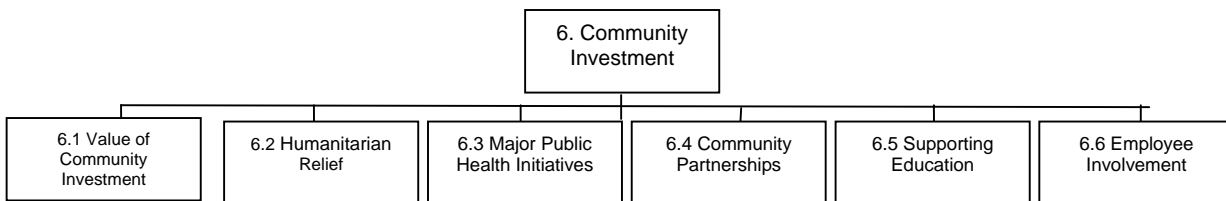


# **COMMUNITY INVESTMENT**



## Community 6

# Community Investment

### *Corporate responsibility principle*

We will make a positive contribution to the communities in which we operate, and will invest in health and education programmes and partnerships that aim to bring sustainable improvements to under-served people in the developed and developing world.

This section explains how we invest in communities. For information on our support for developing countries through preferential pricing and voluntary licensing see: [Access to medicines](#) in the website.

Learn more about Community investment in the website

GSK provides money, medicines, time and equipment to help improve health and education in under-served communities. We support public health initiatives and local community projects around the world and donate medicines to support disaster relief efforts and impoverished communities.

In 2004 our total community investment was valued at £328 million (\$600 million), equivalent to 5.4% of pre-tax profits. Donations are made by our corporate contribution committees at group level and by individual GSK sites to support local communities.

This section provides information on the programmes we supported in 2004. It covers:

- A breakdown of our charitable donations in 2004
- Donations of medicines for humanitarian purposes
- Major health initiatives in developing countries to tackle lymphatic filariasis (LF), HIV/AIDS, malaria, and diarrhoea-related disease
- Community partnerships – local support provided at corporate level and by GSK sites
- Our support for science education in the US and UK
- How GSK employees are involved in our community investment

We received a range of awards for our community investment activities during 2004, including:

- GSK was a finalist at the Committee to Encourage Corporate Philanthropy awards
- PHASE was one of 10 winners at the World Business Awards organised by the UN Development Program, International Chamber of Commerce and International Business Leaders Forum for projects supporting the Millennium Development Goals
- Disease Prevention and Education award for our PHASE project in the Pharmaceutical Achievement Awards
- Runner up for Business in the Community's European Impact Award for our work with Barretstown
- Science Across the World, one of our business-education partnerships, received The Conference Board of Canada and International Partnership Network's Global Best and European Language awards.

## Case study

### **Tackling Poverty and Malaria in West Africa**

We've known for 100 years that mosquitoes spread the malaria parasite, yet only now is this information causing a quiet revolution in West African villages.

Credit with Education, an initiative by Freedom from Hunger, aims to break the cycle of poverty and ill health by providing financial services and education for poor women. GSK's African Malaria Partnership is funding a new malaria education programme as part of this project.

Burkina Faso, one of the poorest countries in the world, is benefiting. Poor women in rural areas can access small loans, savings facilities and other financial services by joining their village credit association. They meet regularly to make loan repayments and learn about issues from basic business skills to child nutrition and family planning. Malaria prevention and treatment is a recent addition.

It is estimated that in Africa a child dies from malaria every 30 seconds but many people are unaware that malaria is spread by mosquitoes feeding at night. The malaria education teaches women how to prevent infection by using insecticide-treated bednets, and to recognise early signs of malaria.

Kiswenside is one woman who has benefited. She trades soap and clothing and through the credit association was able to save part of her weekly income to purchase an insecticide-treated bednet. "Now even though it is very hot, we accept that we must sleep under a net. I feel a great satisfaction and a little pride that I can make positive changes in my life," she says.

The malaria education module is expected to reach half a million people by 2006 in six West African countries: Benin, Burkina Faso, Ghana, Mali, Togo and Senegal.

[www.freefromhunger.org/malaria.html](http://www.freefromhunger.org/malaria.html)

## Value of Community Investment

GSK donations were valued at £328 million (\$600 million) in 2004, and supported programmes in more than 100 countries. This is equivalent to 5.4% of pre-tax profits.

This figure includes medicines worth £203.5 million (\$372 million) donated to low-income patients in the US through our Patient Assistance Programs, and £50 million (\$92 million) of humanitarian product donations for under-served communities around the world.

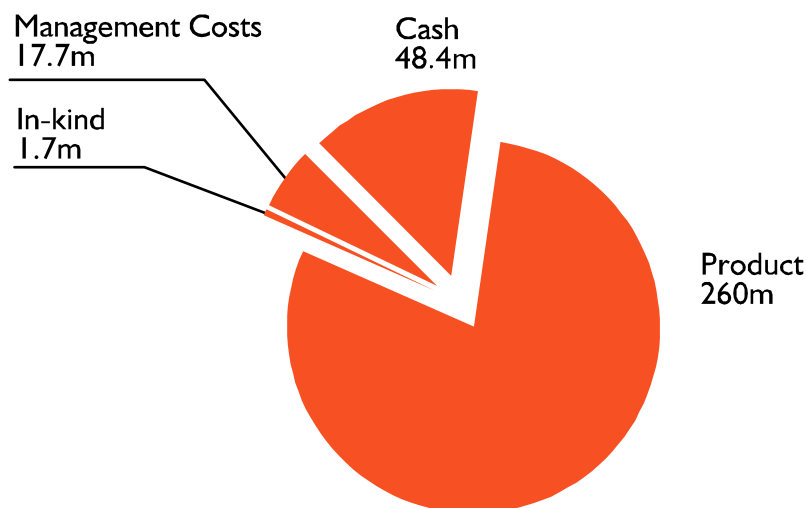
Product donations are valued at wholesale acquisition cost. This is the wholesale list price, not including discounts, which is the standard pharmaceutical industry method for valuing product donations.

Our total community investment also includes £17.7 million (\$32 million) in management costs and £48.4 million (\$89 million) in cash grants.

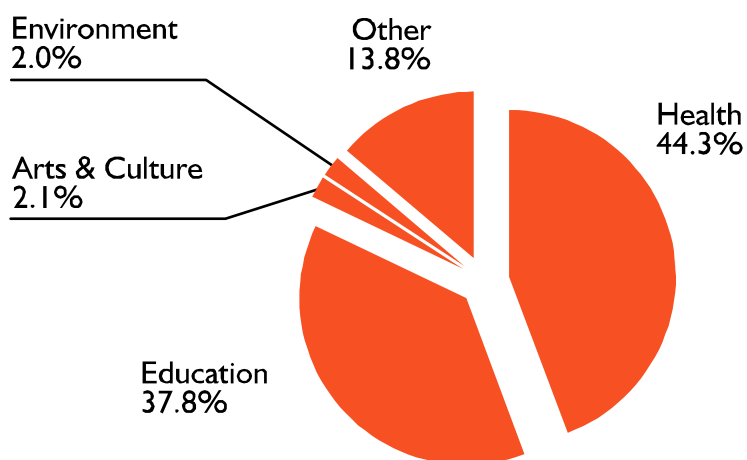
GSK is a member of the UK's Percent Club for companies which donate at least 1% of their pre-tax profits to charitable causes. GSK is regularly one of the top companies in the UK's Guardian Giving List which lists FTSE 100 companies by the percentage of pre-tax profits contributed to charitable causes.

### Method of giving - total £328m

(£ million)



### Breakdown of cash giving - total £48.4m



We are members of the UK's London Benchmarking Group (LBG) and the Committee to Encourage Corporate Philanthropy (CECP) in the US. We report our donations in line with the guidelines set by the CECP, which values our medicines at wholesale acquisition cost, in line with other pharmaceutical companies.

## Humanitarian Relief

[Link to updated stories in the website](#)

GSK donates essential products, such as antibiotics, to help humanitarian relief efforts in disaster zones and to support basic healthcare provision for impoverished communities.

Donations are made at the request of governments and major charitable organisations and may be manufactured specifically for these partners.

GSK works in partnership with relief charities that have experience in delivering humanitarian aid, including AmeriCares, Direct Relief, InterChurch Medical Assistance, MAP International and Project HOPE.

### Activity During 2004

During 2004 we donated life-saving medicines to support relief efforts in over 100 countries. Immediate supplies of antibiotics and basic medicines were sent in response to the devastating tsunami in South East Asia, severe flooding in Bangladesh, the humanitarian crisis in Sudan and the hurricanes which affected Central America, the Caribbean and the US.

We donated more than 3.6 million doses of antibiotics and 600,000 vials of vaccines to prevent the spread of infectious diseases in countries affected by the tsunami. We have also committed £2 million (\$3.7 million) to support organisations working on relief operations in the disaster area.

The total value of our humanitarian product donations in 2004 was £50 million (\$92 million), based on wholesale acquisition cost. The amount supplied each year varies according to demand.

GSK is a member of the Partnership for Quality Medical Donations (PQMD), an alliance of pharmaceutical companies and humanitarian agencies that works to encourage the donation and timely delivery of appropriate medicines to people in need. GSK follows the WHO guidelines for product donations.

In 2005 we will continue our product donation programme for humanitarian relief though the amount of product made available varies each year in response to both variable demand and availability of product.

## Major Public Health Initiatives

Learn more about major public health initiatives in the website

GSK supports public health initiatives in developing countries through donations of medicines, financial and practical support.

We focus on efforts to tackle three major diseases – lymphatic filariasis (LF or elephantiasis), HIV/AIDS and malaria - as well as our PHASE education programme to reduce diarrhoea-related disease.

### Progress During 2004

#### Eliminating Lymphatic Filariasis (LF)

Learn more about eliminating LF in the website

GSK is a founding partner in the Global Alliance to Eliminate LF (<http://www.filaria.org/>). LF is a disfiguring disease prevalent in tropical countries and one of the world's leading causes of permanent disability.

The Global Alliance is a partnership between pharmaceutical companies, the World Health Organisation, Ministries of Health, NGOs and community organisations, aiming to totally eliminate LF by 2020.

We have committed to provide as many doses of albendazole, our anti-parasitic drug used to prevent transmission of LF, as are needed to treat the one billion people at risk in 80 countries.

In 2004 we donated 67 million albendazole treatments, worth £7 million (\$13 million), valued at wholesale prices, to 34 countries. Demand from some countries was lower than anticipated in 2004 due to problems extending programmes to new regions. We have donated 307 million albendazole treatments since 1998 and over 85 million people have benefited from this programme.

We also gave £1 million (\$1.8 million) in grants during 2004 to support the Global Alliance to Eliminate LF and a team of dedicated GSK employees helps in its advocacy, research, community mobilisation and education initiatives.

The rate of LF infection has already dropped in many participating countries. For example, Egypt began a nationwide campaign to eliminate LF in 2000. Since then 2.4 million people have received treatment, over 90% of those at risk of infection. Infection rates have fallen dramatically over the same period. During 2005 the Egyptian government will be evaluating the impact of the programme to decide whether to continue the preventative treatment campaign. During 2004 we expanded our manufacturing site in Cape Town, South Africa, to produce albendazole tablets and help us deliver enough

treatments to support elimination efforts in all at-risk countries. This facility is expected to start producing albendazole for Africa in 2005.

### **Positive Action on HIV/AIDS**

Learn more about Positive Action in the website

GSK provides HIV/AIDS medicines at preferential prices to developing countries (see Access to Medicines in the website).

We also support communities affected by HIV/AIDS through Positive Action, part of our community investment. Set up in 1992 Positive Action recognises that the involvement of people affected by HIV and AIDS is a key element in helping control the HIV pandemic. During 2004 Positive Action supported 32 programmes in 35 countries in partnership with 23 community organisations.

The impact of HIV/AIDS is exacerbated by HIV/AIDS-related stigma and discrimination – a major barrier to people accessing healthcare. Positive Action seeks to strengthen the responses of and promote access to care and treatment for the most vulnerable communities affected by HIV/AIDS. One example was a grant of £115,000 (\$210,000) to enable people living with HIV/AIDS and community leaders to attend the 15th International AIDS Conference in Bangkok, Thailand. This was an important opportunity for community organisations to share experiences and ideas and participate in technical workshops to build skills and improve AIDS services in their home countries. Such conferences provide a platform for community representatives to voice the needs of their home countries and to champion equitable rights and access to healthcare for people living with HIV/AIDS.

We expanded Positive Action during 2004 to new countries in Latin America, Asia, and central and Eastern Europe, in response to growing rates of HIV infection in these areas.

This included seed funding to establish AIDS Action Europe (AAE), a new pan-European HIV organisation. This consortium will help to mobilise resources for the fight against HIV and support new awareness and prevention campaigns, particularly in countries that have recently joined the European Union.

In Latin America, we extended Positive Action to Bolivia, Argentina and Peru, building on our successful programmes in other Latin American countries. These programmes provide at-risk communities with accurate and up-to-date information on HIV/AIDS and healthcare rights.

We also launched Positive Action at Work with the National AIDS Trust, UK, and the Kenya HIV/AIDS Business Council to help businesses develop education and awareness programmes to prevent discrimination and help support employees affected by HIV/AIDS.

## **GSK's African Malaria Partnership**

Learn more about GSK's African Malaria Partnership in the website

Our African Malaria Partnership is supporting education and behaviour change programmes in eight African countries, through partnerships with three non profit organisations - Freedom from Hunger, AMREF (African Medical and Research Foundation) and Plan International.

GSK is investing \$1.5 million (£820,000) in the African Malaria Partnership over three years. This is expected to benefit two million people by encouraging effective prevention and prompt treatment, particularly among children and pregnant women.

One of the programmes supported through the partnership is the Credit with Education programme, which provides small loans, business and health education to very poor women. During 2004, Senegal was added to the five West African countries already participating in the programme. See Tackling Poverty and Malaria in West Africa in the website for more information.

In 2005 we intend to continue support for community-based malaria education and behaviour change programmes.

## **Personal Hygiene & Sanitation Education (PHASE)**

Learn more about PHASE

Every year more than two million people die of diarrhoea-related disease, mostly children in developing countries. These deaths can often be easily prevented through better handwashing and sanitation.

PHASE is an education programme helping to reduce diarrhoea-related disease by encouraging school children to wash their hands. GSK established PHASE in 1998 and has invested £1.5 million (\$2.7 million) in the programme. PHASE is run in partnership with AMREF and Plan International - as well as Ministries of Health and Education.

PHASE currently operates in five countries – Kenya, Uganda, Zambia, Nicaragua and Peru - reaching more than 300,000 children and their extended families. The programme has had impressive results. For example, studies show that diarrhoea rates have fallen by 40% following the introduction of PHASE to schools in the Kenyan community of Ongiello.

In 2004 the Group committed three-year funding of £226,000 (\$414,000) to extend the programme into Uganda in partnership with the Ministry of Health and AMREF.

GSK has convened a PHASE steering committee with representatives from the countries and partners involved to identify new partners and help expand the programme into new countries.

## Community Partnerships

Learn more about community partnerships in the website

We support a wide range of health and education initiatives in the communities where we operate. Donations are made centrally and by GSK sites to support local charities and good causes.

Below are just a few examples of the many community partnerships we supported in our four main regions during 2004.

### Europe

Barretstown in Ireland and L'Envol in France are residential camps where seriously ill children can have fun and develop their self confidence. GSK gave £250,000 (\$458,000) and £100,000 (\$183,000) respectively, to support the camps in 2004. Employees also give their time to Barretstown and L'Envol – with over 40 GSK employees participating in 2004.

Three new European programmes were launched, each receiving a grant of £300,000 (\$549,000) over three years. These were:

- Change in Advance, a disease prevention programme that promotes healthy eating and exercise, aimed at Slovakian children living on urban housing estates
- a programme in Spain that provides healthcare for homeless and abandoned children
- Multi Coloured Lives, an interactive education programme to help children with disabilities integrate into Russian society

### International

GSK contributed £100,000 (\$183,000) to the Integrated Management of Childhood Illnesses (IMCI) initiative in Ethiopia, in partnership with WHO and UNICEF. IMCI aims to reduce childhood deaths from preventable and treatable conditions such as pneumonia, diarrhoea, malaria, measles, and malnutrition. It helps families to improve the health of their children through better nutrition and healthcare.

In Vietnam GSK is supporting the '500 Ethnic Midwives' initiative with \$335,000 (£183,000) in funding. The funding is being used to build a training centre where 500 women from Vietnam's ethnic minority groups will become trained midwives. People from ethnic communities often live in poor rural areas where there is little access to healthcare services. The new midwives will play an important role helping to improve mother and child health in their home towns.

### UK

GSK supports over 70 charitable organisations in the UK. In 2004 this included over £500,000 (\$915,000) to support medical research undertaken by the charities Breakthrough Breast Cancer, Cystic Fibrosis Trust, DEBRA, Ehlers-Danlos Support Group and the Motor Neurone Disease Association.

A GSK grant of £386,000 (\$706,000) over two years will support the British Lung Foundation's Baby Breathe Easy programme. It will fund a pilot scheme which will be run in nine regions across the UK supporting parents and carers of young babies and children under five in dealing with diagnosed and undiagnosed recurring chest problems.

## **US**

GSK is donating \$350,000 (£191,000) over three years to the Arthur Ashe Institute for Urban Health. The Institute provides health education for low-income neighbourhoods in non-traditional venues, including African American and Afro-Caribbean churches, barber shops, beauty salons, laundromats and tattoo parlours. It provides information in English and Spanish to help promote early disease detection and encourage people in multi-ethnic communities to adopt healthier lifestyles.

We continued our support for the Children's Health Fund's Referral Management Initiative (RMI). A three-year grant of more than \$2 million (£1.1 million) is helping the RMI expand into seven US states, helping high-risk and homeless children receive the specialist medical care they need.

## **Foundations**

GSK does not operate a single charitable foundation for its community investment programmes but has a number of small country-based foundations in Canada, Czech Republic, France, Italy, Romania, Spain, and North Carolina in the US. Our local foundations support a wide range of charities and healthcare initiatives.

Over the last six years, the GSK France Foundation has supported a number of programmes in 12 African countries and Cambodia to improve HIV/AIDS prevention education, training and care. By 2005 over 270,000 people are expected to have benefited.

The GSK Foundation in Canada focuses much of its support on hospice care helping terminally ill patients and their families. The Foundation is also supporting community programmes in Africa, including the extension of the PHASE project into Uganda.

The North Carolina GSK Foundation in the USA is an endowed, self-funding organisation. It supports initiatives in the areas of mathematics, science and health education in North Carolina. In 2004, this Foundation awarded grants totalling \$2.8 million (£1.5 million).

## Supporting Education

GSK supports education in the UK and US with a particular emphasis on developing scientific literacy and encouraging the next generation of scientists.

During 2004 our programmes focused on inspiring children to take an interest in science and improving science teaching.

### Science Education in the UK

GSK is supporting the INSPIRE (INnovative Scheme for Post-doctoral researchers In Research and Education) scheme, developed in partnership with Imperial College London and the Specialist Schools Trust, with a £1 million (\$1.8 million) donation over four years. INSPIRE aims to raise achievement by placing post-doctoral researchers in specialist science schools to train as teachers and support science teaching.

We also gave £100,000 (\$183,000) to support Science Across the World, an international education programme that enables school children in more than 100 countries to discuss science issues over the internet.

Bio-Bubble is a giant, inflatable model of a human cell, developed by the Edinburgh International Science Festival and sponsored by GSK. During 2004, the Bio-Bubble toured schools across the UK with two science shows helping young people to learn about biology in a fun environment.

GSK has committed £1 million (\$1.8 million) over four years to help build the new Darwin Centre at the Natural History Museum in London, that will enable better display of the museum's important collection.

### Education in the US

A three year grant of \$300,000 (£164,000) from GSK is helping the National Board for Professional Teaching Standards to increase the number of science teachers in the North Carolina and Philadelphia areas.

Science in the Summer, a free library-based science education programme in Philadelphia received a grant of \$365,000 (£199,000). Now in its 19th year, Science in the Summer has reached over 68,000 children.

Not all our support is focused on science education. We also provide more general support to help improve overall education standards. For example GSK gave a grant of \$129,000 (£70,000) to the Philadelphia Education Fund for the 'Middle Grade Matters' campaign to improve education for children aged 11-16.

## Employee Involvement

GSK employees are encouraged to contribute to their local communities as volunteers.

Hundreds of employees give their time to good causes through our Days of Caring in the US, and to support science education to school children through our UK Science and Engineering Ambassador Scheme and US Partnership for Educational Discovery.

In September 2004 over 500 employees from six GSK sites in Germany gave their time to community projects as part of a new 'Orange Day' initiative. The volunteers gave practical support to over 60 projects. Activities included constructing a bowling course at an old people's home, painting rooms in a women's shelter, and helping a local charity develop a marketing and PR plan.

In the UK and US we also make cash donations to charities where employees have done voluntary work.

During 2004, our GSK Investment in Volunteer Excellence (GIVE) programme gave over \$350,000 (£191,000) to 700 charitable organisations in the USA where employees or their partners volunteered at least 50 hours during the year. In the UK our Making a Difference programme provided grants of £269,000 (\$492,000) to over 400 charities, based on employee involvement.

In many countries we also encourage employees to donate money to charity by matching the money they give or by providing tax-efficient ways for them to make a donation, in accordance with local taxation guidelines.

In 2004 in the USA, GSK matched donations by 15,800 employees and retirees at a value of over \$4million (£2.2 million). In addition, GSK gave \$1.3million (£710,000) to match donations by GSK employees through the GSK and United Way campaign: "One Spirit Caring, One Spirit Sharing".