



Our position on Political Advocacy

What is the issue?

As part of a heavily regulated industry, our business model and market can be influenced by legislation and regulation. As a major multinational company, we seek to contribute to public policy debate especially in relation to life sciences and healthcare. We, along with other stakeholders such as NGOs, scientists, healthcare professionals, patients and industry groups, are frequently invited by governments to give our views on development of new policies. In all of our political engagements, we are committed to ensuring that we adhere to the highest ethical standards and legislative requirements. This paper sets out the company's approach to political advocacy or 'lobbying' activities.

What is GSK's view?

- GSK's public policy activity seeks to promote a supportive economic and healthcare environment that enables patients to benefit from our medicines and vaccines. We aim to work in partnership with governments, payers, patients and other stakeholders on the development of legislative measures, policies and programmes that supports innovation and improved patient outcomes but also recognises the need for prudent healthcare expenditure.
- Our expectations to uphold the highest ethical standards when dealing with political and public policy stakeholders extends to all third parties with whom we work.
- We do not make corporate political contributions, nor do we sponsor party political meetings anywhere around the world.
- Our work with political audiences and public policy groups is a priority for the company's GSK's Global Leadership Team, which is accountable for ensuring our interactions with political stakeholders are conducted appropriately, ethically and transparently. Oversight of our political advocacy work is provided at Board level by GSK's Corporate Responsibility Committee.
- We have strong internal controls, including written standards and training (key elements of which are mandatory for all employees) that set out the standards expected of any employees interacting with external stakeholders, including elected/political officials.
- A dedicated and independent audit team assesses this internal control framework to ensure we comply with, and maintain, our ethical standards. In parallel with this, a Global Ethics and Compliance team advises business on the practical implementation of these controls; and a separate Corporate Investigations team manages investigations into alleged breaches of the framework. GSK will take appropriate action in response to any breaches of our internal controls, up to and including dismissing employees found in violation of them.

Responsibilities

Much of GSK's public policy activity, including interactions with governments, is conducted by in-house personnel. The General Manager and the Communications and Government Affairs (CGA) function are typically responsible for overseeing and doing this work. However, on occasion GSK uses public affairs consultancies to advise on political engagement in specific markets. Primarily though, external consultancies monitor political developments and provide some advice to help shape our external advocacy strategy.



External consultants may join GSK representatives in meetings and/or interactions with stakeholders and government officials. They cannot represent GSK on their own unless there is a strong rationale, in which case, they must disclose that they are there on behalf of GSK. Under all circumstances external consultants are governed by GSK rules and policies, as well as subject to the due diligence, contracting and monitoring checks conducted under our third-party management frameworks (*see below*).

Political expenditure

Financial controls and thresholds aligned with management seniority, including line manager oversight of any expenditure on public policy activities by GSK staff, are in place across the company. The effectiveness of these controls is regularly monitored to ensure that all expenditure, including payments to approved third parties, follows appropriate due diligence and background checks and is in line with formal agreements. In this way, GSK aims to ensure that no unauthorised or inappropriate payments, contributions or sponsorships are made.

Speak-up channels are in place to ensure employees and third parties are able to share any concerns around behaviours, conflicts of interest, or potential instances of non-compliance with GSK values and standards, including inappropriate expenditure, allowing for a prompt response to identified problems. This includes a confidential line for reporting and controls aimed at protecting those that speak-up.

Political contributions

GSK does not make corporate political contributions, nor do we sponsor political meetings anywhere around the world. Our approach includes a ban on any contributions to candidates for State office in the US, even though they are allowed under US law.

Political contributions are defined as any gift, subscription, loan, advance or deposit of money or *anything of value* made for the purpose of influencing any election for office or any period in office. They include in-kind contributions (goods, commodities or services instead of money).

Employee contributions by GSK's US Political Action Committee (PAC) are unaffected by this policy. A PAC is a corporate or labour-based political committee that solicits voluntary contributions from employees for a separate fund from eligible US employees. The fund is managed by a Board of Directors of 20 participating employees from GSK's US operating company and makes contributions or expenditures in connection with Federal and State elections.

The operations of the GSK PAC are reviewed regularly to ensure compliance with applicable US laws. The PAC Board of Directors modified the PAC by-laws in June 2020 to ensure that GSK values are at the forefront for eligible candidates to adhere to the following strict criteria. GSK PAC's disclosure reports can be viewed at www.fec.gov.

Our policy on political contributions can be accessed at gsk.com.

Transparency

We are transparent in our engagements throughout the world. Examples relating to our political advocacy work include:



- **Policy positions:** GSK supports transparency and accountability in public decision-making and we publish position statements on many key issues on [gsk.com](https://www.gsk.com).
- **Lobbying costs:** We publish the costs associated with lobbying of EU institutions on the [European Transparency Register](#) and, in line with the US Lobbying Disclosure Act, we provide details of our expenditure on US Federal lobbying activities on the [US Federal lobbying register](#).
- **Public Policy Groups (PPGs):** We publish the global criteria we apply when selecting which PPGs to work with on [GSK.com](https://www.gsk.com).
- **Trade associations:** We publish an extensive list of our memberships of key pharmaceutical, vaccine and consumer product trade associations on [GSK.com](https://www.gsk.com).

GSK policies and standards

GSK has a number of written standards that guide our external engagement activities, including our political advocacy work.

The GSK Code of Conduct: Our "Code of Conduct" sets out fundamental business conduct standards for all company staff. It sets out our prohibition on Political Contributions, highlights the importance we attach to ensuring our work with governments is ethical and stresses the need to ensure any financial support for external groups complies with our standards. The Code applies to the entire GSK workforce world-wide, within all sectors, regions, areas and functions, and is subject to annual certification by all staff. The GSK Code of Conduct can be accessed at [GSK.com](https://www.gsk.com).

Working with Third Parties: GSK strives to conduct business only with third parties, including public policy groups and trade associations, who share our commitment to high ethical standards and operate in a responsible and ethical manner. To reinforce the standards to which we are committed, we have developed a public policy paper on Working with Third Parties, available on [GSK.com](https://www.gsk.com), which sets out our expectations of any third parties with whom we partner. All Third Parties looking to work with GSK will in addition be subject to our strict Third Party Oversight framework which includes a due diligence procedure (business reasons and selection process, conflict of interest and background checks and assurance of a fair market value of the transactions), a range of risk-based contracting clauses, and monitoring steps for the lifecycle of the interaction.

Interactions with Government Officials: GSK has a zero tolerance towards bribery and corruption. An enterprise-wide [policy](#) regulates interactions with officials from governments and government agencies. It ensures compliance with all applicable laws and regulations but also imposes stricter ethical commitments including a general prohibition on any 'transfers of value' to government officials and serving politicians – unless they are approved (on an exceptional basis) by a member of GSK's Global Leadership Team (or delegate).

Gifts to government officials are generally not permitted. However, to the extent permitted by local law, and where it is a matter of respect for local customs, items of minimal value may be provided to government officials, by exception, provided it is done in a fully transparent way.

Flow of expertise: GSK believes in the sharing of best practice, experience and insights across industry and government through the free movement of people throughout their careers. To this end, we



implement transparent, ethical and compliant employment practices for individuals who wish to pursue opportunities within GSK.

‘Revolving door’ policy

The flow of personnel between business and government can provide new insight and best practice, while also providing an opportunity for career development.

However, the so-called ‘revolving door’ approach also raises the risk of potential conflicts. Hiring people with contacts or knowledge gained from their time in government or the public sector can be seen as an attempt to buy access and influence. GSK recognises that if such movements across sectors are not managed carefully, they have the potential to damage public trust and confidence in public office holders and the decisions they take generally. It could also have implications for GSK’s own reputation.

We apply a ‘cooling off’ period of six months relating to any GSK work on specific projects that a new employee recruited directly from the public sector worked on while in their previous role. This requirement also extends to prohibiting any direct engagement with former departmental colleagues still working on those projects for six months.

Working with Public Policy Groups: Partnering with public policy groups, including industry trade associations, is an important part of our advocacy work and choosing the right group to partner with is key. Local sensitivities will often need to be considered; however, there are certain criteria that GSK will routinely apply in selecting our partners. These include, but will not necessarily be limited to, ensuring that:

- the group’s mission and priorities are aligned with GSK’s business and reputational objectives
- the group is aligned and consistent with GSK’s values
- the research and work produced by the group is of high quality
- the group has a good reputation and credibility with key external stakeholders
- the group has a robust governance process, including reporting against agreed performance measures
- we are comfortable about the other members of the group
- we know that funds provided by GSK will not be used to make political contributions or for inappropriate or disproportionate entertainment/recreation purposes
- we get significant and differentiated value from our membership

GSK will not support every position taken by a particular public policy group. However, care is taken to ensure the group’s work will not unduly or adversely impact upon the company’s reputation. The focus of our efforts is to ensure GSK is working with respected organisations aligned to our views and deliver value for money. We will stop supporting an organisation if we believe it has acted contrary to patients’ or shareholders’ interests, or to GSK’s own Code of Conduct and ethics.



Oversight

Reporting and oversight of GSK's public policy work is conducted annually in our Annual Report, which is reviewed and approved annually by GSK's Board, as well as by the Board's Corporate Responsibility Committee.

Development

Various training and skills programmes support the internal controls we have in place to ensure all political interactions are for legitimate purposes and are conducted appropriately and ethically.