

## 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 GlaxoSmithKline plc 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” for the purpose of this statement.

This statement refers to the financial year ending 31 December 2020 and sets out the steps we have taken to address modern slavery risks in our business and supply chains. Our previous statements can be read [here](#).

## GSK’s structure, business and supply chains

GSK is a science-led global healthcare company headquartered in the United Kingdom. Our purpose is to improve the quality of human life by helping people do more, feel better, live longer. We aim to bring differentiated, high-quality and needed healthcare products to as many people as possible through our three global businesses. Information on our range of products can be found [here](#).

Our Pharmaceuticals business has a broad portfolio of innovative and established medicines in respiratory, HIV, immuno-inflammation and oncology. Our research and development approach focuses on immunology, human genetics and advanced technologies to help us identify transformational new medicines for patients. In 2020, we delivered 2.2 billion packs of medicines.

We are one of the top vaccine companies by revenue worldwide, developing and delivering vaccines that protect people at all stages of life. Our research and development focuses on developing vaccines against infectious diseases that combine high medical need and strong market potential. In 2020, we delivered 582 million vaccine doses.

Our Consumer Healthcare business combines science and consumer insights to create innovative everyday healthcare brands that consumers trust and experts recommend for oral health, pain relief, cold, flu and allergy, digestive health and vitamins, minerals and supplements. In 2020, we delivered 3.8 billion consumer healthcare products.

Turnover was £34.1 billion in 2020. The US represents our largest single commercial market, followed by International and Europe. We have over 94,000 employees across 96 countries, with almost two thirds based in Europe and North America. 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 in Europe and the US. Our manufacturing network includes 70 sites in 37 countries. Further information on our business can be found in our [Annual Report](#).

GSK’s supply chains are complex and have significant scale. In 2020, we spent around £15 billion with over 36,000 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

Our [Code of Conduct](#) is the foundation of our company policies. It sets out how employees and complementary workers should apply our values (patient focus, transparency, respect and integrity) and expectations (courage, accountability, development and teamwork) in their daily work and embeds respect for human rights and labour rights across the business.

The Code is underpinned by several 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 ILO 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](#), [Deforestation-Free Sourcing](#) 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 are working with fair labour NGO Verité to identify and prioritise suppliers in these areas for due diligence activities.

We recognise that certain raw materials and commodities carry a heightened risk of modern slavery. This year, as part of the development of a responsible sourcing strategy, a number of raw materials and commodities have been identified for further investigation, including certain: natural flavours and fragrances; sweeteners; gelling agents and binders; oils and waxes; metals and minerals; packaging materials; and glass.

### Due diligence processes

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

### Governance

Our Human Rights Steering Group oversees our approach to addressing human rights risks, including modern slavery, and includes senior representatives from across the business including legal, ethics and compliance, corporate affairs and human resources.

### Embedding respect for human rights

Every GSK employee and complementary worker is required to complete the Living Our Values and Expectations mandatory training annually. It is designed to help identify and manage risks that appear in day-to-day roles and was completed by 99.9% of our employees and 97% of our complementary workers in 2020.

Our Values Assurance programme assesses the business against a values maturity matrix to understand how well our values and expectations are embedded. Individual discussions with randomly selected employees and complementary workers take place across multiple countries where issues – including labour rights violations – can be raised and follow up ensures concerns are addressed. Plans for 2020 assessments were reduced due to the pandemic, however we were still able to carry out eight assessments on different parts of the business. 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 Oversight (TPO) programme enables us to identify labour rights risks before entering into contracts with third parties. The programme requires high risk third parties to have their management systems assessed by [EcoVadis](#), an independent sustainability ratings service, 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.

We have continued to refine our use of EcoVadis assessments to ensure a focus on the highest risk engagements and the third parties that are of greatest significance to our supply chain. Whilst this has resulted in fewer EcoVadis assessments, it allows us to monitor more closely, and provide greater support to, third parties that perform below our expectations. In 2020, over 12,500 third parties underwent a risk assessment through the TPO programme. We received EcoVadis scorecards from 323 third parties identified as high risk for labour rights, of which, 75% achieved at least the minimum score we expect on labour and human rights. We are engaged with the remaining third parties who are required to take action to address shortcomings.

In 2020, we audited 36 high risk third parties on environment, health and safety, and labour rights. In countries where physical visits were not possible due to COVID-19, these were virtual. No incidences of modern slavery were identified through these audits. Two major labour rights non-compliances were found at two suppliers in Egypt and China for issues related to policies, working hours and grievance mechanisms. Corrective action plans related to these non-compliances (as well as those disclosed in our 2019 statement) have been successfully implemented. A further two major non-compliances related to working hours and grievance mechanisms were found at a prospective supplier, who was given the details of the findings but was not accepted as a supplier through the selection process.

Corrective action plans to address major adverse findings are tracked and followed up through engagement activities. Last year, this included verification of corrective actions and engagement meetings with key third parties, using visual streaming media when necessary. Sites are re-audited on a frequency proportionate to the risk they pose. We aim to drive continual 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.

We continue to engage with our suppliers throughout the COVID-19 pandemic to understand their operating and financial status and offer support if necessary. This includes conducting supplier financial checks and providing support if suppliers' financial health deteriorates, for example by relaxing our payment terms.

### Collaboration & Training

GSK invests in industry and cross-industry collaboration to seek continuous improvements in our approach to identifying and addressing modern slavery risks. We currently participate in the following forums: the Pharmaceutical Supply Chain Initiative's Human Rights and Labour Sub-Committee, the UN Global Compact Network UK Modern Slavery Working Group, the Business for Social Responsibility Human Rights Working Group, and Action for Sustainable Derivatives.

In 2020, through our participation in the Pharmaceutical Supply Chain Initiative, we contributed to a number of projects to build members' and suppliers' capability to address modern slavery risks, including:

- A webinar on how to map human rights risks in commodity supply chains
- Supplier conference sessions in India and China on human rights and modern slavery with speakers from the ILO, Ethical Trading Initiative and Business for Social Responsibility.
- Engagement with civil society stakeholders in Brazil to better understand the forced labour risks and responsible sourcing programmes associated with carnaúba wax and convening a roundtable with industry stakeholders to discuss the findings.
- A responsible sourcing project that examined the human rights and environmental risks associated with 13 raw materials used in the pharmaceutical industry and a webinar to present the results.

### 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](#) facility, available in 49 languages, confidentially or anonymously if they prefer. GSK is committed to promptly investigating all reports of unethical, illegal or inappropriate activity. In 2020 there were no reports suggestive of modern slavery. More information on policy violations that took place in 2020 can be found in our [Annual Report](#).

### Measuring Effectiveness

We review the effectiveness of our modern slavery risk management program 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

GSK plc operates and manages its subsidiaries 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

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our own operations and supply chain. This includes the corporate responsibility; third party oversight; third party environment, health & safety; human resources; ethics & compliance; procurement, and legal teams.

The executive team of each reporting entity was given an opportunity to consider and provide comments on this statement prior to publication. This statement was approved by the GSK plc Board of Directors.

A handwritten signature in black ink, appearing to read 'I. Mackay', enclosed within a large, loopy, handwritten flourish.

Iain Mackay  
Chief Financial Officer

8<sup>th</sup> March 2021

### Annex

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

**Reporting entity:**

GlaxoSmithKline 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 Consumer Healthcare (Overseas) Limited  
GlaxoSmithKline Consumer Healthcare (UK) IP Limited  
GlaxoSmithKline Consumer Healthcare (UK) Trading Limited  
GlaxoSmithKline Consumer Trading Services Limited  
GlaxoSmithKline Export Limited  
GlaxoSmithKline Intellectual Property (No.2) 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  
Phivco UK II Limited  
SmithKline Beecham Limited  
ViiV Healthcare Trading Services Limited  
ViiV Healthcare UK (No.3) Limited  
ViiV Healthcare UK Limited

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

GlaxoSmithKline Consumer Healthcare Australia Pty Ltd  
GlaxoSmithKline Australia Pty Ltd  
GlaxoSmithKline Holdings Pty Ltd  
GlaxoSmithKline Investments Pty Ltd  
GSK Australia NVD Pty Ltd  
Glaxo Wellcome Australia Pty Ltd  
Wellcome Developments Pty Ltd  
Wellcome Operations Pty Ltd  
Duncan Flockhart Australia Pty Ltd  
VOG AU Pty Ltd