

SmithKline Beecham Senior Executive Pension Plan

Summary Trustee Report

For the year ending 31 December 2023



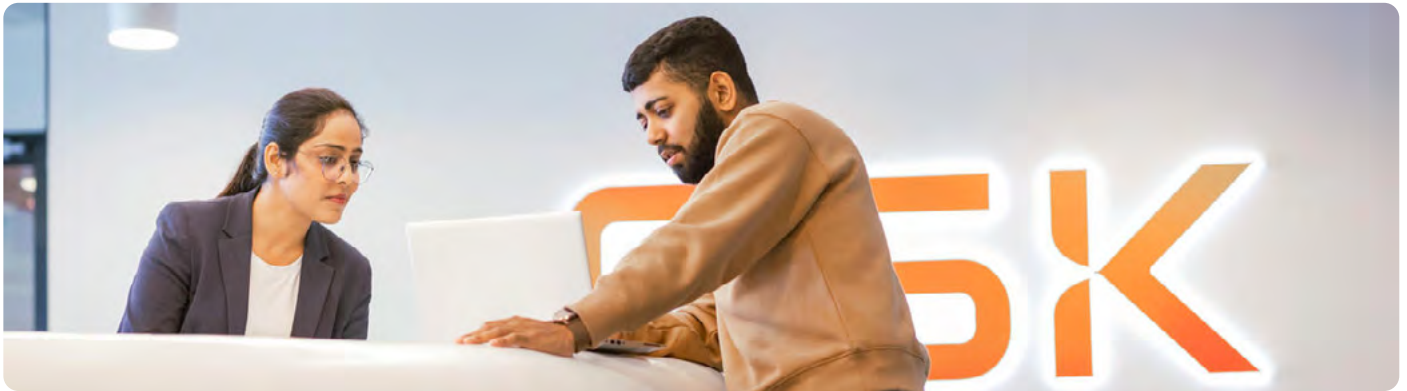
Welcome to your Report

Welcome to the 2023 Summary Trustee Report for the SmithKline Beecham Senior Executive Pension Plan (the 'Plan'), which provides a summary of the finances, investments and funding 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 is largely insulated from changes in markets due to the purchase of a bulk annuity policy from Aviva in 2019 which secured the majority of future benefits of all the Plan's members. This policy pays an income to the Plan equal to the amount needed to pay members' benefits, regardless of market conditions.



Membership

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

Membership	Deferred members	58
	Pensioners	609

Deferred members - are employees and former employees who have accrued benefits but haven't 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
Value as at 31 December 2022	458
Income - GSK contributions	1
Investment returns	23
Expenditure*	(32)
Value as at 31 December 2023	450

*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

The funding position of the Plan is very stable following the bulk annuity contract taken out with Aviva on 9 May 2019, which secured the majority of benefits for all the Plan's members. The Plan has retained a small surplus which was intended to cover the cost of other benefits that are outside the scope of the Aviva policy, including the costs associated with GMP equalisation.

Formal actuarial valuations are normally carried out every three years. Between formal valuations, annual updates as 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 most recently completed formal valuation of the Plan was carried out as at 31 December 2020, which showed the Plan had a funding surplus of £6M (101% funded). The annual update at 31 December 2022 showed an estimated 100% funding position (no surplus or deficit). This small fall in funding level was largely due to the award of a discretionary pension increase effective from 1 January 2023. A further discretionary pension increase has since been granted effective from 1 January 2024.

The Company is expected to make a contribution that will fund the cost of these discretionary increases. This contribution and the funding position of the Plan will be assessed as part of the formal actuarial valuation as at 31 December 2023 that is currently underway. We will share the outcome of this valuation when it is complete, which is likely to be in time for next year's Summary Trustee Report.



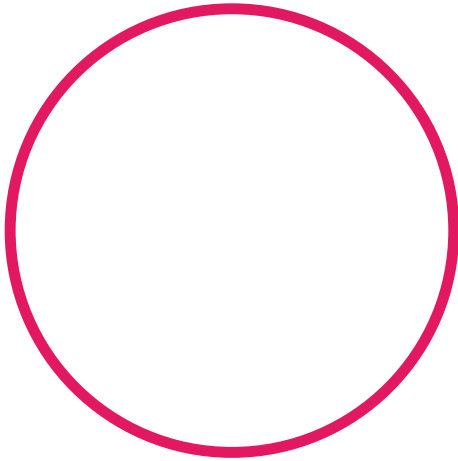
Additional contributions

As the Plan was in surplus as at 31 December 2020, the date of the last formal actuarial valuation, there was no requirement for the Company to pay additional contributions. However, both GSK and the Trustee have a common objective for the Plan to continue to be fully funded.

Defined Benefit section

How the DB assets are invested

At 31 December 2023 the Plan's DB asset allocation was invested as shown below. The position reflects the purchase of a bulk annuity policy from Aviva in 2019 to secure the majority of future benefits of all the Plan's members (a 'buy-in'). This asset helps match the Plan's liabilities with a small remaining asset allocation in index linked government bonds and cash.



■ Return seeking

0%

This includes Equity, Multi-Asset Funds, Diversified Growth Funds and Property.

■ Liability matching

100%

This is the bulk annuity with a small additional allocation in cash and bonds.



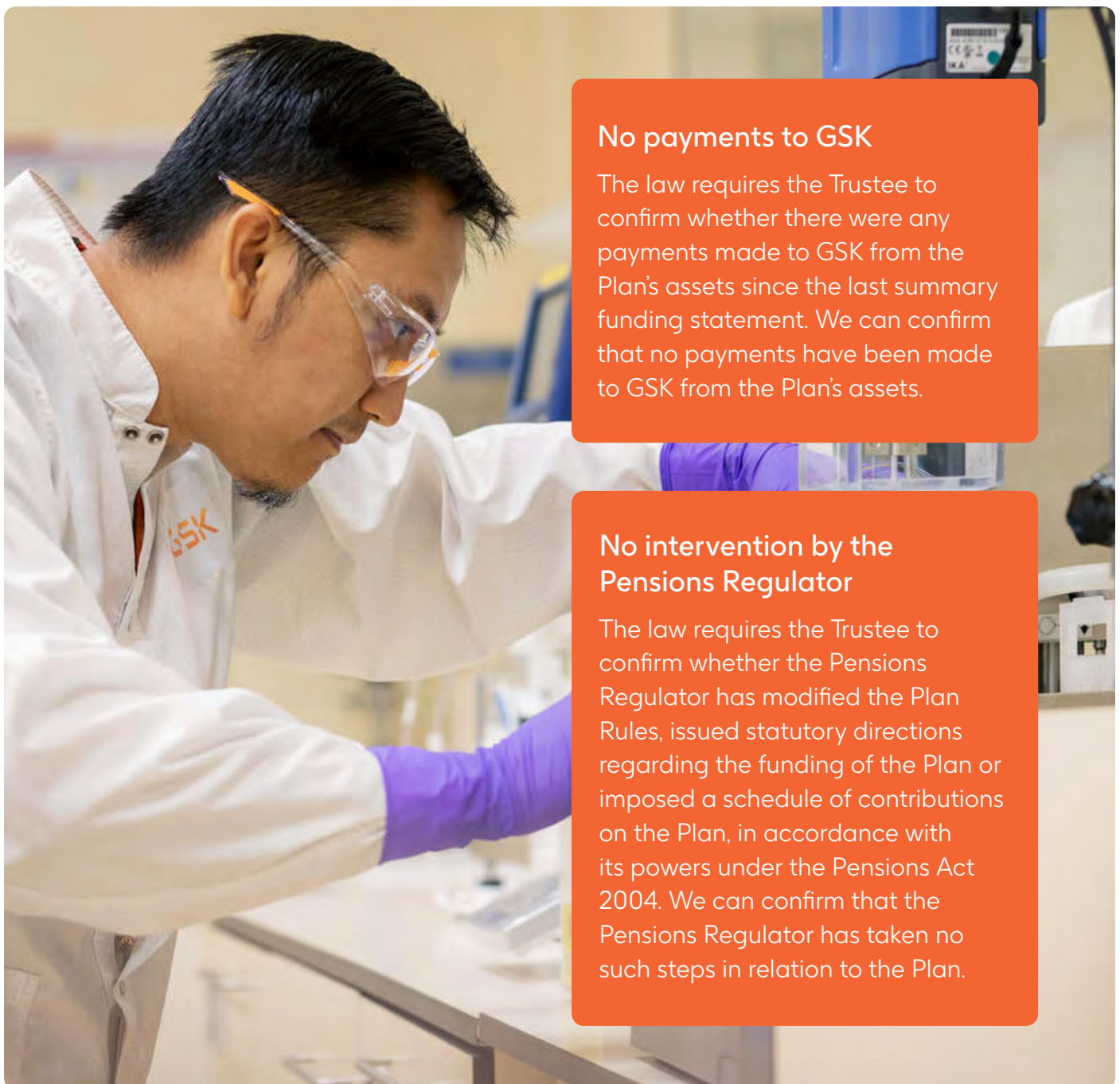
Defined Benefit section

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 100% of members' benefits (this is the same figure that applied as at 31 December 2020, the date of the last formal 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.

Additional Voluntary Contributions (AVCs)

Investment fund performance for the year to 31 December 2022

The table below shows the performance figures (after fees) for the largest three Defined Contribution ('DC') investment funds.

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 to 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 10](#).



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
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 Senior Executive Pension Plan Trustee Limited from 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, John Elliot and Steve Cowden resigned and 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 would like to thank John, Steve and Mandy for their efforts and welcome Josephine, Rob and Louisa.

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 Section

Administrator:

- WTW



Where can you get more information?

Pension helpline:

Email

GSKpensions@wtwco.com

Phone

01737 227 563

Address

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

Total Reward for employees:

Online

[HR Hub via Service Now](#)

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.