most material to our business and the issues that matter the most to our stakeholders. These focus areas are core to our strategy and are where we can have the greatest positive impact on some of society's most urgent challenges, including those set out in the UN Sustainable Development Goals (UN SDGs). They are:

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

These focus areas were informed by our most recent materiality assessment in 2022, which reaffirmed that the most material issues for our business were well aligned with our six ESG focus areas. We recognise that being a responsible business is not a static requirement. This means that we will continue to evolve our approach in response to the rapidly changing operating environment and strive for continuous improvement to ensure we maintain strong ESG performance.

Our ESG Performance Rating

Our ESG Performance Rating helps us integrate ESG into the delivery of our strategy and allows us to measure and verify the progress we are making. The rating is one of our corporate KPIs and measures progress against key metrics aligned to each of our six focus areas. In 2023, this included 22 metrics, which are summarised in our ESG Performance Report.

We continue to evolve our ESG Performance Rating to ensure it meets the expectations of our stakeholders. The executive leadership team and the Board, via the Corporate Responsibility Committee, review the metrics that make up this Rating each year to ensure they are sufficiently challenging and ambitious. This year, we have removed two metrics, relating to Access and Ethical standards, and added one relating to anti-microbial resistance (AMR). We met one of our 2022 metrics relating to Access by developing and publishing pricing and access principles. We have also removed one of our Ethical standards metrics that tracks the number of employees leaving GSK for misconduct. Increases or decreases in this number could indicate either a higher/lower number of breaches or stronger/weaker enforcement of our processes, so setting a threshold is not an effective measure for success in upholding our standards. We continue to monitor this data internally and publish it externally. We have three additional metrics which provide a strong measure of our commitment to ethical standards. We have added a metric within Global health and health security, focused on AMR. AMR is an urgent public health threat, and we have seen increased stakeholder interest in our approach. We updated our biodiversity target as we achieved it in 2022. Our new target focuses on deforestation free sourcing of paper and palm oil.

How we assess performance

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

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

On track: 70% or more of all metrics are on track

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

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

2023 ESG Performance Rating

Our 2023 ESG Performance Rating is on track, based on 95% of all performance metrics being met or exceeded.

Assessment of performance against our annual targets has been reviewed, and the overall ESG Performance Rating score has been subject to independent limited assurance for 2023.

+ For full details of progress against our six focus areas, our ESG Performance Rating and 22 metrics and independent limited assurance reports, see our ESG Performance Report

Responsible business continued

External benchmarking

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

- **Access to Medicines:** Ranked 1st in the Access to Medicines Index in 2022 and an industry leader in the 2021 Antimicrobial Resistance Benchmark
- **S&P Corporate Sustainability Assessment:** Ranked 1st in the pharmaceuticals industry with a score of 84 (as of 24 November 2023) and included in the DJSI World and Europe indices
- **FTSE4Good:** Member of FTSE4Good Index since 2004
- **CDP:** A- in Climate change, A- in Water security, B in Forests (palm oil) and B in Forests (timber)
- **Sustainalytics:** Low risk rating
- **MSCI:** AA rating
- **Moody's Analytics:** ESG Overall Score of 62 (out of 100; sector average 38)
- **ISS Corporate Rating:** B+ rating

Access

We aim to positively impact the health of 2.5 billion people by the end of 2030. We will do this by making our vaccines and medicines available as widely as possible, through responsible pricing, strategic access programmes and partnerships.

Our commitment

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

Our ESG Performance Rating metric

- Progress towards our 2030 goal of reaching 1.3 billion people in lower income countries with our products

Progress in 2023

Putting the right value on innovation

We set responsible prices in line with the benefits we bring to patients and health systems, measured by clinical, economic and social outcomes. We compare our offer to what is already available for patients and we generate evidence from clinical trials to establish the added value provided by our medicines and vaccines. We adjust our pricing in line with the socio-economic status of a country to ensure affordability and availability.

We operate under robust pricing approvals, developing access plans informed by payers. We also work to create stability and predictability for payers and our business, engaging proactively on upcoming product launches for budget planning, and adjusting prices to account for inflation. In the US in 2023, our combined average net price (after discounts, rebates or other allowances) for our pharmaceutical and vaccines portfolio increased by 0.4%, while the average list price increased by 3.2%, compared with 5.4% (list) for the industry. Over the past five years, the average net price for our products increased by 0.3% annually, while the average list price rose by 3.3%, compared with 4.7% (list) for the industry.

Providing access for patients in lower income countries

We collaborate with global health partners, including NGOs and generic manufacturers, to increase our reach to patients in lower income countries. In 2023, we reached 89 million people with our vaccines and antiretrovirals in lower income countries.

Vaccines

We reserve our lowest vaccine prices for Gavi, the vaccine alliance, and similar organisations. We have partnered with Gavi since its foundation in 2000 and have supplied more than one billion vaccine doses to date at our lowest prices to the lowest income countries.

In 2023, through our partnership we significantly increased our supply to deliver around 5 million doses of *Cervarix*, a critical vaccine in lower income countries for addressing cervical cancer.

In 2023, we supplied around 41 million doses of our pneumococcal vaccine, *Synflorix*, to eight Gavi-eligible countries at our lowest price. Our vaccine against rotavirus, *Rotarix*, reaches children across 25 Gavi-eligible countries and four former Gavi countries. We have offered vaccines to civil society organisations serving refugees and working in other emergency situations through the Humanitarian Mechanism since 2017. We are also a long-standing supplier of oral polio vaccines through UNICEF and, in 2023 alone, supplied around 130 million doses to help eradicate polio.

Neglected tropical diseases

In 2023, we donated 615 million albendazole tablets to help tackle lymphatic filariasis (LF), soil transmitted helminths and echinococcosis, taking the total we have donated to over 11 billion.

We remain committed to supplying albendazole to endemic countries until LF is eliminated everywhere. So far, LF has been eliminated in 19 countries including Bangladesh and Lao PDR, who announced elimination of the disease in 2023 – significant milestones in our collaborative effort to get ahead of disease together. The number of tablets we are donating is declining each year, given the gradual eradication of the neglected tropical diseases (NTDs) that the medicine is targeting.

Responsible business continued

The programme has benefited over 935 million people since it began, according to WHO data.

HIV

In 2023, Aurobindo, Cipla and Viatris, three generic manufacturers, signed sub-licences of ViiV Healthcare's licence with the Medicines Patent Pool (MPP) to develop, manufacture and supply generic versions of cabotegravir long-acting for HIV pre-exposure prophylaxis (cabotegravir LA for PrEP) in 90 countries, subject to obtaining regulatory approvals. ViiV Healthcare also works with global health agencies, NGOs, governments and community partners to plan for and support the introduction of ViiV-manufactured cabotegravir LA for PrEP introduction into national programmes. In late 2023, our first orders of cabotegravir LA for PrEP were delivered to a global partner for programmatic use in low- and middle-income countries.

ViiV Healthcare also has voluntary licensing agreements with 15 generic manufacturers to produce and sell low-cost single or fixed-dose combination products containing our HIV medicine dolutegravir for adults. These agreements cover 95 low- and middle-income countries, with one direct licence and the others via the MPP. There are similar agreements with 14 generic manufacturers for children, covering 123 countries, as well as separate agreements to enable greater access to dolutegravir in certain upper middle-income countries. In total, around 24 million people living with HIV across 128 countries had access to a generic product containing dolutegravir by the end of 2023. This is more than 90% of people living with HIV on antiretrovirals in generic-accessible low- and middle-income countries.

Malaria

To date, over two million children in Ghana, Kenya and Malawi have been reached with at least one dose of *Mosquirix* (RTS,S/AS01E) through the WHO-coordinated Malaria Vaccine Implementation Programme. Developed

by GSK and our partners, *Mosquirix* is a significant scientific breakthrough – it is the world's first malaria vaccine and first vaccine against any human parasite.

In July 2023, Gavi announced that up to nine more African countries are to be allocated doses of *Mosquirix* from early 2024. We have committed to supply a total of 18 million doses to Gavi-eligible countries between 2023 and 2025, with a plan to produce 15 million doses annually from 2026 to 2028.

In 2023, a landmark study by the London School of Hygiene & Tropical Medicine showed that combining *Mosquirix* with antimalarial drugs in areas of Africa with seasonal malaria reduced malaria cases and deaths in young children over a period of five years.

These findings confirm the potential of seasonal vaccination to provide a high level of protection over the first five years of life, when this protection is much needed.

Helping to strengthen healthcare systems

In 2023, GSK and ViiV Healthcare joined forces with The Global Fund to pledge \$7.5 million over three years to create the Gender Equality Fund, which will support community-based and -led organisations that are working to deliver lasting changes in health policies and programmes focusing on TB, HIV and malaria for women and girls in all their diversity. The Bill & Melinda Gates Foundation has committed to match this donation. We also renewed our partnership with Save the Children for another five years. Building on learnings over the last decade, we are focusing our partnership on reducing the number of 'zero dose' children – those who have never received a vaccine – in Ethiopia and Nigeria, which represent more than a third of the zero-dosed children in Africa.

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

Global health and health security

We want to help address the biggest health challenges faced by people around the world.

Our commitment

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

Our ESG Performance Rating metrics

- Progress six Global Health pipeline assets to address priority WHO diseases
- Progress eight active R&D projects that address pathogens prioritised by WHO and CDC as posing the highest level of concern due to drug resistance (critical and/or urgent threats)

Progress in 2023

Global health R&D

In 2022, with ViiV Healthcare, we announced an investment of £1 billion over 10 years to accelerate global health R&D. By the end of 2023, we had invested 21%⁽¹⁾ of this and progressed 11 Global Health pipeline assets to address priority WHO diseases, including climate-aggravated diseases that have a disproportionate impact on lower income countries.

Promising avenues for tuberculosis prevention and treatment

GSK is committed to tackling tuberculosis (TB), one of the world's deadliest diseases. We have developed a promising candidate vaccine, M72/AS01E, up to proof of concept (phase IIb). Building on our long-standing, successful history of working with external partners we have partnered with the Bill and Melinda Gates Medical Research Institute (MRI) for its further development.

(1) Budget phasing is not linear across the 10 year period.

Responsible business continued

Gates MRI is well positioned to lead the large and complex phase III study required. In June 2023, Wellcome and the Bill and Melinda Gates Foundation announced funding of up to \$550 million for phase III trials. If these trials are successful, M72/AS01E could be the first new vaccine to help prevent pulmonary TB in over a century.

Breakthroughs in malaria research and treatment

In August 2023, we announced that GSK scientists had discovered a strain of a naturally occurring bacterium that could potentially help eradicate the disease. The Tres Cantos 1 (TC1) strain of the *Delftia tsuruhatensis* bacterium significantly reduces the load of *P. falciparum* malaria parasites in mosquitoes. This could potentially inhibit transmission of the parasite to humans. We continue to pursue this ground-breaking research while engaging with global health institutions and partners to identify the most effective and sustainable approach for development and mobilisation if successful.

Supporting innovation through capacity and capability building

Through our Africa Open Lab initiative, launched in 2014, we support early-career scientists based in sub-Saharan Africa focusing on infectious diseases that disproportionately affect sub-Saharan populations, such as malaria, TB and AMR. In 2023, we agreed grants to ten researchers in six countries in sub-Saharan Africa and announced a further call for proposals in November. We are also working with African academic institutions to provide grantees with supplemental training in areas including epidemiology, statistics and clinical research.

Strengthening health security

There are many factors that can jeopardise our health security – from new and emerging infectious diseases to the rise of AMR. Our primary contribution to strengthening health security is through our innovation to prevent and mitigate infectious disease.

We have more than 30 R&D projects across medicines and vaccines that are relevant to AMR, ranging from early- to late-stage development, with 12 R&D projects targeting pathogens deemed 'critical' or 'urgent' by the WHO and the US Centers for Disease Control and Prevention.

These include gepotidacin, which could be the first novel oral antibiotic treatment for uncomplicated urinary tract infections (UTIs) in over 20 years. Positive phase III data from the EAGLE-2 and EAGLE-3 trials were presented at the European Congress of Clinical Microbiology and Infectious Diseases in Copenhagen in April 2023.

In March 2023, we announced an exclusive licence agreement with Scynexis for *Brexafemme* (ibrexafungerp tablets), a first-in-class antifungal for the treatment of vulvovaginal candidiasis (VVC) and for reduction in the incidence of recurrent VVC.

Progressing vaccines against enteric diseases to reduce the burden of antimicrobial resistance

Antimicrobial resistance (AMR) is a major threat to health globally, and it is particularly prevalent in low-resource settings. We continue to progress candidate vaccines against several enteric diseases which contribute to the burden of AMR, including invasive non-typhoidal salmonella, klebsiella, shigella, typhoid and paratyphoid fever. In 2023, it was announced that we are partnering with LimmaTech Biologics for the further development of a candidate vaccine against shigellosis, while we continue to develop another candidate vaccine against the disease which uses our vaccine platform technology, GMMA. Currently, there are no vaccines to help prevent shigellosis, a disease which causes 600,000 deaths each year.

See page 17 for more about our R&D pipeline.

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

Environment

Climate change and nature loss are an urgent threat to human health, as well as a risk to business resilience. To get ahead of disease and to help ensure long-term business success, we need to take action on climate and nature.

Our commitment

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

Our ESG Performance Rating metrics¹

- Operational emissions reduction (Scope 1 and 2 market-based emissions)
- Industrialisation of low-carbon *Ventolin* initiated, and clinical and non-clinical data available to support regulatory submissions
- Percentage of carbon offset volume in project pipeline

- Average of the percentage of GSK sites and suppliers compliant with wastewater active pharmaceutical ingredient limits and the percentage of suppliers that are compliant with the AMR Industry Alliance Common Antibiotic Manufacturing Framework and discharge limits
- Percentage of paper and palm oil deforestation free
- Operational waste and material reduction at our sites

(1) These metrics are related to the ESG Performance Rating outlined in our ESG Performance Report 2023. We also measure and report performance against our public environmental sustainability targets, which we publish on [gsk.com](https://www.gsk.com)

Responsible business continued

Progress in 2023

Climate

We have a clear pathway to a net zero impact on climate with ambitious goals for 2030 and 2045.

In 2023, the Science Based Targets initiative (SBTi) approved GSK's net zero target for 2045 in line with its Corporate Net-Zero Standard, the world's only framework for corporate net zero target setting in line with climate science.

Our value chain carbon footprint¹ is made up of:

- Scope 1 and 2 emissions from our own operations (7%)
- Scope 3 emissions from our supply chain (31%)
- Scope 3 emissions from patients using our products (57%), mostly metered-dose inhalers (MDIs)
- Scope 3 emissions from logistics (4%)
- Scope 3 emissions from the disposal of our products (1%)

Targets²

- 80% absolute reduction in greenhouse gas emissions from a 2020 baseline, across all scopes, and investment in nature-based solutions for the remaining 20% of our footprint by 2030
- 100% imported renewable electricity by 2025 and 100% renewable electricity (imported and generated) by 2030 (Scope 2)
- Net zero greenhouse gas emissions across our full value chain by 2045: 90% absolute reduction in emissions from a 2020 baseline, across all scopes, and all residual emissions neutralised

Performance

In 2023, we reduced our Scope 1 and 2 carbon emissions by 10% compared with 2022, and by 27% compared with our 2020 baseline. This was primarily from energy efficiency measures and increasing the amount of renewable electricity we use. As a member of the RE100 initiative, we have committed to reach 100% of our imported electricity from renewable sources by 2025 and 100% of all electricity we generate and import from renewable sources by 2030. In 2023, we reached 83% imported renewable electricity, an increase of 10% from 2022.

We signed a power purchase agreement to source renewable electricity to cover 50% of our electricity demand for our sites in Europe from mid-2026. Two additional wind turbines and the new solar farm at our manufacturing facility in Irvine, Scotland began generating renewable energy.

Our overall Scope 3 emissions are 10% lower than our baseline year of 2020, although there was a 4% increase in 2022 (our latest available data) compared to 2021. This was primarily driven by higher sales of metered dose inhaler (MDI) products. Although overall Scope 3 emissions increased from 2021 to 2022, in the same period, we reduced upstream Scope 3 emissions from our suppliers.

The goods and services we buy to make our medicines and vaccines, and additional upstream emissions, account for approximately 31% of our total emissions footprint. In 2023, our supply chain emissions fell by 2%.

The use of our medicines and vaccines makes up 57% of our total footprint. Most of this is from the propellant used in MDIs for asthma and chronic obstructive pulmonary disease (COPD).

GSK's rescue MDI medication, *Ventolin* (salbutamol) is an essential medicine prescribed to approximately 35 million people with respiratory conditions worldwide. Patient use of the inhaler, due to the current propellant, accounts for just under half (48%) of our carbon footprint. We are investing in a low-carbon programme with the potential to reduce greenhouse gas emissions from the inhaler by 90% by transitioning to a next generation, lower carbon propellant. Phase III trials will begin in 2024 and, if successful, regulatory submissions will start in 2025. This is to supplement our existing low carbon dry powder inhalers.

See pages 62 to 70 for our disclosure on climate risk and resilience in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Nature

In 2023, we shared more detail on our plan for contributing to a nature-positive world, in line with the goal of the Global Biodiversity Framework to halt and reverse biodiversity loss by 2030.

It sets out how we approach nature through four focus areas – freshwater, land, oceans and atmosphere – including the biodiversity of living species across these areas.³ We aim to deliver our contribution in three ways: avoiding or reducing our impact on nature, protecting and restoring nature, and helping to accelerate collaborative action. This approach is aligned with the work of the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets Network (SBTN).

In May 2023 we were selected to be part of the first group of companies to participate in the initial target validation process with SBTN to set validated science-based targets for nature, starting with targets for freshwater and land, followed by targets for oceans and biodiversity.

We have already started to implement the final TNFD recommendations in our 2023 disclosure, which you can read on page 70.

(1) Based on 2022 data

(2) The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

(3) We previously reported our Nature targets grouped by water, waste and materials, and biodiversity. In 2023, we updated our target categories to align with the four areas of nature as defined by TNFD and SBTN, with underlying targets on waste and materials. The targets remain the same

Responsible business continued

Freshwater

We continue to work towards our existing water targets.

Targets

- 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 API levels¹ for all sites and key suppliers by 2030

Performance

We achieved our overall water reduction target in 2022. In 2023, we reduced overall water use in our operations by an additional 1% compared with 2022 and by 6% in sites in high water stress regions. This is a decrease of 24% for overall water use and 11% for sites in high water stress regions against our 2020 baseline.

For our sites and key suppliers located in water-stressed areas, we are developing catchment-level water replenishment, restoration and regeneration projects, including partnering with NGOs to deliver our water neutrality target.

In 2023, 87% of all sites and key suppliers were compliant with AMR Alliance and API Wastewater discharge limits. This is down from 94% in 2022, primarily due to a scope expansion. This is driven by us expanding our scope to include more API suppliers which led to a decrease in the percentage of key suppliers that were confirmed to be within Wastewater API discharge limits.

Our work to strengthen responsible manufacturing of antibiotics was highlighted as an example of good practice in a 2023 report on the issue from the Access to Medicine Foundation's AMR Benchmark.

Land

We continue to deliver on our existing land targets.

Targets

- Positive impact on biodiversity at all sites² by 2030
- 100% of agricultural and forestry-derived materials sustainably sourced and deforestation free by 2030

Performance

During 2023 we completed baseline assessments for six of our sites, meaning we have now assessed all our sites, using the Natural England Biodiversity Net Positive methodology. In parallel, we have plans in place to improve biodiversity at nine of our manufacturing sites from 2022.

We set out ambitious new Sustainable Sourcing Standards for suppliers who provide us with materials that are highly dependent on nature, like lactose, gelatine and soy.

We have roadmaps in place to achieve 100% sustainably sourced paper packaging and palm oil by 2025. In 2023, 86% of our paper packaging was derived from certified sources or from recycled raw materials and 98% of our core palm oil materials were certified by third-parties as being from sustainable sources.

While working with suppliers is a key part of our goal to reduce our impact on nature, where appropriate we will also look at opportunities to reduce or avoid the use of some natural materials, including through process efficiencies and synthetic alternatives. For example, we are working on a process improvement to deliver a significant yield increase, reducing our nature impact and improving supply resilience.

Oceans

We continue to deliver on our existing ocean target (set out below), and will apply the relevant science-based methodology on oceans when it becomes available.

Target

- 100% of marine-derived materials sustainably sourced by 2030

Performance

Our impacts and dependencies on oceans come primarily from marine-derived materials that are a critical part of manufacturing vaccines and medicines. For example, we use horseshoe crab blood, which is an important substance that is required by some regulators to be used in pharmaceutical and biomedical quality control processes to ensure the quality and safety of medicines, vaccines and devices. We continue to make progress on volume reductions, and we are advancing a pilot across five of our sites to test the use of non-animal alternatives. At the same time, we are engaging with regulators to support wider uptake of these alternatives.

While we make progress on reducing volumes and moving to synthetic alternatives, we are working with our suppliers to improve sustainability. Our new Sustainable Sourcing Standards include a specific Marine Sustainable Sourcing Standard which outlines the requirements that our suppliers of marine-derived materials must adhere to. As part of this, we conducted physical site audits of key suppliers in 2023.

Atmosphere

Air pollution is a significant risk to human health, particularly for patients with respiratory conditions like asthma and COPD.

Performance

Our approach to air pollution includes reducing pollutants linked to burning of fossil fuels that will be addressed via our SBTi-aligned climate targets (set out on page 50), as well as looking more broadly at our air pollution footprint. We are members of the Alliance for Clean Air through the Clean Air Fund and the World Economic Forum. We have done an initial assessment to establish an air pollution footprint in our operations and our supply chain. We are creating reduction plans that are aligned to our pathway to net zero and which aim to have a positive impact on air quality.

(1) Below the predicted no-effect level

(2) GSK-owned sites

Responsible business continued

Waste and materials

The overuse of natural resources and the generation of waste and pollution are key drivers of climate change and nature loss.

Targets

Our approach to product stewardship means that we consider and aim to address impacts on nature and climate at every stage of the product lifecycle, from discovery, design, sourcing and manufacturing through to product use and disposal. We have set a target to help accelerate the adoption of this approach:

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

We have also set targets to reduce operational and supply chain waste:

- Zero operational waste¹, including eliminating single use plastics² by 2030
- 10% waste reduction from supply chain by 2030

Product stewardship

Our approach to product stewardship across both new and existing products is built on a scientific method for environmental footprinting called Life Cycle Assessment (LCA).

Since 2022 we have completed an LCA analysis of 22 products using the LCA methodology which has enabled us to identify where we need to improve the manufacturing design, to assess potential savings from design changes and provide product-level information to key customers on specific products. 100% of GSK sites are now manufacturing PVC-free secondary and tertiary packaging.

Waste

In 2023, we reduced operational waste by 1% since last year, a total of 21% since 2020. We increased the amount of materials recovered by circular routes by 53%.

We have maintained zero operational waste to landfill and we continue to build on our long-standing operational waste management programme to identify opportunities to find more beneficial uses for waste.

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

Diversity, equity and inclusion

We want to be an inclusive business where all our people can thrive, which ensures diversity in our clinical trials and supports diverse communities.

Our commitment

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

Our ESG Performance Rating metrics

- 100% of phase III trials initiated in 2023 will have proactive plans in place designed to enrol appropriately diverse trial participants, consistent with disease epidemiology
- Improve year-on-year spend with US-based certified diverse-owned suppliers
- Update towards 2025 people aspirations through fair and equitable opportunities:
 - aspire to have women hold at least 45% of VP-and-above roles globally by the end of 2025
 - aspire to have at least 30% ethnically diverse leaders in our roles at VP-and-above in the US by the end of 2025, and increase the percentage of Black or African American, and Hispanic or Latinx VP-and-above leaders year on year
 - aspire to have at least 18% ethnically diverse leaders in our roles at VP-and-above in the UK by the end of 2025, and increase the percentage of Black VP-and-above leaders year on year

(1) Including a 20% reduction in routine hazardous and non-hazardous waste

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

Progress in 2023

Clinical trial diversity

We continue to make progress in advancing clinical trial diversity. We met our objective of 100% of the phase III interventional trials initiated in 2023 having proactive diversity plans. We also are challenging ourselves to actively monitor patient recruitment in real time to ensure that we reach our diversity goals.

In February 2023, we published a study of 17 years of GSK and ViiV Healthcare US clinical trial diversity data. It showed that enrolling participants to clinical trials based on real-world disease epidemiology data, rather than census data, would ensure that those trials reflect the populations affected by different diseases. By publicly sharing this research, we hope to advance the discussion around clinical trial diversity and improve how the pharmaceutical sector approaches the issue of clinical trial diversity.

Supporting diversity in our supply chains

By engaging with and mentoring small and diverse-owned businesses in our supply chain, we can help them identify potential areas for growth. In 2023, we increased our spend annually with US-based certified diverse-owned suppliers.

This year, we expanded our successful US supplier diversity programme to the UK. Groups which benefit from this programme include women, ethnic minorities, members of the LGBTQ+ community, people with disabilities and military veterans, as well as small businesses in high-unemployment, low income communities.

Responsible business continued

Ensuring diversity in our workplaces

We are fundamentally committed to equal employment opportunity and non-discrimination for all employees and we want all our leadership to reflect our GSK people and our people to reflect the communities we work and hire in.

At the end of 2023, women held 45% of VP-and-above roles globally, compared with 42% in 2022. Women made up 48% of all employees in 2023, and 50% of all management roles. In the UK at the end of 2023, we had 18.4% ethnically diverse leaders at VP-and-above, compared with 14.3% in 2022. We had 1.9% Black leaders at VP-and-above compared with 1.6% in 2022. In the US, at the end of 2023, we had 35.7% ethnically diverse leaders at VP-and-above, compared with 31.3% in 2022. We had 8.1% Black or African American leaders at VP-and-above compared with 8.6% in 2022. We had 6.4% Hispanic or Latinx leaders at VP-and-above compared with 6.4% in 2022.

We remain committed to the application of fair and equitable pay practices to ensure equal opportunities and equal pay for equal work. Our 2023 gender pay gap for all permanent UK-based GSK employees is -0.50% (mean), compared to the national average of 13.2%. We are also publishing our second UK ethnicity pay gap comparing the average pay of our White and Ethnically Diverse employees. Our 2023 UK ethnicity pay gap for all permanent UK-based GSK employees is -0.74% (mean), compared with 0.06% in 2022.

In addition, within our 2023 UK ethnicity pay gap report we are also sharing the pay gaps comparing the average pay of our White employees with those in the ethnic groupings of Black, Mixed, Asian and Other. This is with reference to the UK government's recently published guidance to provide a more granular view.

This year, we added Disability Confidence training into our First Line Leader training, aimed at all our people managers. This training is designed to develop inclusive leaders that are able to promote disability confidence within their teams.

We continue to work to make sure that our LGBTQ+ colleagues feel welcome, valued and included. We were once more recognised as a Gold employer in Stonewall's Top Global Employers Index.

We also relaunched our Mental Health Matters training. Available globally, it is designed to help our people spot the signs of poor mental health, know how to start a conversation with others, and signpost resources to support everyone's wellbeing.

Supporting diverse innovators for the future

In the UK, we launched a £6 million, ten-year STEM equity programme, targeting 11–25-year-old girls and young women, black people and people from low socio-economic backgrounds. The programme includes nationwide STEM mentoring, delivered in partnership with established mentoring organisations. In its first three years, we aim to reach approximately 4,000 young people through this programme.

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

Ethical standards

Our culture guides our people to behave in an ethical way, to do the right thing and Speak Up about any concerns they have. We expect everyone who works for us to live up to this, and we expect the same of our suppliers.

Our commitment

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

Our ESG Performance Rating metrics

- 100% of employees and complementary workers complete GSK's 2023 mandatory training
- Percentage of employees who believe they 'can and do Speak Up if things don't feel right' is above the general industry benchmark¹
- 80% of direct high-risk suppliers that achieve GSK's minimum EcoVadis score or have an improvement plan in place

Progress in 2023

Supporting GSK people to do the right thing

Our Code of Conduct (The Code) reflects our purpose to unite science, technology and talent to get ahead of disease together. It sets out the commitments we make as a company and to each other to deliver on our purpose and ambition.

The Code is supported by additional global policies and standards. We also have an accompanying global mandatory learning curriculum, Living our Code, which all our people are required to complete. In 2023, 100% of our employees and 99% of complementary workers completed this training where due by year-end.

We also have anti-bribery and corruption (ABAC) training for our people in certain high-risk roles or geographic regions. This helps them identify and mitigate any potential ABAC risk – especially in third-party relationships – and to recognise, report and manage conflicts of interest. In 2023, 100% of employees and 99% of complementary workers completed this training.

(1) The general industry benchmark is 66% according to 2023 research by KornFerry

Responsible business continued

Reporting and investigating concerns

In 2023, we saw an overall decrease in the number of employees who had concerns raised against them, employees disciplined for policy violations and open cases at year end. This is reflective of several factors including external geopolitical and economic issues affecting some countries which changes the nature of concerns raised and, internally, our continued emphasis on appropriate management and closure of cases.

Our commitment to human rights

We are signatories to the UN Global Compact and our Human Rights Position Statement lays out our commitment to the UN Guiding Principles on Business and Human Rights. We have a cross-business Human Rights Steering Group, which reports to the GLT and Board's Corporate Responsibility Committee, and drives progress on human rights impacts and risks across the business.

In 2023, we carried out human rights training for priority suppliers, aimed at ensuring a good understanding of human rights and labour principles and aligned with international standards. We also continued our human rights training for procurement and third-party engagement leads, to better equip them to spot human rights issues when visiting suppliers. We conduct audits and site visits covering Environment, Health and Safety (EHS) and labour rights for our priority suppliers.¹ Some of the top issues identified during supplier visits in 2023 related to policy, wages and compliance. All observations have action plans in place to drive improvement.

We are committed to fair and equitable pay, ensuring that all employees globally receive pay that is competitive in their local markets and sufficient to support a sustainable standard of living. In 2023, the Fair Wage Network certified GSK as a Living Wage employer, after it reviewed the global gap analysis we conducted in 2022. It confirmed that all GSK workers are paid at or above the living wage in their relevant markets. We have also developed a consistent approach to how GSK will manage global fair wage analysis annually, as well as a methodology for the Fair Wage Network to use to continue to assess us.

Working with third parties

We expect our third parties to comply with applicable laws and regulations and to adopt, at minimum our ABAC and labour rights principles and, where relevant, to comply with our standards on quality, patient safety, health and safety, and the environment. In 2023, we performed over 7,500 assessments of our high-risk third parties across 17 risk areas.

Across the organisation, we give additional support on EHS risks to our largest suppliers, including those who supply globally medically-critical products, as well as those who are critical to our R&D, and those largest by spend.²

We visit sites, in person or virtually, to help suppliers better understand and control their EHS risks. This year, we conducted 73 physical visits across 63 priority suppliers.³ We conducted 47 supplier audits following industry standard Pharmaceutical Supply Chain Initiative guidelines. We trained more than 1,000 supplier employees on EHS, strengthened EHS contractual obligations and have worked with suppliers to help them improve their EcoVadis scores.

Using data responsibly

Data is an essential foundation to realising our ambitions for patients. Advances in artificial intelligence (AI) and machine learning (ML) technologies present tremendous opportunities, but the technologies must be approached correctly, responsibly and ethically. Increases in the volume of data processed through AI/ML use have resulted in a greater focus on data governance and the ethical use of personal information, over and above compliance with data privacy laws. We take our responsibility for data privacy seriously and we exercise high standards of integrity in dealing with personal information.

Our Digital and Privacy Governance Board oversees our overall data ethics and privacy operating model, supported by digital and privacy legal experts and compliance professionals. We monitor and mitigate new and emerging cyber threats to protect ourselves from cyber security risks. We have additional governance boards that oversee the use of our data in the research, development, manufacture and supply of our products to ensure we follow regulations and meet ethical obligations.

In 2023, we created a cross-functional AI Governance Council to oversee our AI strategy and to ensure responsible adoption of AI/ML. This is complemented by an internal policy to ensure AI/ML adoption is safe and aligned with GSK's culture by establishing AI Principles underpinned by the ethical standards set out in the GSK Code.

Political engagement

At GSK, we seek to contribute to public policy debate, especially in relation to life sciences and healthcare. We are committed to the highest ethical standards and legislative requirements in all of our political engagements. We do not make corporate political contributions, nor do we sponsor party political meetings anywhere around the world.

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

- (1) Our largest suppliers, including those who supply globally medically critical products, are critical to our R&D, and those largest by spend
- (2) GSK maintains a list of globally medically critical products. These are drug products approved to treat a life-threatening disease or medical condition for which there is no other adequately available alternative and of which GSK is the only provider
- (3) Our EHS priority suppliers are API suppliers who are, or will be, medically-, R&D-, or revenue-critical to GSK, or are high spend suppliers

Responsible business continued

Product governance

Our commitment

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

Our ESG Performance Rating metrics

- Average number of critical and major findings per inspection by FDA/MHRA/EMA regulators¹
- Percentage of inspections from all regulators with no critical findings or official action indicated
- Number of FDA warning letters
- Total number of Class I/II external product recalls across all markets
- Register and disclose all human subject research of GSK products. Specifically, register protocol summaries for studies initiated in 2023; and disclose results summaries for studies with results due in 2023

Progress in 2023

Maintaining quality across GSK

We have a detailed and specific quality framework that describes how we comply with regulatory requirements and other standards across our markets. This addresses global and local regulations across manufacturing and distribution processes, and is based on principles defined by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use.

Our GSK quality function is responsible for managing quality and for ensuring a quality mindset is embedded throughout the organisation at all levels. It brings together an extensive global network of quality and compliance professionals within each of our business units, from site level to senior management.

Our quality management depends upon comprehensive and ongoing patient safety and quality process training. The Quality Management System details the training required by GSK people, including induction, hygiene, safety and technical skills training, as well as good distribution and manufacturing practice training. Employees who carry out specific, quality-critical or sensitive activities are subject to additional training as necessary.

Inspections, recalls and audit

In 2023, we had 114 regulatory inspections at our manufacturing sites and local operating companies, compared with 122 in 2022. We received zero warning letters from the United States Food and Drugs Administration (FDA) or critical findings from the Medicines Healthcare products Regulatory Agency (MHRA) and European Medicines Agency (EMA) regulators in 2023. We respond to and learn from all inspection findings, taking the necessary action to address them.

Throughout 2023, we had two Class I product recalls and there were fewer Class II recalls compared with 2022.² If necessary to protect patients, we will not hesitate to recall products voluntarily.

Quality management along our supply chains

In 2023, we conducted 1,081 quality audits of contract manufacturers and suppliers to verify that they comply with GSK standards. We have a comprehensive quality oversight model that is aligned to our Quality Management System. It uses a risk-based approach to assess, qualify, manage and monitor our third-party suppliers on an ongoing basis, driving continuous performance.

Pharmacovigilance at all times

We have a well-established and rigorous worldwide system to monitor and review the safety of our products throughout clinical development and after regulatory approval. We expect our partners to meet the same high standards of safety and governance. We conduct reviews of third-party safety systems, monitoring of contractual obligations and fostering collaboration through the lifecycle of the relationship.

Tackling counterfeit medicines and vaccines

Falsified products put the health of patients at risk and threaten our brand and reputation. We report all cases of confirmed counterfeit products to the WHO and to relevant regulatory authorities. We actively participate in legal proceedings against illegal actors, and support customs and local authorities with regular training. We also monitor online marketplaces and social media to request takedowns of sites illicitly selling prescription-only medicines.

Clinical data transparency

As part of our commitment to transparency, we have made 7,988 protocol summaries and 6,734 summaries of results available since the GSK trial register was set up in 2004. We have also listed 2,669 clinical trials for data sharing via www.vivli.org.

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

(1) We consider any observations from the US FDA as major

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