Introduction

As Chair of the Trustee of the SmithKline Beecham Pension Plan (the "Plan"), 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 any default arrangement;
- Review of the default arrangement;
- 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 Plan has a DC Section ("the DC Section") which is closed to new members and closed to future contribution.

The Plan also has a Defined Benefit Section, the members of which can contribute Additional Voluntary Contributions ("AVCs") on a money purchase basis. This Statement also covers these AVC arrangements and for the purposes of this Statement, they are included where reference is made to the DC Section.

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.

The Trustee recognises the importance of the DC Section of the Plan 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 Plan.

The JDCC is responsible, on behalf of the Trustee Board, for reviewing, reporting and recommending in respect of all aspects of the Plan's DC Section, including such matters as monitoring fund performance, any default investment strategy, fund choices and costs and charges.

There is also a Joint Audit, Risk and Operations Committee ("the JAROC") which is responsible, on behalf of the Trustee Board, for reviewing, reporting and recommending to the Trustee Board, in respect of all operational aspects of the DC Section, including matters such as processing of the Plan'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 Plan 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 DC Section of the Plan as other Plan 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 active members (Defined benefit members making AVCs), and from the pension administrator (contact details below) for deferred members.

More detailed information about the DC Section of the Plan is also provided in the Plan'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 13 October 2023.

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 arrangement

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

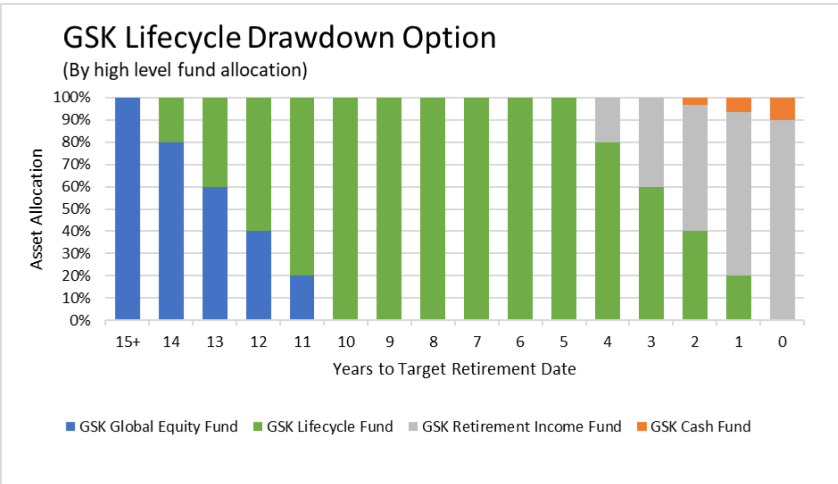
As mentioned above, the Plan is not used as an auto-enrolment vehicle and therefore no members are auto enrolled into any of the fund options within the Plan. However, due to the movement of members' assets by the Trustee in previous years, the Plan has a number of default arrangements.

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.

Following the conclusion of the triennial default strategy review in February 2023, the Trustee agreed to make changes to the investment strategy which were implemented in May 2023. In determining the investment strategy, the Trustee undertook extensive investigations and explicitly considered membership demographics as well as the trade-off between risk and expected returns when establishing the balance between different kinds of investments.

Following these changes, the GSK Lifecycle Drawdown Option is now made up of three phases. Initially, the strategy invests in the GSK Global Equity Fund, until the member reaches 15 years from their selected retirement age. In phase two, the member is then gradually switched such that at 10 years from their selected retirement age, they are fully invested in the GSK Lifecycle Fund. At phase three (the 5 years up to the selected retirement date), the member is gradually switched to 90% GSK Retirement Income Fund and 10% GSK Cash Fund. Before these recent changes, members were initially invested in the GSK Lifecycle Fund up to 5 years prior to their selected retirement age, from where they would be gradually switched to 75% GSK Retirement Income Fund and 25% GSK Cash Fund.

The investment strategy is illustrated in the graph below.



Other Default Options

In addition, there are two legacy default investment options – the GSK Lifecycle Annuity Option (formerly known as the GSK Lifecycle Pension Option) and the GSK Lifecycle (pre-2014) Option.

Until June 2014 the default arrangement for all members was the GSK Lifecycle (pre-2014) Option, which had a 10 year de-risking glidepath. When the GSK Lifecycle Pension Option was introduced in June 2014 (which reduced the de-risking period from 10 to 5 years), most members were automatically switched to the 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 the GSK Lifecycle (pre-2014) Option, to avoid them members being re-risked.

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

As part of the triennial strategy review which concluded in February 2023, the Trustee agreed to rename the GSK Lifecycle Pension Option as the GSK Lifecycle Annuity Option, and to rename the GSK Inflation Linked Pre-Retirement Fund as the GSK Targeting Annuity Fund. The Trustee also agreed to introduce the GSK Global Equity Fund within the GSK Lifecycle Annuity Option for members more than 15 years from their retirement date, in line with the changes proposed to the GSK Lifecycle Drawdown Option. The GSK Lifecycle Annuity Option following these changes is set out in the table below.

Years to Retirement Date	GSK Global Equity Fund	GSK Lifecycle Fund	GSK Targeting Annuity Fund	GSK Cash Fund
15+	100%	0%	0%	0%
14	80%	20%	0%	0%
13	60%	40%	0%	0%
12	40%	60%	0%	0%
11	20%	80%	0%	0%
5-10	0%	100%	0%	0%
4	0%	80%	20%	0%
3	0%	60%	40%	0%
2	0%	40%	52%	8%
1	0%	20%	64%	16%
0	0%	0%	75%	25%

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

Review of the Default arrangement

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 Plan membership when designing the default arrangements.

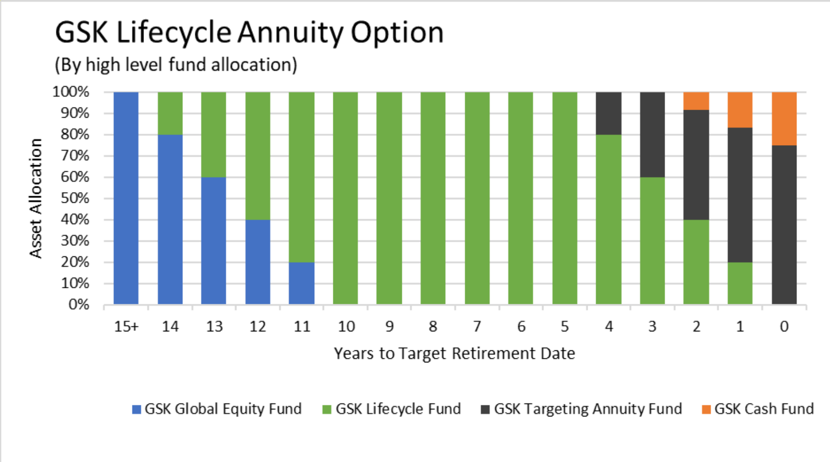
Given the importance of the default arrangements, the Trustee regularly reviews the arrangements, their component parts, and the performance of the funds (performance being reviewed quarterly by the JDCC).

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.

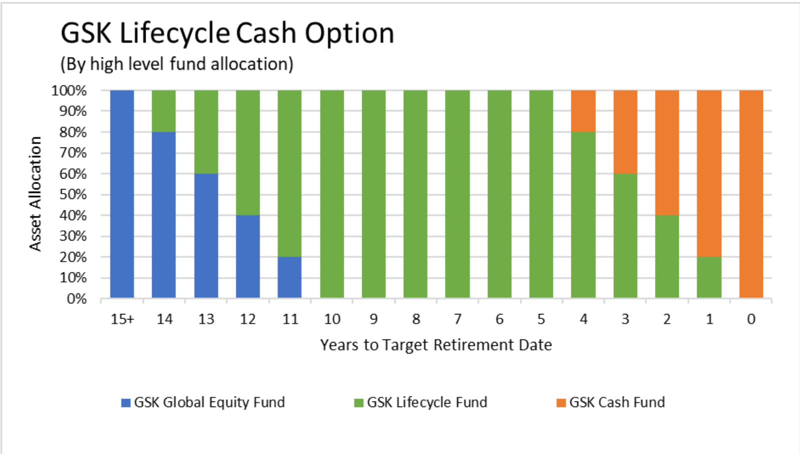
Other Lifecycle Funds available

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 Annuity Option is available for those members who wish to use their fund to purchase an inflation-linked pension on retirement. The investment strategy is illustrated in the graph below.



The GSK Lifecycle Cash Option is available for those members intending to take their pension pot as a one-off cash lump sum at retirement. Changes were also made to this strategy in May 2023 with members more than 15 years from their retirement date now invested in the GSK Global Equity Fund. The investment strategy is illustrated in the graph below.



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 investment 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, attached to this Statement.

Processing financial transactions

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

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

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

The Trustee delegates the DC administration of the Plan to Willis Towers Watson. Legal & General Assurance (Pensions Management) Limited ("L&G") provides DC investment platform services to the Plan.

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

The administrator's contractual agreements are comprehensive documents 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 included in the SLAs for the administrators:-

- 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.

Dedicated DC specialist teams are responsible for the day- to- day management of the DC Sections at the administrators. These teams focus on accurate and timely processing of transactions. This includes daily checking of bank accounts, including cash requirements, clear segregation of duties, and a a robust checking verification 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 requirements of the SLAs were discussed, along with individual member cases, any complaints, and updates on any ongoing projects. Performance was reported to the JAROC at their quarterly meetings.

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

Administrator		Q1 2023	Q2 2023	Q3 2023	Q4 2023
Willis Towers Watson	Actual	98%	99%	99%	99%
	Target	95%	95%	95%	95%

During the year, the administrators provided quarterly reports, which included performance against SLAs 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 throughout the year.During the year, the administrators provided quarterly reports, which included performance against SLA in all the key areas, and these reports were formally presented to, and discussed with, the JAROC at each of their quarterly meetings. Willis Towers Watson attended quarterly JAROC meetings thorughout the year.

The administrators produce an internal control report annually, which sets 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 administrator s. 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 Plan 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 Plan, transfers between different investments within the Plan and payments to, and in respect of, members and beneficiaries.

Whilst there were some issues with meeting SLA requirements during the year, these issues were primarily around elements of individual DC member transactions and did not impact the processing of core financial transactions as a whole, which are largely automated.

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 DC Section, 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 meeting with the administrator, 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 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 ensuring 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 direct to members, unless the impact was immaterial.

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

Performance based fees

There are currently no performance-based fees being charged for the Plan.

Asset allocation of default arrangements

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 ("the 2023 Regulations") introduced new requirements for trustees and managers of certain occupational pension schemes.

For the first scheme year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes, are required to disclose their full asset allocations of investments for their default arrangements. We set out this information below for members aged 25, 45 and 55:

Default Lifestyle Targeting Drawdown *(current default)*	**Percentage allocation – average 25 years (%)**	**Percentage allocation – average 45 years (%)**	**Percentage allocation – average 55 years (%)**
Cash	0.0	0.0	1.5
Bonds	0.0	0.0	11.9
Listed Equities	100.0	100.0	78.7
Private Equity	0.0	0.0	0.1
Infrastructure	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.5
Private Debt/Credit	0.0	0.0	0.0

Other	0.0	0.0	7.3

GSK Lifecycle Annuity Option *(legacy default)*	**Percentage allocation – average 25 years (%)**	**Percentage allocation – average 45 years (%)**	**Percentage allocation – average 55 years (%)**
Cash	0.0	0.0	1.5
Bonds	0.0	0.0	11.9
Listed Equities	100.0	100.0	78.7
Private Equity	0.0	0.0	0.1
Infrastructure	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.5
Private Debt/Credit	0.0	0.0	0.0
Other	0.0	0.0	7.3

GSK Lifecycle (pre-2014) Option *(legacy default)*	**Percentage allocation – average 25 years (%)**	**Percentage allocation – average 45 years (%)**	**Percentage allocation – average 55 years (%)**
Cash	0.0	0.0	0.0
Bonds	0.0	0.0	0.0
Listed Equities	100.0	100.0	100.0
Private Equity	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0
Other	0.0	0.0	0.0

Source: LGIM as at 31 December 2023

Note: Other refers to assets that are not considered to be part of any of the asset classes described above e.g. derivatives.

Net returns on investments

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

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 related to the lifestyle arrangements (for ages 25, 45, and 55) and for the self-select fund range.

Lifestyles

Lifestyle strategies – Lifecycle Drawdown Option/Lifecycle Annuity Option/Lifecycle Cash Option *	Annualised returns to 31 December 2023 (%)	
	1 year	**5 years**
Age of member		
25, 45	18.1	11.5
55	13.3	9.4

Source: LGIM.

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

Lifestyle strategies – Lifecycle (Pre-2014) Option	Annualised returns to 31 December 2023 (%)	
	1 year	**5 years**
Age of member		
25, 45	18.1	11.5
55	18.1	11.5

Source: LGIM.

Self-select fund range

Self-select funds	Annualised returns to 31 December 2023 (%)	
	1 year	**5 year**
GSK UK Equity Index Fund	7.8	6.7
GSK Overseas Equity Index Fund	18.8	12.2
GSK Global Equity Index Fund	18.1	11.5
GSK Targeting Annuity Fund	4.9	-3.4
GSK Cash Fund	4.7	1.4
GSK Diversified Growth Fund	4.6	4.8
GSK Lifecycle Fund	13.3	9.4
GSK Shariah Fund	27.3	16.7
GSK Retirement Income Fund	7.6	4.7
GSK Global Sustainable Equity Fund	18.9	n/a*
Zurich Traditional With-Profits	5.2	6.1
Prudential With-Profits**	4.5	4.9
Scottish Friendly With Profits***	0.4%	2.0

Source: LGIM, Zurich, Prudential, Scottish Friendly.

**Due to the inception dates of this fund, longer term performance is not available.*

***Returns to April 2023.*

****Returns to November 2023.*

Charges and transaction costs

The Trustee is required to report on charges and transaction costs for the investment options available in the Plan, including any default arrangements, the Lifecycle options, the underlying options, the self-selected 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, 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 Plan. 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 Plan. Charges and transaction costs are, as at, and for the year to, 31 December 2023.

The Annuity Option, Drawdown Option and Cash Option Lifestyle arrangements costs shown are based on the updated investment strategy following the changes made in May 2023

Fund	Total Member Charge (% p.a.)	Transaction Costs (%)
GSK Lifecycle Annuity Option (Legacy Default)		
15+ years to retirement	0.0773	0.0581
14 years to retirement	0.1192	0.1072
13 years to retirement	0.1612	0.1563
12 years to retirement	0.2031	0.2055
11 years to retirement	0.2451	0.2546
10 to 5 years to retirement	0.2870	0.3037
4 years to retirement	0.2396	0.2520
3 years to retirement	0.1922	0.2003
2 years to retirement	0.1472	0.1408
1 year to retirement	0.1022	0.0813
0 years to retirement	0.0575	0.0208
GSK Lifecycle (Pre 2014) Option (Legacy Default)		
10+ years to retirement	0.0773	0.0581
9 years to retirement	0.0753	0.0544
8 years to retirement	0.0733	0.0506
7 years to retirement	0.0714	0.0469
6 years to retirement	0.0694	0.0432
5 years to retirement	0.0674	0.0395
4 years to retirement	0.0654	0.0357
3 years to retirement	0.0634	0.0320
2 years to retirement	0.0615	0.0283
1 year to retirement	0.0595	0.0246
0 years to retirement	0.0575	0.0208
GSK Lifecycle Drawdown Option (Current Default)		
15+ years to retirement	0.0773	0.0581
14 years to retirement	0.1192	0.1072
13 years to retirement	0.1612	0.1563
12 years to retirement	0.2031	0.2055
11 years to retirement	0.2451	0.2546

Fund	**Total Member Charge (% p.a.)**	**Transaction Costs (%)**
10 to 5 years to retirement	0.2870	0.3037
4 years to retirement	0.2852	0.2559
3 years to retirement	0.2834	0.2082
2 years to retirement	0.2816	0.1604
1 year to retirement	0.2798	0.1126
0 years to retirement	0.2780	0.0649
GSK Lifecycle Cash Option		
15+ years to retirement	0.0773	0.0581
14 years to retirement	0.1192	0.1072
13 years to retirement	0.1612	0.1563
12 years to retirement	0.2031	0.2055
11 years to retirement	0.2451	0.2546
10 to 5 years to retirement	0.2870	0.3037
4 years to retirement	0.2456	0.2324
3 years to retirement	0.2042	0.1612
2 years to retirement	0.1628	0.0899
1 year to retirement	0.1214	0.0187
0 years to retirement	0.0800	-0.0526

Fund	**Total Member Charge (% p.a.)**	**Transaction Costs (%)**
GSK UK Equity Index Fund	0.0225	-0.0140
GSK Inflation Linked Pre-Retirement Fund	0.0500	0.0453
GSK Cash Fund	0.0800	-0.0526
GSK Lifecycle Fund	0.2870	0.3037
GSK Diversified Growth Fund	0.6766	0.7811
GSK Overseas Equity Index Fund	0.0800	0.0533
GSK Global Equity Index Fund	0.0773	0.0581
GSK Shariah Fund	0.3200	-0.0648
GSK Retirement Income Fund	0.3000	0.0779
GSK Global Sustainable Equity Fund	0.0880	0.0518
Zurich With-Profits Unit-linked Series 1*	0.5000	0.0700
Zurich With-Profits Unit-linked Series 2*	0.5000	0.0700
Zurich With-Profits Unit-linked Series 4*	0.8100	0.0700
Zurich Traditional With-Profits*	0.5000	0.0700
Prudential With Profits	0.3100	0.1700
Scottish Friendly With Profits	0.200	Not available

Source: L&G, Utmost Life, Zurich, Scottish Friendly (formerly MGM) and Prudential. 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.

**Data is as at to 30/09/23.*

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.

Where not received, the Trustee, with its advisers, is actively chasing the providers to release information, and up to date information where applicable, and has requested they outline their timescales for providing this information.

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 considered 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.

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 18, using a starting pot size of £6,000 and a salary of £36,000 which reflects 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 impact of a wide range of funds is shown in line with the statutory guidance.

The projections for the Lifestyle arrangements are based on the updated investment strategy following the changes made in May 2023.

Projected Pot sizes in Today's Money

	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	
Year End	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	£11,616	£11,601	£11,612	£11,609	£11,493	£11,347
2	£17,377	£17,337	£17,364	£17,358	£17,046	£16,685
3	£23,284	£23,211	£23,259	£23,249	£22,660	£22,013
4	£29,343	£29,228	£29,302	£29,285	£28,336	£27,331
5	£35,556	£35,391	£35,497	£35,472	£34,074	£32,639
10	£69,091	£68,511	£68,870	£68,784	£63,723	£59,034
15	£107,139	£105,833	£106,629	£106,435	£95,035	£85,189
20	£150,310	£147,892	£149,351	£148,992	£128,104	£111,104
25	£199,290	£195,287	£197,687	£197,092	£163,027	£136,782
30	£254,864	£248,696	£252,376	£251,459	£199,909	£162,226
35	£318,660	£308,107	£314,253	£312,909	£238,859	£187,438
40	£393,897	£372,134	£384,261	£382,364	£279,995	£212,419
45	£467,018	£432,303	£463,470	£460,868	£323,438	£237,172
47	£483,374	£445,170	£497,996	£495,062	£341,490	£247,010

Projected Pot sizes in Today's Money				
	GSK Lifecycle Pension Option		**GSK Lifecycle (pre-2014) Option**	
Year End	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£11,616	£11,601	£11,616	£11,601
2	£17,377	£17,337	£17,377	£17,337
3	£23,284	£23,211	£23,284	£23,211
4	£29,343	£29,228	£29,343	£29,228
5	£35,556	£35,391	£35,556	£35,391
10	£69,091	£68,511	£69,091	£68,511
15	£107,139	£105,833	£107,139	£105,833
20	£150,310	£147,892	£150,310	£147,892
25	£199,290	£195,287	£199,290	£195,287
30	£254,864	£248,696	£254,864	£248,696
35	£318,660	£308,107	£317,919	£308,882
40	£393,897	£372,134	£387,202	£374,595
45	£477,654	£443,273	£454,753	£438,367
47	£505,486	£468,510	£480,364	£462,482

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 £6,000.
3. Contributions of 15% are assumed from age 18 to 65 with salary expected to increase in line with 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 2.76% p.a. to -1.50% p.a. gross expected real return (relative to inflation).
   B. GSK Diversified Growth Fund (the most expensive fund): 1.1% p.a. gross expected real return (relative to inflation).
   C. GSK UK Equity Fund (the least expensive fund): 2.50% p.a. gross expected real return (relative to inflation).
   D. GSK Lifecycle Pension Option: the underlying funds have a range of 2.76% p.a. to -1.50% p.a. gross expected real return (relative to inflation).
   E. GSK Lifecycle (pre-2014) Option: the underlying funds have a range of 2.56% p.a. to -1.50% p.a. gross expected real return (relative to inflation).
6. The Transaction Costs relate to the average transaction costs incurred in the Scheme years ending 31/12/19, 31/12/20, 31/12/21, 31/12/22 and 31/12/23. Five year average costs have been used; where these were negative these have been reflected as zero, given negative costs are not assumed to persist over longer time frames.

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 potentially distract 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 had been ordinarily 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 a de-risking glidepath, but this is dependent on member age, and time to reach Target Retirement Age, all of which 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 Fund's administrator), the Trustee believes that others, such as the suitability and performance of investment funds, span several years. Additionally, some components 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 ending 31 December 2023 was completed in April 2024.

This assessment by the Trustee looked at the member-borne deductions within the Plan, 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.

Within the AVC funds there are some legacy with-profits policies. A Value for Members assessment of these policies is directly related to an individual's attitude towards, and capacity for, investment risk. An individual may find comfort in the fact that a with-profits fund provides guarantees; whether that is a guaranteed pension, investment return or capital security. A general conclusion on the value for members regarding these funds has therefore not been formed, as this is a qualitative and member-specific judgement. It is difficult to provide a comparison between with-profits policies due to the differences in available guarantees, surrender policies and implicit and explicit fees.

The Trustee concluded that the Plan's overall range of investment options represents 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 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 Plan delivers good value for members in respect of member-borne deductions. Furthermore, additional services such as Fund administration, Trustee governance, adviser fees and additional communications are paid for by the Trustee, and met by the DB Section of the Plan, 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 available to them, enables them to properly exercise their functions and duties in relation to the Plan. This requirement is underpinned by guidance in the Pensions Regulator's Code of Practice 13. The comments in this section relate to the Trustee as a body in dealing with the whole Plan and is not restricted to the DC Section.

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, to be conversant with the Plan'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 Plan, Board and sub- committee structure and balance of powers between the Trustee and the Company under the Trust Deed and Rules.

The Trustee Knowledge and Understanding requirement has been met for all Trustee Directors during the Plan 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. This enables the Trustee Directors to keep up to date with the law regarding pensions and trusts, the principles relating to the funding and investment of occupational pension schemes and review any relevant Trustee policies relevant to the training areas.

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

Date	Training subject	Undertaken by
14 February 2023	Pension Dashboards training: • An introduction to pensions dashboards • The key dashboard duties for trustees • Preparing for dashboards • Liabilities • Next steps	Joint Audit, Risk & Operations Committee (JAROC)
16 February 2023	Impact Investing training: • What is impact investing? How does it differ from ESG investing? • Pros and cons and impact investing for DC • Current implementations considerations – for default and self-select range within the DC section of the Schemes. • Future considerations	Joint Defined Contribution Committee (JDCC)
16 March 2023	Introduction to Shariah Fund: • Dow Jones Shariah Board – how Dow Jones determines Shariah compliance of the index the Fund aims to track • HSBC Shariah Committee – the roles and responsibilities of Committee, including donation of 'impure' revenues and annual Shariah compliance certification	Joint Defined Contribution Committee (JDCC)
7 March 2023	TCFD data and metrics training: • TCFD results, including progress of the carbon metrics • What constitutes a 'significant' vote • SIP changes	Berkeley Square Full Board*
9 March 2023	TCFD data and metrics training: • TCFD results, including progress of the carbon metrics • What constitutes a 'significant' vote • SIP changes	SmithKline Beecham full Boards*
21 April 2023	Project Unite Training covering an overview of the GSK Fund/Scheme: • History of the schemes • Legal structure of schemes • Balance of powers • Trustee protection • Funding snapshot • Actuarial factors	SmithKline Beecham full Boards*

Date	Training subject	Undertaken by
21 April 2023	Project Unite Training covering an overview of the SBPP/SBSEPP: • Latest funding snapshot • Project Gold collateralised recovery plan • Overview of benefit structures • Balance of powers • Trustee protection • Key current projects and forthcoming items	Berkeley Square Full Board*
18 May 2023	Value for Members training which included a summary of Value for Members, including Mercer's '3 Ps framework', which was broken down in more detail.	Joint Defined Contribution Committee (JDCC)
10 August 2023	Refresher to GSK Pensions: • Introduction to DC pensions • GSK investment strategy • At-retirement options • JDCC responsibilities	Joint Defined Contribution Committee (JDCC)
10 August 2023	Currency Hedging training (bitesize)	Joint Defined Contribution Committee (JDCC)
31 August 2023	Actuarial factors training: • Purpose, use and limitations • Types of actuarial factors • Assumptions	Joint Audit, Risk & Operations Committee (JAROC)
7 November 2023	Training on alternative credit: • Multi-asset credit & semi-liquid credit • Private debt secondaries • Asset-backed securities	Joint Investment Committee (JIC)

Date	Training subject	Undertaken by
22 November 2023	Training on LGIM's trading platform, including a tour of the Trading Room.	Joint Defined Contribution Committee (JDCC)
22 November 2023	Bitesize training on TCFD metrics: • Regulatory requirements • Metrics used by GSK Pension Plans • Absolute emissions • Data quality	Joint Defined Contribution Committee (JDCC)
5 December 2023	Training on LDI Credit: • What is LDI and why do Trusts use it? • What happened during the LDI crisis? • What were the key lessons from the crisis?	GSK Pension Plans Trustee Limited Full Board (the combined Board)
19 December 2023	Discretionary cases training: • Committee powers • Background to decision making • Legal requirements • Case studies	Joint Audit, Risk & Operations Committee (JAROC)

*Training completed while Berkeley Square Board and SmithKline Beecham Boards had separate meetings. With the exception of the training completed on 21 April 2023, the Berkeley Square Board and SmithKline Beecham Boards meetings were combined from Q2 2023.

The in-house pensions team maintains a central log of all training received at Board and Committee meetings. 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 and, during the year, received training from the legal advisers on certain aspects to broaden their working knowledge of the documents.

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.

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.

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 provide advice that is required to enable them to exercise their duties effectively.

There is an appropriate induction process in place for new Trustee Directors. This includes actuarial, investment and legal training. The new Trustee Directors appointed during the Scheme Year were:

- Josephine Osikena – appointed 1 August 2023
- Rob Pullinger – appointed 1 August 2023

Their initial induction training included:

- An introduction session with the Pensions Director with a high level overview of information.
- A session with the Chair of the Trustee.
- Information sessions with the legal advisers, actuarial and investment consultants.
- Briefing sessions ahead of the upcoming Board and Committee meetings.

In the Scheme Year, the newly appointed Trustee Directors worked towards completing the Trustee toolkit within regulatory timeframes. The other Trustee Directors have all completed the Trustee toolkit. The Trustee toolkit is a free online learning programme developed by The Pensions Regulator. It targets trustees of occupational pension schemes and is intended to help meet the minimum level of knowledge and understanding required. New trustee directors are expected by the Pensions Regulator to complete the toolkit within six months of being appointed.

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 Plan.

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 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:

T Houston
Chairman

Dated: xx xxx 2024