



## GSK Modern Slavery Act Statement 2022

### Introduction

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

This statement refers to the financial year ending 31 December 2022 and sets out the steps we have taken to address modern slavery risks in our business and supply chains. All data reported excludes our previous Consumer Healthcare business<sup>2</sup>. Our previous statements can be read [here](#).

### GSK's structure, business and supply chains

GSK is a global biopharma company headquartered in the United Kingdom. We prioritise innovation in vaccines and specialty medicines, maximising the increasing opportunities to prevent and treat disease. At the heart of this is our R&D focus on the science of the immune system, human genetics and advanced technologies, and our world-leading capabilities in vaccines and medicines development. We focus on four therapeutic areas: infectious diseases, HIV, immunology/respiratory and oncology. Information on our range of products can be found [here](#).

In 2022, we delivered 1.8 billion packs of medicines and over 500 million doses of vaccines. Turnover was £29.3 billion in 2022. The US represents our largest single commercial market, followed by International and Europe. We employ over 69,000 employees in more than 80 countries. We also have workers who are not directly employed by GSK who are known as complementary workers and are a vital part of our workforce.

We have global commercial operations, with our main research & development centres based in Europe and the US. Our manufacturing network includes 39<sup>3</sup> sites in 19 countries. Further information on our business can be found in our [Annual Report](#).

GSK's supply chains are complex and have significant scale. In 2022, we spent over £11 billion with over 24,000 third parties that provide us with:

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

### Policies

In 2022, we launched a new Code which reflects our purpose to unite science, technology and talent to get ahead of disease together. Our new Code sets out the commitments we make as a company and to each other

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<sup>1</sup>During 2022, GlaxoSmithKline plc changed its name to GSK plc.

<sup>2</sup>On 18 July 2022, GSK plc separated its Consumer Healthcare business from the GSK Group to form Haleon, an independent listed company.

<sup>3</sup>Please note two sites ceased production in September and December 2022.



to deliver on our purpose and ambitions. It sets out the core standards and ethical behaviours that employees and complementary workers should apply in their daily work and embeds respect for human rights and labour rights across the business.

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

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

### **Assessment of modern slavery risk**

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

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

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

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

We recognise that certain raw materials and commodities carry a heightened risk of modern slavery. This year, we developed a sustainable sourcing standard for the agricultural, marine-derived and forestry materials that we purchase. This standard sets out the social requirements that must be followed throughout these supply chains, including mandatory labour and human rights requirements, as well as environmental and ethical standards. We also engaged suppliers for our 12 highest risk commodities to map out the full supply chains and to share our requirements. In 2023, we will work with these suppliers to assess their supply chains, build action plans against any gaps identified and, when closed, verify that standards have been met through



on-site audits. We will also begin engagement with suppliers of our next priority group of commodities and map their respective supply chains.

### **Due diligence processes**

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

### **Governance**

GSK's Corporate Responsibility Committee has oversight of human rights issues on behalf of GSK's Board. A central human rights team works with senior representatives from across the business including legal and compliance, procurement, corporate affairs and human resources to oversee our approach to addressing human rights risks, including modern slavery. In 2022, we established a cross-business Human Rights Steering Group (HRSG) to further embed human rights in the business. This group comprises senior representatives from key business functions and meets regularly throughout the year to coordinate action and share information. The HRSG is facilitated and attended by external human rights experts and is an opportunity to identify areas where we can strengthen our capability on human rights, both in raising awareness across the business on our commitments and in providing function-specific training. The HRSG reports to GSK's Leadership Team, led by our CEO, and the Corporate Responsibility Committee of the GSK board annually.

We regularly carry out human rights risk assessments across the business and have introduced systems to support all business functions to both identify their salient human rights issues and determine appropriate actions in response.

Through two company-wide assessments we have identified our most salient overarching human rights areas as access to healthcare; research practices; patient safety; environment; health and safety; labour rights; and privacy.

Building on this and benchmarking exercises, in 2021 we commissioned an independent assessment of how we manage human rights issues and worked with business functions to develop their own human rights action plans. Each business function has subsequently established its priorities on human rights issues and these are reviewed on a yearly basis.

### **Embedding respect for human rights**

Everyone at GSK has to complete training on what the company expects from them. In 2022, we introduced a new global mandatory learning curriculum called "Living our Code", which comprises three modules: "The Code", "Creating an Inclusive Workplace" and "Protecting GSK". Protecting GSK focuses on key risk areas such as anti-bribery and corruption (ABAC), cybersecurity, privacy as well as Speak-Up processes. In 2022, 100% of employees and 99% of complementary workers completed this training.

Our Culture Assurance programme assesses the business against a framework describing expected behaviours and ways of working, and provides reporting on how well our culture supports both performance and management of risks. We use centrally sourced data to identify areas where there may be issues linked to culture, e.g. high attrition, absenteeism, Speak-Ups and investigations. We then conduct individual discussions with randomly selected employees and complementary workers across multiple countries where issues – including labour rights violations – can be raised and ensure concerns are addressed. In 2022, 10 reviews took place. Two planned reviews in China and Russia were deferred. In China, this was due to COVID related restrictions and in Russia this was due to the complex and rapidly changing political and security situation. A wide range of working practices were covered, such as equal and inclusive treatment, employment practices and health and wellbeing. There were no signals suggestive of modern slavery.



### Overseeing third parties

We aim to work with third parties that share our values and work to the ethical and business standards expected by GSK. Our global Third Party Relationship Management (TPRM) programme (previously called Third Party Oversight) enables us to identify labour rights risks before entering into contracts with third parties. We work with [EcoVadis](#), an independent sustainability ratings service, to evaluate the management systems of high risk third parties, to ensure they meet the principles set out in our Working with Third Parties Policy. The assessment is tailored to the third party's industry, size and location and covers labour and human rights, environment, ethics, and sustainable procurement.

In 2022, over 7,168 third parties underwent a risk assessment through the TPRM programme. Of these, 719 were rated as high risk for labour rights and these were addressed through appropriate contract clauses and monitoring. We completed EcoVadis assessments on 46 suppliers and, of those, 80% achieved at least the minimum score we expect. We are engaged with the remaining third parties who are required to take action to address shortcomings.

We conduct audits and site visits focussing on Active Pharmaceutical Ingredients (API) manufacturers and contract manufacturing suppliers. No incidences of modern slavery were identified through these engagements. In 2022, we completed 44 audits covering environment, health and safety, and labour rights. In countries where physical visits were not possible due to COVID-19, these were virtual. Eleven major findings of labour rights non-compliance were found at eleven suppliers: seven in India and four in China, for issues related to policies, working hours and overtime wages. Corrective action plans to address major findings are tracked and followed up through engagement activities. This includes verification of corrective actions and engagement meetings with key third parties using visual streaming media when necessary. One corrective action plan has been implemented, verified and closed. We have agreed corrective action plans with nine suppliers and are working with one supplier to generate a corrective action plan for implementation following their audit in December 2022. Sites are re-audited on a frequency proportionate to the risk they pose.

Our Environment, Health and Safety TPRM team also conducts regular site visits and, during 2022, labour rights checks were integrated into these visits. Five incidents of labour rights non-compliance were found: three in China and two in India, for issues relating mainly to working hours and wages. Actions are tracked and followed up through our engagement work with two corrective action plans completed and the remaining three in progress.

We aim to drive continuous improvement, however if we see no significant ongoing reduction in labour rights risk, where performance is poor, we may choose to suspend or terminate work with a third-party.

### Collaboration & Training

We seek continuous improvements in our approach to identifying and addressing modern slavery risks. In 2022, we worked with external human rights consultants to develop practical guidance to enhance supplier visits and develop and implement corrective action plans related to labour and human rights non-compliances. To support this guidance, labour rights training was delivered to EHS and procurement employees to better equip them to spot human rights issues when visiting suppliers.

We also invest and participate in industry and cross-industry collaboration including Action for Sustainable Derivatives and the Pharmaceutical Supply Chain Initiative's Human Rights and Labour Sub-Committee. Through our participation in the Pharmaceutical Supply Chain Initiative ("PSCI"), we contributed to a number of projects to build members' and suppliers' capability to address human rights in 2022, including:

- Publishing a series of training briefings for PSCI members and suppliers on eight fundamental human rights issues: freely chosen employment; child labour and young workers; non-discrimination; fair treatment;



wages, benefits, working hours; freedom of association; management systems; and implementing the UN Guiding Principles on Business and Human Rights.

- Publishing a responsible sourcing process for procurement professionals and an evidence evaluation tool for high-risk raw materials. The process and tool helps procurement teams evaluate whether suppliers have adopted sufficient measures to address human rights risks linked to the sourcing of raw materials.
- Delivering a recorded webinar for PSCI members and suppliers on human rights due diligence in practice, which provided a deep dive into the human rights due diligence process, from policy to action; offered guidance for identifying & prioritizing sectoral risks for the pharmaceutical sector; and featured an interactive panel discussion with due diligence experts.
- Delivering a recorded webinar for PSCI members and suppliers on the latest developments in business and human rights, covering legal and political developments and key trends.
- Commissioning a project to create a comprehensive list of credible social & environmental certification schemes for selected commodities

### Reporting and investigating concerns

We want to maintain an open environment where people feel confident to raise concerns about possible breaches of our Code of Conduct or suspected violations of country laws and regulations. Anyone within or outside GSK can raise issues or speak to an independent third party through our [Speak Up](#) webform offered in 49 languages or Call Centre through one of our 97 in-country phone lines. GSK is committed to promptly investigating all reports of unethical, illegal or inappropriate activity. In 2022 there were no reports suggestive of modern slavery. More information on policy violations that took place in 2022 can be found in our [Annual Report](#). We will continue to track the effectiveness of this channel and seek to identify other rightsholders who may be less able to access it and bring appropriate remedial actions to our attention.

### Measuring Effectiveness

We review the effectiveness of our modern slavery risk management programme by assessing our suppliers' ability to detect and mitigate modern slavery risk, investigation and analysis of reports of modern slavery and remediation actions taken in response and engaging regularly and collaborating with stakeholders. We recognise that as a complex and hidden issue, modern slavery requires more effort to uncover, particularly in lower tiers of supply. As we continue our due diligence activities, we will consider the need for additional ways to assess the effectiveness of our actions.

### Consultation and approval process

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

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

Iain Mackay  
Chief Financial Officer  
3 March 2023



## Annex

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

**Reporting entity:**

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

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

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

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

GlaxoSmithKline Australia Pty Ltd  
GlaxoSmithKline Holdings Pty Ltd  
GlaxoSmithKline Investments Pty Ltd