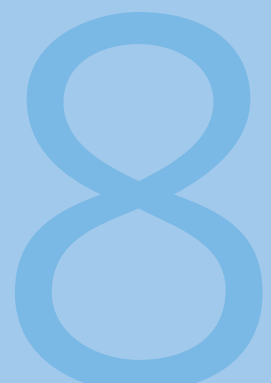


Community investment

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Community investment

GSK makes donations of money, medicines, time and equipment to support good causes. The strategy behind our community investment is improving 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.

Community investment is not linked to short-term business benefits and is not intended to create commercial markets for GSK. But it does support our reputation by demonstrating our commitment to tackling healthcare challenges. We believe that using some of our profits to benefit under-served communities is part of being a responsible company.

In 2005, our total community investment was valued at £380 million (\$691million), equivalent to 5.6% of pre-tax profits. Donations are made at group level and by individual GSK sites to support local communities.

Our objective is to ensure that projects are sustainable in the long-term and will continue once GSK funding comes to an end. Most of our community investment is made through non-profit organisations that are experts in the field of healthcare delivery and education. This helps ensure our giving is targeted at the communities that need it most.

Information on our community investment programmes to increase healthcare capacity in developing countries is included in the Access to Medicines section of this report. This covers our major public health initiatives tackling lymphatic filariasis (LF), HIV/AIDS, malaria, and diarrhoea-related disease.

This section provides information on our other community investment programmes in 2005. It covers:

- A breakdown of our charitable donations in 2005.
- Donations of medicines for humanitarian relief including natural disasters.
- Community partnerships – local support provided at corporate level and by GSK sites.
- Our support for science education in the US and UK.
- Employee involvement in communities.

Awards in 2005

During 2005, we received the first Annual Scrip Award for Corporate Social Responsibility for GSK's role in the Lymphatic Filariasis (LF) elimination programme. We also received a Business in the Community 'Big Tick' for our UK Science Education Programme and our support for Barretstown. We were a finalist in a number of other awards including:

- The Business in the Community International award for the LF Elimination Programme
- The African Investor Award 2005 for GSK's support of the Integrated Management of Childhood Illnesses (IMCI) initiative in Africa
- The US Chamber of Commerce Center for Corporate Citizenship award for our US education programme.

VALUE OF COMMUNITY INVESTMENT

GSK donations were valued at £380 million (\$691 million) in 2005, compared with £328 million in 2004. This is equivalent to 5.6% of pre-tax profits.

This figure includes medicines worth £255 million (\$464 million) donated to low-income patients in the US through our Patient Assistance Programs, £27 million (\$49 million) of humanitarian product donations for under-served communities around the world and £14 million (\$26 million) in albendazole tablets for the lymphatic filariasis elimination programme.

Our total community investment also includes £61 million (\$111 million) in cash grants and almost £21 million (\$38 million) in management costs.

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

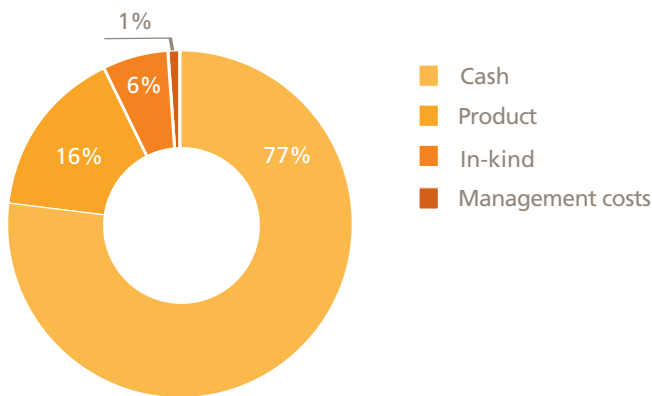


Community investment continued

contributed to charitable causes. In 2005, we were listed 10th, based on the percentage of our pre-tax profits donated in 2004, but for the fourth year in a row we were the biggest overall giver in the value of our donations.

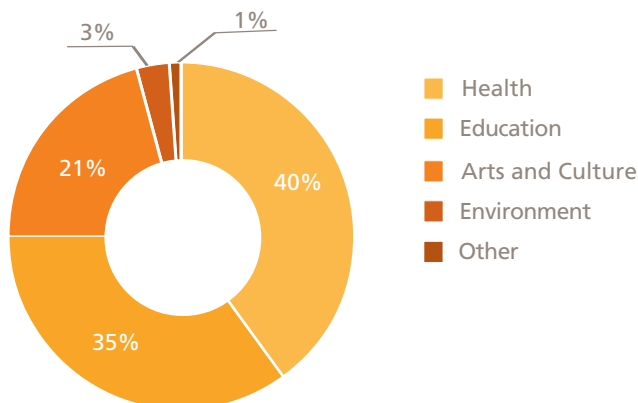
We are members of the UK's London Benchmarking Group (LBG) and the Committee to Encourage Corporate Philanthropy (CECP) in the US. We report our donations in line with the guidelines set by the CECP, which values our medicines at wholesale acquisition cost, in line with other pharmaceutical companies. Wholesale acquisition cost is the wholesale list price, not including discounts.

Method of giving - total £380m



Method of Giving	£million
Cash	61
Product	296
In-kind	2
Mangement costs	21

% Breakdown of cash giving - total £61m



Breakdown of cash giving	%
Health	40
Education	35
Arts and Culture	3
Environment	1
Other	21

Community investment continued

HUMANITARIAN RELIEF

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

Donations are made at the request of governments and major charitable organisations and may be manufactured specifically for these partners. This enables charities to hold a range of medicines in stock so they can respond promptly in an emergency. We work in partnership with several relief charities including AmeriCares, Direct Relief, InterChurch Medical Assistance, MAP International and Project HOPE.

There is a limit to the amount of products we can give away, so donations must be carefully managed. We rely on the expertise of our partners to ensure that available medicines are targeted at the communities that need them most. GSK general managers must approve donations destined for their country to avoid any conflict with our commercial business. Our charity partners are required to track donations to make sure they reach their intended destination and are dispensed appropriately. We do not donate medicines for diseases which require a continuous, assured supply.

GSK follows the World Health Organization Interagency Guidelines for Drug Donations. These state that donations should be made in response to an expressed need, sent with prior consent and must be labelled correctly and have a minimum one year shelf life. We are also a member of the Partnership for Quality Medical Donations (PQMD), an alliance of pharmaceutical companies and charities that encourages best practice in the donation and delivery of medicines.

Activity During 2005

During 2005 we donated life-saving medicines worth £27 million (\$49 million), to support relief efforts in almost 100 countries. Supplies of antibiotics and basic medicines were sent in response to the South East Asian tsunami, hurricanes in the US and the Caribbean and the earthquake in Pakistan.

In the immediate aftermath of the tsunami we donated more than 3.6 million doses of antibiotics to prevent the spread of infectious diseases in affected countries. We have also committed £2 million (\$3.8 million) to support organisations working on relief and reconstruction operations in the disaster area.

Following hurricane Katrina we donated medicines valued at \$10 million to relief facilities in ten US states. This included antibiotics, vaccines and consumer healthcare products such as toothpaste, antacids and pain relievers. GSK also supplied interim shipments of medicines for diabetes, heart disease, and asthma for patients who had lost their supplies in the disaster. Some of the medicines were distributed to hospitals and shelters by our partner organisations such as Project HOPE and AmeriCares.

GSK is the largest pharmaceutical company in Pakistan and we were able to deliver urgent supplies of free medicines within 48 hours of the earthquake via our local business there. Our product donations, including hepatitis-A vaccines requested by the Ministry of Health, were valued at \$6.5 million and we also gave a cash donation of \$1 million to the South Asia Earthquake Relief Fund.

COMMUNITY PARTNERSHIPS

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 2005:

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 (\$455,000) and £100,000 (\$182,000) respectively to support the camps in 2005. Employees also give their time to Barretstown and L'Envol, with over 40 GSK employees participating in 2005.

GSK is also funding five European programmes, each with a grant of £300,000 over three years. These are:

- Change in Advance, a disease prevention programme that promotes healthy eating and exercise, aimed at Slovakian children living on urban housing estates;
- Childrens' Shelters, a programme in Spain that provides healthcare for homeless and abandoned children;
- Beacon of Hope, a palliative care programme for children in Romania;
- Reading for Growing, a programme in Italy which, through reading aloud, helps children with neuro-functional disabilities and those who have endured long hospitalisation;



Community investment continued

- Multi Coloured Lives, an interactive education programme to help children with disabilities integrate into Russian society.

International

GSK's PHASE (Personal Hygiene and Sanitation Education) initiative is providing education to over 270,000 school children in Kenya, Uganda, Zambia, Nicaragua and Peru to improve their health and hygiene to fight infectious diseases. In 2005, we committed three-year funding of £300,000 to extend the programme to Bangladesh in partnership with Save the Children USA, see Major public health initiatives above.

GSK is funding a number of country programmes, each with a grant of £200,000 over three years:

- Pinoy Health Pass, Family Health and Well Being provides health education for families on low incomes in the Philippines
- Attituda Positiva, uses drama in schools to increase awareness and education on HIV and reproductive health for teenagers in Brazil
- '500 Midwives' helps improve mother and child health in rural areas of Vietnam by bringing birth attendants from ethnic minority groups for training in the capital's major hospital.

UK

In 2005 GSK supported over 80 charitable organisations in the UK. This included over £470,000 (\$855,000) to support medical research undertaken by the charities Meningitis UK, The British Liver Trust, Alzheimer's Research Trust and The Samantha Dickson Research Trust.

We extended our partnership with the British Red Cross, giving £350,000 over three years to their Gateway project in Scotland. Gateway helps young people with disabilities to gain the skills and self-confidence they need to live independently. Since 2001, Gateway has worked with a small group of young disabled people helping them set personal goals and receive individually tailored training and support. More than 150 people with disabilities also visit the centre each year to take part in workshops and use its facilities. The new funding will enable Gateway to extend their service across Scotland and share their experiences with health and social care providers throughout the UK.

GSK is giving £386,000 (\$703,000) over two years to support the British Lung Foundation's Baby Breathe Easy programme. This is funding a pilot scheme 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 (£192,000) over three years to the Arthur Ashe Institute for Urban Health. The Black Pearls programme provides health education for low-income neighbourhoods by reaching into non-traditional venues, including African American and Afro-Caribbean churches, barber shops, beauty salons, laundromats and tattoo parlours. It provides culturally appropriate information to help promote early disease detection and encourage people in multi-ethnic communities to adopt healthier lifestyles.

We continue to support the Children's Health Fund's Referral Management Initiative (RMI). A new, three-year grant of \$2.6 million (£1.4 million) will help RMI continue and extend its services into Philadelphia, 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 several 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.

Since 1998 the GSK France Foundation has supported 68 programmes in 13 countries. These focus on people living with HIV/AIDS in developing countries, particularly in Africa, and aim to improve healthcare through prevention, education and training. During 2005, 13 new programmes were implemented in 5 countries with grants of 700 000 euros (£480,000).

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 AIDS Orphan Uganda, a three-year programme building community support for vulnerable children in the Luweero District.

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 2005, this Foundation awarded grants totalling \$2.7 million (£1.49 million).



Community investment continued

SUPPORTING EDUCATION

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

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 and Academies 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.

In the fifth year of GSK sponsorship, a grant of £110,000 (\$200,000) to the Association for Science Education supported Science Across the World, an international education programme that enables school children in more than 115 countries to discuss science issues over the internet.

With a £50,000 grant from GSK, 2,600 UK science teachers were able to participate in 'Active Assessment' training in 2005. This helps teachers improve their pupils' 'thinking skills' and empowers them to take more responsibility for their own learning.

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

Education in the US

During 2005, we increased our support for initiatives to improve overall education standards in the US. GSK is a founding partner of the US Chamber of Commerce's Business Education Network. The network will develop partnerships between the business community and education providers to improve educational standards and bridge skills gaps.

We also continued to support a range of science education initiatives:

- Science in the Summer is a free, library-based education programme in Philadelphia, giving children the chance to participate in hands-on experiments and science based courses. In 2005 GSK donated \$300,000 to Science in the Summer, which enabled almost 6000 children to participate. Almost 75,000 children have participated in the programme since it was launched nearly 20 years ago.

- We support Sally Ride Science Festivals which aim to increase girls' interest in science, maths and technology. The festivals feature workshops led by local veterinarians, astronomers, microbiologists and engineers. Workshops are also run for parents and teachers on how they can support girls' interests in science and technology careers.
- A three-year grant of \$300,000 (£165,000) 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

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 school science education through our UK Science and Engineering Ambassador Scheme and US Partnership for Educational Discovery.

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

During 2005, our GSK Investment in Volunteer Excellence (GIVE) programme gave \$300,000 (£165,000) to over 350 charitable organisations in the US where employees or their partners volunteered at least 50 hours during the year. In the UK, our Making a Difference programme provided grants of almost £300,000 (\$546,000) to over 440 charities where our employees had volunteered.

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 2005 in the USA, GSK matched donations by employees and retirees at a value of over \$5 million (£2.7 million). In addition, GSK gave \$1.35 million (£742,000) to match donations by GSK employees through the annual GSK and United Way campaign.



Community investment continued

CASE STUDY

The gift of life – GSK product donations

GSK antibiotics fight both common and life-threatening infections. In 2005 we donated antibiotics and other medicines worth £27 million in response to disaster relief efforts, as travel packs for medics on humanitarian missions and to support healthcare provision in impoverished communities.

Three-year old Rosa Angelica Pravia is just one of the thousands of people to have benefited. She was admitted to a hospital in a remote part of South America where the doctor feared her infection could result in meningitis. Her father earns just \$2 a day cleaning pineapples and there are 10 children in the family, so they could not afford medicine to treat her. Fortunately the hospital had just received a donation of medicines from MAP International, including GSK's antibiotic *Ceftin*. Within three days Rosa was out of danger. Her doctor said the *Ceftin* had saved her life.

Many of these products are donated in response to specific requests from relief charities such as AmeriCares, Direct Relief, InterChurch Medical Assistance, MAP International and Project HOPE.

MAP International uses donations of GSK antibiotics such as *Augmentin* and *Amoxil* in travel packs for its medical missions. The packs are compact, fully stocked, portable pharmacies that enable the teams to treat a wide range of illnesses in developing countries. "The antibiotics treated many infections, some of which were life threatening," a MAP team reported recently after a mission to Zambia. "The local doctors told us that they can go to remote villages to see patients who do not have the resources to fill prescriptions. Without GSK's help we would not have been able to see so many patients and help them with medication."