

Employment practices

Our goal ‘to be the best place for the best people to do their best work’ is central to our business strategy and underpins our success. Our people are our greatest source of competitive advantage. Their skills and intellect are essential to GSK discovering and delivering the best new medicines and vaccines, and successfully marketing and selling our prescription and consumer healthcare products.

Some of the employment awards won by GSK in 2006

- Working Mother’s Top 100 Best Places to Work in the US
- Britain’s Top Employers 2007, independent survey run by Corporate Research Foundation and the Guardian newspaper – ranked 4th
- Britain’s Most Admired Companies 2006, Management Today – ranked 4th
- Best Companies to Work for Awards in Germany; Hungary; Ireland; Mexico and Russia
- Human Rights Campaign’s Best Places to Work for Gay, Lesbian, Bisexual and Transgender Employees – GSK received a perfect score

GSK employs over 100,000 people in 116 countries. Our goal is to be a company where talented people apply their energy and passion to make a difference in the world. Competitive reward is important but not the only factor that influences our ability to recruit and retain talented employees.

This section explains our approach to employment and our performance in 2006 including:

- Initiatives to increase diversity and inclusion
- Training, development and talent management
- Internal communication – how we communicate with employees and get their feedback
- Flexible working arrangements, wellbeing and resilience programmes that support a healthy workforce

Breakdown of global employment by business (end December 2006):

Business or function	Number of employees
Manufacturing	33,235
Selling	44,484
R&D	15,952
Administration	9,024
Total	102,695

GSK SPIRIT

We expect employees to meet high standards in the way they carry out their work for GSK. The GSK Spirit defines our culture and the principles we expect employees to work by. These include:

- Performance with integrity
- Innovation and entrepreneurial spirit
- Accountability for achievement
- Passion and a sense of urgency
- Continuous learning and development

Regular performance appraisals assess whether employees have upheld these principles and the requirements of our Code of Conduct in their work (see Ethical Conduct for more on our Code). The results affect bonuses and career progression.

EMPLOYEE SURVEYS

Regular employee surveys help us to monitor GSK’s culture, gauge employee satisfaction and assess the effectiveness of our employment policies.

Our Global Leadership Survey (GLS) is sent to GSK managers every two years and is available in nine languages. In 2006, over 10,000 managers took part, a 78 percent response rate. The survey tracked their views against our previous two surveys and against findings from other global companies through a cross-company database. This database includes 42 top-ranked companies from several industries including pharmaceuticals, automotive, banking, energy and IT. The normative database has responses from around three million employees in 139 countries.

Key survey findings

The survey showed that managers in GSK are more satisfied with their company than managers in the other companies that took part. GSK participants were also more satisfied than they were in 2004, with overall responses on average 4 percent higher.

	Industry 2006 Benchmark	GSK 2006 (%) Favourable	GSK 2004 (%) Favourable	GSK 2002 (%) Favourable
Overall satisfaction with GSK	65	85	73	67
People in my department show commitment to performance with integrity	N/A	91	91	88
I am proud to be part of GSK	84	90	83	78
People in my department are committed and enabled to make meaningful contributions	N/A	84	82	76
I can report unethical practices without fear of reprisal	68	82	76	70
The amount of work I am expected to do is about right	53	42	45	42
GSK is a company where great people can do their best work	N/A	62	52	46
I am satisfied with the recognition I receive for doing a good job	54	59	57	56
Sufficient effort is made to get the opinions and thinking of people who work here	55	65	59	51
Leaders in my department act as teachers, coaches and champions of development	N/A	60	59	54
I receive ongoing feedback that helps me improve my performance	54	61	61	57

Improvement plans

Survey results are reviewed by our corporate executive team which has identified two key areas of focus

- Reducing unnecessary bureaucracy within and across our businesses
- Leadership visibility, defined as the drive for managers to spend more time with their teams and to be more visible in their respective businesses

Each business unit and function has developed an action plan to address these and other areas for improvement.

DIVERSITY AND INCLUSION

We aim to create an inclusive working environment at GSK where employees from diverse backgrounds can flourish.

Diversity benefits our business. A workforce with diverse backgrounds, cultures and outlooks helps us to better understand the needs of different patients and customers. Only by delivering genuine equality of opportunity can we be sure that we have the best people in the right jobs.

We reinforce our commitment to diversity and inclusion (D&I) through:

- Our corporate executive team which endorses a global policy for D&I and support activities and initiatives such as the annual Multicultural Marketing and Diversity Awards
- Our company-wide D&I policy and practices are available to view by employees through our intranet
- Monitoring and reporting data on gender diversity by management grade worldwide and on ethnicity in the US and UK

- Reinforcing the GSK Spirit which states that we will value and draw on the differing knowledge, perspectives, experiences and styles resident in our global community
- D&I steering teams in the UK and US that run awareness campaigns and training for employees
- Diversity champions in each business unit and among our field staff
- Employee networks that provide insight and support for diversity objectives

More background information on our approach to D&I is available on our [website](#).

In the US we conduct an annual survey of 1,000 employees selected at random to gauge progress on inclusion and resilience. In the 2006 survey where we achieved a 41 percent response rate, 76 percent agreed that 'my workgroup has a climate in which diverse perspectives are valued' and 79 percent agreed that 'my manager demonstrates the ability to manage a diverse workforce.'

Gender diversity

Gender diversity in management 2006 (worldwide)				
Women in management grades	% of positions held by women			
	2006	2005	2004	2003
A&B Bands*	22	21	19	20
C01 – C03**	34	33	33	31
C04 – C05***	39	38	38	37
Total for all management grades	36	35	35	34

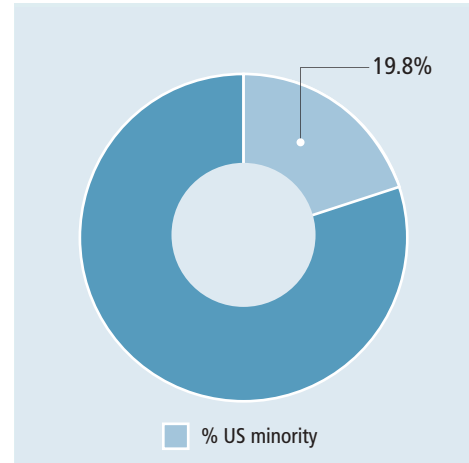
- * Corporate Executive Team, Senior Vice Presidents, Vice Presidents
- ** Director grade
- *** Manager grade

This positive trend of increased female representation in management positions reflects the impact of GSK's D&I strategy across the businesses and the effect of our flexible working policies in attracting and retaining women. This is further supported by the 2006 US D&I survey where 79 percent of employees agreed that 'my manager enables flexible and innovative solutions for managing work and personal life'.

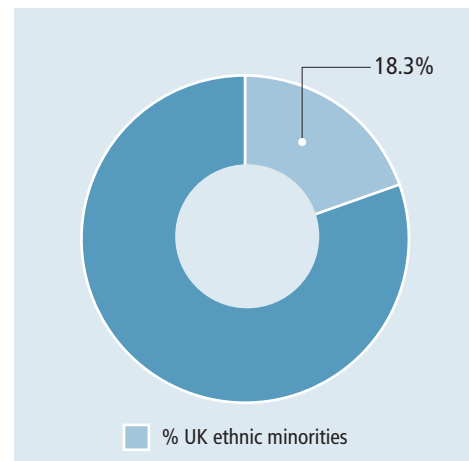
For more than 12 years, the annual Women in Science event in the US has fostered positive, mentoring relationships between GSK female scientists and female students aspiring to enter science fields. It also exposes students to hands-on, real-life laboratory and research environments and further enhances GSK's ability to attract and retain women in the fields of science.

Ethnic diversity

In the US, minorities (defined as Blacks, Hispanics, Asians, Pacific Islanders, American Indians and Alaskan natives) made up 19.8 percent of our workforce, compared with 19.6 percent in 2005 and 19.5 percent in 2004. This is above the average in our closest comparator, the US chemical industry.



In the UK, ethnic minorities, as defined by the UK Commission for Racial Equality (CRE), accounted for 18.3 percent of employees (compared with 16.8 percent in 2005 and 15.5 percent in 2004). The CRE defines ethnic minorities as anyone not identifying themselves as 'White British'. Figures from the 2001 census show that 12.5 percent of the population of England and Wales were from an ethnic minority.



An alternative measure of diversity is the number of employees who define themselves as 'non-white'. In 2006 11.6 percent of GSK UK employees defined themselves as non-white (compared to 11.0 percent in 2005 and 10.4 percent in 2004).

Age

In advance of new age discrimination regulations in the UK, we carried out a comprehensive review of our policies and practices and consulted our UK Information and Consultation Forum. As a result a number of policies were amended and updated. Extensive training was provided for HR professionals and the changes were communicated to managers and employees to ensure they understand the implications of the new law.

Disability

We are committed to offering people with disabilities access to the full range of recruitment and career opportunities at GSK. In the UK we were awarded the [two ticks symbol](#) from Jobcentre Plus and we partner with the Employers Forum on Disability and other interest groups to ensure we are a [Disability Confident](#) organisation.

Multicultural Marketing and Diversity Awards

Our annual Multi-Cultural Marketing and Diversity Awards (now in their fifth year) inspire staff to find creative ways to reach a wider audience of employees, customers and communities.

Awards are given in several categories including Employee Attraction, Development or Retention, Multicultural Marketing and Sales, Community Outreach and Diversity Ambassador. There have been 289 entries to the awards since 2001 and 21 employees have received the GSK Diversity Ambassador Award for leading diversity efforts with passion, innovation, and impact.

Employee networks

Employee networks are an integral part of our D&I programme. Networks support professional growth for participating employees and provide a forum for employees with similar backgrounds to meet and discuss issues of shared concern.

Several networks have a particular diversity focus, including our networks for Asian, African American, Hispanic, Gay, Lesbian, Bisexual or Transgender employees. As well as benefiting the participants, the networks act as a source of expertise on diversity issues for other people at GSK.

Each employee network has an executive sponsor who helps in setting and achieving goals, obtaining resources, and promoting network objectives among senior management. GSK-sponsored networks, regardless of affiliation, are open to all GSK employees.

EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT

GSK invests in training and development to enable all employees to perform to the best of their ability and to support their career progression. We work hard to attract and retain the best and the brightest people at GSK and to help them develop their potential.

Training

We provide job-related training courses for all employees and leadership training for managers.

Employees can enrol in training programmes through our myLearning intranet site available in the UK, US and other countries. During 2006, we registered on the system over 638,000 course completions.

Leadership training in 2006 included:

- 108 managers attended four Leadership Edge programmes
- 77 managers attended six Inspirational Leadership Workshops that focused on inspiring and motivating people to high performance
- 407 managers attended new manager / experienced manager training
- 692 managers attended 'Hot Topics – Harnessing the Power of Real Conversations'
- 678 managers attended 'Hot Topics – The Art of Self Leadership'

Development

Regular performance appraisals reward strong performance, identify training needs and help employees set objectives that are aligned with our business priorities. More than two-thirds of GSK employees receive an annual performance appraisal through our Performance and Development Planning (PDP) programmes.

PDP includes an assessment of how well employees have implemented the GSK Spirit – the principles we use to define our culture. It can have an impact on bonus payments and affect future career development.

Employee turnover

We have a number of teams that focus on issues affecting employee retention, for example the management of people in different age groups and development and promotion for female and minority employees.

Rewarding strong performance

Performance related pay and share ownership schemes help us attract and retain the best people and generate a culture of ownership among employees. In countries where employee share ownership schemes exist the level of participation is high.

Talent management

Our talent management processes help us identify and develop leadership candidates. We identify the highest performing employees in each business and function through our annual talent management cycle. Talented individuals take part in our leadership programmes and are exposed to top management through programmes such as the Chief Executive Forum.

INTERNAL COMMUNICATIONS

Good internal communication is important in achieving our business objectives as well as creating an open and inclusive work environment. We have a range of communications channels to keep employees up to date with company news and enable them to give feedback.

These include:

- myGSK, our global intranet site, provides news and updates and a Q&A section where employees can put questions directly to the CEO and senior executives. In 2006 JP Garnier, GSK's Chief Executive, answered 341 questions from employees. Behind the News, a section of the GSK intranet, gives the company's position on important issues linked to press stories about GSK
- Web-broadcasts from GSK senior management, including 16 during 2006 from executive team members, for employees at our major sites
- Spirit, our internal magazine, reaches around 34,000 employees throughout the company four times a year. Many sites also produce local newsletters
- Confidential feedback mechanisms enable employees to raise concerns. These include our Integrity Helpline. See [Ethical conduct](#)
- Regular employee surveys, see page 40.
- 44 'townhall' sessions during 2006 for employees at all levels of the company were hosted by senior management. Employees have the opportunity to discuss the progress of the business, raise questions and give feedback.

We track the effectiveness of communications through employee surveys. We monitor the questions employees put to senior managers through the Q&A pages on myGSK to ensure we pick up potential areas of concern. We also track readership of news stories on myGSK to help improve the relevance and interest of the content.

Employee consultation

We consult employees on changes that affect them. In Europe we discuss business developments through our European Employee Consultation Forum (EECF). In 2006 the EECF received updates from GSK's global business leaders and reviewed proposals and progress reports on a number of European initiatives in IT, distribution and medical.

We also have national consultation forums and in 2006 we established a UK Information and Consultation Forum to provide information about the company's progress and plans and to help stimulate constructive dialogue with employee representatives within the UK. The Forum is made up of 15 elected employee representatives and seven managers. It meets three times a year and, to date, has reviewed areas such as employment policy changes, UK pension arrangements and preparations for supporting employees in the event of a flu pandemic.

We have similar forums in other countries where this is national practice.

Communicating corporate responsibility

It is through our employees that we put our responsible business policies into practice and communicate this to the outside world. Employees are also important stakeholders in their own right and want to know about our progress on responsibility issues.

We keep employees informed about corporate responsibility through regular news articles on the GSK intranet, through articles in Spirit magazine and by presentations to departmental groups. During 2006, a summary of our CR report was distributed to 34,000 employees.

EMPLOYEE HEALTH

Protection and promotion of the wellbeing of our employees is an ethical obligation and an important contributor to our goal to be an employer of choice. This philosophy also supports our business strategy because a healthy and resilient workforce drives positive business performance by increasing employee productivity and attendance. Healthy workers also reduce health care and insurance costs.

Healthy High Performance

Healthy Culture

We consider four dimensions of health to be vitally important to high performance: physical, emotional, mental and spiritual. People need to be physically energised, emotionally connected, mentally focused and 'spiritually aligned' (meaning they have a sense of purpose). Linked to these four dimensions are 16 factors that enable high performance. The factors range from fitness and nutrition to self-awareness and time management. We deliver programmes such as the Corporate Athlete and the Health Risk Assessment (HRA) that are directed at improving these 16 factors and measuring our risk reduction and health impacts.

Driving a healthy culture through all of GSK starts with the leadership. We want the company's leaders to be committed to the continuous development of their physical and psychological well being so that they can be effective leaders and role models to their employees.

Resilience

We use the term 'resilience' to describe the skills and behaviours needed to be successful in a highly pressured environment. It is the same set of skills that helps to prevent work-related mental illness, which is a leading cause of ill-health leading to time away from work. Resilient employees can manage work and home demands effectively and minimise the adverse health affects of stress.

We identify and manage the challenges to employee resilience and mental well being, in accordance with GSK's Global Resilience and Mental Well Being Standard. The majority of GSK sites have programmes to reduce workplace pressures and help employees achieve a good work-life balance, such as time management training, flexible working options and health awareness. Since 2002, work-related mental ill-health is down by 57 percent.

Our Team Resilience programme is now available in 11 languages. It helps GSK teams to take control of their work and avoid excessive pressure which can lead to stress. The first step is to assess seven sources of pressure that can impact performance and health, and identify the extent of pressure the team is facing. Team members then consider the issues that are creating excessive pressures and how they can be managed more effectively. The objective is not to avoid any pressure – which can help to achieve high performance – but to avoid becoming strained or overwhelmed due to excessive work demands.

By the end of 2006 more than 12,000 people from over 1,000 teams had gone through the programme. The results show significant improvements. In the first two years of the programme:

- Reported pressure due to work/life conflicts fell by 25 percent
- Participating staff satisfaction increased by 21 percent
- 14 percent increase in willingness among staff to experiment with new work practices
- Teams that have taken the profile for a second time are showing improvement in the seven sources of pressure of between 30 percent and 70 percent

We also provide a training programme to support personal development and help individuals become more resilient. Pre- and post-assessments in a pilot of 500 employees found improvement in 55 of 58 elements measured, with the greatest improvement in employees' sense of being relaxed and engaged. After two months the number of people who felt less pressured rose by almost a fifth.

Personal health

Our programmes aim to improve the health of employees and their families, which benefits the business through increased employee commitment and productivity and reduced costs of ill-health.

Support includes on-site health and fitness centres, flexible working arrangements and family support services. Healthcare benefits focus on prevention and access to innovative and proven treatments. For example, in the US employees receive free immunisations, cancer screening, help with smoking cessation and regular check ups. We assist employees suffering from chronic diseases with their medical plans so they can continue with treatments.

We have developed a new global management role focused on improving the health of employees around the world by developing health and well-being resources and sharing best practice. In 2006, we:

- developed a Health Risk Appraisal tool that can be used at all our sites
- worked with the World Heart Federation on a joint project at two of our sites in India. This ground breaking three-year study will look at two different interventions aimed at reducing the effects of chronic disease, identifying the most effective interventions that are sustainable and transferable to other companies and community programmes
- began global health education webinars (web-based seminars)

Ergonomics

The reduction of musculoskeletal illness and injury continues to be a key area of focus, because it is one of the leading causes of time away from work. We have set a target to reduce the number of these illnesses and injuries by 5 percent each year through to 2010. Better workplace and job design, a science called 'ergonomics', will prevent musculoskeletal injuries and illnesses as well as increase efficiency and productivity.

Ergonomics improvement teams include cross-functional team members who impact how work and the work environment is designed and implemented. We now have established ergonomics improvement teams at manufacturing sites around the world. In 2006, ergonomics workshops were provided to regions in the US, UK, France, India and Malaysia to increase in-house ergonomics knowledge and expertise.

Sites share good practices for work, ranging from commercial operations to laboratory research to manufacturing, via an intranet site called The Global Ergonomics Community. This intranet site provides access to the latest information on ergonomics, good practices and validated tools for practitioners, including our online computer ergonomics risk assessment tool. The online assessment is used by 144 GSK sites globally. Over 17,800 employees worldwide have used the tool during the past two years to assess their computer work and to take steps needed to improve their workstations.

Ergonomic principles are integrated into designs including major engineering projects, and furniture procurement takes ergonomics into consideration to ensure that appropriate furniture and equipment are selected.

HIV

We provide anti-retroviral treatment to all HIV positive GSK employees (full and part-time) and their families in countries where treatment is not available adequately or consistently through the local healthcare system. (For more background information see employee access to anti-retroviral drugs.)

We have developed awareness-raising material for use by peer educators, in a project funded by Positive Action and delivered by the National AIDS Trust. GSK and other employers use these materials to deliver training in ways that address the problems of HIV and AIDS-related stigma.

The materials are based on the experience of GSK Kenya and adapted versions have now been used in India and Central America. A French version has been promoted by the GSK Foundation across francophone Africa.

Flu Pandemic Preparedness

GSK is committed to supporting governments and health authorities around the world, as well as our own employees, in minimising the impact of a global influenza pandemic.

GSK will play a vital role in providing potentially life-saving medicines and vaccines for flu, as well as continuing to produce our other critical medicines. We have invested more than \$2 billion in expanding seasonal flu vaccine capacity, developing an avian flu vaccine, and increasing production capacity for the anti-viral flu treatment *Relenza*. See our [Contribution to Society](#).

We have also been developing plans to ensure the continuity of critical business operations and processes, and to safeguard the health of the GSK employees, their dependents and key contractors on our sites. Every GSK market is developing a comprehensive country plan which covers all local business units. The plans include annual seasonal flu vaccine and travel health programmes, measures to reduce infection risk at work, management of sickness absence, and provision of a treatment course of anti-virals (and possibly vaccine) to all employees and immediate family members worldwide. All markets are expected to have completed plans by the third quarter of 2007.

HEALTH AND SAFETY AT WORK

The health and safety of employees and contractors is an absolute priority for GSK. We have programmes to systematically assess the risks associated with our operations. We monitor performance, aiming to learn from the causes of incidents and take action to protect employees and others in the workplace.

Our ultimate aim is to eliminate all work-related injuries and illnesses (I&I). We are now focusing on 'reportable' incidents. These are more serious than first aid but do not necessarily result in time off work (lost time) which was the main measure of performance we used in the past. We believe that addressing causes of these minor events will help to eliminate risks and hazards, which should lead to fewer reportable cases as well as lost-time I&I cases.

Our new target (from 2007) is to reduce reportable I&I by 5 percent a year. We will still monitor and report 'lost time' incidents but we no longer have a target for this measure.

Our programmes cover a wide range of health and safety (H&S) aspects, from providing safety training for sales employees to working with all employees to improve their general health. This section reports on specific health and safety issues. See the [Environment section](#) on page 52 for more information on how we manage environmental and broader EHS issues.

HEALTH AND SAFETY MANAGEMENT

We manage health and safety through an integrated environment, health and safety (EHS) management system. The system incorporates our EHS and Employee Health Policies, EHS Vision and 64 Global EHS Standards. Our EHS Plan for Excellence sets out our strategy for improving EHS performance. We renewed the Plan in 2006 and extended it to 2015. See more on our [EHS Management System](#) in our background pages.

OHSAS 18001 certification

In 2006, one additional site achieved certification to the international health and safety standard OHSAS 18001. This brings the total number of manufacturing sites certified to 21 out of 80 pharmaceutical and consumer manufacturing sites. The certified sites are in Argentina, China, Egypt, France, Germany, India, Japan, Kenya, Mexico, Poland, Saudi Arabia, Turkey, USA and the UK. The voluntary certification process is being replaced with a plan to require all manufacturing sites to be certified by 2010.

Training and awareness

Training is targeted to match employee responsibilities. Employees with responsibility for H&S issues receive regular training about initiatives in areas such as ergonomics, chemical exposures and driver safety. This is handled through regional meetings of H&S staff. They in turn train employees in manufacturing, research, sales and other divisions. Corporate EHS and Employee Health staff arrange annual meetings to determine training issues and provide training materials.

We also want employees to be aware of health and safety in their personal lives. Employee bulletins, announcements on the myEHS website, the CEO's EHS Excellence awards programme and Health and Safety Week activities aim to raise employee awareness of issues such as wearing seat belts, being careful with electricity and using ladders appropriately.

We conduct a Health and Safety Week every October to coincide with the European Health and Safety week and Fire Safety Awareness Month in the United States. Information kits are sent to all sites to help them develop ideas and plan activities.

In 2006, over 20,000 employees from 63 sites in 38 countries took part in the Health and Safety Week. Activities included safe driving education, training in fire evacuation, ergonomics, first aid, awareness-raising on noise, healthy eating and lifestyles.

Excellence awards

The Chief Executive Officer's Environment, Health and Safety (EHS) Excellence Awards recognise and reward innovation by GSK sites. The winning entry in the EHS Initiative health & safety category in 2006 is featured on this page.

See CEO's EHS Excellence Award for more about the awards programme and winners from previous years. See Employee Health on page 44 for more on resilience.

EHS AUDITS

We aim to conduct EHS audits at each operational site at least once every four years. We carry out more frequent visits at selected sites, depending on an assessment of risk and the issues raised by previous audits.

Auditors signal 'critical' findings if they conclude that there is a high probability of incidents with potentially serious consequences. They made five such findings in 2006. These involved serious deficiencies in:

- Controlling exposures to high hazard chemical agents
- Managing dust explosion risks (related to a dust collector)
- Managing fire or explosion risks from flammable liquids
- Preventing falls from elevated locations

Site actions are monitored to ensure that appropriate actions have been taken to mitigate risks and ensure ongoing compliance. None of the critical findings have become 'delinquent' (greater than 90 days overdue).

We actively track audit findings and identify improvements with follow-up audits. For sites scoring less than 50 percent, we also provide increased support from the audit team, including follow-up visits to ensure progress, and discussions with senior business management about increased site resources. Many sites require several years to put adequate systems and programmes in place in these areas.

We introduced or continued specific work in the following areas in 2006 to achieve improvements:

- Chemical agents – monitoring to determine exposure and ensure adequacy of respiratory protective equipment that may be required at unit operations until engineering and other controls can be implemented
- Resilience – rollout of the tool for assessing team resilience, training during EHS Network Meetings
- Ergonomics – training in ergonomic risk assessment during Network Meetings as well as regional training

- Risk assessment – the Guideline was revised and aligned with the risk assessment requirement in the Quality group
- Self audit – training and workshop on self-auditing conducted at EHS Network Meetings
- Management system elements – agreement of Global Manufacturing and Supply to target OHSAS 18001 certification (along with ISO 14001 certification) for all pharmaceutical and consumer manufacturing sites

INJURY AND ILLNESS RATES AND CAUSES

Our main measure of injury and illness is the number of reportable cases which we require sites to report. We express this as a rate per 100,000 hours worked.

Our target is to reduce this reportable injury and illness rate by 5 percent each year to the end of 2010.

We also measure the number of days lost from injuries and illnesses. This provides an indication of the severity of the incidents, although it is only a rough guide. For example, an illness could lead to permanent hearing loss or other disability without resulting in significant lost time.

The main data cover GSK employees and contract workers who we directly supervise. Separately, we report data for contractors who work on GSK sites but supervise their own staff. (Contractors' data are not covered by the SGS verification). The data are collected from all our 80 pharmaceutical and consumer manufacturing sites, 12 of our 13 Biologicals manufacturing sites, all 22 pharmaceutical and consumer research and development sites, all 8 major office locations and 59 smaller offices.

Causes of injuries and illnesses

Injuries with and without lost time arise mainly from slips, trips or falls, over-exertions or strains and motor vehicle accidents.

Lost-time illness stems mainly from mental ill-health and musculoskeletal problems (primarily repetitive strain injury). Musculoskeletal illness is the main cause of reportable illness which does not lead to days off work, accounting for about a third of the total.

2006 highlights

At 76 sites in 38 countries, there were no lost-time injuries or illnesses during the year. In addition:

- one site in India achieved 4 million hours worked without a lost-time injury or illness
- one site in India achieved 3 million hours worked without a lost-time injury or illness
- one site in the US achieved 2 million hours worked without a lost-time injury or illness

Employee health management

UK – resilience policy

Employee Health Management developed a wide-ranging resilience policy that successfully addresses work-life balance and pressure issues, to the benefit of GSK and our employees. We define resilience as the ability to be successful, personally and professionally, in a high-pressured, fast-paced and continuously changing environment. The policy encompasses the team resilience process and personal resilience workshops, which focus on work and home balance and fulfillment.

This project has global application, although the focus in the first year was the UK and US. In the second and third year of the programme the project has been offered globally and is currently active in India, Japan, China, Brazil, Argentina, Finland, Czech Republic, Nigeria and Israel. It has reached more than 7000 employees.

This project won first place in the EHS initiative – health and safety category of the CEO's EHS Excellence Awards.

Performance

In 2006 we recorded 995 injuries and 376 illnesses (total of 1371 incidents), compared to 984 and 344 respectively in 2005. Employees lost working days in 646 (47 percent) of these incidents (624 in 2005).

GSK's injury and illness performance placed us in the third quartile of a benchmark industry group in 2005 which means we need to improve.

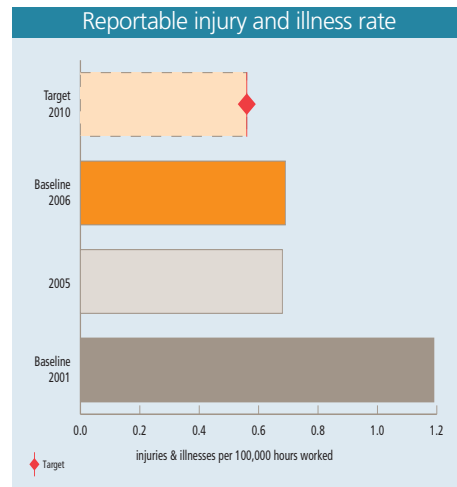
Working time was lost in 552 injuries and 94 illnesses, a rate of 0.33 lost time injuries and illnesses per 100,000 hours worked.

There were 443 injuries and 282 illnesses without lost time, a rate of 0.37 injuries and illnesses without lost time per 100,000 hours worked.

There were 11,281 lost calendar days from injuries and 4,386 calendar days lost from illnesses, a rate of 8 calendar days lost per 100,000 hours worked.

See data [table on page 74](#) for more details.

- Fifteen sites in Argentina, Canada, India, Philippines, Singapore, Spain, Sri Lanka, UK and the US achieved 1 million hours worked without a lost-time injury or illness.



Reportable injury and illness rate	
Year	I&I per 100,000 hours
2001	1.19
2005	0.68
2006	0.69

SERIOUS INCIDENTS AND FATALITIES

Fatalities

In November 2006, two employees of contractors died as a result of injuries suffered in an explosion and fire caused by a ruptured butane cylinder used for cooking in the canteen of the Agbara, Nigeria Consumer Healthcare factory. A thorough investigation was conducted by the global audit team and improvements identified. Progress in implementing the improvements will be monitored by the audit team and learnings from the incident will be shared across GSK.

In April, one sales employee in India died as a result of head injuries suffered when his motorbike collided with another motorbike.

Irvine – explosion

A serious explosion occurred at the Irvine, UK site in February 2006, involving a 'placebo' batch used to test plant conditions and controls. Two operators were injured. The event has been thoroughly investigated, learnings shared and improvements made. The UK Regulator, HSE, is considering its course of action, with prosecution a possibility.

Amputations

In 2006, there were three incidents involving GSK employees that resulted in partial finger amputations caused by work equipment.

Five year trend in employee fatalities:

Fatalities	
2002	3
2003	5
2004	2
2005	1
2006	3

We investigate the circumstances of all fatalities and other serious incidents and assess what can be learned to reduce the risks. We also issue global alerts (posted on our intranet site) to communicate information that could help prevent similar incidents at other sites.

SAFETY PROGRAMMES

We systematically assess risks to anticipate potential accidents, and put programmes in place to minimise them. We learn from investigating the causes of accidents and make improvements accordingly. In this section we cover four key areas: driver safety, process safety, material hazard information and chemical exposure.

Driver safety

Our sales representatives drive long distances every year and are therefore particularly at risk of being involved in work-related road traffic incidents. In 2006, there were 184 driving accidents, 1 resulting in a fatality and 116 resulting in lost time. These accounted for 21 percent of lost-time injuries.

Our compliance tool for drivers, called 'EHS Essentials', includes instructions and guidelines on driver training, vehicle selection, risk assessment and accident reporting as well as other information. We continue to use it as we implement our driver safety programme around the world.

Around two thirds of GSK's commercial businesses have extensive driver safety programmes in place. They include driving licence checks, guidance on the use of mobile phones in vehicles, driver safety training, tracking and reporting incidents. We are working to ensure all sites have the same high standards in place. In 2006 we have been concentrating on improving areas such as accident and injury reporting and driver training.

In a few countries we provide motorbikes or scooters for employees and have produced a GSK motorbike rider safety manual. This has been translated and distributed to employees in countries such as Bangladesh, India, Indonesia, Pakistan and Vietnam. These countries have now also fully implemented the GSK requirement for every driver of a motorbike to wear a helmet. We will continue to follow up and monitor the implementation of the motorbike safety programme.

Process safety

Our process safety programme ensures that safety is built into all manufacturing, research and development processes. The programme is based on hazard identification, control and risk assessment.

We launched a major review of our process safety strategy in 2006, following the explosion at our Irvine factory. This encompassed:

- consistency of design standards
- evidence for the Basis of Safety, including any gaps in documentation and installation checks
- skills and competencies in process safety
- control of change and non-routine operations
- culture issues – awareness, attitudes and behaviour

Material hazard information

In 2006 we focused on preparation for new legislation that will have a significant impact on how we assess and communicate material hazard information. We continue to publish EHS information on our key products in safety data sheets. Some 600 of these for pharmaceutical and consumer healthcare products that are sold in the US or Europe are available on our website – see [safety data sheets](#) for more information.

We are using more alternatives to animal testing in our occupational toxicology programme. For example, in 2006 we assessed 23 chemicals for potential to cause skin and/or eye irritation in our workforce. All of these assessments were conducted without the use of laboratory animals by using information about chemical structures and novel human tissue tests. Our occupational toxicologists used this and other information to establish workplace exposure limits for 35 unique GSK materials.

To support our commitment to ensure that our products do not adversely affect the environment (see [pharmaceuticals in the environment](#)) we have enhanced our environmental hazard testing programme to include a number of new studies aimed at assessing long term effects in aquatic organisms. In addition, due to new EU technical guidelines we are conducting more extensive environmental testing of new drug substances.

Occupational hygiene and control of chemical exposure

In 2006, exposure to chemicals resulted in 7 respiratory or skin-related lost-time incidents and 98 cases which did not result in lost time. Together, they accounted for 28 percent of work-related illnesses.

In 2004 we developed a strategy to control chemical exposure up to 2010. This sets out a plan to achieve 'respirator free' status – having validated control at

the source for 80 percent of unit operations handling high hazard compounds, so that employees do not need to wear protective equipment.

There has been substantial progress during 2006:

- we have recruited a number of regional hygienists to deliver an improved occupational hygiene service to businesses around the world
- we are establishing our baseline performance and have developed and deployed across the business a tracking tool to monitor progress towards 'respirator free' and completion of Chemical Risk assessments
- we have enhanced collaboration between engineers and occupational hygienists at all levels to ensure that control solutions are implemented
- we have revised and updated guidelines to the business on control measures
- we have begun to build our occupational hygiene network by bringing specialists together, and held the first network meeting for occupational hygienists to ensure a common approach and understanding across the businesses
- we have engaged with new product introduction teams to ensure that new installations meet 'respirator free' standards.

See more on our approach to [Occupational hygiene](#) and control of chemical exposures on our background pages.