

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
SCHEME REGISTRATION NUMBER: 10135469

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

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YEAR ENDED 31 DECEMBER 2022

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GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEES AND ADVISERS

YEAR ENDED 31 DECEMBER 2022

Principal employer	GlaxoSmithKline Services Unlimited
Trustee	Trustee Company Berkeley Square Pension Trustee Company Limited (“the Trustee”) Chairman and Independent Director The Law Debenture Pension Trust Corporation p.l.c. - represented by Mr Mark Ashworth Independent Director Mr Allan Whalley (resigned 13 February 2023) Ross Trustees Services Limited – represented by Pavan Bhardwaj (appointed 13 February 2023) Company Appointed Directors Mr Steve Cowden (resigned 30 June 2022) Mr Paul Blackburn (appointed 1 January 2022) Ms Mandy Cooke (appointed 1 July 2022) Mr David Brown Member Nominated Directors Ms Sandra Humphrey (resigned 30 June 2022) Mr John Watson (resigned 19 March 2023) Mr David Wintle Ms Wei Lan (appointed 1 July 2022)
Secretary	Ms Carolina Lyons (appointed 1 April 2022) Mr James Chemirmir (resigned 31 March 2022)
Scheme administrator	Towers Watson Limited (trading as WTW)
Independent auditors	Grant Thornton UK LLP
Legal advisers	Sacker & Partners LLP
Investment adviser	Mercer Limited
Investment managers	Legal and General Assurance (Pensions Management) Limited
Bankers	HSBC Bank plc

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Background to GSK UK Pensions

The Glaxo Wellcome Contracted-Out Money Purchase Scheme is one of the UK Tax Registered pension schemes that is in place for employees of GlaxoSmithKline plc ("GSK") and associated companies. These schemes were initially created by the various employers who later combined to create GSK via a series of mergers. These schemes are as follows:

Scheme name	Benefit structures
<p>GSK Pension Scheme (GSKPS) known as the Glaxo Group Pension Scheme until 31 October 1996 and then Glaxo Wellcome Pension Scheme until 31 December 2001.</p>	<p>GWPP* - admitted new members until 31 December 2001. It provides both defined benefit and defined contribution benefits:</p> <p>a) Defined benefit section - benefits for employees who were already active members of the scheme on 31 October 1996 and new members aged over 40 between 1 November 1996 and 31 December 2001. Also, for members switching from the defined contribution section at 1 January 2002.</p> <p>b) Defined contribution section - benefits for employees who became active members between 1 November 1996 and 31 December 2001. Existing members of the defined benefit section at 31 October 1996 could also switch to defined contribution benefits.</p> <p>GSK Pension Plan (GSKPP) - Defined contribution benefits for employees who started employment with GSK on or after 1 January 2002 and employees who were members of other GSK schemes at that date and chose to join GSKPP. Members of the GWPP and SBPP who were employed at 31 March 2022 joined following closure to accrual of those schemes.</p>
<p>GSK Pension Fund (GSKPF) known as the Wellcome Group Pension Fund until 31 October 1996 and then as Glaxo Wellcome Pension Fund until 31 December 2001.</p>	<p>GWPP* - admitted new members until 1 November 1996. It provides both defined benefit and defined contribution benefits:</p> <p>a) Defined benefit benefits for employees who were already active members of the scheme on 31 October 1996. Also for members switching from the defined contribution section at 1 January 2002.</p> <p>b) Defined contribution for existing members of the defined benefit section at 31 October 1996 who could switch to defined contribution benefits.</p>
<p>SmithKline Beecham Pension Plan (SBPP)</p>	<p>a) Defined benefit section - closed to new entrants from April 1997.</p> <p>b) Defined contribution section - benefits for employees who became active members between 1 April 1997 and 31 August 2001. The Trustee closed this section to further contributions in July 2009 and the active members were transferred to the GSK Pension Scheme (GSKPP section) for future service.</p>
<p>SmithKline Beecham Senior Executive Pension Plan (SBSEPP)</p>	<p>a) Defined benefit section - closed to new entrants with effect from 31 December 2001.</p> <p>b) Defined contribution section - for existing members of the defined benefit section who paid AVCs or transferred benefits in on a defined contribution basis.</p>
<p>Glaxo Wellcome Contracted-Out Money Purchase Scheme (GWCOMPS)</p>	<p>a) Defined contribution section - the scheme was established on 1 July 1988 and closed to new investment on 31 December 2001.</p>

* GWPP refers to the Glaxo Wellcome Pension Plan which is a set of pension benefits that was offered to both GSK Pension Scheme and GSK Pension Fund members from November 1996.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Introduction

The Trustee is pleased to present its Annual Report and Financial Statements for the year ended 31 December 2022 for the Glaxo Wellcome Contracted-Out Money Purchase Scheme ("the Scheme"). The Scheme was established to provide retirement benefits to certain groups of employees within the GSK plc group.

The Scheme is a defined contribution ("DC") scheme which is no longer open to new members and is closed to future contributions.

Scheme constitution and management

Trustee

The Trustee during the year and at the date of this report was Berkeley Square Pension Trustee Company Limited ("the Trustee").

The provisions of the Scheme for appointing and removing Trustee Directors from office are set out in the Articles of Association of the Trustee.

The Trustee also acts as Trustee of the GSK Pension Scheme and GSK Pension Fund.

The Trustee Directors are comprised of:

- 2 Independent Directors
- 3 Company Appointed Directors
- 3 Member Nominated Directors

The Company Appointed Trustee Directors are appointed and removed by GlaxoSmithKline Services Unlimited ("the Company"). The Member Nominated Trustee Directors are drawn from the membership. The Independent Trustee Directors are appointed by the Trustee Board.

The Trustee Board comprises of the Trustee Directors who are normally appointed for four year terms.

The Trustee Board meets four times a year and on additional occasions where business requires this. Decisions are made by majority vote. There were four (2021: four) full board meetings during 2022 and thirteen (2021: thirteen) meetings of the various committee (see page 4).

The Trustee Board takes decisions by a majority of votes cast by the individual Trustee Directors, subject to detailed quorum and special business requirements.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Governance and risk management

Committee Structure

The Committees that are in place are as follows:

*Committee	Role	Members (representing this Scheme)
Joint Audit, Risk and Operations Committee	<ul style="list-style-type: none"> To oversee the relationship with the external auditors. To review and approve the Financial Statements on behalf of the Trustee. To monitor the risk management and control activity that is undertaken on behalf of the Trustee. To act on behalf of all of the GSK UK Schemes. 	Mr David Brown (Chair) Mr David Wintle
Joint Defined Contribution Committee	<ul style="list-style-type: none"> To monitor the provision of defined contribution benefits. To act on behalf of all of the GSK UK Schemes. 	Mr Allan Whalley (resigned 13 February 2023) Ross Trustees Services Limited – represented by Pavan Bhardwaj (appointed 13 February 2023) Ms Sandra Humphrey (resigned 30 June 2022) Ms Wei Lan (appointed 1 July 2022) Mr Paul Blackburn (resigned 31 July 2022) Mr John Watson (appointed 1 August 2022 and resigned 19 March 2023)
Joint Special Situations Committee	<ul style="list-style-type: none"> To consider any corporate activities which impact the Scheme. 	The Law Debenture Pension Trust Corporation p.l.c. – represented by Mr Mark Ashworth (Chair) Mr John Watson (resigned 30 June 2022) Mr Paul Blackburn (appointed 1 August 2022)

*The Committees are joint with SBPP and SBSEPP, and as such, have additional members representing these plans.

Risk management

The Trustee operates a formal risk management programme which is defined under Policy. A risk register is maintained and reviewed on a regular basis. The main controls in place over key risks are documented, monitored and reported upon. Advisers are monitored in accordance with service level agreements and reports are made to the Trustee as to their performance. Each adviser is reviewed on a regular basis.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Changes to the Scheme

There were no changes to rules of the Scheme during the year.

SIP Implementation Statement

The Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 require the Trustee to include an Implementation Statement describing how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the year to 31 December 2022. The SIP Implementation Statement is shown as an Appendix to the Annual Report and Financial Statements and forms part of this report.

Chair's Statement of DC Governance

The Occupational Pension Schemes (Scheme Administration) Regulations 1996, as amended by The Occupational Pension Schemes (Charges and Governance) Regulations 2015, (together "the Administration Regulations") require the Trustee to include an annual statement regarding DC governance in the Annual Report. The Chair's Statement of DC Governance is shown as an Appendix to the Annual Report and Financial Statements and forms part of this report.

Administration of the Scheme

The Trustee has delegated the day to day administration of the Scheme to Willis Towers Watson.

Financial developments and financial statements

The Financial Statements included in this annual report are the accounts required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Statement of Trustee's responsibilities

Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is also responsible for the maintenance and integrity of the GSK Pensions (gskpensions.co.uk) website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a Payment Schedule showing the rates of contributions payable to the Scheme by or on behalf of employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the Scheme Rules.

Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Membership and benefits

The changes in membership during the year are as follows:

	Deferred members
At 1 January 2022	6,482
Adjustments to prior period *	(5)
Members retiring	(91)
Deaths	(17)
Transfers out	(349)
At 31 December 2022	<u>6,020</u>

* The adjustments of 5 have occurred where the change in member status has been updated after the previous year end statistics have been run.

As the Scheme is closed to future contributions and is defined contribution in nature, there are no active or pensioner members.

On retirement all members take use their pension pots to take benefits, as the Scheme does not offer income drawdown.

Investment report

Investment managers

The investments were held in a series of policies with Legal & General, which are readily marketable.

The Legal & General investments are held directly by the Trustee and have a mandate to track market indices as appropriate to the markets that they are held in.

All investment managers appointed by, or on behalf of the Trustee, to manage the Scheme investments under section 34(3) of the Pensions Act 1995 are appropriately authorised, or exempt, under the Financial Services and Markets Act 2000, and all appointed fund managers have the appropriate knowledge and experience to manage the particular investments delegated to them.

Investment principles

The Trustee is responsible for determining the Scheme's investment strategy.

In accordance with section 35 of the Pensions Act 1995, the Trustees have agreed a statement of investment principles and a copy is available on request.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Investment performance

The performance of these policies to 31 December 2022 for one, three and five-year periods are shown in the table below.

Legal & General Assurance (Pensions Management) Limited	1 year	3 years (annualised)	5 years (annualised)
	%	%	%
GSK UK Equity Index Fund	0.83	2.47	3.16
GSK Lifecycle Fund	(8.55)	4.94	5.28
GSK Overseas Equity Index Fund	(13.31)	6.31	6.95
GSK Cash Fund	1.31	0.53	0.58
GSK Global Equity Index Fund	(12.58)	6.06	6.28
GSK Inflation Linked Pre-Retirement Fund	(34.27)	(9.87)	(4.54)
GSK Diversified Growth Fund	(0.92)	2.74	2.91
GSK Shariah Fund *	(15.75)	9.69	n/a
GSK Retirement Income Multi Asset Fund *	(7.47)	1.11	n/a

*The GSK Shariah Fund and the GSK Retirement Income Multi Asset Fund were introduced in 2018. Five-year performance data is not available.

Statement of Investment Principles ("SIP")

As required under Section 35 of the Pensions Act 1995, the Trustee has approved a SIP. This sets out the following in respect of assets held:

- Governance arrangements
- Objectives and implementation of the defined benefit and defined contribution section.
- The Trustee's investment policies.

All investments made during the year were in accordance with the SIP. Where new managers are appointed or changes are made to the investment strategy, the process that is followed is that the change is implemented, and the SIP is updated as soon as practicable afterwards.

The SIP is reviewed annually. No changes were made to the SIP during the year.

The SIP is available on the GSK pensions website (www.gskpensions.co.uk) or from the Secretary to the Trustee, whose contact details are shown on page 11.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Corporate Governance, including ESG and Climate Risk

Whilst the Trustee does not wish to interfere with the day to day investment decisions of its asset managers, where managers have voting rights and can be impactful the Trustee evaluates their approach on an annual basis and the Trustee expects its asset managers to comply with the principles outlined in the UN Principles for Responsible Investing and the UK Stewardship Code. The Trustee's Investment Adviser has regular dialogue on this topic with asset managers and reports on this to the Trustee no less than annually.

The Trustee supports the principle of good corporate governance and shareholder activism and, for relevant mandates, requires its asset managers to have an explicit strategy, outlining the circumstances in which they will engage with a company on (or issuer of debt, or stakeholder, if applicable) on relevant matters (including performance, strategy, capital structure, management of actual or potential conflicts of interests, risks, social and environmental impact and corporate governance matters) and how they will measure the effectiveness of this strategy. Where an explicit policy is not available, the Trustee will require an outline of the approach taken, including examples. The Trustee reviews regularly the voting strategy of its asset managers.

The Trustee welcomes the views of the members and beneficiaries, including (but not limited to) their views in relation to Sustainable Investment by contacting the Secretary (Contacts - GSK Pension (gskpensions.co.uk)), which are fed back to the Trustee.

The Trustee does not currently take any non-financial factors into account when setting the investment strategy.

The Trustee believes that by being a sustainable investor, they are managing investment risk with the aim of enhancing long term portfolio returns, which is in the best interests of the members and beneficiaries of the Scheme.

Engagement with fund managers and alignment with Trustee policies

The Trustee believes that an understanding of, and engagement with, asset managers' arrangements is required to ensure they are aligned with the Trustee's policies, including its Sustainable Investment policy.

The Trustee considers their Investment Adviser's assessment on the alignment of the asset manager with the Trustee policies, including those related to ESG and Stewardship. The Trustee will use this assessment as part of their considerations when taking decisions around selection, retention and removal of asset managers.

Asset managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected. Whilst the Trustee notes that their ability to influence decision making within pooled fund structures is limited, the underlying asset managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. Asset managers are appointed on an ongoing basis which helps to incentivise them to focus on medium to long term performance.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Engagement with fund managers and alignment with Trustee policies (continued)

The Investment Adviser or Trustee meets the asset managers from time to time to discuss their investment performance, strategy, their performance as Sustainable Investors and to discuss any issues of concern. They provide regular updates to assist the Trustee in fulfilling their responsibility for monitoring and reporting on the asset managers' performance. Where needed the Trustee will challenge managers on their policies and instances where managers may not be aligned with best practices within the industry. This action is taken to try to ensure continuing improvement over the medium to long term in the performance of assets from both a financial and non-financial perspective.

The Trustee receives performance reports from their Investment Advisers on a quarterly basis, which present performance information for the funds over three months, one year, and since inception. The Trustee reviews the absolute performance and relative performance against a suitable index or target used as the benchmark, on a net of fees basis. Whilst the Trustee's focus is on long-term performance, it also takes shorter-term performance into account.

If an underlying manager is not meeting performance objectives, or their investment objectives have changed, the Trustee may review the suitability of the manager, and change managers where required.

The Trustee does not currently define target portfolio turnover ranges for asset managers, particularly as the Trustee only uses pooled funds. However, the Trustee will engage with an asset manager if portfolio turnover is higher than expected. The Trustee considers portfolio turnover costs indirectly through consideration of overall costs incurred throughout the year (including all manager fees and expenses), provided within data the Trustee receives annually under the MIFID II framework.

All the investment vehicles are open-ended, with no set end date for the arrangements. An asset manager's appointment may be terminated due to a change in the overall investment strategy or changes in expectations of their ability to deliver against the agreed mandate or in line with the investment policies of the Trustee.

Employer-related investments

Employer related investments are disclosed in note 13 of the Financial Statements.

Trustee's TCFD Statement

The following documents are available on the Glaxo Wellcome Contracted-out Money Purchase Scheme website

(https://www.gskpensions.co.uk/governance/glaxo_wellcome_contracted_out_money_purchase_scheme/index.html)

- TCFD report
- Statement of Investment Principles (SIP) – included in the SIP implementation report
- Chairs Governance Statement

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Contact for further information

The Trust Deed and Rules can be inspected on application to the Secretary to the Trustee at GSK House, 980 Great West Road, Brentford, Middlesex TW8 9GS. Members receive an annual benefit statement giving an estimate of projected benefits.

Any enquiry concerning the Scheme should be addressed to UK Benefits at the above address.

Enquiries about an individual member's entitlement should be addressed to the administrator whose contact details are:

GSK Pensions Team, Willis Towers Watson
PO BOX 545
Redhill
RH1 1YX.
Email: gskpensions@willistowerswatson.com.
Phone: 01737 227563

The Trustee's Report is approved and signed by the Trustee.

Mark Ashworth
Name

Signature

Trustee Director
Title

31/5/2023

**GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE
SCHEME**

SUMMARY OF CONTRIBUTIONS

YEAR ENDED 31 DECEMBER 2022

Summary of Contributions payable during the year ended 31 December 2022

During the year ended 31 December 2022, there were no contributions payable to the Scheme under the Scheme Rules, specifically the requirements as set out in Section 3 of the Deed of Amendment (Adopting Revised Rules) dated 20 August 2013.

Approved by the Trustee and signed on their behalf by:

**Mark Ashworth
Name**

Signature

**Trustee Director
Title**

**David Brown
Name**

Signature

**Trustee Director
Title**

31/5/2023

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF THE GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

YEAR ENDED 31 DECEMBER 2022

We have examined the summary of contributions to the Glaxo Wellcome Contracted-Out Money Purchase Scheme (the 'Scheme') summary of contributions for the Scheme year ended 31 December 2022 which is set out on the following previous page.

In our opinion, the contributions payable for the Scheme year ended 31 December 2022 as reported in the summary of contributions have in all material respects been paid in accordance with the Scheme Rules.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the Scheme Rules. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Scheme Rules.

Respective responsibilities of Trustee and the auditor

As explained more fully in the statement of Trustee's responsibilities set out on page 6, the Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a payment schedule and for monitoring whether contributions are made to the Scheme by the employer in accordance with the payment schedule.

It is our responsibility to provide a statement about contributions paid under the payment schedule and to report our opinion to you.

Use of our statement

This statement is made solely to the Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our work, for this statement, or for the opinions we have formed.

Grant Thornton UK LLP

Chartered accountants & statutory auditor
London

Date: 31/5/2023

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of the Glaxo Wellcome Contracted out Money Purchase Scheme (the 'Scheme') for the year ended 31st December 2022; which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2022, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME *(continued)*

YEAR ENDED 31 DECEMBER 2022

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Scheme including effects arising from macro-economic uncertainties such as the effects of economic policies announced by the UK government in September 2022 and the cost-of-living crisis, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustee.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the 'Responsibilities of Trustee for the financial statements' section of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME *(continued)*

YEAR ENDED 31 DECEMBER 2022

Responsibilities of Trustee for the financial statements

As explained more fully in the statement of Trustee's responsibilities, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant are the Pensions Act 1995 and 2004 and those that relate to the reporting frameworks Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP").

In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations such as, the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Scheme operates.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee.
 - We assessed the susceptibility of the Scheme's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to:
 - The risk of management override of controls through posting inappropriate journal entries to manipulate results and net assets for the year.
-

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME *(continued)*

YEAR ENDED 31 DECEMBER 2022

Our audit procedures involved:

- understanding of controls that the Trustee has in place to prevent and detect fraud,
- journal entry testing, with a focus on large manual journals to unusual account combinations,
- obtaining independent confirmations of material investment valuations and cash balances at the year end, and,

In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of Schemes of a similar size and complexity, appropriate to their role within the team. The engagement team are required to complete mandatory pensions sector training on an annual basis, thus ensuring they have sufficient knowledge and understanding of the sector the underlying applicable legislation and related guidance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's members, as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Chartered accountants & statutory auditor
London

Date: 31/5/2023

**GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE
SCHEME**

FUND ACCOUNT

YEAR ENDED 31 DECEMBER 2022

	Note	2022 £m	2021 £m
Benefits paid or payable	4	(2.8)	(3.9)
Payments to and on account of leavers	5	(12.2)	(13.5)
		<u>(15.0)</u>	<u>(17.4)</u>
Net withdrawals from dealings with members		(15.0)	(17.4)
Returns on investments			
Change in market value of investments	6	(20.6)	20.6
Net return on investments		(20.6)	20.6
Net (decrease) /increase in the fund during the year		(35.6)	3.2
Net assets of the Scheme			
At 1 January		<u>172.0</u>	<u>168.8</u>
At 31 December		<u>136.4</u>	<u>172.0</u>

The notes on pages 20 to 27 form part of these financial statements.

**GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE
SCHEME**

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT 31 DECEMBER 2022

	Note	2022 £m	2021 £m
Investment assets	6		
Pooled investment vehicles	8	135.9	171.6
Current assets	14	0.6	0.5
Current liabilities	15	(0.1)	(0.1)
Net assets of the Scheme at 31 December		<u>136.4</u>	<u>172.0</u>

The Financial Statements summarise the transactions of the Scheme and deal with the net assets available for benefits at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year.

The Financial Statements on pages 18 to 27 were approved by the Trustee and signed on its behalf by:

Mark Ashworth		Trustee Director
Name	Signature	Title

David Brown		Trustee Director
Name	Signature	Title

31/5/2023

The notes on pages 20 to 27 form part of these financial statements.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

1. General information

The Glaxo Wellcome Contracted-Out Money Purchase Scheme (the "Scheme") is an occupational pension scheme established under trust in the United Kingdom, under English Law.

The Scheme was established to provide retirement benefits to certain groups of employees within the GSK plc group. The address of the Scheme's principal office is GSK House, 980 Great West Road, Brentford, Middlesex, TW8 9GS.

The Scheme is a defined contribution ("DC") scheme which is no longer open to new members and is closed to future contributions.

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that any contributions by employers and employees would normally be eligible for tax relief, and income and capital gains earned by the Scheme receives preferential tax treatment. There were no contributions into the Scheme in either the year ended 31 December 2022 or 31 December 2021.

2. Basis of preparation

The individual Financial Statements of Glaxo Wellcome Contracted-Out Money Purchase Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

The financial statements have been prepared on a going concern basis as the Trustees continue to believe this to be an appropriate basis as there is no intention to wind up the scheme.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

Currency

The Scheme's functional currency and presentational currency is pounds sterling.

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

Transfers to and from other schemes

Individual transfers in are accounted for when the liability transfers, which is normally when cash is received, unless there is a separate agreement in place to take the liability in advance. Transfers out are accounted for when the receiving scheme accepts the liability and the amount can be determined with reasonable certainty.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3. Summary of significant accounting policies (continued)

Benefits paid or payable

Retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised. Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Scheme, as appropriate.

Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where Lifetime or Annual Allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and is shown within benefits payable.

Investments

The pooled investment vehicles are held at fair value.

Pooled investment vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads as provided by the investment manager.

In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the funds without further issue of units, the income is included within change in market value.

Annuity policies are purchased on retirement by members. These are not included as assets of the Scheme as they are in the name of the member, and are therefore expensed in the fund account in the year in which they are purchased.

Change in Market Value

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on the sales of investments during the year.

4. Benefits paid or payable

	2022	2021
	£m	£m
Lump sum retirement benefits	1.7	2.4
Purchase of annuities	0.5	0.8
Death benefits	0.5	0.7
Taxation where lifetime or annual allowance has been exceeded	0.1	–
	<u>2.8</u>	<u>3.9</u>

Taxation arising on benefits paid or payable is in respect of members whose benefits have exceeded the Lifetime or Annual Allowance and who elected to take lower benefits from the Scheme in exchange for the Scheme settling their tax liability.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5. Payments to and on account of leavers

	2022	2021
	£m	£m
Individual transfers out	<u>12.2</u>	<u>13.5</u>

6. Reconciliation of investments

	Value at 31 December 2021 £m	Purchases at cost £m	Sales proceeds £m	Change in market value £m	Value at 31 December 2022 £m
Pooled investment vehicles	<u>171.6</u>	<u>11.5</u>	<u>(26.6)</u>	<u>(20.6)</u>	<u>135.9</u>

There were no direct transaction costs during the year ended 31 December 2022 or 31 December 2021.

Indirect costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It is not possible for the Trustee to quantify such transaction costs.

7. Taxation

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

8. Pooled investment vehicles

The Scheme's investments in pooled investment vehicles at the year-end comprised:

	2022	2021
	£m	£m
Equity	3.8	6.0
Diversified growth	0.5	0.5
Cash	6.8	8.5
Lifecycle	97.2	122.9
Inflation linked pre-retirement	17.2	25.9
Retirement income multi-asset	10.2	7.5
Shariah	0.2	0.3
	<u>135.9</u>	<u>171.6</u>

The above investments represent the defined contribution investment arrangements which are invested in pooled funds with Legal and General Investment Management. These defined contribution assets are allocated to provide benefits to the individuals on whose behalf the contributions were paid.

All pooled investment vehicle funds are structured as unit linked insurance policies.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

9. Defined contribution assets

Defined contribution assets can be split into Defined contribution investment assets of £135.9m (2021: £171.6m) and assets reported under current assets and liabilities of £0.6m (2021: £0.5m).

The Defined contribution investment assets are those allocated to members and those not allocated to members. Those not allocated to members of £5k (2021: £6k) are available to the Trustee to apply in accordance with the rules of the Fund.

10. Fair value determination

The fair value of investments has been determined using the following hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities have been fair valued using the above hierarchy categories as follows:

	At 31 December 2022			Total £m
	Level 1 £m	Level 2 £m	Level 3 £m	
Pooled investment vehicles	-	<u>135.9</u>	-	<u>135.9</u>

	At 31 December 2021			Total £m
	Level 1 £m	Level 2 £m	Level 3 £m	
Pooled investment vehicles	-	<u>171.6</u>	-	<u>171.6</u>

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

11. Investment risk disclosures

Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Scheme has exposure to these risks because of the investments it makes to implement its investment objective. The investment objective is to offer an appropriate range of investment options to members designed to generate income and capital growth which will provide a retirement amount with which the member can make their retirement decisions. The Statement of Investment Principles, (the "SIP") outlines the investment objectives for the Scheme.

The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's investment objective. The investment objective and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management and the Scheme's exposures to credit and market risks are set out below and applies to both the current and previous year end unless otherwise stated.

The investment funds offered to members are a combination of underlying funds which are presented as "white label" funds by Legal & General Assurance (Pensions Management) Limited ("L&G"). These are funds specifically created for the Scheme which are invested in other funds available through the L&G platform but with more beneficial pricing arrangements. Ten such funds are available, UK Equity, Cash, Lifecycle, Global Equity, Overseas Equity, Inflation Linked Pre-Retirement, Diversified Growth, Retirement Income Multi Asset, Global Sustainable Equity and the Shariah fund.

The Trustee has an insurance policy in place with L&G that sets out guidelines for the underlying investments held by the funds. The day to day management of the underlying investments of the funds is the responsibility of the investment manager, including the direct management of credit and market risks.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

11. Investment risk disclosures

Investment risks (continued)

The Trustee monitors the underlying risks by quarterly investment reviews of the defined contribution funds. The risks disclosed here relate to the defined contribution investments as a whole. Members are able to choose their own investments from the range of funds offered by the Trustee and therefore may face a different profile of risks from their individual choices compared with the Scheme as a whole.

Credit risk

The Scheme's investments are subject to direct credit risk in relation to L&G through its holdings in unit linked insurance funds provided by the manager. L&G is regulated by the Financial Conduct Authority and maintains separate funds for their policy holders. The Trustee monitors the credit worthiness of the manager by reviewing published credit ratings. In the event of default members may be entitled to limited compensation from the Financial Services Compensation Scheme.

All of the DC pooled investment vehicles are unit linked insurance contracts.

The Scheme also subject to indirect credit and market risk arising from the underlying investments held in the white label funds. Member level risk exposures will be dependent on the funds invested in by members.

The Trustee only invests in funds where the financial instruments and all counterparties are at least investment grade.

	Credit risk	Currency risk	Interest rate risk	Other price risk	2022 £m	2021 £m
LGIM GSK Diversified Growth Net	✓	✓	✓	✓	0.5	0.5
LGIM GSK UK Equity Ind (Net)	✓	x	x	✓	0.8	0.9
LGIM GSK Cash Fund (Net)	✓	x	✓	x	6.8	8.5
LGIM GSK Lifecycle Fund (Net)	✓	✓	✓	✓	97.2	122.9
LGIM GSK Pre-Ret Inf Link (Net)	✓	x	✓	✓	17.2	25.9
LGIM GSK Overseas Eq Index (Net)	✓	✓	x	✓	1.5	1.8
LGIM GSK Global Equity (Net)	✓	✓	x	✓	1.4	3.2
LGIM GSK Shariah Fund	✓	✓	x	✓	0.2	0.3
LGIM GSK Global Sustainable Equity	✓	✓	x	✓	0.1	0.1
LGIM GSK Retire Inc Multi-Asset	✓	✓	✓	✓	10.2	7.5
Total					135.9	171.6

Market risk

The Fund's is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by LGIM. All of the DC funds are readily marketable, both at the year end, and subsequent to the year end. These risks are mitigated by holding a diversified mix of investments.

There continues to be some price volatility in certain sectors, with the future impact of the pandemic on global markets remaining uncertain. At the year end, and subsequent to the year end, there has been no restrictions imposed on the trading of any assets.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

12. Concentration of investments

The following investments amounted to more than 5% of the total net assets of the Scheme:

	2022		2021	
	£m	%	£m	%
Legal & General GSK Lifecycle Fund	97.2	71.30	122.9	72.00
Legal & General GSK Pre Retirement Inflation Linked Fund	17.2	12.60	25.9	15.00
Legal & General GSK Retirement income multi-asset	10.2	7.50	–	–
Legal & General GSK Cash Fund	6.8	5.10	8.5	5.00

The investments in the table above are pooled arrangements which ultimately have multiple underlying assets, none of which exceed 5% of the net assets of the Scheme.

13. Employer related investments

The Occupational Pension Schemes (Investment) Regulations 2005 limit the total investment by a pension scheme in its sponsoring group to 5% of the Scheme's total assets at market value.

There were no direct investments in the GSK Group at the year-end or the previous year end. The Trustee recognises that indirect investment in the GSK Group is possible through holdings in pooled investment vehicles. There is no indirect exposure at 31 December 2022 under the above regulations, however, on a full look through basis a reasonable estimate of the indirect exposure is 0.52% (2021: 0.43%). Therefore, the Scheme's total direct and indirect investment in GlaxoSmithKline plc or subsidiary companies at 31 December 2022 and 31 December 2021 was less than 5% of the Scheme's net assets.

14. Current assets

	2022	2021
	£m	£m
Other debtors	0.1	–
Cash balances	0.5	0.5
	<u>0.6</u>	<u>0.5</u>

Out of cash balances, £0.5m (2021: £0.5m) is allocated and £0.0m (2021: £0.0m) is unallocated cash balance.

15. Current liabilities

	2022	2021
	£m	£m
Unpaid benefits	<u>0.1</u>	<u>0.1</u>

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

16. Related party transactions

The following related party transactions are disclosable: -

Key management personnel of the Scheme

During the year six (2021: four) of the Trustee Directors and two (2021: two) of the Trustee Directors' spouses/partners were paid a pension from other connected GSK Pension Schemes relating to their employment with the GSK Group. These benefits were paid in accordance with the Trust Deed and Rules governing those Schemes.

In addition, one (2021: one) Trustee Director received an unfunded pension direct from the GSK Group relating to their previous employment with the GSK Group and three (2021: two) Trustee Directors received remuneration and benefits from the GSK Group relating to their ongoing employment with the GSK Group during the year.

During the year, other connected GSK Pension Schemes received pension contributions in respect of three (2021: two) Trustee Directors who were employees of the GSK Group.

During the year, seven (2021: five) of the Trustee Directors received fees from other connected GSK Pension Schemes for their services as Trustee Directors of those schemes. Fees paid have been disclosed in the individual GSK pension scheme financial statements, from where these transactions arise, as appropriate.

Other related parties

At the year end, the audit fees, levy fees and administrative fees of the Scheme are borne equally by GSK Pension Scheme and GSK Pension Fund. This is an inter-company transaction and the fees have been disclosed in the individual GSK Pension Scheme and GSK Pension Fund financial statements.

17. Contingent liabilities and contractual commitments

There were no contingent liabilities or contractual commitments at 31 December 2022 or 31 December 2021.

18. Subsequent events

There were no events subsequent to the year-end which require disclosure in the Financial Statements.

GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME
CHAIR'S STATEMENT ON DC GOVERNANCE
Year ended 31 DECEMBER 2022

Introduction

As Chair of the Trustee of the Glaxo Wellcome Contracted Out Money Purchase Scheme (the "Scheme"), I am pleased to provide you with an annual statement regarding Defined Contribution ("DC") Governance.

I am required by pensions regulations to provide you with this annual statement which explains what steps have been taken, during the year, by the Trustee Board, to meet certain DC governance standards. Pensions regulations set out the areas where information must be included in this Statement and this is set out below and covered in detail in the rest of this Statement.

- Details of the default arrangements;
- Review of the default arrangements;
- Other lifecycle funds available;
- Processing financial transactions;
- Net return on investments;
- Charges and transaction costs;
- Impact of charges and transaction costs;
- Value for members assessment; and
- Trustee knowledge and understanding.

The Scheme has only a DC arrangement which was closed to new members and to future contributions in December 2001.

The Scheme is not used as an auto-enrolment vehicle and therefore no members are auto enrolled into any of the fund options within the Scheme.

The Trustee recognises the importance of the Scheme in helping members achieve a good outcome in retirement. As a result, the Trustee has established a Joint Defined Contribution Committee ("the JDCC"), together with GSK's other UK Occupational Defined Contribution Scheme arrangements, which oversees the Defined Contribution investment strategy for the Scheme.

This JDCC is responsible for reviewing on behalf of, and reporting and recommending to the Trustee Board, in respect of all aspects of the Scheme, including such matters as monitoring fund performance, the default investment strategies, fund choices and costs and charges.

There is also a Joint Audit, Risk and Operations Committee ("the JAROC") which is responsible for reviewing on behalf of, and reporting and recommending to the Trustee Board, in respect of all operational aspects of the Scheme, including matters such as processing of the Scheme's core financial transactions.

Both committees operate under terms of reference which are agreed by the Trustee Board. These terms of reference allow the committees to carry out certain functions, such as monitoring, and formulating proposals, with recommendations being made to the Trustee Board. The Chairs of the committees provide updates on Committee business at the quarterly Trustee Board meetings.

The Trustee also has a dedicated pensions management team at GSK ("the GSK management team") made up of experienced pension professionals, who manage the day to day operations of the Scheme and deal with the outsourced providers, on a regular basis.

This Statement is designed to explain compliance with the aspects of DC governance which are required by pensions regulations to be covered in the Chair's Statement on DC Governance. It should not be read as a comprehensive document explaining the Scheme as other Scheme related documentation, such as the Information Booklets and DC Decision Guides, are designed to do that. Those documents are available on the GSK Intranet site for members who have access, and from the pension administrators (contact details below) for deferred members.

More detailed information about the Scheme is also provided in the Scheme's Statement of Investment Principles (SIP), which is appended to this Statement, and the SIP should be read in conjunction with this Statement. The SIP was last reviewed and updated on 30 September 2021.

**GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME
CHAIR'S STATEMENT ON DC GOVERNANCE
Year ended 31 DECEMBER 2022**

More detail on the DC arrangements can be obtained from the administrator using the following contact details:-

GSK Pensions Team
Willis Towers Watson
PO Box 545
Redhill
Surrey
RH1 1YX
Email: gskpensions@willistowerswatson.com
Phone: 01737 227563

Details of the Default arrangements

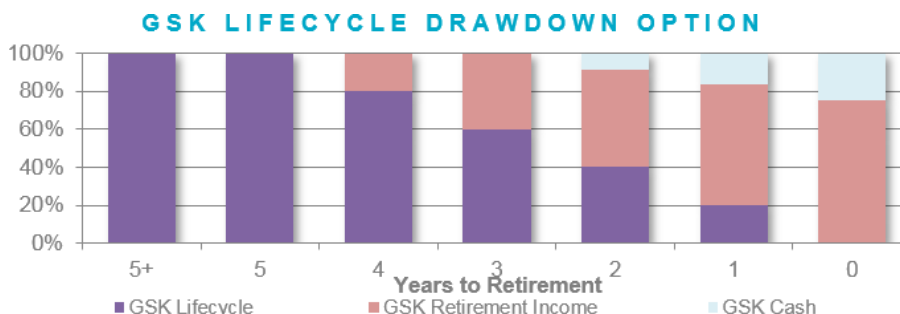
A default DC investment arrangement is provided for members who do not choose an investment option for their DC contributions. Members can also choose to invest in this default arrangement which is selected by the Trustee.

The Plan is not used as an auto-enrolment vehicle and therefore no members are auto enrolled into any of the fund options within the Plan. However, due to the movement of members' assets by the Trustee in previous years, the Plan has a number of default arrangements.

The current default arrangement for DC members is the GSK Lifecycle Drawdown Option. It is intended for members who are looking to target drawing down an income from their pension pot in retirement.

The GSK Lifecycle Drawdown Option invests in the growth phase, via the GSK Lifecycle Fund, until the member reaches 5 years from their selected retirement age. During the 5 years up to the retirement date, the member's account will gradually be switched to the GSK Retirement Income Fund and GSK Cash Fund, in order to protect the value of their account. This is known as the "pre-retirement phase".

This is illustrated in the graph below.



Other Default Options

In addition, there are three legacy default investment options – the GSK Lifecycle Pension Option, the Standard GW COMPS Lifecycle and the Legacy GW COMPS Lifecycle Option.

Until June 2014, there were two default options depending on when a member joined the Scheme. These were the Standard GW COMPS Lifecycle and Legacy GW COMPS Lifecycle. When the new GSK Lifecycle Pension Option (then called the GSK Lifecycle Investment Option) was implemented in June 2014 (which reduced the de-risking period from 10 to 5 years), most members were automatically switched to that new option. However, the Trustee decided that members with less than 10 years until their selected retirement date (as at 1 June 2014) should continue to be invested in their existing lifecycle, to avoid them re-risking.

More recently, until July 2021, the default arrangement for all members was the GSK Lifecycle Pension Option, which is illustrated in the table below. When the Trustee reviewed the default arrangements in 2020, the Trustee decided that members with less than 3 years until their select retirement date (as at 1 July 2021) should continue to be invested in the GSK Lifecycle Pension Option unless they opted to transfer to the new default.

Full details of these arrangements can be found in the SIP which is attached to this Statement.

**GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME
CHAIR'S STATEMENT ON DC GOVERNANCE
Year ended 31 DECEMBER 2022**

Review of the Default arrangements

The Trustee is expected to:-

- Review the investment strategy, objectives and performance of the default investment arrangements at least every three years, and without delay after any significant change in investment policy or demographic profile of the members invested in the default arrangement; and
- Take into account the best interests of the Scheme membership when designing the default arrangements.

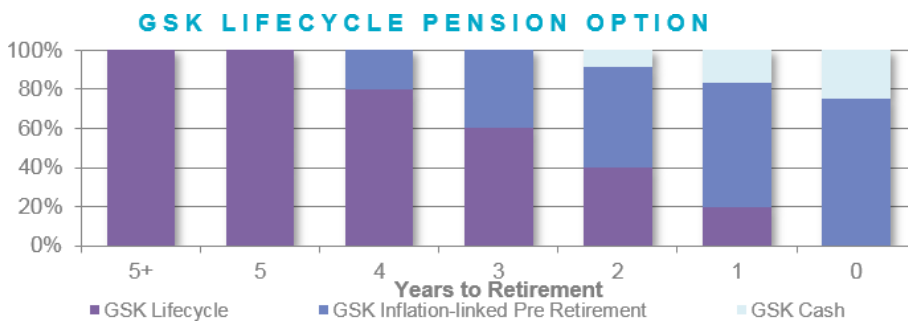
Given the importance of the default arrangements, the Trustee regularly reviews the arrangements, their component parts, and the performance of the funds (performance being reviewed quarterly by the JDCC).

The most recent formal review of the default arrangements was concluded on 18 February 2020. The Trustee reviews the arrangements regularly and during 2022, commenced a formal review of the default arrangements in line with the triennial requirement. Any resultant changes will be made during 2023 and reported on in next year's Chair's Statement.

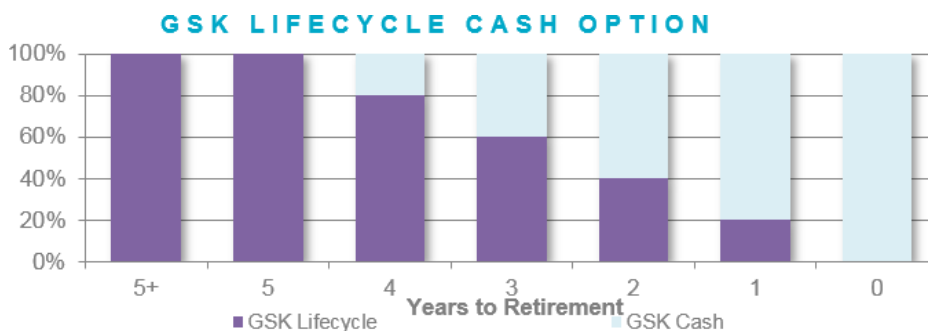
Other Lifecycle Funds available

In addition to the GSK Lifecycle Drawdown Option, there are two other Lifecycle Fund options available for those members who do not wish to use their fund to draw down an income from their pension pot in retirement.

The GSK Lifecycle Pension Option, illustrated in the graph below, is available for those members who wish to use their fund to purchase an inflation linked pension on retirement.



The GSK Lifecycle Cash Option, illustrated in the graph below, is available for those members intending to take their pension pot as a one-off cash lump sum at retirement.



**GLAXO WELLCOME CONTRACTED-OUT MONEY PURCHASE SCHEME
CHAIR'S STATEMENT ON DC GOVERNANCE
Year ended 31 DECEMBER 2022**

With the default option targeting income drawdown, and the two other Lifecycle fund options mentioned above, the Trustee believes it offers members adequate options to allow them to invest in a manner appropriate to their intentions at retirement.

Full details on the default arrangements and the other fund options available can be found in the SIP which governs decisions about the investments, which is attached to this Statement.

Processing financial transactions

The Trustee has a duty to ensure that core financial transactions relating to the Scheme are processed promptly and accurately.

This includes, but is not limited to, the following:-

- Investing contributions into the Scheme;
- Transferring assets relating to members in and out of the Scheme;
- Transferring assets relating to members between different investments within the Scheme (Investment switches); and
- Making payments from the Scheme in respect of members.

The Trustee delegates the DC administration of the Scheme to Willis Towers Watson and has appointed Legal & General Assurance (Pensions Management) Limited ("L&G") to provide DC investment platform services to the Scheme.

Whilst the Trustee has delegated the day to day administration of the Scheme to a third-party administrator, it has a robust governance framework in place to oversee and monitor their performance, including minimum timescales for all services via a formal Service Level Agreement (SLA).

The administrator's contractual agreement is a comprehensive document and includes key target service levels for all core financial transactional areas, covering accuracy and timeliness of all core financial transactions. These core financial transactions include reconciliation and investing of contributions, reconciliation of units, investment switches, transfers and retirement benefits.

Below is a high level summary of some of the key DC items in the SLAs for the administrator:-

- Contributions reconciliation and investment – 5 working days following receipt of contributions;
- Processing of switches – 5 working days;
- Disinvestments – 5 working days; and
- Transfer quotes – 5 working days.

A dedicated DC specialist team is responsible for the day to day management of the Scheme at the administrator. This team focusses on accurate and timely processing of transactions. This includes daily checking of bank accounts, including cash requirements, clear segregation of duties, and a robust checking and authorising process for ensuring accuracy when processing transactions.

During the year, the GSK management team reviewed performance against the SLA requirements regularly through fortnightly service review meetings and calls, and any issues with meeting the SLA were discussed, along with individual member cases, any complaints, and updates on any ongoing projects. Performance was reported to the JAROC Committee at their quarterly meetings.

The table below sets out the compliance against SLA for the year by quarter.

Administrator		Q1 2022	Q2 2022	Q3 2022	Q4 2022
Willis Towers Watson (GWPP Section)	Actual	98%	97%	89%	99%
	Target	95%	95%	95%	95%

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The administration of the Scheme was within SLA requirement for the whole year. If SLA compliance does fall the GSK management team discuss the underlying causes with Willis Towers Watson and ensure plans are put in place to bring performance back in line with the SLA, and in the meantime ensuring there is a clear focus on prioritising casework appropriately.

During the year, the administrator provided quarterly reports, which included performance against SLA requirements in all the key areas, and these reports were formally presented to, and discussed with, the JAROC at each of its quarterly meetings. Willis Towers Watson attended quarterly JAROC meeting during the year.

The administrators produce internal control reports annually, which set out their control environment and the results of the independent auditors' testing of their controls. These reports were reviewed by the GSK management team during the year and any issues were fully investigated and discussed with the administrators. If any significant issues had arisen these would have been reported to the JAROC. There were no material matters reported in the year.

The Trustee also has a formal risk management process, which includes a full Risk Map which outlines the risks to Scheme members and how the Trustee mitigates those risks. The risks included in the Risk Map were monitored and reviewed quarterly by an Internal Risk Group, comprising members of the GSK management team, and the DC risks were reported to the JDCC and JAROC.

The Trustee's aim is to have all core financial transactions processed promptly and accurately throughout the year, including the investment of contributions, transfer of member assets into and out of the Scheme, transfers between different investments within the Scheme and payments to, and in respect of, members and beneficiaries.

Overall, the Trustee is satisfied that, based on the processes in place and the information described above, for the year, in all material respects, these core financial transactions have been processed promptly and accurately.

Due to the size of the Scheme, and the volume of transactions being processed, from time to time errors in processing are identified. Where such isolated incidents were identified, the following process was followed:-

- The issue was logged by the administrator and reported through to the GSK management team;
- The issue was discussed at the GSK management team's regular service review meetings with the administrators, and any actions needed to resolve issues were discussed;
- The issue was reported to the GSK management team's Internal Risk Group; and
- The issue was reported to the JAROC, with full details of the issue where the issue was deemed significant.

If issues are considered serious they would be escalated immediately to the Trustee Board. There were no such incidents during the year.

The GSK management team also worked with the administrator to ensure that there was a robust plan in place to correct any issues, and monitored this through to completion to ensure a thorough root cause analysis took place to identify process improvements and future risk mitigations.

The progress and resolution of any significant issues was monitored by the JAROC. Any issues identified which impacted members would normally be communicated to members, unless the impact was immaterial.

The Trustee's aim is that if any processing errors take place, that members do not suffer any financial loss as a result of any delays or errors in processing these core financial transactions, and all reasonable steps will be taken to put them back to the position they would otherwise have been in, had the error not occurred.

Where any issues have arisen during the year and were reported and discussed at the JAROC they were also reported to the Trustee Board through the Committee updates that are provided at each meeting. All Trustee Directors receive the minutes of the JAROC (and the JDCC) at their meetings and they are referred to and discussed when the updates are given. This process ensures that all Trustee Directors are aware of all significant matters.

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Net returns on investments

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduce new requirements for trustees of 'relevant' occupational pension schemes.

From 1 October 2021, trustees of all relevant pension schemes, regardless of asset size, are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

The tables below set out annualised net performance for the 1 and 5 year periods for the lifestyle arrangements (for age 25, 45, and 55) and for the self-select fund range.

Lifestyles

Lifestyle strategies – Lifecycle Drawdown Option/Lifecycle Pension Option/Lifecycle Cash Option *	Annualised returns to 31 December 2022 (%)	
	1 year	5 years
Age of member		
25, 45, 55	-8.5	5.3

Source: LGIM.

*As the growth phase is equal between lifestyles, the expected returns are assumed to be the equal as well.

Lifestyle strategies – Standard GW COMPS Lifecycle / Legacy GW COMPS Lifecycle*	Annualised returns to 31 December 2021 (%)	
	1 year	5 years
Age of member		
25, 45	-12.7	6.3
55	-13.2	2.9

Source: LGIM.

*As the growth phase is equal between lifestyles, the expected returns are assumed to be the equal as well.

Self-Select Funds

Self-select funds	Annualised returns to 31 December 2021 (%)	
	1 year	5 year
GSK UK Equity Index Fund	0.8	3.2
GSK Overseas Equity Index Fund	-13.3	7.0
GSK Global Equity Index Fund	-12.6	6.3
GSK Inflation Linked Pre-Retirement Fund	-34.3	-4.5
GSK Cash Fund	1.3	0.6
GSK Diversified Growth Fund	-0.9	2.9
GSK Lifecycle Fund	-8.6	5.3
GSK Shariah Fund	-15.8	n/a*
GSK Retirement Income Fund	-7.5	n/a*
GSK Global Sustainable Equity Fund	-13.4	n/a*

Source: LGIM.

*Due to the inception dates of these funds, longer term performance is not available.

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Charges and transaction costs

The Trustee is required to report on charges and transaction costs for the investment options available in the Scheme, including the default arrangements, the Lifecycle options, the underlying funds to those options, and the freestyle funds, and their assessment of the extent to which the charges and transaction costs represent good value for members.

The Total Member Charge, or Total Expense Ratio (TER) is a measure of the total costs associated with managing and operating an investment fund. These costs consist primarily of management fees and additional variable expenses that the investment manager incurs in operating the fund, such as fees to auditors, custodians and accountants and other operational expenses. It does not include costs incurred when the fund is traded. These costs are called transaction costs and cover those costs that the fund manager incurs as a result of the trading necessary to manage the investments within the Scheme. This can incorporate a range of costs including broker fees, transaction taxes, custody fees and implicit costs of executing transactions.

The following table provides information on the member-borne charges for all investment options available in the Scheme. Charges and transaction costs are, as at, and for the year to, 31 December 2021.

Fund	Total Member Charge (% p.a.)	Transaction Costs (%)
GSK Lifecycle Pension Option (Legacy Default)		
5+ years to retirement	0.2820	0.3651
4 years to retirement	0.2356	0.3326
3 years to retirement	0.1892	0.3001
2 years to retirement	0.1454	0.2560
1 year to retirement	0.1016	0.2119
0 years to retirement	0.0581	0.1663
Standard GW COMPS Lifecycle (Legacy Default)		
10+ years to retirement	0.0773	0.1037
9 years to retirement	0.0754	0.1100
8 years to retirement	0.0735	0.1162
7 years to retirement	0.0715	0.1225
6 years to retirement	0.0696	0.1287
5 years to retirement	0.0677	0.1350
4 years to retirement	0.0658	0.1413
3 years to retirement	0.0639	0.1475
2 years to retirement	0.0620	0.1538
1 year to retirement	0.0600	0.1600
0 years to retirement	0.0581	0.1663
Legacy GW COMPS Lifecycle (Legacy Default)		
10+ years to retirement	0.0773	0.1037
9 years to retirement	0.0783	0.1235
8 years to retirement	0.0794	0.1433
7 years to retirement	0.0804	0.1630
6 years to retirement	0.0815	0.1828
5 years to retirement	0.0825	0.2026
4 years to retirement	0.0825	0.2026
3 years to retirement	0.0825	0.2026
2 years to retirement	0.0825	0.2026
1 year to retirement	0.0825	0.2026
0 years to retirement	0.0825	0.2026

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Fund	Total Member Charge (% p.a.)	Transaction Costs (%)
GSK Lifecycle Drawdown Option (Current Default)		
5+ years to retirement	0.2820	0.3651
4 years to retirement	0.2825	0.3212
3 years to retirement	0.2829	0.2772
2 years to retirement	0.2664	0.2258
1 year to retirement	0.2515	0.1753
0 years to retirement	0.2338	0.1234
GSK Lifecycle Cash Option		
5+ years to retirement	0.2820	0.3651
4 years to retirement	0.2421	0.3036
3 years to retirement	0.2022	0.2420
2 years to retirement	0.1623	0.1805
1 year to retirement	0.1224	0.1189
0 years to retirement	0.0825	0.0574
GSK UK Equity Index Fund	0.0225	0.0376
GSK Inflation Linked Pre-Retirement Fund	0.0500	0.2026
GSK Cash Fund	0.0825	0.0574
GSK Lifecycle Fund	0.2820	0.3651
GSK Diversified Growth Fund	0.6673	0.8513
GSK Overseas Equity Index Fund	0.0800	0.1026
GSK Global Equity Index Fund	0.0773	0.1037
GSK Shariah Fund	0.3200	-0.0157
GSK Retirement Income Fund	0.2842	0.1454
GSK Global Sustainable Equity Fund	0.0880	0.0939

Source: L&G. A positive value represents a reduction in performance as a result of the fees. A negative transaction cost represents a gain from trading over the year, but we would not anticipate this gain to be repeated on average.

The Trustee is unable to form a complete assessment of the value for money in relation to the transaction costs incurred. This is due to the lack of available industry data for comparison. The Trustee, with advice from its advisers, believes that the transaction costs incurred appear to be reasonable and in line with expectations, however the Trustee has not been able to verify this quantitatively. The Trustee will conduct an assessment of the transaction costs as soon as reasonably possible.

Impact of charges and transaction costs

To provide members with a guide to show the impact of costs and charges, the Trustee has prepared illustrations detailing the impact of the costs and charges typically paid by a member of the DC Section on their pension pot. The statutory guidance provided has been considered when providing these examples. Where we have deviated from statutory guidance we have explained the rationale for doing so.

The illustrations below have taken into account the following elements:

- Pension pot size;
- Contributions (where relevant);
- Real terms investment returns gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

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Member illustrations

To illustrate the impact of charges over a member's lifetime in the Scheme, the Trustee has provided an illustration for a young member in the Scheme with information based on member demographics from the overall population of the GSK Pension Plans. The Trustee has based this on a starting age of 17, using a starting pot size of £8,500 and a salary of £36,850 which reflect the position for a typical young member. It also assumes an overall contribution level of 15% per annum; 5% contribution by the member and 10% from the company (the middle structure offered). The impact of a wide range of funds is shown in line with the statutory guidance.

Projected Pot sizes in Today's Money							
Year End	Most popular lifestyle arrangement (Current Lifestyle Arrangement): The GSK Lifecycle Drawdown Option		Lowest Charge: GSK UK Equity Index Fund		Highest Charge: GSK Diversified Growth Fund		
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	
1	£14,509	£14,437	£14,523	£14,520	£14,332	£14,165	
2	£20,781	£20,604	£20,817	£20,809	£20,324	£19,920	
3	£27,327	£27,008	£27,395	£27,380	£26,482	£25,764	
4	£34,160	£33,659	£34,268	£34,245	£32,810	£31,700	
5	£41,291	£40,566	£41,451	£41,417	£39,313	£37,729	
10	£81,907	£79,310	£82,513	£82,392	£74,620	£69,322	
15	£132,216	£126,124	£133,684	£133,397	£115,077	£103,471	
20	£194,530	£182,687	£197,453	£196,886	£161,433	£140,382	
25	£271,714	£251,031	£276,921	£275,917	£214,550	£180,277	
30	£367,317	£333,608	£375,952	£374,293	£275,414	£223,400	
35	£485,734	£433,384	£499,362	£496,749	£345,155	£270,011	
40	£632,410	£553,940	£653,154	£649,180	£425,066	£320,392	
45	£806,259	£693,614	£844,807	£838,923	£516,632	£374,847	
48	£889,651	£760,557	£981,760	£974,391	£577,862	£409,612	

Projected Pot sizes in Today's Money (legacy Defaults)						
Year End	GSK Lifecycle Pension Option		Standard GW COMPS Lifecycle		Legacy GW COMPS Lifecycle	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£14,509	£14,437	£14,529	£14,510	£14,529	£14,510
2	£20,781	£20,604	£20,832	£20,786	£20,832	£20,786
3	£27,327	£27,008	£27,423	£27,340	£27,423	£27,340
4	£34,160	£33,659	£34,313	£34,182	£34,313	£34,182
5	£41,291	£40,566	£41,518	£41,328	£41,518	£41,328
10	£81,907	£79,310	£82,768	£82,079	£82,768	£82,079
15	£132,216	£126,124	£134,305	£132,667	£134,305	£132,667
20	£194,530	£182,687	£198,692	£195,465	£198,692	£195,465
25	£271,714	£251,031	£279,135	£273,421	£279,135	£273,421
30	£367,317	£333,608	£379,636	£370,194	£379,636	£370,194

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Projected Pot sizes in Today's Money (legacy Defaults)						
	GSK Lifecycle Pension Option		Standard GW COMPS Lifecycle		Legacy GW COMPS Lifecycle	
35	£485,734	£433,384	£505,198	£490,325	£505,198	£490,325
40	£632,410	£553,940	£655,931	£633,581	£650,806	£628,667
45	£801,026	£690,008	£787,000	£756,951	£744,301	£716,180
48	£865,662	£744,073	£842,740	£808,756	£796,525	£764,697

Notes:

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £8,500.
3. Contributions of 15% are assumed from age 17 to 65 with an annual 2.5% p.a. increase to real salary (increases above inflation).
4. Values are estimates and are not guaranteed. The members' actual experience will be different.
5. The projected growth rate for each fund (these follow return guidance provided by Willis Towers Watson) are as follows:
 - A. GSK Lifecycle Drawdown Option: the underlying funds have a range of 2.14% p.a. to 4.37% p.a. gross expected real return (relative to inflation).
 - B. GSK Diversified Growth Fund (Most Expensive Fund): 2.76% p.a. gross expected real return (relative to inflation).
 - C. GSK UK Equity Fund (Least Expensive Fund): 4.50% p.a. gross expected real return (relative to inflation).
 - D. GSK Lifecycle Pension Option: the underlying funds have a range of 1.29% p.a. to 4.37% p.a. gross expected real return (relative to inflation).
 - E. GSK Lifecycle (pre-2014) Option: the underlying funds have a range of 1.29% p.a. to 4.55% p.a. gross expected real return (relative to inflation).
 - F. GSK Lifecycle Cash Option: the underlying funds have a range of 0.50% p.a. to 4.37% p.a. gross expected real return (relative to inflation).

In accordance with the published guidance, the Trustee has considered whether to present the above information showing different starting points, recognising the majority of members are older than the youngest member, which this illustration is based upon. The Trustee concluded that, as the Section has a very diverse membership it would be potentially distracting from the key messages by providing the data on many different bases.

As per the guidance, the Trustee has also given consideration as to whether showing the illustration based on the data for a younger member is correct and whether it distorts the effect of charges. The guidance considers this could be the case if older members would ordinarily be invested in investment choices with higher costs than a younger member (therefore masking the true impact of charges). The Trustee believes that, as there is no default fund for auto enrolment purposes, and fund options are currently the same for all existing members, regardless of age, the charges would not increase with the age of the member and therefore the illustration provided would not be skewed by using the data for a younger member.

The charges do however change depending on where a member is on the de-risking glidepath, but this is dependent on member age, and time to Target Retirement Age, and is consistent for all members.

Value for Members assessment

The Trustee regularly examines ways of providing better value for members. Underpinning the Trustee's assessment of value is the belief that value is about using the resources at its disposal effectively to help members achieve a good outcome for retirement. Also, while some measures of value should be scrutinised carefully over the short-term (for example, the performance of the Scheme's administrator), the Trustee believes that others, such as the suitability and performance of investment funds, span several years. Additionally, some components

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of member value can be assessed quantitatively, but those that impact on members' experience of the fund and its services often require a more qualitative assessment.

The annual Value for Members assessment for the Scheme year ended 31 December 2022 was completed in May 2023.

This assessment by the Trustee looked at the member-borne deductions within the Scheme, with advice from their advisers. This assessment considered the funds offered to members in terms of:

- Charges and available transaction costs;
- Net of charges performance relative to benchmarks and targets/objectives;
- Fund range available to members; and
- Research views from the Trustee's investment adviser on the investment managers and platform provider.

The Trustee concluded that the Scheme's overall range of investment options represent good value for members with respect to the member-borne charges and transaction costs for those options. The reasons underpinning this conclusion include:

- Charges for the default investment arrangements (as well as self-select lifecycle strategies) are significantly below the charge cap of 0.75% per annum;
- The fees for all the funds compare favourably to the fees typically borne by pension scheme members of other similar large pension schemes; and
- Long term performance figures are within expectations for the majority of the funds, and the majority of underlying funds are researched and highly regarded by the Trustee's investment adviser.

As a result, we believe that, overall, the Scheme delivers good value for members in respect of member-borne deductions. Furthermore, additional services such as Scheme administration, Trustee governance, adviser fees and additional communications are paid for by the Employer, therefore not borne by the members.

Trustee Knowledge and Understanding

The Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with professional advice which is available to them, enables them to properly exercise their functions and duties in relation to the Scheme. This requirement is underpinned by guidance in the Pensions Regulator's Code of Practice 13.

During the year, the Trustee Directors regularly discussed their training needs at their meetings, having regard to the statutory requirements to have knowledge and understanding of pensions and trust law and the principles relating to the funding and investment of occupational pension schemes, and to be conversant with the Scheme's Trust Deed and Rules, Statement of Investment Principles and other relevant documents. In addition, the Trustee Board includes Professional Trustees that are appointed by the Company to assist in the governance of the Scheme.

Over the last year, the Trustees have received training on key trustee duties, governance structure and responsible investment, good member outcomes, history of the Scheme and Board and sub-committee structure.

The Trustee Knowledge and Understanding requirement has been met for all Trustee Directors during the Scheme year as set out below.

The Trustee Directors have undertaken ongoing training, as a group, to keep abreast of relevant developments at the quarterly Trustee and committee meetings, and at an annual Trustee training day. This enables the Trustee Directors to keep up to date with the law regarding pensions and trusts and the principles relating to the funding and investment of occupational pension schemes and review any relevant Trustee policies relevant to the training areas.

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Below is a list of the training subjects covered by the Trustee Board and its Committees.

Date	Training subject	Undertaken by
15 February 2022	Fulcrum training, covering Fulcrum's strategy, the investment process, current portfolio, risk management, responsible investing and macroeconomic outlook.	Joint DC Committee (JDCC)
17 February 2022	Trustee discretion training, covering what discretions are, examples, how to exercise discretions and Ombudsman cases. Pension scams training, covering historic transfers-out framework, Trustee's position and restrictions in their powers, pensions liberation and scams, the Pension Schemes Act 2021, the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021.	Joint Audit, Risk & Operations Committee (JAROC)
8 March 2022 10 March 2022	Cyber security training, covering how it impacts schemes, common pitfalls when dealing with cyber risk and an overview of Trustee duties.	BSQ Main Board SB Main Board
17 May 2022	Good member outcomes training, covering what it means, the PLSA Retirement Living Standards, contribution levels and investment strategy.	Joint DC Committee (JDCC)
19 May 2022	GMP reconciliation and rectification refresher training, understanding they key decisions that need to be made.	Joint Audit, Risk & Operations Committee (JAROC)
7 June 2022 9 June 2022	Investment and actuarial valuation training, covering discount rate structure, key investment model inputs and best estimate returns.	Joint Investment Committee SB Main Board

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25 August 2022	Prevention of fraud training, covering types of pension fraud, case studies and POCA 2002/money laundering regulations.	Joint Audit, Risk & Operations Committee (JAROC)
6 September 2022 8 September 2022	Liability hedging training, covering the effect of interest rates and inflation on liabilities, the financial risk to Plans and how the risk can be mitigated.	BSQ Main Board SB Main Board
8 September 2022	Legal training, covering the position of SLP on a future takeover, the balance of powers in the Trust Deed and Rules, Trustee whistleblowing and legal/regulatory updates.	SB Main Board
19 October 2022	<p>Joint Investment Committee strategy day training, covering an overview of recent market developments and how Plans have responded, a request to approve granting the Joint Investment Committee additional flexibility on hedge ratios and an overview of the strategy day discussions.</p> <p>Communication strategy training, covering engagement, behavioural psychology and tone of voice.</p> <p>The Pensions Regulator update training, covering its current areas of focus, upcoming developments, The Pension Schemes Act 2021, how tPR will regulate scheme funding going forward, revisions to covenant guidance and tPR's equality, diversity and inclusion strategy.</p> <p>DC market practice training, covering how to maximise growth for young members, when members should start de-risking, how to engage members and future developments.</p> <p>Highly effective Boards training, covering the characteristics of high performing Boards, an overview of tPR's standards and a model for effective teams.</p>	Trustee Training Day

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16 November 2022	Multi-asset credit training, covering what it is and how the different elements might operate.	Joint Investment Committee
6 December 2022 8 December 2022	Currency hedging training, covering why to hedge currency, how it works and which assets the Plans hedge currency for.	BSQ Main Board SB Main Board
8 December 2022	Buy-in training, covering what it is, regulatory background, impact on members, market overview and preparatory activity.	SB Main Board

The Trustee Directors each maintain an individual training log and have a process of continual self-assessment of their training needs. Any training needs identified by individual Trustee Directors are recorded in the minutes and training is arranged, where appropriate.

The Trustee Directors understand the need to be conversant with the Trust Deed and Rules.

The Trustee Directors also reviewed the Statement of Investment Principles and were guided through the document by their investment advisers to ensure they understood and could demonstrate a good working knowledge before approving it.

The Trustee Directors considered and applied their knowledge of the Trust Deed and Rules, Statement of Investment Principles and relevant Trustee policies where relevant to Trustee decisions during the year. The Trustee therefore believes they are compliant with the requirement to be conversant with the SIP and Trust Deed and Rules.

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The Trustee has put in place arrangements for ensuring that Trustee Directors take personal responsibility for keeping themselves up to date with relevant developments and carry out a self-assessment of training needs.

The Secretary to the Trustee reviewed the self-assessments which were carried out in Q4 2022 and arranged for training to be made available to individual Trustee Directors or to the whole Trustee body as appropriate.

This assessment identified knowledge gaps which could be addressed by receiving additional technical training during meetings, on both DB and DC matters, continued regular legal updates and how legislation has evolved over time. Training on these topics will be addressed during 2023 at quarterly Trustee meetings and at the 2023 annual Trustee training day.

In addition, the Trustee Directors receive advice from professional advisers, and have a robust process in place for assessing the adviser's skills and experience to be able to provide them with the advice that is required to enable them to exercise their duties effectively.

All Trustee Directors, including the new Trustee Directors appointed in the year, have completed the Trustee toolkit provided by The Pensions Regulator. The Trustee toolkit is a free online learning programme from The Pensions Regulator aimed at trustees of occupational pension schemes and is intended to help meet the minimum level of knowledge and understanding required. There is a requirement for new Trustee Directors to complete the toolkit within six months of being appointed.

In Q4 2022, the Trustee Directors completed an annual self-assessment (via questionnaires) of how effective they think the Trustee Board is collectively of fulfilling its duties, and how effective it is at working with its Committees. Feedback from this was used to identify potential improvements in Scheme governance.

The key areas identified from this assessment were in relation to ensuring that the work of the sub-committees was shared with the other Trustee Directors at an appropriate level, continuing the development of the approach to identify and assess emerging risks and other aspects of how the meetings operate, especially in relation to the mix of remote and face-to-face meetings. These areas are being addressed during 2023.

Taking account of actions undertaken individually and as a Trustee body, and the professional advice available to them, the Trustee considers that its combined knowledge and understanding is such that it is properly enabled to exercise its function as Trustee of the Scheme.

Conclusion

As required by the regulations, the Trustee has made this Statement available in the Trustee Annual Report and Financial Statements which is on the Trustee website at <https://www.gskpensions.co.uk/governance/> which is being flagged in the annual benefit statement to members.

I confirm that the above statement has been produced by the Trustee to the best of its knowledge.

This Chair's Statement on DC Governance was approved by the Trustee and signed on its behalf by:

M Ashworth

Representing The Law Debenture Pension Trust Corporation p.l.c.

Chairman

Dated: 31/5/2023

**GW Contracted-out Money Purchase Scheme
IMPLEMENTATION STATEMENT
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Introduction to the Implementation Statement

This Implementation Statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the guidance published by the Pensions Regulator.

To prepare this Implementation Statement the Trustee has reproduced a copy of the latest Statement of Investment Principles ('SIP'), and included accompanying commentary to set out how, and the extent to which, the SIP has been followed during the year to 31 December 2021.

The detail of the Implementation Statement is included in the highlighted boxes throughout the document, following the relevant SIP sections.

The Trustee can confirm that all policies in the SIP have been followed in the Scheme Year.

Assessment of how the policies in the SIP have been followed for the year to 31 December 2022

The information provided in the sections that follow, highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies.

The Trustee is responsible for the investment of the Scheme assets. The Trustee takes some decisions itself and delegates others (either directly or indirectly) to one of the following:

- **The Joint DC Committee of the GSK Schemes ("JDC")**
This facilitates cooperation on DC matters with other Schemes that have GSK as the principal employer. The JDC members include Trustee Directors from the Scheme and discussions are referred back to the main Trustee Board for discussion and approval.
- **External parties such as Investment Advisers or Asset Managers**
This facilitates professional, full time management and oversight of the Scheme's investments.

Review of the SIP

The latest version of the SIP was approved in September 2021. This was also reviewed in 2022, but no revisions were made.

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Commentary

Statement of Investment Principles – September 2021

This Statement of Investment Principles (“SIP”) covers the arrangements of the Scheme. It is set out in three parts:

- 1) Governance arrangements
- 2) Objectives and implementation
- 3) The Trustee's investment policies

The Scheme’s investment arrangements are set out in this SIP, This SIP has been prepared after obtaining written professional advice from Mercer Limited (the “Investment Adviser”) which is regulated by the Financial Conduct Authority (“FCA”). The Trustee believes that the Investment Adviser meets the requirements of Section 35 (5) of the Pensions Act 1995. The Trustee has also consulted with GSK (the “Principal Employer”) in forming this document.

The Scheme is governed by its Trust Deed and Rules which sets out all of the benefits in detail and specifies the Trustee’s investment powers. The investment powers do not conflict with the SIP. This SIP is also designed to fulfil the key objectives of the DC Code of Practice.

The Trustee believes that the Scheme’s investment policies and their implementation are in keeping with best practice, including the principles underlying the Pensions Regulator’s DC Code of Practice No 13.

Securing compliance with the legal requirements about choosing investments

Over the Scheme year to 31 December 2022 there were three updates to the investment arrangements:

1. LGIM Pre-Retirement Index Linked Fund

The LGIM Pre Retirement Index Linked Fund (“the Fund”) made a number of changes during Q3 2022. While there were no changes to the aim or investment objective of the Fund, LGIM implemented changes relating to the structure of the Fund, the introduction of ESG tilts and a new fund description.

As part of this change, the Trustee agreed to change the name of the GSK Pre-Retirement Index Linked Fund to the GSK Targeting Annuity Fund.

2. Consumer Healthcare transfer

From January - April 2022, the Trustee, with the help of its investment adviser, agreed to the bulk transfer of past service DC benefits for members in the Consumer Healthcare (“CH”) division, from the GSK Pension Plans to LifeSight, an authorised Master Trust operated by Willis Towers Watson (“WTW”).

3. Investment strategy review

Throughout 2022, the Trustee has carried out its triennial strategy review of the default investment arrangement covering the following aspects: review of Trustee investment beliefs, glidepath and portfolio construction within the lifestyle strategies (including the default strategy) and membership analysis.

The review will conclude in 2023 with any resultant changes due to be implemented in the 2023 Scheme Year.

All changes that were agreed by the Trustee during the Scheme Year were done so after obtaining written advice from Mercer.

During the Scheme Year the Trustee also reviewed and updated Mercer’s Investment Consultant objectives. These objectives cover the following areas: investment strategy & monitoring, investment

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manager selection, implementation, ESG/climate change/stewardship, the Trustee's Chair Statement, relationships and communication strategy.

1. Governance Section

The Trustee is responsible for the investment of the Scheme assets. The Trustee takes some decisions itself and delegates others (either directly or indirectly) to the Joint DC Committee ("JDC") or to external parties such as investment advisers or asset managers.

When deciding which decisions to take itself and which to delegate, the Trustee has taken into account whether it has the appropriate training and expert advice in order to make an informed decision as well as the Trustee's ability to effectively execute the decision. The Trustee has established the following decision-making structure.

<p>Trustee</p> <ul style="list-style-type: none"> • Set structures and processes for carrying out its role. • Determine (with assistance as required) the investment strategy. • Determine (with assistance as required) the climate change policy. • Monitor the JDC and consider proposals made by the JDC. • Select and monitor asset managers for the DC and AVC assets. • Select the DC and AVC investment options. • Select and monitor investment advisers. 	<p>JDC</p> <ul style="list-style-type: none"> • Review all aspects of the Scheme that relate directly to the DC arrangements, including investments, risk monitoring, education and operations. • Aid in the selection and monitoring of the investment advisers and asset managers for the DC pension schemes. • Assist the Trustee with setting the asset allocation of funds. • Set structures for implementing the climate change policy and make day to day decisions relevant to the operation of the climate change policy. • Require the asset managers to operate within the terms of this statement so far as practical.
<p>Investment Advisers</p> <ul style="list-style-type: none"> • Advise on all aspects of the investment of the Scheme assets, including ESG and implementation. • Advise on this statement. • Provide required training. • Advise the Trustee on suitability of the benchmarks used. • Provide assistance to the Trustee and JDC in meeting their objectives. 	<p>Asset Managers</p> <ul style="list-style-type: none"> • Operate within the terms of this statement and their written contracts. • Select the individual investments within their portfolios (e.g. individual stocks, bonds, derivatives, repos, etc as applicable) with regard to their suitability, including consideration of the impact on portfolio diversification.

The Trustee confirms that the approach outlined above in Section 1. Governance was operated throughout the year to 31 December 2022.

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2. Objectives and Implementation

The JDC recognises that members of the Scheme have differing investment needs, that these may change during the course of their working lives, and that they may have differing attitudes to risk. The JDC regards its primary objective as making available a range of investment funds which enable members to tailor the strategy for their assets to their own needs. The JDC believes that members should generally make their own investment decisions based on their individual circumstances. The JDC also recognises that members may not believe themselves qualified to take investment decisions. As such, the Trustee make available default options to members.

The Trustee confirms that the approach outlined in Section 2 was operated throughout the year to 31 December 2022. Specific details are included through this section:

Kinds of investments to be held

The default investment option was last officially reviewed on 18 February 2020. The next triennial review is due to be completed in February 2023, and will conclude within the 3 year period required by legislation.

The investments (fund type, management style and asset allocations) used in the default strategy will be reviewed as part of this exercise. The target of the default investment arrangement will also be reviewed, taking into account the demographics of the Scheme, projected pot sizes for members, how members have been taking their benefits at retirement as well as industry data.

Any changes that come as a result of this strategy review will be captured in the 2023 Scheme Year.

2.1 Investment Objectives

In investing the assets of the Scheme in a prudent manner, the Trustee's objectives are as follows:

1. To provide an appropriate range of pooled investment funds that are intended to meet the varying investment needs and risk tolerances of members so they may satisfy the reasonable risk/return combinations appropriate for most Scheme members.
2. To select appropriate investment managers, unitised funds and/or insurance companies to manage each of the investment options.
3. To inform members about their investment options, particularly in relation to the potential risks and rewards of each option.
4. To provide an investment option to members who do not select their own investment options (and who are permitted under the Scheme's rules to exercise such a default).
5. To monitor and take advice on the suitability of the investment options provided.
6. To take appropriate advice from the Trustee's investment and legal advisers in order to make informed decisions.
7. To act in the interests of the membership of the Scheme as a whole.

2.2 Investment Strategy

The JDC is responsible for reviewing all aspects of the Scheme that relate directly to the DC arrangements, including investments, risk monitoring, education and operations. Following such review, the JDC may take action for the efficient and effective operation of the DC arrangements, although ultimately it has no power, except where this has been delegated by the Trustee from time to time.

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The Scheme's investment objectives are implemented using a range of investment options including equity, diversified growth, bond and cash funds. Both active and passive management options are offered to members, depending on asset class. The current default lifecycle strategy, the GSK Lifecycle Drawdown Option, targets income drawdown and automatically switches members' funds from growth assets, such as global equity and diversified growth assets into assets with a lower risk and return, designed to reduce volatility whilst retaining exposure to growth assets. This lifecycle is the default investment arrangement offered to new members of the Scheme.

Two alternative lifecycles for members targeting the purchase of an inflation-linked annuity at retirement, GSK Lifecycle Pension Option, and cash lump sums at retirement, GSK Lifestyle Cash Option are also available.

The GSK Lifecycle Pension Option, the Standard GW COMPS Lifecycle and the Legacy GW COMPS Lifecycle are legacy default investment options.

Kinds of investments to be held (*continued*)

The details of the types of investment referenced in the SIP are consistent with the fund range offered to members. The strategy remains consistent with this policy in the SIP.

The Trustee aims to make available a range of options which satisfy the needs of the majority of members and in doing so attempt to find an appropriate balance in the range and kind of investments offered to members to offer flexibility and choice, as well as simplicity and cost control.

The structures of all of the lifecycle options were chosen so as to try to deliver high levels of investment returns in the long term while providing some protection against changes in the amount of members' benefits as they approach retirement.

It is the Trustee's policy to provide suitable information for members so that they can make the appropriate investment decisions. The range of funds was chosen by the Trustee after taking expert advice from the Trustee's investment advisers.

The balance between different kinds of investments

The JDC reviewed the Investment Beliefs of the Scheme in May 2022 following on from the climate reporting process.

The investments used as part of the default investment option are reviewed on a triennial basis. The last formal review is due to be completed during February 2023. This includes agreeing to update the strategic asset allocation to ensure it remains appropriate given the objectives of the default strategy. As mentioned previously, any changes agreed are due to be implemented during 2023.

The JDC, on behalf of the Trustee, monitors and considers the performance of investments on a regular basis through the consideration of the quarterly investment performance report, which details the risk and return of options within the Scheme.

The Trustee hosts factsheets for each of the funds available to members on the Legal & General ("L&G") platform and publishes an annual summary performance report for members. This is to ensure that members are provided with suitable information by which to make decisions.

The Trustee periodically reviews the suitability of the options provided and from time to time will change or introduce additional investment funds as appropriate. Day-to-day management of the assets is delegated to professional investment managers via an investment platform.

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Benefits in the Scheme are determined by the value of members' individual accounts at retirement. A member's retirement benefits depend on:

- the level of contributions made by the member or made on the member's behalf, including prior transfer values from other arrangements (if applicable);
- investment returns achieved (net of fees); and
- where applicable, annuity terms prevailing at the time of the member's retirement.

The Trustee has a reasonable expectation that the long-term return on the investment options that invest predominantly in equities should exceed price inflation and general salary growth. The long-term expected return on diversified growth assets is to achieve equity-like returns, with less volatility than equities. The long-term returns on the bond and cash options are expected to be lower than those of the predominantly equity options. However, bond funds are expected to help reduce volatility in relation to the price of annuities giving some protection in the amount of secured pension for members closer to retirement.

Clearly the bonds themselves will not provide a hedge against changes in the demographic assumptions insurers use to price annuity contracts. Cash funds are expected to provide protection against changes in short-term capital values and may be appropriate for members receiving part of their retirement benefits in the form of tax-free cash.

Expected return on investments

The Trustee monitors the performance of the funds against their stated objectives and benchmarks. This takes place on a quarterly basis. The performance report also highlights any changes to the Investment Adviser's manager research rating.

The selection of the underlying Asset Managers is the responsibility of the Trustee.

Within the performance report, the performance of the Lifecycle Fund is reviewed against long-term absolute return targets and relative to equity volatility. The performance report also compares the Fund against an inflation comparator.

The de-risking phases of the lifecycle options are reviewed against their relative outcomes as a means of assessing the impact relative to member buying power of their chosen retirement target.

The JDC will meet with any fund manager that is struggling to meet its investment objectives, and review whether continued investment is appropriate. No mandates were removed during the Scheme Year.

2.3 Risk Measurement and Management

The Trustee regards "risk" as the likelihood of failing to achieve the objectives and policies detailed above and seeks to minimise these risks, in so far as is possible. The Trustee recognises the key risk is that members will have insufficient savings for retirement or savings that do not meet their expectations. The Trustee considered this risk when setting the investment options and strategy for the Scheme. The Trustee's policy in respect of risk measurement methods and risk management processes is set out in this section.

The Trustee has considered risk from a number of perspectives in relation to the Scheme, including the default options. The list below is not exhaustive, but covers the main risks considered by the Trustee to be financially material in formulating the policy regarding both the default investment options and alternative offerings to members.

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Type of Risk	Risk	Description	How is the risk monitored and managed?
Market risks	Inflation risk	The risk that returns over members' working lives do not keep pace with inflation.	The Trustee makes available a range of funds, across various asset classes, with the majority expected to keep pace with inflation.
	Currency risk	The risk that fluctuations in foreign exchange rates will cause the value of overseas investments to fluctuate.	Members are able to set their own investment allocations, in line with their risk tolerances.
	Credit risk	The risk that the issuer of a financial asset, such as a bond, fails to make the contractual payments due.	During the growth phase of the default options, members are invested in an allocation which is expected to grow their pension savings in excess of inflation.
	Equity, property and other price risk	The risk that market movements lead to a substantial reduction in the value of a member's savings.	Within active funds, management of many of these market risks is delegated to the asset manager(s). The JDC considers fund performance, including that of the default investment options, on a quarterly basis.
	Capital	The risk that the monetary value of a member's account falls.	The Trustee's objective is to provide investment options where the asset value is unlikely to fall except in abnormal market conditions. A Money Market fund is an example of such an option that is offered to members.
Liquidity risk		The risk that the Scheme's assets cannot be realised at short notice in line with member demand.	The Scheme is invested in daily dealt and daily priced pooled funds via an insurance policy with Legal and General. Asset managers are expected to manage the liquidity of assets in the underlying strategies and keep exposures to any illiquid assets to prudent levels.

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<p>Asset Manager risk</p>	<p>The risk that the appointed asset managers do not meet their fund performance objectives, fail to carry out operational tasks, do not ensure safe-keeping of assets or breach agreed guidelines.</p>	<p>The Trustee considers fund returns relative to the benchmark. This is monitored on a quarterly basis.</p> <p>The Trustee considers the Investment Adviser’s rating of the investment managers on an ongoing basis, monitors the Scheme’s active funds against a robust framework.</p>
<p>Pension Conversion risk</p>	<p>The risks that the member is invested in a strategy that does not reflect the way in which they intend to take their benefits at retirement.</p>	<p>The Trustee makes available lifestyle strategies for DC members.</p> <p>Lifestyle strategies automatically switch member assets into investments whose value is expected to be less volatile relative to how the member wishes to access their pension savings as they approach retirement age.</p> <p>Members can select a lifestyle strategy in accordance with their personal preferences and retirement objectives.</p>
<p>Environmental, Social and Corporate Governance (“ESG”) risk</p>	<p>The risk that ESG concerns, including climate change, have a financially material impact on the return of the Scheme’s assets.</p>	<p>The management of this risk has been considered and asset managers are expected to integrate this into their processes.</p> <p>The Trustee reviews the asset managers’ policies and actions in relation to this from time to time.</p> <p>The Trustee policy on Responsible Investment and Corporate Governance is set out in Section 3.1.</p>

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Operational risk	The risk of fraud, ineffective governance structure, poor advice or acts of negligence in the operation of the Scheme.	<p>The Trustee has sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.</p> <p>The Trustee reviews the Scheme risk dashboard on a quarterly basis to ensure risks are identified and adequate controls are in place to ensure the effective running of the Scheme including areas such as the effectiveness of the committee, communications and adequate provisions in place with service providers as well as a number of the other risks previously listed.</p>
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Risks, including the ways in which risks are to be measured and managed

As detailed in the risk table above, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation and the choice of fund managers, funds and asset classes.

The Trustee provides a range of investment options (including three lifestyle strategies) which enable members to reflect in their selection of funds the level of risk they wish to take in light of their own individual circumstances. In member-facing communications the Trustee highlights a number of risks that a member may face as a result of investing in any particular fund.

ESG risk was also managed throughout the year, with considerations given to the climate-related disclosures as requested by the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations. During the Scheme Year, the 2022 TCFD Report was published, and work is underway on the 2023 TCFD Report.

The Trustee also reviews the quarterly investment reports, which monitor the volatility of the investment strategy. The risk associated with Russia/Ukraine and China/Taiwan exposures was monitored over the year. Due to the sell-off in equity and bonds during the year, the Trustee agreed to introduce additional monitoring within the performance report to highlight the impact of performance on the savings of example “strawperson” members at different time horizons from retirement.

The Scheme operates a risk management framework and as part of this framework the Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. The Scheme’s approach to risk was reviewed during the year, with enhanced risk management information, integrated risk reporting, an updated risk register and associated monitoring plans expected to be considered in more detail during early 2023.

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The Trustee considers these risks to be applicable across the lifetime of a members time within the Scheme.

Due to the complex and interrelated nature of these risks, the Trustee considers these risks in a qualitative rather than quantitative manner as part of each formal strategy review. Some aspects of the risks may be modelled explicitly.

In addition, the Trustee measures risk in terms of the performance of the assets compared to the benchmarks on a regular basis, usually quarterly, along with monitoring any significant issues with the asset managers that may impact their ability to meet the performance targets set by the Trustee.

The Trustee has established a risk register and monitors risks in accordance with this.

3. The Trustee's Investment Policies

3.1 General Investment Policy (including ESG and Stewardship)

The Trustee and the JDC expect the underlying asset managers to manage the assets under the terms of their respective contracts. In addition, asset managers pay commissions to third parties on many trades they undertake in the management of the assets.

The majority of the fund range offered to members is accessed through a platform provided by Legal & General Assurance (Pensions Management) Limited ("L&G"). The Trustee accesses the platform via a long-term insurance contract with L&G. L&G operates within the terms of this Statement and the written contract. The Trustee reviews the liquidity of the funds offered to members to ensure that assets are readily realisable.

The Trustee considers sustainable investment to be the integration of environmental, social and governance factors into investment decisions. The Trustee believes that environmental, social and governance ('ESG') factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The Trustee aims to be an engaged and responsible long-term investor in the assets and markets in which it invests directly or indirectly. The Trustee believes that the integration of ESG factors within asset managers' investment processes may have the ability to have a positive impact on the risk and the sustainable long-term expected returns from the Scheme's investments.

Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments

The investment performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG) from the Investment Adviser. All of the managers remained highly rated during the year. The Trustee monitors long-term performance and ESG ratings for current investment managers and considers this information when selecting new investment managers.

The Trustee and JDC have spent time over the course of the year reviewing policies with regards to ESG, such as the Trustee's investment beliefs and climate-related risk governance policy. An assessment was undertaken during November 2022 which considered the Scheme's carbon metrics, as well as progress over the 12 months.

The Trustee continues to monitor and engage with managers as part of regular update meetings held with them to discuss performance and their approach to ESG integration. Over the Scheme year, Fulcrum presented to the Trustee in February 2022. The Trustee and its investment advisor were satisfied with the presentation.

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The Trustee expects the underlying managers to evaluate ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The exercise of the rights (including voting rights) attaching to the investments

The Trustee delegates the exercise of voting rights associated with investments to the underlying Asset Managers, and review this annually.

The following funds contain an allocation to equities:

- LGIM - UK Equity Index
- LGIM – Future World UK Equity Index
- LGIM - World (ex-UK) Developed Equity Index
- LGIM - Future World Developed (ex UK) Equity Index Fund
- LGIM - World (ex-UK) Developed Equity Index (Currency Hedged)
- LGIM - Future World Developed (ex UK) Equity Index Fund – GBP Hedged
- LGIM - World Emerging Markets Equity Index
- LGIM - Future World Emerging Markets Equity Index Fund
- LGIM – Global Developed Small Cap Index Fund
- LGIM - Diversified Return
- Nordea - Diversified Return
- Fulcrum – Diversified Absolute Return
- Man Group – Alternative Style Risk Premia
- HSBC – Islamic Global Equity

The voting records of the Asset Managers are summarised in Appendix A.

Particular focus is placed on LGIM as they hold the most significant equity mandates Scheme. The examples shown in Appendix B demonstrate examples of significant votes cast by the Scheme's Asset Managers where voting rights have been used to influence change with regard to ESG-related issues.

The Trustee has also considered which areas would constitute 'significant' when it comes to company engagement by their fund managers. More information regarding this is included with the voting activity in the Appendix.

Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)

The Trustee wishes to encourage best practice in terms of corporate activism. It therefore encourages its Asset Managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.

Where the Scheme invests in pooled funds, the Trustee requires its Asset Managers to engage with the investee companies on the Trustee's behalf.

All managers of funds within the DC Section of the Scheme are signatories of the UK Stewardship Code 2020 (i.e. LGIM, Fulcrum, Nordea, Man Group and HSBC).

Most recently, the JDC reviewed the carbon metrics and the voting activity of their funds at the November 2022 JDC meeting.

The Trustee regularly meets with their Asset Managers and may challenge managers about relevant matters. The Trustee is looking to enhance its reporting on manager engagement going forward.

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Most recently, the JDC reviewed the carbon metrics and the voting activity of their funds at the November 2022 JDC meeting.

The Trustee regularly meets with their Asset Managers and may challenge managers about relevant matters. The Trustee is looking to enhance its reporting on manager engagement going forward.

The Trustee does not wish to interfere with the day-to-day investment decisions of its investment managers. The Trustee reviews the compliance of managers against the UK Stewardship Code on an annual basis and engages with managers who are not aligned with best practice standards.

3.1.1 - Climate change

The Trustee has set out its policy relating to the governance of climate related risks in a separate document, the TCFD Report. The Trustee plans to include its climate change targets and portfolio metrics in the TCFD Report from 2022.

The Trustee supports the principle of good corporate governance and shareholder activism and, for relevant mandates, prefers its investment managers to have an explicit strategy, outlining the circumstances in which they will engage with a company (or issuer of debt or stakeholder, if applicable) on relevant matters (including performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance) and how they will measure the effectiveness of this strategy. The Trustee reviews regularly the voting strategy of its investment managers.

3.1.2 - Arrangements with Asset Managers - Policy

The Trustee believes that an understanding of, and engagement with, asset managers' arrangements is required to ensure they are aligned with the Trustee's policy, including its Sustainable Investment policy. In accordance with latest regulation, it is the Trustee's policy to ensure that the following are understood and monitored:

- How asset manager arrangements incentivise asset managers to align their strategy and decisions with the Trustee's policies

How the arrangement with the Asset Manager incentivises the Asset Manager to align its investment strategy and decisions with the trustees policies

The section below, titled "Arrangements with Asset Managers – Implementation" provides further information on the implementation of these policies.

The Trustee will review an appointment if the investment objective for an underlying manager's fund changes to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

Over the year no mandates were terminated due to performance concerns or as a result of changes in underlying targets.

Previously the Trustee has terminated appointments where the managers were not meeting long-term performance targets.

The JDC, on behalf of the Trustee, met with Fulcrum in February 2022 to discuss recent performance and remain comfortable with their appointment as a diversifier.

The JDC, on behalf of the Trustee, also met with the Chair of a similar sized DC pension scheme in May 2022 to understand what other pensions schemes are discussing on the following topics: DC market trends, default strategy construction and de-risking stages, ESG and its role in DC pensions.

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- How asset manager arrangements incentivise asset managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

How the arrangement incentivises the Asset Manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The section below, titled “Arrangements with Asset Managers – Implementation” provides further information on the implementation of these policies.

At fund manager monitoring meetings, the JDC asks Asset Managers to incorporate a section on investment decisions taken over the recent period and their forward-looking assessment of market conditions.

This also covers examples of financial and non-financial considerations around investments where the managers are expected to take into account the impact of these considerations into the forward looking assessment on the performance of an issuer of debt or equity.

No further action was taken by the JDC or Trustee over the period covered by this statement.

- How the method (and time horizon) of the evaluation of asset managers’ performance and their remuneration are in line with the Trustee’s policies

How the method (and time horizon) of the evaluation of the Asset Manager’s performance and the remuneration for asset management services are in line with the trustees’ policies

The section below, titled “Arrangements with Asset Managers – Implementation” provides further information on the implementation of these policies. At regular monitoring meetings, the JDC asks Asset Managers to incorporate a section on how ESG issues are integrated into their strategies in presentations when updates are provided, or when managers are appointed. This can include a section on voting, engagement and the methods in which ESG is integrated.

If the JDC is not satisfied with the progress that managers have made then further action or information would be sought from managers. If no further progress were to be made, the JDC and the Trustee would consider whether retaining the mandate is appropriate.

The Trustee has successfully challenged managers to increase their disclosure following the outcome of Stewardship Code assessments, which has led to positive results in prior years.

From the information delivered over the year, the JDC was satisfied with the progress of the managers in relation to ESG and no further action was taken over the period covered by this statement.

Over the year to 31 December 2022, the Trustee reviewed the performance of the Scheme’s investment managers on a quarterly basis. The review considers the performance of the fund against its stated aims, objectives and policies. The Trustee’s focus is on long term performance but they may review an underlying investment manager’s appointment under certain circumstances. The Trustee reviews the investment manager fees as part of the annual Value for Members assessment.

- Portfolio turnover costs incurred by the asset managers, in the context of the asset manager’s targeted portfolio turnover (defined as the frequency within which the assets are expected to be bought or sold)

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How the Trustee monitors portfolio turnover costs incurred by the Asset Manager, and how it defines and monitors targeted portfolio turnover or turnover range

The section below, titled “Arrangements with Asset Managers – Implementation” provides further information on the implementation of these policies.

The Trustee consider the levels transaction costs as part of their annual Value for Members assessment, last carried out as at 31 December 2022 and by publishing this information as part of the costs and charges disclosures mandated by regulations governing the Chair’s Statement.

As the Scheme invests through pooled funds, the Trustee is unable to define target portfolio turnover ranges for funds. However, they will engage with an underlying investment manager if portfolio turnover is higher than expected.

- Duration of the arrangement with the asset manager

The duration of the arrangement with the Asset Manager

The section below, titled “Arrangements with Asset Managers – Implementation” provides further information on the implementation of these policies.

There were no terminations over this year of arrangements within the main Scheme. The JDC continues to monitor the performance of the managers against their appointed mandates to ensure that they remain appropriate as part of the Lifecycle or Freecycle range.

The focus of performance assessments is based on longer term outcomes so the Trustee would not ordinarily expect to terminate an underlying manager based purely on short term performance.

3.1.3 - Arrangements with Asset Managers - Implementation

The Trustee through delegation to the JDC considers their investment adviser’s assessment of how each asset manager embeds ESG into its investment process and how the asset manager’s responsible investment philosophy aligns with the Trustee’s responsible investment policy. This includes consideration of the underlying asset managers’ policy on voting and engagement and compliance with the Stewardship Code. The Trustee will use this assessment as part of their considerations when taking decisions around selection, retention and realisation of asset manager appointments.

The underlying asset managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected. Whilst the Trustee notes that their ability to influence decision making within pooled fund structures is limited, the underlying asset managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. As such, the Trustee believes this creates alignment between the asset managers and themselves. Consequently, if the Trustee is dissatisfied, then they will look to replace the manager. If the investment objective for a particular asset manager’s fund changes, the Trustee will review the appointment to ensure it remains appropriate and consistent with the Trustee’s wider investment objectives.

The JDC meets with underlying asset managers annually and receives updates from the managers on their ESG policies and engagement activity. Where needed the JDC, on behalf of the Trustee, will challenge managers on their policies and instances where managers may not be aligned with best practices within the industry. This action is taken to ensure

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continuing improvement over the medium to long term in the performance of assets from both a financial and non-financial perspective.

The JDC receives and considers performance reports from their investment advisers on a quarterly basis, which present performance information for the funds over three months, one year, three years, five years, and since inception. The JDC reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the underlying manager's stated target performance (over the relevant time period) on a net-of-fees basis. Whilst the JDC and the Trustee's focus is on long-term performance, they also take shorter-term performance into account.

If an underlying manager is not meeting performance objectives, or their investment objectives for the fund have changed, the Trustee may review the suitability of the manager, and change the manager where required. As managers are remunerated based on the level of assets managed, there is a direct interest for asset managers to perform in line with objectives in order to retain mandates and continue to receive compensation on an ongoing basis.

The Trustee does not currently define target portfolio turnover ranges for asset managers, particularly as the Trustee uses pooled funds, however, the JDC will engage with an asset manager, on behalf of the Trustee, if portfolio turnover is higher than expected. The JDC considers portfolio turnover costs indirectly through consideration of trading costs incurred throughout the year for a fund, provided within transaction cost data the Trustee receives annually, and is considered as part of the annual value for members assessment.

All the funds used within the Scheme are open-ended, with no set end date for the arrangements. The Default Lifecycle Strategy, alternative lifecycle strategies and the freecycle fund range are reviewed on at least a triennial basis. An underlying manager's appointment may be terminated if it is no longer considered to be optimal, nor have a place in the lifecycle strategies or freecycle fund range.

The policies detailed in this section are applicable to the range of investments made available to members, including the default investment option, legacy default investment arrangements, alternative Lifecycle options and the self-select investment funds.

The Trustee confirms that the investment policies outlined in Section 3 were followed throughout the year to 31 December 2022.

The Trustee did not seek member views in forming their initial approach around ESG, stewardship, climate change and non-financial matters within the Scheme's investments. Since adopting their current approach, the Trustee has sought member views and will continue to seek these views from time to time and will use these to inform decisions regarding the development of the Trustee's policy in the future. The Trustee will continue to review this policy regularly to ensure that the policy is appropriate for the Scheme's membership.

The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments

There were no non-financial matters considered directly during the reporting period.

Assets are mainly invested on regulated markets. Some funds may have exposure to securities not on regulated markets. The Trustee expects that asset managers will monitor these and keep these to prudent levels.

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The Trustee will review this SIP at least every three years and immediately following any significant change in investment policy. The Trustee will take investment advice and consult with the Sponsoring Employer over any changes to the SIP.

The Trustee has appointed investment advisers. The advisers operate under agreements to provide services which ensures the Trustee and JDC are fully briefed to take decisions themselves and to monitor those they delegate.

The members can invest in a range of fund options. It is the Trustee's policy to consider:

- The risks and rewards of a range of different asset allocation strategies.
- The suitability of each asset class in the lifecycle strategy.
- The suitability of the possible styles of investment management and the option of manager diversification for members.
- The need for appropriate diversification both across asset classes and within asset classes.
- The liquidity of the funds offered to members to ensure that assets are readily realisable.

Realisation of Investments

The Trustee receives an administration report on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines.

All funds are daily dealt pooled investment vehicles, accessed by an insurance contract. This ensures the assets are readily realisable.

3.2. Policy in Relation to the Default Investment Option

3.2.1 The Scheme's Default Options

The GSK Lifecycle Drawdown Option is the current default investment option for the Scheme as members' accrued funds and contributions have been automatically directed to this investment option. Over the years prior to retirement, the current default investment option de-risks to an asset allocation designed to be appropriate for a typical member who intends to access their benefits via income drawdown at retirement.

In addition, the Scheme has three legacy default funds where members' accrued funds and contributions were previously automatically directed. These are the GSK Lifecycle Pension Option, the Standard GW COMPS Lifecycle and the Legacy GW COMPS Lifecycle. The current and all legacy default investment options are not defined as default arrangements for the purposes of auto-enrolment.

Some members will actively choose the current default option because they feel it is the most appropriate for them. However, the vast majority of members are invested in the current default option as they have not made an active investment decision.

Until June 2014, the Standard GW COMPS Lifecycle and the Legacy GW COMPS Lifecycle were the two legacy default investment options, depending on when a member joined the Scheme. The GSK Lifecycle Pension Option was then implemented as the default investment option in June 2014. At that time, members with 10 years or more to their selected retirement date were moved to the GSK Lifecycle Pension Option and members with less than 10 years until their selected retirement date continued to be invested in the relevant legacy default investment option, unless they have made an alternative investment choice.

The GSK Lifecycle Drawdown Option was implemented as the default investment option in July 2021. At that time, members with more than three years to their selected retirement date (as at 1 July 2021) and who were invested in the GSK Lifecycle Pension Option were moved to the

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GSK Lifecycle Drawdown Option. Members at that time with three years or less to their selected retirement date (as at 1 July 2021) and invested in the GSK Lifecycle Pension Option continue to be invested in the GSK Lifecycle Pension Option, unless they have made an alternative investment choice.

The current default investment (the GSK Lifecycle Drawdown Option) comprises the GSK Lifecycle Fund (65% GSK Global Equity Index Fund and 35% GSK Diversified Growth Fund) until the member is 5 years from their normal retirement date or their selected retirement date, in order to build up their account, this is known as the “growth phase”.

During the 5 years prior to this date, the member’s account will gradually be switched to the GSK Retirement Income and GSK Cash Funds (according to the table below), in order to prepare the member for income drawdown. This is known as the “pre-retirement phase”.

Years to Retirement Date	GSK Lifecycle Fund	GSK Retirement Income Fund	GSK Cash Fund
5+	100%	0%	0%
4	80%	20%	0%
3	60%	40%	0%
2	40%	52%	8%
1	20%	64%	16%
0	0%	75%	25%

3.2.2. Legacy Default Options

The GSK Lifecycle Pension Option (a legacy default option) comprises the GSK Lifecycle Fund until the member is 5 years from their normal retirement date or their selected retirement date, in order to build up their account. This is known as the “growth phase”.

During the 5 years up to this date, the member’s account will gradually be switched to the GSK Inflation Linked Pre-Retirement and GSK Cash Funds (according to the table below), in order to protect the value of their account. This is known as the “pre-retirement phase”.

Years to Retirement Date	GSK Lifecycle Fund	GSK Inflation Linked Pre-Retirement Fund	GSK Cash Fund
5+	100%	0%	0%
4	80%	20%	0%
3	60%	40%	0%
2	40%	52%	8%
1	20%	64%	16%
0	0%	75%	25%

The Standard GW COMPS Lifecycle (a legacy default option) is made up of 100% GSK Global Equity Index Fund until the member is 10 years from their Normal Retirement Date or their selected Target Retirement Date, if different, in order to build up their account, this is known as the “growth phase”.

During the 10 years prior to this date, the member’s account will gradually be switched to the GSK Inflation Linked Pre-Retirement and GSK Cash Funds (according to the table below), in order to protect the value of their account. This is known as the “pre-retirement phase”.

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Years to Retirement Date	GSK Global Equity Index Fund	GSK Inflation Linked Pre-Retirement Fund	GSK Cash Fund
10+	100%	0%	0%
9	90%	7.5%	2.5%
8	80%	15%	5%
7	70%	22.5%	7.5%
6	60%	30%	10%
5	50%	37.5%	12.5%
4	40%	45%	15%
3	30%	52.5%	17.5%
2	20%	60%	20%
1	10%	67.5%	22.5%
0	0%	75%	25%

The Legacy GW COMPS Lifecycle is made up of 100% GSK Global Equity Index Fund until the member is 10 years from their Normal Retirement Date or their selected Target Retirement Date, if different, in order to build up their account, this is known as the “growth phase”.

During the 10 years up to this date, the member’s account will be switched to the GSK Inflation Linked Pre-Retirement Fund (according to the table below) over 5 years and then held in held in this position for a further five years, in order to protect the value of their account. This is known as the “pre-retirement phase”.

Years to your Normal Retirement Date (age 65) or selected Target Pension Date	GSK Global Equity Index Fund*	GSK Inflation Linked Pre-Retirement Fund
10+	100%	0%
9	80%	20%
8	60%	40%
7	40%	60%
6	20%	80%
5	0%	100%
4	0%	100%
3	0%	100%
2	0%	100%
1	0%	100%
0	0%	100%

3.2.3 The aims of the default

The aims of the current, and legacy default investment options, and the ways in which the Trustees seek to achieve them are detailed below:

- To generate returns in excess of inflation during the growth phase of the strategy whilst managing downside risk.

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The GSK Lifecycle Drawdown Option (current default) and GSK Lifecycle Pension Option's (legacy default) growth phase invests in equities and other growth-seeking assets (through an absolute return/diversified growth fund). These investments are expected to provide equity-like growth over the long term with some downside protection and some protection against inflation erosion. The growth phase of the Standard GW COMPS Lifecycle (legacy default) and Legacy GW COMPS Lifecycle (legacy default) invests in equities alone. These investments are expected to provide growth over the long term and some protection against inflation erosion. The Standard GW COMPS Lifecycle (legacy default) and Legacy GW COMPS Lifecycle (legacy default) de-risk out of equities sooner, to account for the fact that equities can be subject to downside risk.

- To provide a strategy that reduces investment risk for members as they approach retirement.

As a member's pot grows, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a default strategy that seeks to reduce investment risk as the member approaches retirement is appropriate. Moreover, as members approach retirement, the Trustee believes the primary aim should be to provide protection against a mismatch between asset risk factors and the expected costs of retirement benefits.

The Trustee considers the level of risk within the GSK Lifecycle Drawdown Option (current default) in the context of the need to maintain an expected risk and return suitable for income drawdown.

The Trustee reduces investment risk via automated lifestyle switches over the five year period to a member's selected retirement date. Investments are switched firstly into the GSK Retirement Income Fund, which invests in a diversified mix of assets to provide an appropriate expected risk and return for income drawdown. In the years leading up to retirement, an allocation to a cash fund is introduced for capital preservation purposes, and to allow members to take a 25% pension commencement lump sum.

The Trustee considers the level of risk within the GSK Lifecycle Pension Option (legacy default) in the context of the variability of returns relative to annuity prices and cash rates. The aims of the legacy default investment option are achieved via automated lifestyle switches over the five year period to a member's selected retirement. Investments are switched firstly into the GSK Inflation Linked Pre-Retirement Fund, which invests in a mix of UK government bonds and investment grade corporate bonds to broadly match short term changes in the price of inflation -linked annuities. In the years leading up to retirement, an allocation to a cash fund is introduced for capital preservation purposes, and to allow members to take a 25% pension commencement lump sum.

The aims of the legacy default investment option are achieved via automated lifestyle switches over the ten year period to a member's selected retirement date for the Standard GW COMPS Lifecycle (legacy default) and Legacy GW COMPS Lifecycle (legacy default). Investments are switched firstly into the GSK Inflation Linked Pre-Retirement Fund, which invests in a mix of UK government bonds and investment grade corporate bonds to broadly match short term changes in the price of inflation-linked annuities. In the years leading up to retirement, an allocation to a cash fund is introduced for capital preservation purposes, and to allow members to take a 25% pension commencement lump sum. However, for the Legacy GW COMPS Lifecycle (legacy default) there is no cash fund used.

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- For the GSK Lifecycle Drawdown Option (*current default*), to provide exposure, at retirement, to assets that are broadly appropriate for an individual planning to take their benefits via income drawdown.

At the member's selected retirement date, 75% of the member's assets will be invested in the GSK Retirement Income Fund and 25% in a money market fund.

- For the GSK Lifecycle Pension Option (*legacy default*), the Standard GW COMPS Lifecycle (*legacy default*) and the Legacy GW COMPS Lifecycle (*legacy default*), to provide exposure, at retirement, to assets that are broadly appropriate for an individual planning to take their benefits via an inflation-linked pension at retirement.

*At the member's selected retirement date, within both the GSK Lifecycle Pension Option (*legacy default*) and the Standard GW COMPS Lifecycle (*legacy default*), 75% of the member's assets will be invested in the GSK Inflation Linked Pre-Retirement Fund and 25% in a money market fund. Whereas for Legacy GW COMPS Lifecycle (*legacy default*), 100% of the member's assets will be invested in the GSK Inflation Linked Pre-Retirement Fund.*

The Trustee's policies in relation to the current and legacy default investment options are detailed below:

- The GSK Lifecycle Drawdown Option (*current default*) and GSK Lifecycle Pension Option (*legacy default*) manage investment risks through a diversified strategic asset allocation consisting of traditional and alternative assets. The Standard GW COMPS Lifecycle (*legacy default*) and Legacy GW COMPS Lifecycle (*legacy default*) manage investment risks through a diversified strategic asset allocation consisting of traditional assets. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. In designing the default options, the Trustee has explicitly considered the trade-off between risk and expected returns. In particular, when reviewing the investment strategy of the default investment options, the Trustee considers risk quantitatively in terms of the variability of investment returns and potential retirement outcomes for members. From a qualitative perspective, the Trustee also considers risk in terms of the (mis)alignment of investments with the retirement benefits targeted by the default investment option. For the legacy default investment options, the Trustee also carefully considered the risk of moving members' assets into the current default option and viewed it not to be in the best interests of those members.
- Assets in the current and legacy default investment options are invested in the best interests of members and beneficiaries, taking into account the profile of members. In particular, the Trustee considered high level profiling analysis of the Scheme's membership in order to inform decisions regarding the current and legacy default investment options. Based on this understanding of the membership, the current default investment option target of income drawdown at retirement is considered appropriate. Members invested in the legacy default investment options, which target the purchase of an annuity at retirement, is also considered appropriate.
- Members are supported by clear communications regarding the aims of the current and legacy default investment options and the access to alternative investment approaches. If members wish to, they can opt to choose an alternative lifecycle option or their own investment strategy on joining but also at any other future date. Moreover, members do not have to take their retirement benefits in line with those targeted by the default investment options; the target benefits are merely used to determine the investment strategy held pre-retirement.

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- Assets in the current and legacy default investment options are invested in daily traded pooled funds which hold highly liquid assets. The pooled funds are commingled investment vehicles which are managed by various investment managers. The safe custody of the Scheme's assets is delegated to professional custodians, as appointed by the governing bodies of the respective pooled funds.

3.3 Direct Investments

The Pensions Act 1995 distinguishes between investments where the management is delegated to an asset manager under a written contract and those where a product is purchased directly, e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as direct investments.

The Trustee's policy is to review its direct investments and to obtain written advice about them at regular intervals. These include the L&G policy. When deciding whether or not to make any new direct investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the asset manager(s).

The selection, retention and realisation of assets within the pooled funds are delegated to the respective investment managers in line with the mandates of the funds. Likewise, the investment managers have full discretion (within the constraints of their mandates) on the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments.

The written advice will consider the issues set out in the Occupational Pension Schemes (Investment) Regulations 2005 (as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015 and subsequent legislation) and the principles contained in this statement. The regulations require all investments to be considered by the Trustee (or, to the extent delegated, by the asset managers) against the following criteria:

- The best interests of the members and beneficiaries
- Security
- Quality
- Liquidity
- Profitability
- Nature and duration of liabilities
- Tradability on regulated markets
- Diversification
- Use of derivatives

The policy for the Scheme's assets which are classified as direct investments are set out in this statement.

The Trustee confirms that the investment policies outlined in 3 were followed throughout the year to 31 December 2022.

4. Supplementary information to the SIP

There is further information contained in the document titled "Supplementary information to the SIP GW Contracted-out Money Purchase Scheme" on the following:

- Asset manager summary
- Fee Structures for Asset Managers and Advisers

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5. Compliance with this statement

The Trustee will review this SIP at least every 3 years and as soon as practicable following a significant change in investment strategy. The Trustee will take investment advice and consult with the Employer over any changes to the SIP.

As noted earlier in this Statement, the SIP was reviewed in September 2021 to ensure it remained current with the latest legislation. The SIP is reviewed on an annual basis. No changes were made to the SIP in 2022.

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Appendix A – Manager Voting Responsibility

To ensure voting behaviour is consistent with the Schemes’ investment objectives and stewardship priorities, the Trustee has classified ‘significant votes’ as those which consider any one of the following factors with relevant (but not exhaustive) examples:

- **Climate Change** – Climate change, net zero greenhouse gas emissions
- **Governance** – Board composition, remuneration
- **Environmental Impact** – Biodiversity, deforestation
- **Human Rights** – Living wages, gender equality, health and nutrition

The following table details information on the manager voting policies as well as data on key votes undertaken over the year. Mandates where shareholder voting is not applicable are not included in the list below.

Manager	Manager proxy Voting Policy	Key votes undertaken over the year - 1 January 2022 to 31 December 2022
Nordea	<p>Nordea is a fund company with unit holders as clients and they vote based on their policy in the best interest of unitholders. In all its activities, Nordea’s funds shall act in the best interests of the customer, and act honestly, fairly and professionally.</p> <p>Nordea funds have an aggregated voting strategy, meaning that they strive to vote for as large part of their total holdings in any given company as possible.</p> <p>Nordea’s proxy voting is supported by the external vendor Institutional Shareholder Services (“ISS”) to facilitate the proxy voting, execution and to provide analytic input.</p>	<p>Diversified Return</p> <p>Number of meetings eligible to vote: 193</p> <p>Number of resolutions eligible to vote: 2,363</p> <p>Proportion of votes with management: 84%</p> <p>Proportion of votes against management: 9%</p> <p>Proportion of votes abstained: 2%</p>
HSBC	<p>HSBC exercise their voting rights as an expression of stewardship for client assets. They have global voting guidelines which protect investor interests and foster good practice, highlighting independent directors, remuneration linked to performance, limits on dilution of existing shareholders and opposition to poison pills.</p> <p>HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. They review voting policy recommendations according to the scale of overall holdings. The bulk of holdings are voted in line with the recommendation based on their guidelines.</p> <p>They regard the votes against management recommendation as the most significant. With regards to climate, in their engagement they encourage companies to disclose their carbon emissions and climate-related</p>	<p>Islamic Global Equity</p> <p>Number of meetings eligible to vote: 107</p> <p>Number of resolutions eligible to vote: 1,623</p> <p>Proportion of votes with management: 82%</p> <p>Proportion of votes against management: 18%</p> <p>Proportion of votes abstained: 1%</p>

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Manager	Manager proxy Voting Policy	Key votes undertaken over the year - 1 January 2022 to 31 December 2022
	risks in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Where companies in energy intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, HSBC will generally vote against the re-election of the Chairman. They also generally support shareholder resolutions calling for increased disclosure on climate-related issues.	
L&G	<p>LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. Their use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that they receive from ISS for UK companies when making specific voting decisions.</p> <p>To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.</p> <p>LGIM retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows them to apply a qualitative overlay to their voting judgement. They have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.</p>	<p>LGIM GSK Lifecycle Fund Number of meetings eligible to vote: 11,599 Number of resolutions eligible to vote: 117,723 Proportion of votes with management: 78% Proportion of votes against management: 21% Proportion of votes abstained: 1%</p> <p>LGIM GSK Retirement Income Multi-Asset Fund Number of meetings eligible to vote: 10,046 Number of resolutions eligible to vote: 102,592 Proportion of votes with management: 78% Proportion of votes against management: 21% Proportion of votes abstained: 1%</p> <p>LGIM GSK Overseas Equity Fund Number of meetings eligible to vote: 10,612 Number of resolutions eligible to vote: 106,515 Proportion of votes with management: 77% Proportion of votes against management: 22% Proportion of votes abstained: 1%</p> <p>LGIM GSK Diversified Growth Fund Number of meetings eligible to vote: 9,565</p>

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Manager	Manager proxy Voting Policy	Key votes undertaken over the year - 1 January 2022 to 31 December 2022
		<p>Number of resolutions eligible to vote: 98,769</p> <p>Proportion of votes with management: 77%</p> <p>Proportion of votes against management: 22%</p> <p>Proportion of votes abstained: 1%</p> <p>LGIM Global Equity Fund</p> <p>Number of meetings eligible to vote: 11,226</p> <p>Number of resolutions eligible to vote: 114,687</p> <p>Proportion of votes with management: 78%</p> <p>Proportion of votes against management: 21%</p> <p>Proportion of votes abstained: 1%</p> <p>LGIM GSK UK Equity Index Fund</p> <p>Number of meetings eligible to vote: 759</p> <p>Number of resolutions eligible to vote: 10,854</p> <p>Proportion of votes with management: 95%</p> <p>Proportion of votes against management: 5%</p> <p>Proportion of votes abstained: 0%</p> <p>LGIM GSK Global Sustainable Equity Fund</p> <p>Number of meetings eligible to vote: 4,942</p> <p>Number of resolutions eligible to vote: 53,097</p> <p>Proportion of votes with management: 80%</p> <p>Proportion of votes against management: 19%</p> <p>Proportion of votes abstained: 1%</p>
Fulcrum	Fulcrum's default choice is to vote as per the Climate Change Policy by their proxy adviser, Glass Lewis. Fulcrum will, in these instances, do their own research and if they consider it right to do so, vote against their advice if this is in advantage of the topic of climate	<p>Diversified Absolute Return</p> <p>Number of meetings eligible to vote: 630</p>

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Manager	Manager proxy Voting Policy	Key votes undertaken over the year - 1 January 2022 to 31 December 2022
	<p>change mitigation. In particular, Fulcrum looks for votes related to encouraging science-based target setting with regard to decarbonisation goals as this is a core part of their engagement focus.</p> <p>Glass Lewis' advice feeds automatically into the Broadridge platform where they execute the votes.</p>	<p>Number of resolutions eligible to vote: 13,378</p> <p>Proportion of votes with management: 89%</p> <p>Proportion of votes against management: 9%</p> <p>Proportion of votes abstained:</p>
MAN	<p>Man Group appointed Glass Lewis as its proxy service provider. MAN Group uses Glass Lewis's voting platform 'Viewpoint' to vote their shares electronically, receive research reports and custom voting recommendations. They have monitoring controls in place to ensure that the recommendations provided are in accordance with our ESG Voting Policy and that their votes are timely and effectively instructed. Specifically, their voting framework employs screening to identify high-value positions and the Stewardship Team manually reviews the pre-populated votes for such positions. In addition to this manual check, they also have in place electronic alerts to inform them of votes against their policy, votes that need manual input and rejected votes that require further action.</p> <p>MAN Group proxy voting framework comprises a bespoke screening system that identifies 'high-value meetings'. This screening combines the ESG rating from a third-party provider with an internal metric on deemed importance of the meeting. If a company falls below a certain threshold score in any area (ESG rating) and / or is considered materially important based on the % of shares outstanding held by Man or fund's AUM, the meeting will be flagged to the Stewardship Team and be considered 'high-value'. In addition to this, all meetings with shareholder proposals are also flagged to the Stewardship Team and reviewed.</p>	<p>Alternative Style Risk Premia</p> <p>Number of meetings eligible to vote: 849</p> <p>Number of resolutions eligible to vote: 10,097</p> <p>Proportion of votes with management: 86%</p> <p>Proportion of votes against management: 13%</p> <p>Proportion of votes abstained: >1%</p>

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Appendix B – Examples of Significant Votes

The following table details examples of significant votes undertaken over the year, in the Manager’s own words.

The Trustee has reviewed voting records from the managers in each of their priorities listed above (Climate Change, Governance, Environmental Impact and Human Rights). The votes listed below are advised as most significant as they not only cover the priority areas for the scheme but also have the largest holding size as a proportion of the relevant Funds.

Mandates where shareholder voting is not applicable are not included in the list below

DC Section

Fund	Manager	Company	Approx. Size of Holding at date of vote	Date of Vote	Resolution	How you voted	Outcome	Priority Area for GSK	Rationale for the voting decision	Trustee Comment
GSK Lifecycle Fund	LGIM	Amazon.com, Inc	1.12%	25/5/22	Elect Director Daniel P Huttenlocher	Against Management – AGAINST. LGIM publicly communicates its vote instructions on its website.	Passed	Human Rights	A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	As Human Rights are considered significant to the Scheme, the Trustee was interested to note the background to this particular director.
GSK Global Equity Fund	LGIM	NVIDIA Corporation	0.09%	2/6/22	Elect Director Harvey C. Jones	Against Management – AGAINST. LGIM publicly communicates its vote instructions on its website.	Passed	Governance	Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should	The Trustee views Board Composition as a key priority to the Scheme, as appropriate Boards are expected to run more efficient companies.

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Fund	Manager	Company	Approx. Size of Holding at date of vote	Date of Vote	Resolution	How you voted	Outcome	Priority Area for GSK	Rationale for the voting decision	Trustee Comment
									<p>demonstrate leadership on this critical issue.</p> <p>Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p> <p>LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>	
GSK Overseas Equity Fund	LGIM	Alphabet, Inc.	0.97%	25/5/22	Report on Physical Risks of Climate Change	<p>Against Management – FOR.</p> <p>LGIM publicly communicates its vote instructions on its website.</p>	Did not pass	Climate Change	<p>This was a shareholder resolution (i.e. proposed by shareholders, not by management) for which LGIM voted in favour, because it aligns with their views on actions companies should be taking to tackle climate change. LGIM votes in line with their custom vote policy, which reflects their published views and principles (published on their website), and they vote consistently in line with these across all our holdings.</p> <p>LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>	The Trustee views Climate Change as a significant area for the Scheme.

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Fund	Manager	Company	Approx. Size of Holding at date of vote	Date of Vote	Resolution	How you voted	Outcome	Priority Area for GSK	Rationale for the voting decision	Trustee Comment
									LGIM voting decision is not based on whether they believe a resolution will “pass”. They aren’t able to comment on the reasons behind the voting decisions of other shareholders.	
GSK UK Equity Index Fund	LGIM	BP PLC	3.06%	12/5/22	Approve Net Zero - From Ambition to Action Report	With Management – FOR	Passed	Climate Change	<p>A vote FOR is applied, though not without reservations. While LGIM notes the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is LGIM’s view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened.</p> <p>Nevertheless, LGIM remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.</p>	The Trustee views net zero targets as significant, and therefore are satisfied with LGIM’s approach to this voting.

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Fund	Manager	Company	Approx. Size of Holding at date of vote	Date of Vote	Resolution	How you voted	Outcome	Priority Area for GSK	Rationale for the voting decision	Trustee Comment
GSK Retirement Income Multi-Asset Fund	LGIM	Prologis, Inc.	0.26%	4/5/22	Elect Director Hamid R. Moghadam	Against Management – AGAINST. LGIM publicly communicates its vote instructions on its website.	Passed	Governance	<p>Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.</p> <p>Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p> <p>LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>	<p>The Trustee believes that Board Composition is significant, and notes that LGIM considers this vote to be significant as it is in application of an escalation of LGIM's vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p> <p>LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences.</p> <p>Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they have voted against all combined board chair/CEO roles.</p>
GSK Shariah Fund	HSBC	Apple Inc.	7.11%	3/4/22	Report on forced labour	Against Management – FOR. HSBC did communicate their thinking ahead of the AGM	Did not pass	Human Rights	<p>The proposal would lead to increased transparency on Apple's supply chain policies and processes, which could help alleviate growing risks related to manufacturing in certain regions.</p> <p>HSBC will continue to engage on the issue along with other issues of concern, and would likely vote against management</p>	<p>The Trustee believes that increased transparency is an improvement on current practices, and therefore encouraged that HSBC are voting in line with this preference.</p>

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Fund	Manager	Company	Approx. Size of Holding at date of vote	Date of Vote	Resolution	How you voted	Outcome	Priority Area for GSK	Rationale for the voting decision	Trustee Comment
									again should we see insufficient improvements.	
GSK Diversified Growth Fund	LGIM	Royal Dutch Shell Plc	0.08%	24/5/22	Approve the Shell Energy Transition Progress Update	With Management – AGAINST	Passed	Climate Change	A vote against the resolution was applied, though not without reservations. LGIM acknowledges the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However concerns remain of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	The Trustee views Climate Change as a significant area for the Scheme, and are supportive of disclosures across all industries.
GSK Global Sustainable Equity	LGIM	JPMorgan Chase & Co	0.82%	17/5/22	Elect Director Todd A. Combs	Against Management – AGAINST. LGIM publicly communicates its vote	Passed	Governance	Joint Chair/CEO: A vote AGAINST the relevant director is applied as LGIM expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.	As above, the Trustee notes that Board Composition is key to the good stewardship of a Company and therefore engaging with the Company is key.

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Fund	Manager	Company	Approx. Size of Holding at date of vote	Date of Vote	Resolution	How you voted	Outcome	Priority Area for GSK	Rationale for the voting decision	Trustee Comment
						instructions on its website.			Remuneration: Escalation: A vote AGAINST the re-election of Stephen Burke (Committee Chair), Linda Bammann, Todd Combs and Virginia Rometty is applied in light of the one-off time-based award and our persistent concerns about pay structures at the Company. As members of the Compensation Committee, these directors are deemed accountable for the Company's pay practices.	

Given the size of the holdings, most of the significant votes that have been identified above have been managed by LGIM over the year. Therefore, we have also shown significant votes from other managers below:

Manager	Fund	Company	Approx. Size of Holding at date of vote	Date of Vote	Resolution	How you voted	Outcome	Priority Area for GSK	Rationale for the voting decision	Trustee Comment
Nordea	Diversified Return	Monster Beverage	1.27%	14/6/22	Report on GHG emission reduction targets aligned with the Paris	Against Management – FOR Nordea did not inform management of their voting	Did not pass	Environmental Impact	Nordea voted for the shareholder proposal as they think that additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing	The Trustee views Climate Change as a significant area for the Scheme, and is supportive of disclosures across all industries.

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					Agreement goal.	intention prior to the vote.			its transition to a low carbon economy and climate change related risks.	
Fulcrum	Diversified Absolute Return	Home Depot, Inc.	<1%	16/5/22	Shareholder Proposal Regarding Deforestation Report	Against Management – FOR Fulcrum did not inform management of their voting intention prior to the vote.	Passed	Environmental Impact	Glass Lewis, Fulcrum's Voting proxy advisor, were not convinced that the proponent has sufficiently demonstrated that the Company has neglected this issue or that adoption of this proposal would mitigate risks to or increase shareholder value, particularly given the Company's current initiatives and commitments. As such, they do not believe that adoption of this proposal is necessary at this time and recommended that we vote against the proposal. However, Fulcrum agree with the proponent's view and after internal discussions, voted FOR the proposal.	The Trustee notes that deforestation is a key area of Environmental Impact and therefore significant to the Scheme. In addition, the Trustee was interested to see the due diligence applied from Fulcrum and the vote against their proxy's recommendation in this case.
MAN	Alternative Style Risk Premia	Mitsubishi Corporation	<1%	24/6/22	Shareholder Proposal Regarding Aligning Business Strategy to the Paris Agreement	Against Management – FOR MAN did not inform management of their voting intention prior to the vote.	Did not pass	Environmental Impact	MAN voted for this resolution as they favour increased environmental reporting/responsibility.	The Trustee views Climate Change as a significant area for the Scheme, and is supportive of disclosures across all industries.

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Appendix C – Benchmark and Target Allocations

Fund	Underlying Fund	Benchmark	Fund Type
Lifecycle Fund	65.0% GSK Global Equity Index	3.0% FTSE All Share Index / 3.0% Solactive L&G ESG UK Index / 17.5% FTSE AW - World (Ex-UK) / 17.5% Solactive L&G ESG Developed (Ex-UK) Index / 22.0% FTSE AW - World (Ex-UK) – GBP Hedged / 22.0% Solactive L&G ESG Developed (Ex-UK) Index GBP Hedged / 5.0% FTSE AW – All Emerging Markets / 5.0% Solactive L&G ESG Emerging Markets Index / 5.0% FTSE Global Developed Small Cap Index	Active & Passive
	35.0% GSK Diversified Growth	Benchmark – Sterling Overnight Index Average (SONIA) Target – SONIA +3.5% (net of fees)	
UK Equity Index	100.0% LGIM - UK Equity Index	FTSE All-Share Index	Passive
Global Equity Index	3.0% LGIM - UK Equity Index	FTSE All-Share Index	Passive
	3.0% LGIM – Future World UK Equity Index	Solactive L&G ESG UK Index	
	94.0% GSK Overseas Equity Index	See below	
Overseas Equity Index	23.4% LGIM - World (ex-UK) Developed Equity Index	18.6% FTSE AW - World (Ex-UK) / 18.6% Solactive L&G ESG Developed (Ex-UK) Index / 23.4% FTSE AW - World (Ex-UK) – GBP Hedged / 23.4% Solactive L&G ESG Developed (Ex-UK) Index GBP Hedged / 5.3% FTSE AW – All Emerging Markets / 5.3% Solactive L&G ESG Emerging Markets Index / 5.3% FTSE Global Developed Small Cap Index	Passive
	23.4% LGIM Future World Developed (ex UK) Equity Index Fund – GBP Hedged		
	18.6% LGIM - World (ex-UK) Developed Equity Index (Currency Hedged)		
	18.6% LGIM Future World Developed (ex UK) Equity Index Fund		
	5.3% LGIM - World Emerging Markets Equity Index		
	5.3% LGIM Future World Emerging Markets Equity Index Fund		
Diversified Growth	28.6% LGIM - Diversified Return	Benchmark – SONIA Target – SONIA +3.5% (net of fees)	Active
	28.6% Nordea - Diversified Return		Active
	21.4% Fulcrum – Diversified Absolute Return		Active
	21.4% Man Group – Alternative Style Risk Premia		Active
Inflation Linked Pre-Retirement	100.0% LGIM – Future World Inflation Linked Annuity Aware Fund	45% FTSE Index Linked Gilts Over 15 Years Index / 55% FTSE Index Linked Gilts Under 15 Years Index	Passive
Retirement Income Multi-Asset	100.0% LGIM - Retirement Income Multi-Asset	Bank of England Base Rate +3.5% p.a.	Active
Shariah	100.0% HSBC - Shariah	Dow Jones Islamic Titans 100 Index	Passive
Cash	100.0% LGIM - Sterling Liquidity	SONIA	Active
Global Sustainable Equity	46.0% LGIM Future World Developed (ex UK) Equity Index Fund	6% Solactive L&G ESG UK Index / 37% Solactive L&G ESG Developed (Ex-UK) Index / 46% Solactive L&G ESG Developed (Ex-UK) Index GBP Hedged / 11% Solactive L&G ESG Emerging Markets Index	Passive
	37.0% LGIM Future World Developed (ex UK) Equity Index Fund		
	11.0% LGIM Future World Emerging Markets Equity Index Fund		
	6.0% LGIM Future World UK Equity Index		

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