

# SmithKline Beecham Pension Plan

Summary Trustee Report

For the year ending 31 December 2023



# Welcome to your Report

Welcome to the 2023 Summary Trustee Report of the SmithKline Beecham Pension Plan (the 'Plan'), which provides a summary of the finances, investments and funding of the Plan over the year to 31 December 2023.

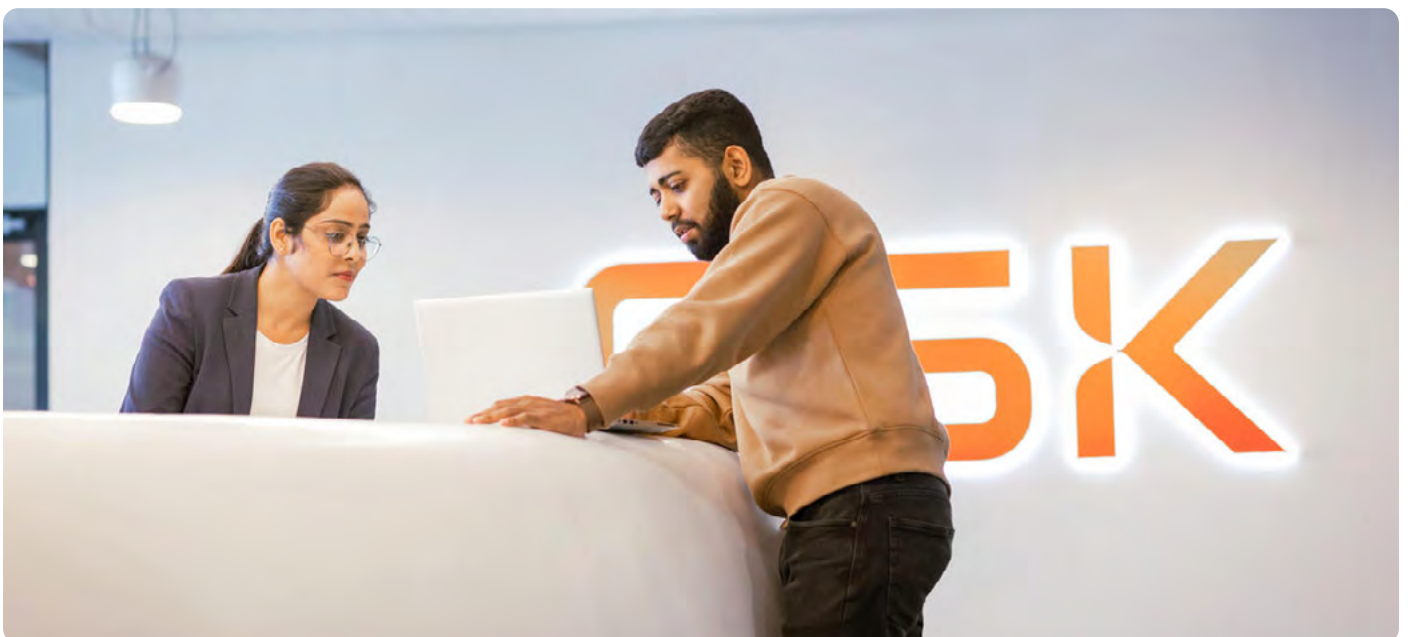
## Investment update

The two key themes of 2023 were rising interest rates and elevated inflation. In response to rising inflation, central banks such as the Bank of England raised interest rates, sparking fears of a recession. However, these worries eased towards the end of 2023 as inflation appeared to stabilise.

The Plan's investments increased in value over the year. Markets were largely positive, with global equities in particular performing well as investors became increasingly more optimistic about the outlook for the economy.

As we've moved into 2024, the outlook remains somewhat uncertain due to the upcoming US election and ongoing increased political tensions. The Trustees continue to monitor the situation closely although the diversified nature of the investments mean that the Plan should not be overly exposed to one risk in particular.

Within the Defined Contribution ('DC') section, members are invested in a number of asset classes, including equities and bonds, according to their preference – or if no preference is selected, they are invested within the default strategy. Generally, markets were positive over 2023, with technological advancements (particularly AI) positively driving global equity markets with optimism regarding future interest rate cuts contributing positively to global bond market performance. More information can be found on [page 9](#), and specific member performance can be found in your annual benefit statement.



# Climate-related report

Climate change is widely accepted as posing a significant risk to the value of long-term investments. Along with other large pension schemes, we published a climate related report setting out our approach to managing and monitoring climate risk.

## It also includes:

- Our governance structure for climate-related risks and opportunities
- Our strategy, including actual and potential impacts of climate risks and opportunities
- Scenario analysis which considers how the schemes may be affected either by a rise in global average temperature that falls within the goals of the Paris Agreement, or by a rise of 3 degrees Celsius
- Risk management and how climate-related risks are identified, assessed, and managed
- The metrics used to measure our climate impact, and the associated target

A copy of the report can be found on the Trustee website in the same location as this Summary Trustee Report:

1. Go to: [www.gskpensions.co.uk](http://www.gskpensions.co.uk)
2. Click on 'Governance'
3. Select your pension plan to read the relevant information under 'Key Documents'
4. You can print or save the report if you want to



## Membership

The figures below show the membership of the Plan as at 31 December 2023.

### Defined Benefit (DB) section

Deferred members

4,806

Pensioners

11,639

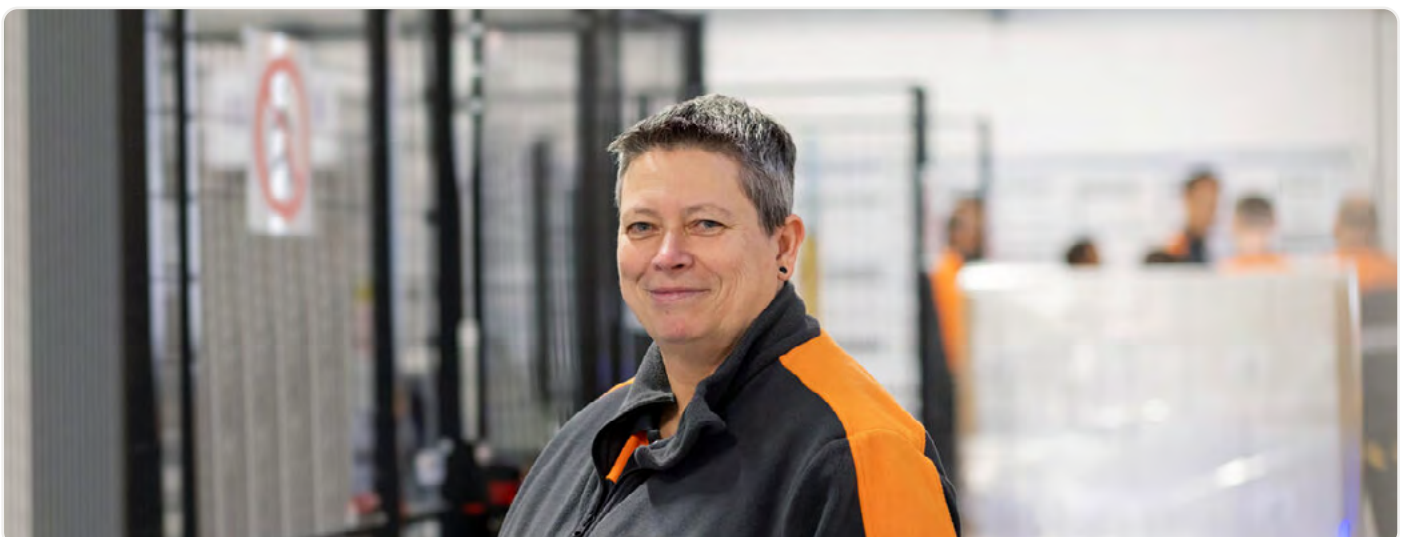
### Defined Contribution (DC) section

Deferred members

3,704

**Deferred members** - are employees and former employees who are no longer accruing benefits but have not yet retired.

**Pensioners** - are receiving a pension from the Plan.



## Financial highlights

The table below summarises the financial information for the year to 31 December 2023

	£m Defined Benefit	£m Defined Contribution
Value as at 31 December 2022	2,363	168
Income - GSK contributions*	95	0**
Investment returns	167	22
Expenditure**	(139)	(13)
Value as at 31 December 2023	2,486	177

\*GSK contributions include member contributions paid via Salary Sacrifice.

\*\*Actual contribution amount of £0.2M, reported as £0M due to rounding.

\*\*\*Expenditure includes benefits paid, transfers to other schemes and administrative expenses.



## Defined Benefit section

### The Funding position of the Defined Benefit section of the Plan

Formal actuarial valuations are normally carried out every three years. Between these valuations, annual updates at 31 December each year are provided to the Trustee, along with quarterly updates, to monitor the assets and liabilities. These serve as an important check on the funding position.

The next formal valuation of the Plan is being carried out as at 31 December 2023. The valuation is a detailed process, giving the Trustee the chance to assess the funding position based on full member by member data and also review the various assumptions that are needed to work out the Plan's funding position.



We will share the outcome of the 31 December 2023 valuation once it is complete, which is likely to be in time for next year's Summary Trustee Report. In the meantime the table below shows the funding position at the three previous year-ends.

	£m 31 Dec 2020 Formal valuation	£m 31 Dec 2021 Annual update	£m 31 Dec 2022 Annual update
Assets <sup>1</sup>	3,810	3,767	2,353
Liabilities <sup>1</sup>	3,930	3,784	2,495
Surplus/(Deficit)	(120)	(17)	(142)
Funding level	97%	100%	94%

<sup>1</sup>Excludes the Defined Contribution benefits.

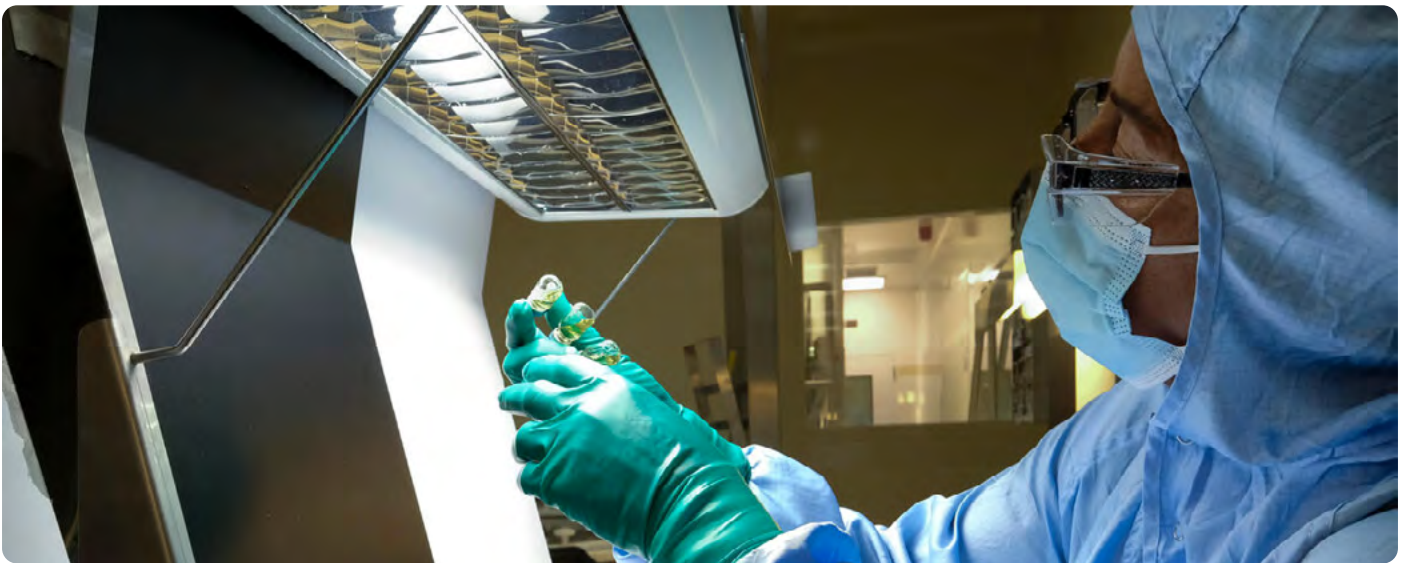
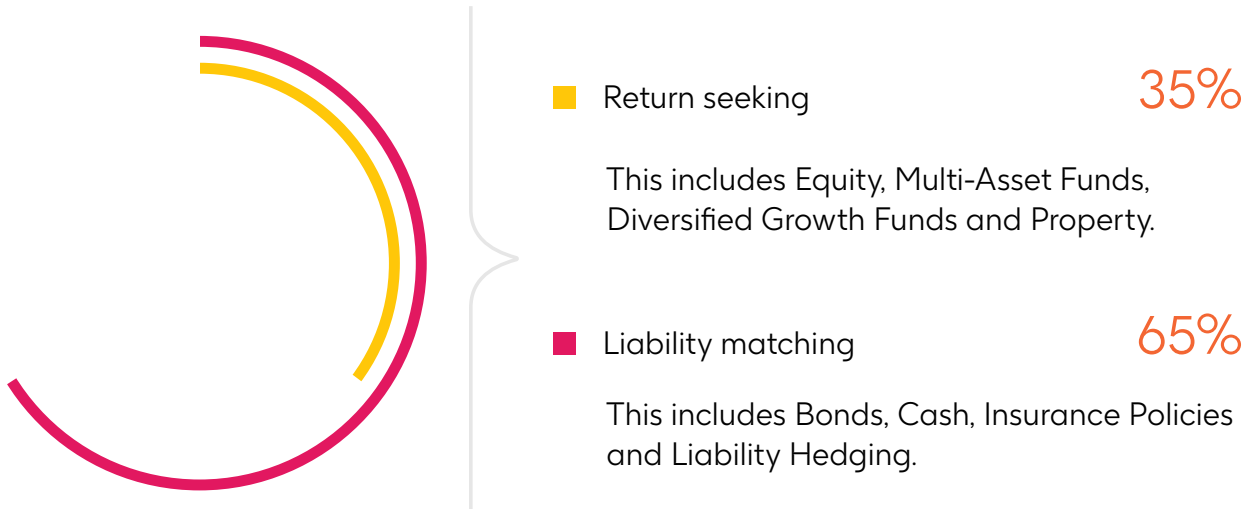
As described in last year's report, the funding position worsened over 2022 due to the market volatility. The large rise in interest rates significantly reduced the value of both the assets and the liabilities, with the asset value falling by more than the liabilities.

The actuary's quarterly reports through 2023 indicate that the position has since recovered to be close to 100%.

## Defined Benefit section

### How the DB assets are invested

At 31 December 2023 the Plan's DB asset allocation was invested as shown below.



### Additional contributions

Any shortfall in assets compared with forecasted funding requirements identified at an actuarial valuation will be eliminated by the payment of additional contributions in accordance with the recovery plan agreed between the Trustee and the Company.

As part of the 2020 actuarial valuation, the Trustee and Company agreed to remove the deficit by January 2027 through an agreed schedule of contributions. The agreed contributions have now been paid in full, earlier than planned, following the demerger of the Company's Consumer Healthcare business in 2022. The funding plan and the need for any further contributions will be considered as part of the 31 December 2023 valuation that is currently ongoing.

## Defined Benefit section

### If GSK were to become insolvent

In the unlikely event that GSK were to become insolvent, the Plan would have to be wound up and the Trustee would seek to secure members' benefits with an insurance company.

If responsibility for the Plan's benefits were to be transferred to an insurance company, the actuary estimated that the Plan had sufficient assets, as at 31 December 2022, to secure around 87% of members' benefits (compared to 81% at 31 December 2020, the date of the last formal valuation). Again we expect this funding level to have improved over 2023, and will confirm the latest position as part of the current valuation.

Pension Plan members' benefits receive a degree of protection from the Pension Protection Fund (PPF). If GSK were to become insolvent and there were insufficient funds in the Plan to provide pension benefits, the PPF might be able to take over the assets and pay compensation to members.



#### No payments to GSK

The law requires the Trustee to confirm whether there were any payments made to GSK from the Plan's assets since the last summary funding statement. We can confirm that no payments have been made to GSK from the Plan's assets.

#### No intervention by the Pensions Regulator

The law requires the Trustee to confirm whether the Pensions Regulator has modified the Plan Rules, issued statutory directions regarding the funding of the Plan or imposed a schedule of contributions on the Plan, in accordance with its powers under the Pensions Act 2004. We can confirm that the Pensions Regulator has taken no such steps in relation to the Plan.



## Defined Contribution section

### Investment fund performance for the year to 31 December 2023

The table below shows the performance figures (after fees) for the largest three DC investment funds, which form part of the default investment option.

Funds	Over the last year	Over the last 3 years (Annualised)
GSK Lifecycle	13.3%	6.6%
GSK Global Equity Index	18.1%	7.8%
GSK Retirement Income Multi-Asset	7.6%	1.9%

Please remember that past performance is not a guide to future returns. For more information on how your funds are invested, please check your latest pension statement:

<https://epa.towerswatson.com/accounts/gsk/>

### Fund changes

In March 2023, we wrote to DC members about changes to the Lifecycle strategies (including the default strategy) that members can invest in, a name change of one of the Lifecycle strategies and an additional fund that members can decide to invest in. If you did not receive this letter, please contact the administrator using the contact details on [page 12](#).



### Chair's DC statement

We published this year's Chair's statement which includes the steps we take to ensure good governance of the Plan. It is included in the full report and accounts, which can be found on the Trustee website in the same location as this Summary Trustee Report:

1. Go to [www.gskpensions.co.uk](http://www.gskpensions.co.uk)
2. Click on 'Governance'
3. Select your pension plan to read the relevant information under 'Key Documents'
4. You can print or save the report if you want to

## Do you know where your pension is invested?

Did you know your pension money is invested in global companies whose products and decisions will shape our future?

The Trustees are excited to introduce Tumelo to members.



Hello and welcome  
to Tumelo!

Tumelo enables you to see which companies your pension contributions are invested in and allows you to cast votes on issues that matter to you. The Investment Managers may use your votes (along with those from other pension scheme members) to decide how to engage with companies on these issues.

Although companies are not bound by the outcome of voting activity on the Tumelo platform, it can help to start important conversations.

You can find out more

by watching this video:

<https://vimeo.com/718228998>

To register – please visit:

<https://gsk.platform.tumelo.com/>



## Trustees and advisers

### Who looks after the Plan?

The Plan is set up under trust deeds and is managed by the Trustees (who are Directors of the Corporate Trustee, GSK Pension Plans Trustee Limited, which changed from SmithKline Beecham Pension Plan Trustee Limited on 1 October 2023).

### The Trustees at 31 December 2023 were:

#### Independent Trustees (Who have never worked for GSK):

- The Law Debenture Pension Trust Corporation plc - represented by Mark Ashworth (Chair)
- The Law Debenture (JIC) Pension Trust Corporation plc - represented by Keith Scott
- Ross Trustees Services Limited - represented by Pavan Bhardwaj

#### GSK Appointed Trustees:

- Paul Blackburn
- Mandy Cooke
- Tom Houston
- Dave Wiggins

#### Member Nominated Trustees:

- Geraldine Flavell (pensioner)
- Josephine Osikena (employee)
- Rob Pullinger (employee)

#### Secretary to the Trustee:

- Carolina Lyons - Pensions Director

## Changes

On 1 October 2023 the three pension trustee boards overseeing the GSK UK pension plans combined into one. The entity responsible for governing all the GSK UK pension plans was renamed GSK Pension Plans Trustee Limited. The united board oversees the following plans:

- SmithKline Beecham Pension Plan
- SmithKline Beecham Senior Executive Pension Plan
- GSK Pension Scheme
- GSK Pension Fund
- Glaxo Wellcome Contracted-out Money Purchase Scheme

As a result of this united board project, Josephine Osikena and Rob Pullinger were appointed to the Board during 2023. Subsequently, Mandy Cooke resigned from 1 January 2024 and was replaced by Louisa Yates. The Trustees welcome Josephine, Rob and Louisa to the Board.



## Advisers

### The advisers are:

#### Actuary:

- Greg Tucker, Aon (replaced by Phil Dennis, Aon, on 16 February 2024)

#### Auditor:

- Grant Thornton

#### Legal adviser:

- Simmons & Simmons LLP

#### Investment and asset allocation advisers:

- Isio Group Limited (for the DB section) from 1 July 2023
- Mercer Limited - DC AVCs

#### Administrator:

- WTW, Barnett Waddingham (for Stiefel members)



## Where can you get more information?

### Pension helpline:

#### Email

[GSKpensions@wtwco.com](mailto:GSKpensions@wtwco.com)

#### Phone

01737 227 563

#### Address

WTW  
PO Box 545,  
Redhill, Surrey, RH1 1YX

### Stiefel Members:

#### Email

[Stiefel@barnett-waddingham.co.uk](mailto:Stiefel@barnett-waddingham.co.uk)

#### Phone

0333 111 1222

### Total Reward for employees:

#### Online

[HR Hub via Service Now](#)  
[www.totalrewardonline.co.uk](http://www.totalrewardonline.co.uk)

### Copies of the report

You can print or save this report if you want to. If you would like to receive a paper copy, you can contact your Pension helpline to request one.