

# **GSK Norwegian Transparency Act Statement 2022**

## **Introduction**

This statement is made pursuant to the Norwegian Transparency Act of 2022 (the “Act”), which requires in-scope companies to carry out due diligence and publish an account of that due diligence in accordance with Section 5 of the Act. This statement is prepared on behalf of GlaxoSmithKline AS (“GSK” or the “Company”) and outlines GSK’s processes for managing actual and potential adverse impacts on fundamental human rights and decent working conditions. All data and information reported in this statement refer to the financial year ending on December 31, 2022, unless otherwise indicated.

## **About GSK**

GSK is the Norwegian wholly-owned subsidiary of GSK plc,<sup>1</sup> a global biopharma company headquartered in London, the United Kingdom, which has over 69,000 employees in more than 80 countries. In Norway, GSK employs approximately 60 employees across its offices in the greater Oslo metropolitan area. GSK’s business activities primarily revolve around the wholesale distribution of prescription drugs and vaccines. GSK has a broad pharmaceutical portfolio with commercial leadership in respiratory diseases and HIV, and an increasing pipeline of new oncology and immunology drugs. GSK is a part of Oslo Cancer Cluster, an oncology research and industry cluster dedicated to improving the lives of cancer patients. The Company also provides more than 30 different vaccines in Norway and is the largest supplier of vaccines to the Norwegian vaccination program.

GSK, together with GSK plc and its other subsidiaries operating worldwide, aims to unite science, technology, and talent to positively impact the health of 2.5 billion people by the end of 2030. In doing so, we are committed to respecting and promoting internationally recognized human rights, including those enshrined in the Universal Declaration of Human Rights and the International Labour Organization’s core conventions on fundamental principles and rights at work.

## **Guidelines and Procedures**

GSK adheres to the same core [policies, standards, and procedures](#) as its parent, GSK plc, which have been to help uphold the Company’s commitment to respect internationally recognized human rights and decent working conditions. In 2022, GSK plc launched a new global [code of conduct](#) (the “Code”), which sets out the key ethical standards and principles applicable to all employees and complementary workers, and furthers a respect for human rights and labor rights across various business functions.

The Code is underpinned by a set of global policies, position statements, and procedures that provide further guidelines on ethical and responsible business conduct. These include, but are not limited to:

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<sup>1</sup> Effective May 15, 2022, GlaxoSmithKline plc changed its name to GSK plc.

- [Human Rights Policy](#) and [Modern Slavery Act Statement](#) reflect GSK’s commitment to conduct business with respect for international human rights standards, particularly in accordance with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, and through its engagements with patients, employees, suppliers and communities
- [Anti-Bribery and Corruption Policy](#) provides anti-bribery and anti-corruption principles and requirements, including a zero tolerance approach to all forms of corruption ranging from bribery and fraud to money laundering and tax evasion. The policy also specifies obligations to maintain business documentation and financial records.
- **Global Employment Guidelines** and [Working with Third Parties](#) set out the minimum standards for GSK’s own employment practices, as well as those expected of its third party partners. These guidelines are based on international standards, including the International Labour Organization’s core conventions, and consequently prohibit any form of forced or child labor. The guidelines also address various rights of workers, such as freedom of association and the right to assemble, and cover a wide range of employment issues, including work hours and arrangements, wages, benefits, safety and well-being in the workplace, speak-up culture, and workplace security, among others.
- [Equal and Inclusive Treatment of Employees Policy](#) reflects GSK’s commitment to attract, develop, and retain the best talent by treating every employee on an equal and inclusive basis. The policy seeks to create a working environment that is representative of the diversity and characteristics of the communities in which GSK operates and the customers it serves, and prohibits any form of harassment, discrimination, or bullying.
- **Internal Investigations Policy** and **Non-Retaliation and Safeguarding Individuals Who Report Significant Misconduct Standard Operating Procedure** describe the principles and requirements for conducting and managing internal investigations into concerns of significant misconduct raised in good faith, and provide safeguards for individuals who report such concerns in good faith, respectively.
- [Privacy Principles](#) sets out GSK’s commitment to uphold the highest standards of integrity in dealing with and protecting personal information. In addition, GSK’s **Privacy Policy** requires the Company to obtain an individual’s informed consent prior to processing any personal information where required by applicable laws.
- [Policy on Pharmacovigilance](#), **Human Safety Policy**, and **Global Safety Board Charter** provide guidelines for medical governance at GSK plc and its group companies, including with respect to assessing, managing, and communicating the safety profile of our products.

Other relevant global guidelines and policies include those on [clinical trials](#), [conflict minerals](#), [environmental sustainability](#), [hazardous chemicals](#), [pricing and access](#), and [product quality](#).

## Risks of Adverse Impacts

To identify and assess risks of adverse impacts on fundamental human rights and decent working conditions linked to GSK's operations, products, or services, the Company reviewed public data sources, engaged with relevant personnel at GSK and GSK plc, and consulted with external experts.

The findings from our risk assessment indicate that GSK generally operates in a low-risk environment with regard to fundamental human rights and decent working conditions. The vast majority of GSK's operations—and those of GSK's direct suppliers—take place in Nordic and Western European countries, where labor, employment, workplace safety, and privacy issues are highly regulated and risks of human rights violations or abuses have historically remained low.<sup>2</sup>

GSK also operates in a heavily regulated industry with established international and domestic requirements governing product quality and safety, which further reduces risks of adverse impacts on fundamental human rights, including the right of patients to health. Specifically, the pharmaceutical sector in Norway is closely monitored by the Ministry of Health and Care Services and the Norwegian Medicines Agency, with the country's Medicines Act and associated regulations serving as the main legal framework.

Nevertheless, there are inherent risks associated with GSK's operations and the pharmaceutical industry as a whole. These include:

- Risk of poor or unsafe working conditions and standards;
- Risk of discrimination against vulnerable groups, including women;
- Risk of hazardous substances to humans and the environment;
- Risk of adverse environmental impacts due to use of raw materials, energy, and water;
- Risk of patient safety failure;
- Risk of substandard product quality;
- Risk of data breach and privacy violations.

We further recognize that these inherent risks of adverse impacts on fundamental human rights and decent working conditions may be augmented when we work with third parties, particularly in categories such as catering, cleaning, transportation, warehousing, manufacturing, and packaging. As discussed in further detail below, GSK has thus implemented a number of measures to mitigate risks of adverse impacts on fundamental human rights and decent working conditions, and to help ensure our continued adherence to the Company's guidelines and policies.

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<sup>2</sup> In 2022, Norway was the primary supplier country for GSK in terms of total spend.

## Measures to Mitigate Risks

### *Third Party Risk Management*

GSK evaluates and mitigates risks associated with third parties that provide goods or services to the Company through its global Third Party Risk Management (“TPRM”) program. Each and every GSK supplier, distributor, and business partner may be subject to the TPRM program, which largely consists of four components: (i) Classify; (ii) Assess & Treat; (iii) Protect; and (iv) Monitor.

#### (i) Classify

When a third party engagement is first identified, GSK conducts an initial assessment to classify the relevant third party according to the potential risk the third party poses for the Company, i.e., low, medium, or high risk, to determine whether the third party should be engaged or not and whether further due diligence is required. For example, if the third party is on GSK’s Prohibited Parties List, that third party is assessed as Out of Scope, and the engagement is rejected at that point in time. If the third party is not on the Prohibited Parties List but still determined to present heightened risks based on geographic location or the nature, volume, and value of goods or services provided, that third party is classified as Red Lane, i.e., a high risk engagement, for which an additional risk assessment is required prior to onboarding or in certain cases used as a basis for disengagement. Finally, if the third party is considered low-risk, that third party is classified as Green Lane. There may be separate due diligence processes to follow for Green Lane or Out of Scope engagements, but otherwise no further risk assessment is required, and the engagement may then proceed.

#### (ii) Assess & Treat

For third parties classified as Red Lane, under company policies GSK will complete an enhanced risk assessment prior to the start of any engagement to evaluate the level of risks across 11 risk domains, including anti-bribery and anti-corruption, data privacy and cyber security, labor rights, and environment, health, and safety, among others. Depending on the results of the enhanced risk assessment, GSK may initiate further assessments leveraging industry best-practices and external assessment platforms focused on sustainability, labor and human rights, and ethics-related issues, including EcoVadis, an independent ratings service. Based on the risks identified in the relevant assessments, GSK will take appropriate mitigation actions and work with the third parties to enhance their offerings or in certain cases disengage with the third party.

#### (iii) Protect

Third parties that are classified as either Red or Green Lane may be further required to fulfill certain contractual requirements based on their risk outcomes. The relevant contractual provisions across the core 11 risk domains will be identified upon completion of the risk assessment and treatment phases, and put in place prior to the engagement with the third party.

#### (iv) Monitor

Throughout the period of engagement, GSK oversees third party performance, including the completion of mitigation actions identified during the assessment and ongoing compliance with contractual requirements. GSK also continuously monitors and assesses the reputation of third parties to ensure their engagement is in alignment with GSK's standards. GSK leverages external intelligence tools for adverse media reporting and cyber security reporting to supplement internal data sources and assessments to manage the third party engagement on an ongoing basis. Audit clauses are exercised regularly, and we visit sites—in person or virtually—to help suppliers better understand and control their risks.

### ***Training and Capacity Building***

All GSK employees and complementary workers are required to complete training on the Company's policies, processes, and procedures. In 2022, GSK participated in a new global mandatory learning curriculum titled "Living our Code," which is further divided into three modules: "The Code," "Creating an Inclusive Workplace," and "Protecting GSK." This mandatory curriculum focuses on key risk areas such as non-discrimination, anti-bribery and corruption, cybersecurity, and privacy. In addition, as part of GSK plc's global initiative, GSK developed and delivered labor rights training to environment, health, and safety ("EHS") and procurement employees in 2022 to better equip them to flag any human rights-related concerns or non-compliances when conducting supplier visits.

Through its parent, GSK plc, GSK also invests and participates in industry-wide initiatives aimed at addressing human rights issues in supply chains. For example, GSK plc and its group companies participated in the Pharmaceutical Supply Chain Initiative ("PSCI") throughout 2022, contributing to a number of projects to build members' and suppliers' capability to manage human rights-related risks. These included publishing a series of training briefings for PSCI members and suppliers on fundamental human rights, publishing a responsible sourcing process for procurement professionals, delivering a recorded webinar for PSCI members and suppliers on human rights due diligence in practice, and commissioning a project to create a comprehensive list of credible social and environmental certification schemes for selected commodities.

### ***Reporting and Investigating Concerns***

Consistent with the requirements and expectations of GSK plc, GSK seeks to maintain an open environment where employees, suppliers, and other stakeholders feel confident to raise concerns about possible breaches of our policies or suspected violations of laws and regulations. Anyone within or outside GSK can raise issues through our [Speak Up](#) channels. GSK is committed to promptly investigating all credible reports of unethical, illegal, or inappropriate activity. In 2022, we saw an overall decrease in disciplinary cases arising from policy violations. More information on policy violations that took place in 2022, including the breakdown of types of policy violation at the global level, can be found in GSK plc's [ESG Performance Report](#).

### ***Ongoing Monitoring to Measure Effectiveness***

GSK seeks to continuously reinforce and enhance its practices with regard to internationally recognized human rights and decent working conditions. In 2022, for example, GSK participated in the first global living wage review in partnership with the Fair Wage Foundation

and assessed the pay of the Company's employees, taking into consideration external analyses on inflation and cost of living. The review found that GSK's employees in Norway were paid considerably above the country's minimum living wage in 2022.<sup>3</sup> We plan to factor the living wage data into our standard compensation processes and build an annual living wage review into our standard cycle.

GSK also regularly conducts supplier site visits, in person or virtually, to help our suppliers better understand and control their risks related to fundamental human rights and decent working conditions. Further, GSK conducts periodic supplier audits in accordance with industry standard PSCI guidelines, with any corrective and preventative actions tracked to completion. More information on supplier audits and results at the global level can be found in GSK plc's [Annual Report](#).

### ***Governance and Oversight***

GSK's management of risks of adverse impacts on fundamental human rights and decent working conditions is overseen by the Leadership Team and the Risk Oversight & Compliance Council of GSK plc. Additional board-level oversight is provided by the Corporate Responsibility Committee of the Board of Directors of GSK plc (the "Board"). In 2022, GSK began reporting to the newly established global Human Rights Steering Group (the "Steering Group"), which in turn has a formal reporting mechanism to the Board's Corporate Responsibility Committee. The Steering Group is comprised of senior representatives from the key business functions who are accountable for ensuring respect for human rights within their business area. The Steering Group is also facilitated and attended by external human rights experts.

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<sup>3</sup> The minimum living wage is designed to be an amount of money that people need to earn in order to live safely and with dignity.