

Employment practices

Good employment practices are important to our business strategy and our goal 'being the best place for the best people to do their best work'.

Headlines

- Women accounted for 24 per cent of senior managers, and 37 per cent of all managers – up from 22 per cent and 36 per cent in 2006
- Minorities made up 20.1 per cent of employees in the US, and 19.1 per cent of our UK workforce – up from 19.8 per cent and 19.1 per cent in 2006
- Began implementation of our Operational Excellence programme to improve effectiveness and productivity, which includes restructuring and redundancies
- Reviewed our process safety strategy after an explosion at our Irvine site in 2006 and implemented a new process safety programme
- Certified three new sites to the international health and safety standard OHSAS 18001
- Over 25,000 employees at 172 sites worldwide have used our online ergonomics risk assessment tool during the past three years
- Reportable injury and illness rate improved by six per cent
- Energy for Performance programmes introduced, with over 1,500 participants to date
- Over 22,000 employees have participated in the team resilience process to date, resulting in a five year decrease in work-related mental illness by 60 per cent and in mental ill-health absence by 20 per cent

GSK employs over 100,000 people in 114 countries across the world. We aim to attract the best employees from a diverse range of backgrounds in each of the countries where we work. An inclusive workplace gives us a range of perspectives to draw on and helps us to anticipate the needs of the wide range of people who use our products. It also supports creativity and innovation, and makes GSK a more attractive employer.

Keeping our employees and contractors healthy and safe is a priority. As well as being the right thing to do, this improves business performance by increasing engagement and attendance, improving productivity and reducing healthcare and insurance costs.

Restructuring planned for 2007 – 2010

In October 2007, we announced an Operational Excellence programme to improve the effectiveness and productivity of our operations. This is a response to a more challenging business environment during 2007 and will bring annual pre-tax savings of up to £700 million by 2010.

The programme will include initiatives to streamline manufacturing, adapt our selling model and improve efficiency in R&D. Unfortunately, it will also involve a reduction in employee numbers across GSK. We will consult with employees and their representatives before we implement measures that will affect them, such as outsourcing, site closures and staff reductions. We will always speak to affected employees first (except where local regulations do not allow it) and then our works councils, trade unions and other employee representatives as appropriate.

We aim to treat our employees with dignity and respect and offer a wide range of support for all affected employees. This includes a competitive severance package and outplacement support such as assistance in finding alternative employment, career counselling and retraining. We will also work hard to maintain the morale of all other employees at GSK.

Employment policies

Our approach

Employee surveys

We monitor employee engagement through regular surveys. Our Global Leadership Survey has been conducted every two years since 2002 to track management views on a range of issues and is available in nine languages. The findings are compared against 46 top ranked companies from a range of industries, including pharmaceuticals, automotive, finance and energy.

Diversity and inclusion

Our value statement, the Spirit of GSK, states that 'we will value and draw on the differing knowledge, perspectives, experiences and styles resident in our global community'. Including talented people in the workforce, regardless of race, gender, sexuality, age and disability ensures we recruit and retain the best people for the job.

Global diversity and inclusion policy

Our commitment is set out in our global diversity and inclusion (D&I) policy, published on the GSK intranet. Our Corporate Executive Team endorses the policy and related activities such as our annual Multicultural Marketing and Diversity Awards, see page 103.

We have diversity champions in each business unit and D&I steering committees in the UK and US, made up of human resources and line managers with specific responsibility for diversity and inclusion. The committees run awareness campaigns and training sessions. GSK also monitors and reports on gender diversity in management in the UK and US.

We highlight the importance of diversity and inclusion through myGSK, our intranet site, and through frequent articles in our internal magazine Spirit. For example, in March 2007 Spirit ran an article explaining how we targeted *Os-Cal*, our vitamin D and calcium supplement range, at African American women over 50. These women are more likely to die following an osteoporosis related hip fracture than white women of the same age. The article described how African Americans often distrust conventional marketing so GSK had to devise another way of reaching the women. We held forums in African American churches to raise awareness about *Os-Cal*, which increased the number of households buying the supplement by a third. This highlighted the business benefits of understanding the needs of a diverse range of customers.

More information on our approach to diversity and inclusion is available in the background section of our [website](#).

Employee networks

Employee networks are an important element of our diversity and inclusion programme. They support professional growth and provide a forum where people from similar backgrounds can meet, discuss shared experiences and address any problem areas. This helps engage and empower employees.

GSK has networks for Asian, African American, Hispanic, gay, lesbian, bisexual and transgender employees. We also have networks for mature employees, young people and women in leadership. Each network has an executive sponsor who helps to set and achieve goals, obtain resources and promote the network's objectives amongst senior management.

The networks are an important source of expertise on diversity issues. GSK managers can engage with the networks to improve their understanding of employees from different backgrounds. Networks also help our media and marketing teams understand our diverse customers and stakeholders.

For more information on our approach to employee networks see the [background section](#) of our website.

Disability

We work to ensure people with disabilities can access the full range of recruitment and career opportunities at GSK. In the UK, we partner with the Employer's Forum on Disability and strive to be a 'disability confident' organisation. Disability confidence is a concept developed by the Employers' Forum to describe companies that create a culture of inclusion, remove barriers to access, and make adjustments to enable

individuals with disabilities to contribute as employees, customers and partners.

We hold the 'Two Ticks' symbol from JobCentrePlus, which demonstrates GSK's commitment to employing disabled people.

Employee development and talent management

Employees who receive training opportunities and regular performance appraisals are more likely to feel valued and engaged, in addition to gaining new skills. Our goal is to create a culture where every individual can perform to their full potential.

We provide work-related training courses for all employees, and leadership training for managers. Regular appraisals help us to identify training needs and support employees to set and achieve development objectives. Training is carried out within each business function and online, for example, through our myLearning intranet site in the US and UK. We also offer project secondments to help employees learn new skills.

We identify high performing employees and potential leaders in each business function through our annual talent management cycle. Talented individuals participate in leadership programmes and connect with senior management through programmes such as the Chief Executive Forum. Leadership development also includes '360 degree feedback', where managers receive feedback from their manager, peers and subordinates. In 2007 our theme for employee development was leadership with integrity, inspiration, energy and resilience.

Reward

Our share ownership schemes help to create a culture of ownership among our employees. In countries where share ownership options exist, there is a high level of participation. For example, in the UK 67 per cent of employees participate in our ShareSave scheme, and 85 per cent in our ShareReward scheme.

Internal communications

We have a range of internal communications channels, such as our global intranet site myGSK, and Spirit, our internal magazine. These keep employees informed about business developments and enable them to give feedback. We track the impact of our internal communications using employee surveys. Questions employees ask senior management in the Q&A section on myGSK are monitored to ensure we are aware of areas of concern. We track the numbers of readers of news stories posted on myGSK so we can assess their relevance to employees.

Employee consultation

It is important that we consult employees about changes that affect them. In Europe we discuss business developments through our European Employment Consultation Forum, which includes employee representatives from 27 EU countries.

The Forum works alongside national consultation processes. Representatives meet four times a year to receive updates and review proposals affecting the structure of the business. Senior executives address representatives from all countries at the annual meeting. This year Andrew Witty, our CEO-designate, and other business leaders spoke on issues including the growing importance of the GSK vaccine business, and opportunities presented by new products in the R&D pipeline.

We also discuss issues through national consultation forums. For example, the UK Information and Consultation (I&C) Forum consists of 15 elected employee representatives and seven managers and meets three times a year. In 2007 the Forum reviewed a range of policies including those on holidays, flexible working and smoking at work. The new appeals procedure in our redundancy policy was also reviewed.

The UK I&C Forum looked at our environment, health and safety (EHS) activity. It recommended that we do more to communicate our efforts in this area to employees. In response we included an article on our approach to climate change in Spirit, our employee magazine. We also broadcasted a 20-minute briefing in November with our Chairman, Sir Christopher Gent, to explain the reasons behind our climate change targets and what employees can do to make a difference. The broadcast is available to all employees on myEHS, our EHS intranet site. For more information on our efforts to raise awareness of EHS activity among employees see the [Environment section](#) of this report, page 76.

Our performance

Employee surveys

Our Global Leadership Survey has been conducted every two years. To read the findings of our most recent survey see our [2006 Corporate Responsibility Report](#), page 41.

Improvements from last year's survey

The results of our 2006 survey helped us identify two key areas for improvement – reducing unnecessary bureaucracy and increasing the visibility of management. We began a major drive to reduce unnecessary bureaucracy both in company processes and individual behaviour. Employees have been engaged on the issue through the 'Beating Bureaucracy' series of videos on the GSK intranet and a feature in Spirit, our internal magazine.

We will measure progress on the visibility of management when we have the results from the next Global Leadership Survey.

Diversity and inclusion

US inclusion and resilience survey

Every year since 2002 employees in the US have been randomly selected to complete an 11-question survey which gauges progress on inclusion and resilience. In December 2007, 44 per cent of the 1,200 selected employees completed the survey. The table below shows the key results of the survey, highlighting the highest and lowest satisfaction scores, as well as how we are responding to the results:

| US inclusion and resilience survey | | | |
|---|------|------|--|
| | 2006 | 2007 | How we are responding |
| Highest levels of overall employee satisfaction | | | |
| I am confident I can keep up with the increasing pace of work | 74% | 80% | We are pleased our Resilience training programme has helped employees to manage their workload. |
| My workplace has a climate in which diverse perspectives are valued | 76% | 78% | We are pleased that our diversity and inclusion efforts have increased satisfaction in this area. |
| My manager demonstrates the ability to manage a diverse workforce | 79% | 77% | The main challenges in this area are an aging and increasingly global workforce. Our US Diversity and Inclusion Steering Team is developing training and resources around managing people from different cultures and generations. |
| Lowest levels of overall employee satisfaction | | | |
| Senior management shows by its actions that creating an inclusive environment is a top priority for GSK | 59% | 56% | Increasing senior management engagement is a top priority for our US Diversity and Inclusion Steering Team. The team is emphasising that senior managers should use their own supportive behaviour to lead by example. |
| In general, I am satisfied with my career progress | 63% | 61% | We attribute the slight drop in score to a decrease in satisfaction with career progress among more mature workers. The GSK US Prime Time Partners Network, our employee network which supports employees in mid to late-career, has made career development an important element in their 2008 programme. The US Diversity & Inclusion Steering Team will also address the issue in its Multigenerational Strategy. |
| I am satisfied with the information received from management on what's going on at GSK | 64% | 62% | We aim to increase satisfaction in this area by raising awareness among senior management of the importance of demonstrating an inclusive work environment. |

Multicultural marketing awards

In 2007 we held our fifth annual Multi-Cultural Marketing and Diversity Awards, to inspire employees to find creative ways to reach a broader range of potential employees, customers and communities. Awards are given in categories such as Employee Attraction, Development or Retention, Multicultural Marketing and Sales, Community Outreach and Diversity Ambassador. There were 52 entries this year – 341 in total since the awards began in 2003. This year's winners included:

- An initiative to recruit more female talent to Vice President roles in global IT
- Minority recruiting initiatives at the National Black MBA Conference in US Consumer Healthcare
- A supplier diversity initiative in Global Manufacturing & Supply

Marketing to a broad range of consumers

In the US, three out of four African Americans and Hispanics are overweight or obese. This significantly increases their chances of developing life-threatening medical conditions such as diabetes and heart disease. In 2007, GSK launched *alli*, the first over-the-counter weight-loss treatment to be approved by the US Food and Drug Administration.

The marketing plan for *alli* specifically targeted diverse groups and three of the eight advertising agencies we used specialised in multicultural marketing. This helped raise awareness of the benefits of *alli* among groups disproportionately affected by weight related complications.

Gender diversity

We are pleased that the percentage of women in management has increased incrementally in the last four years. However, there is still a lot of room for improvement.

Gender diversity in management 2007 (worldwide)

| | Per cent of positions held by women | | | | |
|----------------------|-------------------------------------|-----------|-----------|-----------|-----------|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| A&B Bands* | 20 | 19 | 21 | 22 | 22 |
| C01 – C03** | 31 | 33 | 33 | 34 | 35 |
| C04 – C05*** | 37 | 38 | 38 | 39 | 40 |
| Total for all | 34 | 35 | 35 | 36 | 37 |

* Corporate Executive Team, Senior Vice Presidents, Vice Presidents

** Director grade

*** Manager grade

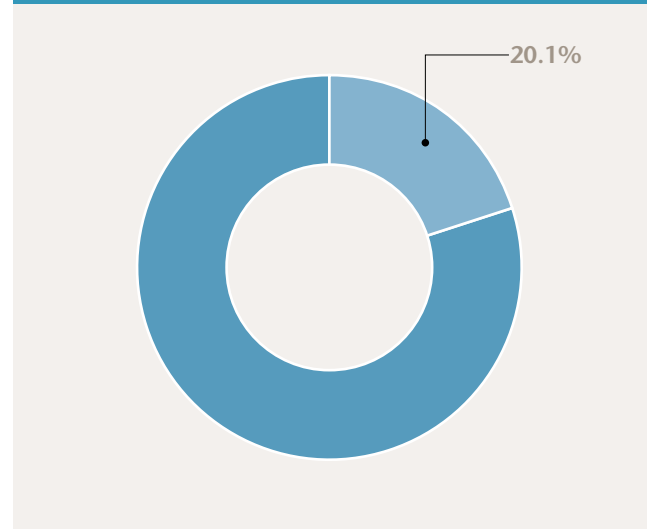
Gender equality in the workplace is affected by factors outside our control including the requirements of family life. Our flexible working policies help employees balance the demands of work and home life. They can be particularly beneficial for parents of young children. For example, we offer part-time working, job sharing and remote working.

In 2007, we held our 13th annual US and fourth annual UK Women in Science events. Entitled 'Daring to be Innovative in Drug Discovery and Development', these one-day events brought together over 400 women and men working in R&D. They gave participants the opportunity to celebrate their scientific accomplishments, share knowledge and develop professional networks. The Women in Science events also enhance our reputation as an employer of choice for women.

Ethnic diversity

In the US, minorities (defined as Blacks, Hispanics, Asians, Pacific Islanders, American Indians and Alaskan natives) made up 20.1 per cent of our workforce, compared with 19.8 per cent in 2006 and 19.6 per cent in 2005.

Ethnic minorities (US)

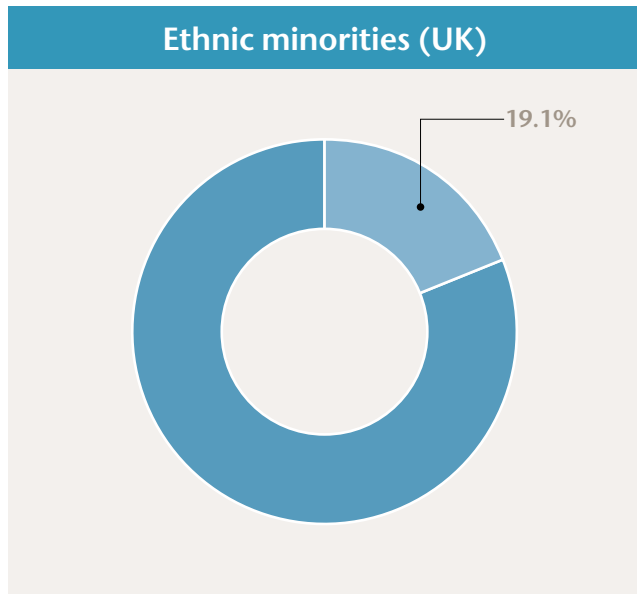


Key:

■ US ethnic minorities

In the UK, ethnic minorities accounted for 19.1 per cent of employees, compared to 18.3 per cent in 2006 and 16.8 per cent in 2005. To classify minorities we use the UK Commission for Racial Equality definition of ethnic minorities. This includes anyone who does not identify themselves as White British (this means people identified as White Irish, North American and European are included as minorities). Ethnic minorities accounted for 12.5 per cent of the UK population of England and Wales in 2001.

We also measure diversity in the UK by counting the number of employees that define themselves as non-white. In 2007, 11.8 per cent of employees defined themselves as non-white, compared to 11.6 per cent in 2006 and 11.0 per cent in 2005.



Key:

- UK ethnic minorities

Employee development and talent management

Leadership training in 2007 included:

- Over 2,500 managers attended Leadership Edge workshops at over 30 sites worldwide
- 76 managers attended five 'Inspirational leadership' workshops
- 945 managers attended 'Hot topics – The power of full engagement'
- 850 managers attended 'Hot topics – We've got to start meeting like this'
- 174 managers attended 'Coaching master class'

Development

We require that all employees should receive an annual performance appraisal through our Performance and Development Planning (PDP) programme. Compliance with this requirement is measured at local level, but we know that more than two-thirds of employees received an appraisal in 2007. PDP assesses how well employees have implemented GSK business principles through their work. The appraisals impact on bonus payments and future career development.

Internal communications

Internal communication channels in 2007 included:

- Our global intranet site, myGSK, provides updates on GSK's business. It also has a Q&A section where employees can ask the Chief Executive and other senior executives direct questions about the business and issues that affect them.

In 2007 JP Garnier answered over 225 questions from employees. Employees can read GSK's position on key issues faced by our industry on the 'Be a GSK Ambassador' section of the site

- Regular web-broadcasts and town hall meetings are hosted by senior management at GSK for employees at our major sites. During 2007 there were 17 broadcasts and 59 town hall meetings from members of the executive team
- Spirit, our internal magazine, is distributed quarterly to over 33,500 employees throughout GSK
- Your Story, an online news story channel, launched in 2007 to enable employees to share their experiences at GSK. 19 stories were published during the year

Employment awards

- Hewitt and FORTUNE magazine 2007 Top Companies for Leaders Study – GSK ranked fourth in the top ten list for Europe and 17th in the Global Top 20 list, out of 549 participants
- GSK ranked fourth out of 100 companies in the Britain's Top Employers 2007 survey
- The Scientist placed GSK ninth in Best Places to Work for Industry award. The rankings are based on employee responses
- GSK awarded a perfect score (100 per cent) for Corporate Equality from the Human Rights Campaign Foundation in the US. Listed for the Best Places to Work for gay, lesbian, bisexual and transgender equality
- GSK named one of the '100 Best Companies' by US magazine Working Mother for the 16th consecutive year.
- GSK received a Gold H.E.A.L.T.H Award from the Singapore Health Promotion Board, to recognise commendable Workplace Health Promotion programmes.
- Business in the Community in the UK gave GSK an award for 'Excellence in health, work and wellbeing', for proactive attendance management, resilience and ergonomics programmes

Employee health, safety and wellbeing

Our approach

We have rigorous management systems to reduce the risk of harm to our employees and to help them stay healthy. Our ultimate goal is to eliminate all work-related injuries and illnesses. Supporting the health of employees helps increase energy levels, engagement and productivity.

Health and safety management

We manage health and safety through an integrated environment, health and safety (EHS) management system. This incorporates our EHS Vision, EHS and Employee Health Policies and 64 Global EHS Standards. Our EHS Plan for Excellence includes our strategy for improving EHS performance up to 2015.

For more information see the [EHS Management Section](#) in the background pages on our website.

Monitoring performance

We systematically assess and manage health and safety risks and performance. When incidents do happen we identify root causes and take action to prevent reoccurrence.

Our target is to reduce reportable injuries and illnesses by five per cent a year. We believe that addressing the causes of minor events will help eliminate risks and hazards, and prevent more serious occupational injuries and illnesses.

We conduct EHS audits at our sites at least once every four years and present the findings to the Audit Committee. We carry out more frequent visits at selected sites, depending on an assessment of risk and the issues raised by previous audits.

OHSAS 18001 certification

Twenty-three out of our 80 Pharmaceuticals and Consumer Healthcare manufacturing sites and one Consumer Healthcare R&D site are certified to the international health and safety standard OHSAS 18001. We have set a goal for all manufacturing sites to be certified by the end of 2010. In 2007, three new sites were certified. The certified sites are in Argentina, Brazil, China, Egypt, France, Germany, India, Japan, Kenya, Mexico, Poland, Saudi Arabia, Spain, Turkey, the US and the UK.

Training and awareness

Training helps to create a workplace culture where EHS is taken seriously. Employees who are responsible for managing health and safety issues at sites and business units receive regular training and in turn instruct employees in working safely.

One of the GSK EHS Standards addresses general training requirements and several of the EHS Standards require specific training. Safety programmes such as process safety and chemical exposure protection have training components. Sites develop and conduct training based on local needs and capabilities. Some use eLearning tools or locally available government or university sponsored training programmes and some business groups hold meetings that include training on safety topics such as:

- Process safety
- Chemical exposure protection
- Identifying risks
- Ergonomics
- Auditing

We raise awareness about EHS issues through:

- Employee bulletins
- Announcements on our myEHS and Employee Health Management Community intranet sites
- The CEO's EHS Excellence awards programme
- Health and Safety Week, held every October. In 2007, over 70,000 employees from 49 sites in 30 countries took part. Activities included online risk assessments, fire drills and fire hazard training and training sessions on manual lifting and safety signs

See more on our [EHS Management System](#) in the background pages of our website.

Health and safety risk management programmes

Our health and safety programmes focus on five key areas:

Ergonomics

Musculoskeletal illnesses and injuries are some of the leading causes of time away from work. We have set a target to reduce the number of these illnesses and injuries by five per cent each year through to 2010.

Better workplace and job design (known as 'ergonomics') can prevent musculoskeletal injuries and illnesses, increase efficiency and productivity and reduce costs. For example, in 2007 one of our ergonomics improvement teams (EIT) made changes to a production line that lowered operational costs by £140,000 by reducing waste and increasing product output. We have 60 EITs, made up of representatives from across business functions that work to improve ergonomics at manufacturing sites around the world.

Ergonomic principles are integrated into the design of major projects. Procurement teams take ergonomics into consideration when sourcing furniture and equipment.

We use workshops to increase ergonomics skills at our sites. Employees can access our intranet site, the Global Ergonomics Community. It includes an online computer ergonomics risk assessment tool (available in seven languages) which employees can use to assess their computer work and improve their workstations.

Chemical exposure

We plan to make 80 per cent of operations involving the handling of hazardous compounds 'respirator free' by 2010, meaning employees will not need to wear respiratory protective equipment for routine production tasks. We will achieve this by preventing the release of hazardous powder compounds in these operations. For the remaining 20 per cent of operations employees will remain protected by appropriate respiratory protective equipment.

We are conducting an air monitoring programme and have appointed eleven regional occupational hygienists to reduce exposure to chemicals.

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

Materials hazard information

We provide information to enable our customers to handle and dispose of our products safely. For more information see [safety data sheets](#) on our website.

Process safety

Our process safety programme aims to ensure that safety is built into all manufacturing, research and development processes through hazard identification, control and risk assessment.

In 2007, we completed a review of our process safety strategy, launched in 2006 after two employees were injured in an explosion at our factory in Irvine, UK. Using the results of this review we began developing an integrated Process Safety Management System (PSMS) that will be implemented at all GSK sites. This will include:

- A design code containing new standards for process safety
- Assessments against the new standards, with gap analyses, risk assessments and remediation processes
- Process safety indicators
- Steps to embed process safety in the overall EHS Culture
- New training and competence programmes and process safety tools
- Appointing a Director of Process Safety

Driver safety

Our sales representatives spend significant amounts of time driving and are therefore at risk of being involved in road traffic incidents. We aim to reduce this risk as much as possible through our worldwide driver safety programme. This includes our EHS Essentials, instructions and guidelines on driver training, vehicle selection, risk assessment and accident reporting. We have a motorbike rider safety manual for employees in countries where we provide motorbikes or scooters for employees.

Around three quarters of GSK's commercial businesses have extensive driver safety programmes in place, including driving licence checks, guidance on the use of mobile phones, safety training, tracking and reporting incidents. We plan to extend these to our other sites.

Healthy high performance

We aim to create a high performance culture that enables peak business performance. Employees who are physically energised, mentally focused and have a clear sense of purpose show sustained improvements in performance. We use the term 'resilience' to describe the skills and behaviours needed to be successful in a high pressure working environment. These skills and behaviours also help to prevent mental illness, which is a leading cause of ill-health resulting in time away from work.

Resilient employees can manage work and home demands effectively and minimise the adverse health affects of stress. This benefits both the individual employee and the company.

Our team resilience programme is available in 12 languages and has been used in 41 countries. Employees and managers identify sources of particular pressure and agree actions to address them. This helps teams to take control of their work and avoid excessive pressure which can lead to stress. Since the programme began in 2003, over 22,000 employees around the world have taken the workplace assessment resulting in a five year decrease in work-related mental illness by 60 per cent and in mental ill-health absence by 20 per cent.

Our energy programmes, Personal Resilience: Manage Your Energy, Power Your Performance, and Energy for Performance, support personal development and help individuals fulfil their potential. Participating employees report improvements in emotional, physical, spiritual and mental performance. In 2007, 600 employees participated in the programme, and a total of 1,500 have participated since it was introduced in 2005.

We believe that the GSK senior managers play a crucial role in creating a healthy, high performing culture by acting as role models for other employees, and they are enthusiastically participating in our Energy for Performance programme. We plan to expand the programme in 2008 to make it available to a wider range of employees.

Wellbeing and work-life balance

GSK offers programmes globally to improve the health of employees and their families. This increases employee commitment and productivity and reduces absenteeism and the cost of ill health. Support varies between countries and according to local needs. It may include benefits such as on-site health and fitness centres, flexible working arrangements, immunisations, disease screening, family support services and health education.

Our programmes support local healthcare services by focusing on disease prevention and increasing access to innovative and proven treatments. For example, in many markets we offer free immunisations, cancer screening, help with smoking cessation and regular medical checkups. We also assist employees suffering from chronic diseases to ensure they have access to the correct long-term treatment and support. This helps prevent costs from health-related time off work.

Positively managing HIV in the workplace

We provide information and training to staff on HIV/AIDS prevention and addressing problems of stigma relating to HIV/AIDS. We also provide HIV/AIDS testing and treatment programmes to employees and their families in countries where these are not easily available via government healthcare programmes. We do not discriminate against prospective and current employees based on HIV status and do not require testing as a prerequisite for employment.

Flu pandemic preparedness

The World Health Organization (WHO) has stated that pandemic flu poses a serious threat to global public health. We have invested more than \$2 billion in expanding seasonal flu vaccine manufacturing capacity, developing a pandemic flu vaccine, and increasing production capacity for the anti-viral flu treatment *Relenza*. See the [Access to medicines](#) section of this report on page 39 for more details.

We have also implemented pandemic flu plans covering 400,000 people in over 130 countries. These will help protect employees and their families and support business continuity. Employees can now receive free seasonal flu vaccinations in almost 80 countries – twice as many countries as last year. We are also partnering with our key suppliers to take action to prepare for a flu pandemic.

Our performance

Audits

In 2007, we conducted 33 EHS audits.

The best performance on health and safety issues was in:

- Business continuity planning
- Employee and external stakeholder involvement
- Managing engineering & process change
- Emergency planning & response
- Employee information & training
- Fire protection
- Material hazard identification & communication

Sites were generally weakest on:

- Chemical exposure
- Resilience and mental wellbeing
- Process safety
- Risk assessment processes
- Ergonomics

In 2007, auditors found nine 'critical findings'. These indicate a high probability of incidents with potentially serious consequences. These involved serious deficiencies in:

- Inadequate control of flammable substances or conditions (five findings)
- Inadequate control of chemical exposures (two findings)
- Lack of adequate fall protection (one finding)
- Deficiencies in managing construction contractors (one finding)

Sites are monitored to ensure that appropriate actions have been taken to mitigate risks and ensure ongoing compliance.

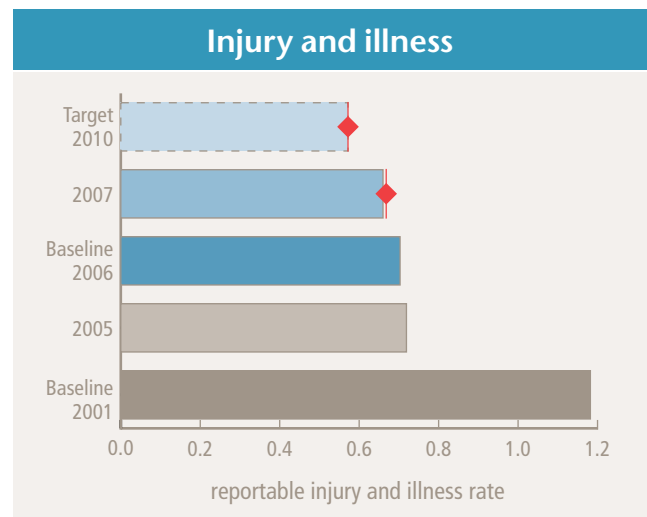
None of the critical findings has become 'delinquent' (greater than 90 days overdue).

There were no instances of regulatory non-compliance in 2007 and GSK received no fines.

For more information on EHS audits see the [Environment](#) section on page 78.

Injury and illness rates

| Targets | |
|--|------------------|
| Target | Progress in 2007 |
| To reduce the reportable injury and illness rate by 5 per cent each year to the end of 2010 | 7% |
| To reduce the reportable musculoskeletal illness and injury rate by 5 per cent each to the end of 2010 | 5% |



Key:

- ◆ Target
- Current data
- Historical data

| Injury and illness | |
|--------------------|-------------------------|
| Year | injury and illness rate |
| 2001 | 1.18 |
| 2005 | 0.72 |
| 2006 | 0.70 |
| 2007 | 0.66 |

Our main measure is the reportable injury and illness rate. 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.

Data cover GSK employees and contract workers who we directly supervise. We report separately data for contractors who work on GSK sites but supervise their own staff (see data table on [page 111](#)). Contractors' data are not externally verified.

Data are collected from all of our 80 Pharmaceuticals and Consumer Healthcare manufacturing sites, 13 of our 14 operational vaccine manufacturing sites, all 25 Pharmaceuticals and Consumer Healthcare research and development sites, all three major office locations, all 14 offices with more than one million work hours, all seven of the main sales groups and 59 smaller offices.

In 2007, we recorded 947 injuries (992 in 2006) and 331 illnesses (380 in 2006), a total of 1278 incidents. This is equivalent to a rate of 0.66 reportable injuries and illnesses per 100,000 hours worked. Of these:

- There were 386 injuries and 242 illnesses without lost time, a rate of 0.32 injuries and illnesses without lost time per 100,000 hours worked.
- Working time was lost in 561 injuries and 89 illnesses, (51 per cent of incidents) a rate of 0.33 lost time injuries and illnesses per 100,000 hours worked.
- There were 10,840 lost calendar days from injuries and 3956 calendar days lost from illnesses, a rate of 7.6 calendar days lost per 100,000 hours worked.

The overall reportable injury and illness rate and the ergonomic injury and illness rate have improved in line with the target, but the lost time injury and illness rate has not improved.

GSK's injury and illness performance placed us in the third quartile of a benchmark industry group in 2006 which means we need to improve.

2007 highlights:

At 82 sites in 42 countries, there were no lost-time injuries or illnesses during the year. In addition: fifteen sites worked one million or more hours without a lost time, injury or illness. Two sites achieved five million hours without a lost time, injury or illness and one site achieved eight years without a lost time, injury or illness.

Driving accidents

There were 183 driving accidents, which resulted in two fatalities. 128 of the accidents resulted in lost time. These accounted for 23 per cent of lost-time injuries.

Chemicals exposure

Exposure to chemicals resulted in three respiratory or skin-related lost-time incidents and 94 cases which did not result in lost time. Together, they accounted for 29 per cent of work-related illnesses.

So far none of our sites has achieved 'respirator free' status.

Injury and illness causes

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 also the main cause of reportable illness which does not lead to days off work.

Fatalities

| Five year trend in employee fatalities | |
|--|---|
| 2007 | 2 |
| 2006 | 3 |
| 2005 | 1 |
| 2004 | 2 |
| 2003 | 5 |
| 2002 | 3 |

In 2007 a GSK employee in Canada died in a road accident while on company business after losing control of her car in icy conditions. A passenger was also hospitalised with serious injuries. A GSK sales employee in China died in a road accident while on company business.

Two employees of GSK contractors in the UK and Pakistan also died. In the UK a warehouse contractor died in a forklift truck accident and the Pakistani construction contractor died after falling through a service shaft. We have fitted all unused service chases with temporary covers to prevent further incidents.

We always investigate the circumstances of 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.

Amputations

Three employees lost finger tips due to accidents at work:

- An employee in the US attempted to clear a machine jam by putting his hand into an access to a propeller. This resulted in serious cuts to a finger tip which was later amputated
- An employee in the UK lost a finger tip after it was crushed by a bucket being loaded onto a dumper truck
- An employee in India got his gloved hand entangled in the chain working of a machine and was drawn into the sprocket causing the loss of a finger tip

All of these amputations resulted in renewed emphasis on machine guarding programmes at these sites.

Ergonomics

Musculoskeletal illness and injury 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 five per cent each year through to 2010.

Over 20,000 employees at 172 sites worldwide have used our online ergonomics risk assessment tool during the past three years to assess their computer work areas, resulting in a significant decrease in computer related injuries and illnesses.

Team Resilience

By the end of 2007, 22,161 employees from over 1,400 teams have completed the training programme. Since 2002, the programme has reduced work-related mental illness by 60 per cent and decreased absence relating to mental ill health by 20 per cent, saving £2.4 million. A one-year follow up with teams completing the programme reported a 10-15 per cent reduction in fatigue and frustration and a 15 per cent increase in self-esteem and job satisfaction.

Employee behaviour is the key to a safe workplace

In March 2006 there was an explosion at our Irvine site in the UK causing serious injuries to two staff. Safety in the workplace is of paramount importance to GSK and improving safety at Irvine is now a key priority.

Our approach includes improving [process safety](#) (see page 106) and addressing workplace culture and attitudes to safety at work.

A team from the factory safety committee developed the Irvine EHS Behaviour Standard. This defines the simple but important steps employees can take to improve safety, for example the importance of reporting all safety incidents, however small, including near-misses. It also covers the negative behaviours employees should avoid.

All employees have been taught about the new Behaviour Standards through:

- Briefing sessions for managers, team leaders and supervisory staff
- Training sessions for all site employees, clearly explaining key safety steps
- Distribution of a booklet, postcards and z cards (a small pocket sized information card) explaining the new standards
- A feedback system to help us address areas of uncertainty and clarify any employee concerns
- An interactive introduction for all new employees

We put a particular focus on ensuring employees understand their own individual responsibilities for strong safety performance. For example, every employee was asked to commit to improve at least one aspect of their safety behaviour and every team produced an action plan for addressing safety issues during 2007.

In 2007 the site achieved its highest levels of EHS performance in its 33 year history including the lowest ever recorded 12 month lost time injury and illness rate.

The future

In 2008, we will implement the Operational Excellence programme. This will bring a number of challenges, including providing support for employees whose jobs are affected and maintaining the morale of all employees, see [page 100](#).

Health, safety and wellness

By the end of 2010 we aim:

- To reduce the number of ergonomic illnesses and injuries by five per cent each year through to 2010
- For 80 per cent of operations involving the handling of hazardous compounds to be 'respirator free', meaning employees will not need to wear respiratory protective equipment for these operations
- For all manufacturing sites to be certified to the international health and safety standard OHSAS 18001



How will your Operational Excellence programme affect employees?

Regrettably our Operational Excellence programme will result in job losses. We will do everything that we can to support affected employees including providing a competitive severance package and providing outplacement support such as assistance in identifying alternative employment, career counselling and retraining.

We will also work hard to ensure the programme does not have a negative impact on the morale of other staff. We have produced a guide for managers with information on how to support employees during the uncertainty, anxiety and stress encountered during major organisational change.

Why are there still relatively few women in senior management at GSK?

We are pleased that the percentage of women in management has increased incrementally over the last four years. However, we recognise that there is still room for improvement especially in senior management positions and in roles within historically male-dominated disciplines such as science and engineering. We aim to attract more women to GSK and to support the career development of existing employees through our flexible working programmes. These help employees balance the demands of their personal and professional lives. We also have diversity champions in each business unit as well as employee networks which support career development for women and minority groups at GSK.

Your health and safety performance is below the industry average, what needs to improve?

We know this is an area where we need to improve. We are launching a project in 2008 to identify causes of injuries and illnesses and improve our engineering controls and management systems. We also plan to address the human factors that affect health and safety – individual behaviour and workplace culture. We have launched a toolkit to help our sites assess their health and safety risks and identify appropriate interventions. It will be piloted during 2008.

Links

In this report:

- [Employee volunteering](#)
- [Ethical conduct training](#)
- [Human rights and EHS in our supply chain](#)
- [Environmental performance](#)

In the background section of our website:

- More information on our approach to diversity <http://www.gsk.com/about/diversity>

| Metric | 2001 | 2004 | 2005 | 2006 | 2007 |
|---|--------|--------|--------|--------|--------|
| Injury and illness – GSK employees¹ | | | | | |
| Hours worked (millions) | 191.1 | 195.6 | 196.6 | 195.2 | 194.6 |
| Fatalities | 5 | 2 | 1 | 3 | 2 |
| Number of injuries with lost time ² | 751 | 524 | 552 | 554 | 561 |
| Calendar days lost – injuries ³ | 16,268 | 12,746 | 11,607 | 11,105 | 10,840 |
| Number of illnesses with lost time ² | 133 | 92 | 81 | 96 | 89 |
| Calendar days lost – illnesses ³ | 5,304 | 3,006 | 3,034 | 5,263 | 3,956 |
| Number of injuries without lost time ⁴ | 1,079 | 432 | 464 | 438 | 386 |
| Number of illnesses without lost time ⁴ | 315 | 352 | 316 | 284 | 242 |
| Injury and illness – non GSK employees | | | | | |
| Hours worked (millions) | 17.0 | 20.6 | 22.8 | 22.8 | 25.9 |
| Fatalities | 0 | 1 | 2 | 0 | 2 |
| Number of injuries and illnesses with lost time | 69 | 84 | 98 | 89 | 59 |
| Calendar days lost | 754 | 1,369 | 1,575 | 968 | 924 |
| Number of injuries and illnesses without lost time | 1 | 293 | 275 | 375 | 400 |

Footnotes

- ¹ The health and safety data cover both our employees and contract workers who are directly supervised by GSK employees. We report a snapshot of injury and illness performance for the year. Cases may be added after the end of the year so prior years may change
- ² Lost time injuries and illnesses are work-related injuries and illnesses that are serious enough to result in one or more days away from work
- ³ Lost calendar days are the calendar days, including weekends, that employees could not work because of work-related injuries and illnesses. This helps to provide a measure of the severity of injuries and illnesses
- ⁴ Reportable injuries and illnesses without lost time are incidents that did not result in time away from work (lost time). They are more serious than first aid but not serious enough to result in lost time