

# Employment practices

1	Introduction	
2	Access to medicine	
3	Research	
4	Ethical conduct	
<b>5</b>	<b>Employment practices</b>	<b>Page</b>
	Employee surveys	42
	Diversity	43
	Employee development and talent management	45
	Internal communication	46
	Health and safety	47
	How we manage health and safety	47
	Injury and illness rates and causes	49
	Serious incidents and fatalities	61
	Employee health	61
	Safety programmes	63
6	Human rights	
7	Environment	
8	Community investment	
9	Data summary	

## Employment practices

GSK employs over 100,000 people in 119 countries.

**Our goal to be the best place for the best people to do their best work is central to our business strategy and key to business success. We aim to create a positive working environment, offer competitive reward packages that emphasise performance, provide opportunities for training and advancement, and listen and respond to employee feedback. (See our Annual Report for more details on our business strategy).**

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 are:

- Performance with integrity
- Entrepreneurial spirit
- Focus on innovation
- A sense of urgency
- Passion for achievement

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.

This section explains our approach and performance in 2005. It covers:

- our regular employee surveys
- our programmes to recruit and retain a diverse workforce;
- employee development, performance appraisals and talent management;
- how we communicate with employees and get their feedback;
- our health, safety and wellbeing programmes.

### EMPLOYEE SURVEYS

The sustainability of our business rests on factors that are difficult to measure such as the quality of our leadership, our culture and our ability to develop talented people. Regular employee surveys help us to monitor the evolution of GSK's culture and overall employee satisfaction. The results are used to assess the effectiveness of our people management practices and identify areas for improvement.

We conduct a Global Leadership Survey every two years. Over 10,000 managers took part in the last survey in 2004. Results showed a significant improvement on 29 of 31 items compared with 2002 results. For details of the results see our 2004 Corporate Responsibility Report. The survey findings are reviewed by GSK's Corporate Executive Team and our business units have implemented action plans to deliver improvements in key areas. For example, GMS have extended our core Leadership Edge programme to over 1000 leaders and have increased focus on staff development, including through mentoring and coaching. R&D have implemented a quarterly "pulse" employee survey to understand better where there are opportunities to enhance employee engagement and satisfaction. They have also launched the "Focus on the Patient" initiative to build on our strength of putting the patient first in our plans and decision making.

### Activity in 2005

We conduct a range of interim employee surveys to gauge satisfaction, motivation and engagement between Leadership Surveys.

Our annual US Inclusion and Resilience Poll was sent to 1,000 US employees in 2005. The survey gathers feedback on work-life and resilience issues and how we are progressing towards our diversity vision. The scores for diversity were all higher than 2002. Other results included:

Question	% favourable		
	2002	2004	2005
How would you rate your overall satisfaction with GSK at the present time?	64	72	75
I feel valued as an employee of GSK.	51	63	68
My manager enables flexible and innovative solutions for managing work and personal life.	66	70	76
My work environment enables me to maintain a healthy lifestyle.	57	61	60

## Employment practices continued

### DIVERSITY

GSK is committed to employing a diverse workforce in an environment where all employees are treated with respect and dignity.

Diversity benefits our business. A workforce with diverse backgrounds, cultures and outlooks helps us to 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 doing their best work for GSK.

We have a range of initiatives to ensure we meet our diversity commitments. We also monitor and report data on gender diversity by management grade worldwide and on ethnicity in the UK and US. For more background information see our website.

### Activity and performance in 2005

Our annual US Inclusion and Resilience Poll includes questions on diversity. These were all rated higher in 2005 than in 2002:

- 56% of respondents agreed that senior management shows by its actions that creating an inclusive environment is a top priority at GSK (compared with 50% in 2004 and 44% in 2002)
- 77% thought their workgroup has a climate in which diverse perspectives are valued (compared with 65% in 2004 and 67% in 2002);
- 77% thought their manager demonstrates the ability to manage a diverse workgroup (compared with 66% in 2004 and 68% in 2002).

GSK received a 100% score for corporate equality from the US Human Rights Campaign Foundation that measures companies' treatment of gay, lesbian, bisexual and transgender employees, consumers and investors. Companies scoring 100 percent are included in the organisations' "Best Places to Work for GLBT Equality" list.

### Gender diversity (worldwide)

Women in Management Grades	% of positions held by women		
	2003	2004	2005
A&B Bands*	20	19	21
C01 - C03**	31	33	33
C04 - C05***	37	38	38
Total for all management grades	34	35	35

\* Corporate Executive Team, Senior Vice Presidents, Vice Presidents

\*\* Director Level

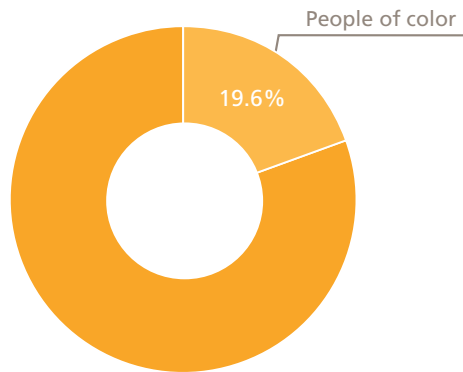
\*\*\* Manager Level

Women remain under-represented in senior grades. We will continue to focus on ways of ensuring women have genuine equality of opportunity in GSK.

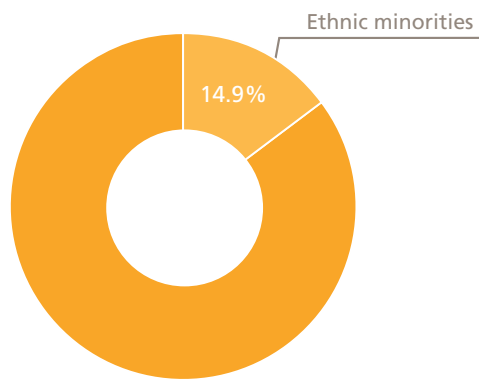
We hold a Women in Science event in the UK each year, enabling female science graduates to give feedback on how GSK could attract more women scientists. A similar event was launched in the US in May 2005, attended by over 100 female and male employees. The focus was on development of women scientists in GSK.

## Employment practices continued

### Ethnic diversity



Employees	%
People of color in the US employee population	19.6%



Employees	%
UK employees from ethnic minorities	14.9%

## 5 Employment practices continued

In the US, people of colour made up 19.6% of our workforce, compared with 19.5% in 2004. In the UK, ethnic minorities (as defined by the UK Commission for Racial Equality) accounted for 14.9% of employees, compared with 14.8% in 2004. In our 2004 CR Report we wrongly reported the number of ethnic minority employees as 19.8%. This was due to an error in our data collection system which we have now corrected.

### *Multi-Cultural Marketing and Diversity Awards*

Our annual Multi-Cultural Marketing and Diversity Awards recognise staff who have found creative ways to reach a wider audience of employees, customers and communities. Awards are given in several categories including one for Employee Attraction, Development and Retention. This year's winners included:

- The UK R&D Residential Chemistry Training Experience, designed to increase the diversity of candidates attracted into chemistry roles. Final year undergraduates spent a week with GSK on the programme. Applications were particularly sought from ethnic minority students from non-traditional universities for GSK recruits. The 20 participants received coaching on technical, personal and professional subjects and interacted with GSK employees at all levels.
- The *Niquitin* team, Birmingham, UK, who raised awareness of smoking cessation among ethnic populations who have higher than average smoking rates.
- The US Consumer Healthcare Hispanic Employee Network who worked with a number of GSK brands to help them understand and improve their appeal to the Hispanic community. This included our *Sensodyne* brand, which with the network's input, increased sales by 22.1% in the Hispanic community, compared with the general market increase of 7.2%.

### *Employee networks*

Our employee networks include programmes for Asian, African American, Hispanic and gay and lesbian employees. They provide a forum for employees with similar backgrounds to meet and discuss issues of shared concern.

"I set up the Gay and Lesbian Staff Network UK for a very simple reason: to enable positive inclusion of lesbian, gay, bi and transsexual staff in the GSK culture. Team work is an essential requirement of the modern pharmaceutical industry. Exclusion on grounds of sexuality or sexual orientation is an obstacle to effective team work and personal development."

Chair and Founder, GSK R&D UK GLSN

### EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT

GSK invests in training and development to enable employees to perform to the best of their ability and to develop their careers. Our talent management processes help us identify and develop leadership candidates.

#### 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 in the UK and US. During 2005, 4,886 employees attended 368 development programmes in these countries. Similar opportunities exist for employees worldwide but data are not currently collected on the take-up of programmes.

In 2005, 97 people attended Leadership Edge, our global programme for senior managers, and 108 attended Leadership@GSK, the programme for middle managers. We ran five Inspirational Leadership Workshops attended by 72 executives and senior leaders, with significant influence over large numbers of staff. These focus on the senior leadership role of inspiring and motivating people to high performance to meet business challenges. A further 79 employees attended our foundation programme for new managers, Management@GSK. This programme is designed to help managers improve the performance of their staff and to increase their insight into differing work styles, strengths and motivation.

#### Development

Regular performance appraisals reward strong performance and help employees set objectives and identify the training they need. More than two-thirds of GSK employees receive an annual performance appraisal through our Performance and Development Planning (PDP) programme.

PDP includes an assessment of how well employees have implemented the GSK Spirit - the principles we use to define our culture. It can have a significant impact on bonus payments, potentially reducing them to zero if an employee is found not to have followed the Spirit, and can also affect future career development.

#### Talent management

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.

## Employment practices continued

A pool of potential successors is identified for all Vice-President and senior management positions. These are reviewed annually by the appointments sub-committee of the Board.

### INTERNAL COMMUNICATION

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 other senior executives. In 2005, JP Garnier, GSK's Chief Executive answered 364 questions. Behind the News, a section of the GSK intranet, gives the company's position on important issues linked to press stories about GSK. myGSK was updated in 2005 to ensure that all employees can access news and policies.
- Web-broadcasts from GSK senior management, including 18 from executive team members, for employees at our major sites. In February, GSK's CEO, Chairman and head of R&D hosted a global broadcast viewed by 30,000 employees at 86 sites. More than 1,000 employees completed a follow-up survey, with 92% agreeing that the broadcast had increased their understanding of GSK's priorities for 2005 and beyond. A second broadcast in December celebrated 'The year of the vaccine', was shown in over 140 venues and recognised employees that have made outstanding contributions to the company.
- Spirit, our internal magazine, reaches around 50,000 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.
- Employee surveys are carried out regularly throughout the organisation, see Employee surveys. We will conduct our next biannual Leadership Survey in 2006.

- We consult employees on changes that affect them and discuss business developments through our Works Councils and European Employee Forum. We have similar forums in other countries where this is national practice. In 2005 the European Employee Forum discussed topics including the transformation and optimisation programme for Europe IT, proposals for change to GSK's European Distribution and Supply Chain and the company's approach to stress in the workplace. A new UK Information and Consultation Forum will be established during 2006 to address strategic level business developments and company proposals for change in areas such as employment policy and pensions.
- 43 'townhall' sessions 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 also keep employees informed about corporate responsibility (CR). During 2005, 55,000 copies of our CR Overview brochure were distributed to employees directly and through Spirit magazine. An online CR survey was sent to 980 randomly selected GSK employees to assess awareness of our approach to CR and CR reporting, see Stakeholder Feedback.

We are developing an internal communication initiative on ethical leadership and the role of every employee in protecting and enhancing GSK's reputation. It will be launched in 2006 and will include an e-learning module, guidance for managers on facilitating discussions on GSK's ethics policies with their team and new material on myGSK.

We track the effectiveness of communications through questionnaires and 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.

## Employment practices continued

### HEALTH AND SAFETY

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 and the causes of incidents. We aim to assess what can be learned and take action to protect employees and others in the workplace. We need to improve implementation at some sites.

Our aim is to eliminate all work-related injuries and illnesses (I&I). Our main measure is the number of cases resulting in time off work (lost-time cases) and our target over the last 5 years has been to reduce the number per 100,000 hours worked by 15% every year. We achieved the target on average for the first two years but the rate has remained almost constant since 2003, so we did not meet the five-year target.

We will be setting a new I&I target for 2006-2010 as part of the Plan for Excellence 2006-2015, and will set targets for reportable I&I – cases that GSK defines as more serious than first aid. Some of these may also be reported under government regulations in some countries. Safety theory suggests that addressing reportable I&I will help to eliminate risks and hazards, which should lead to fewer reportable cases as well as lost-time I&I cases.

#### About the Health and Safety Section of This Report

This section contains information about how we manage health and safety as part of overall EHS management and describes our programmes. It reports injury and illness rates highlights serious incidents and fatalities, and covers health and safety audits of GSK operations.

Our programmes cover a wide range of H&S aspects, from providing safety training for sales employees, who tend to have the highest number of fatalities, to working with all employees to improve their general health.

This is the 6th year that we have reported on our health and safety performance. The legacy companies (Glaxo Wellcome and SmithKline Beecham) individually published EHS reports for a number of years prior to the formation of GSK in 2000. Copies of these reports are available on the Corporate Register website [[www.corporateregister.com](http://www.corporateregister.com)].

#### Scope of Data

The health and safety data covers the calendar year 2005. It is collected from all of our 81 pharmaceutical and consumer manufacturing sites, seven of eight biologicals manufacturing sites, and all 20 pharmaceutical and

consumer research and development sites, as well as all seven distribution centres, all eight major office locations and 56 of approximately 65 smaller offices and sales locations. We include available data for sites that were in operation for all or part of the year. Notes attached to the charts explain the scope and data collection process for each parameter in more detail. We also include data (in the injuries and illness page) for a number of suppliers who provided information.

#### Verification

The environment, health and safety sections of this report are externally verified by ERM (Environmental Resources Management). Web pages to which the verification applies are indicated by this symbol. ERM's verification statement is on page 70.



#### How we Manage Health and Safety

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 up to 2010 and is currently being renewed to extend to 2015.

Our Corporate Environment, Health and Safety (CEHS) and Employee Health Management (EHM) teams help coordinate our health and safety programmes.

In these pages we summarise activities during 2005 that relate specifically to health and safety. See the EHS Management pages for information on how we manage environmental and broader EHS issues.

#### Training and awareness

EHS 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. CEHS and EHM 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.

## 5 Employment practices continued

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 2005, over 17,500 employees from 70 sites in 32 countries took part in the Health and Safety Week. Activities included sports days, safe driving education, ergonomics training, awareness-raising on noise and safeguarding hearing, healthy eating and lifestyles, and family participation events.

### Health and Safety Feedback From our 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.

At the end of 2005 we assessed the performance of all facilities (except small commercial sites) using self-assessment and internal audit. (We audited 33 sites). The average score was 77%, but 3 sites achieving a score below 50%, which we regard as unacceptable. While the average score exceeds our target of 75% we will aim to correct unacceptable performance and continue to pursue further improvements to achieve best practice.

Our audits identified several priority areas:

- Chemical exposure risks
- Chemical risk assessment and control
- Managing resilience and mental well-being
- Ergonomic risk assessment and control
- Scope and adequacy of workplace risk assessments
- Self-auditing of health and safety programmes
- Management systems implementation

We aim to drive improvements in poorly-performing areas through actively tracking audit findings and identifying improvements with follow-up audits. For sites scoring less than 50%, 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 also introduced or continued specific work in the following areas in 2005 to achieve improvements:

- **Chemical Agents** – targets set within manufacturing for promoting more accurate exposure determinations and ensuring adequacy of respiratory protective equipment at unit operations; discussions and presentations during Network Meetings
- **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** – rollout of the Management System Toolkit as described below

All sites are required to develop plans to address any weaknesses and potential improvements identified in the audit. Auditors monitor sites' progress in implementing the plans. Auditors are trained and their findings compared to ensure consistency. In 2005 we continued to refine the EHS audit process and scoring system based on experience and feedback. We have also installed EHS auditing software on our intranet to help sites and auditors track progress.

### OHSAS 18001 Certification

In 2005, two additional sites achieved certification to the international health and safety standard OHSAS 18001. This brings the total number of manufacturing sites certified to 16 out of 89 pharmaceutical, consumer and vaccine manufacturing sites, with one additional site that certified only the utilities area. The certified sites are in China, Egypt, France, India, Kenya, Mexico, Poland, Saudi Arabia, Turkey and the UK. See audits and certification for information on certification to the environmental management standard ISO14001.



## Employment practices continued

### Excellence Awards

The Chief Executive Officer's Environment, Health and Safety (EHS) Excellence Awards recognise and reward innovation by GSK sites. These were the winning entries in the EHS Initiative health & safety category in 2005:

**First Place:** Barnard Castle, UK for "Proven Capability for the 'Shirt Sleeve' Working Environment"

The site has moved toward controlling operator exposure to highly potent compounds by using containment for routine tasks, rather than using respiratory or protective equipment to guard against exposure. EHS considerations are integrated into the site's business model for introducing new products, which has allowed containment to be integrated into the design for manufacture.

**Second Place:** Wavre, Belgium for "SOBANE" an Innovative Approach to Safety"

Wavre introduced a new approach to safety management in 2005 that has significantly reduced the number of injuries. It is one of three GSK Biologicals sites in Belgium involved in the research, development and production of vaccines.

The site has a specially-designed building where more than 100 employees work filling vials and syringes with vaccines. During 2003 there were seven lost-time injuries in the building and in the first nine weeks of 2004 there were five accidents resulting in disability, with the type of injuries sustained getting significantly worse. The EHS department responded by introducing a new safety management methodology known as 'Sobane'.

The Sobane method involves the active participation of staff in screening for potential safety risks and finding solutions. Every member of staff becomes a member of a team with an active safety role.

The method was introduced in May 2004 and has resulted in 96% of potential safety risks being solved by staff. Between May 2004 and May 2005 there were no lost-time injuries and more than 400 days passed without an accident resulting in disability.

The method has since been expanded to all GSK Biological sites in Belgium and we plan to introduce it to all GSK Biological sites around the world.

**Third Place:** Cork, Ireland for "Bulk Solvent Metering in a Research and Development Pilot Plant"

The introduction of bulk solvent metering at the Cork pilot plant has eliminated the need for handling of 2,018

drums of solvent per year. This has reduced the risk of solvent being spilled as well as reducing cleaning and disposal requirements for waste drums and pallets. No musculoskeletal injuries were reported nor were there any incidents involving chemical burns or solvent splashes from the time the metering system was introduced until the award was given.

See CEO's EHS Excellence Award on the website for more about the awards programme and winners from previous years.

### Injury and Illness Rates and Causes

Our main measure of injury and illness is the number of incidents which result in one or more days away from work (lost time). We express this as a rate per 100,000 hours worked.

Our target was to reduce this lost-time rate by 15% each year to the end of 2005. In fact this rate has not improved since 2003, which suggests that we have reached a plateau in the effectiveness of our prevention programmes.

In 2006 we will renew efforts to improve the effectiveness of these programmes, but will also focus on reportable injuries and illnesses that do not result in time off work. (Reportable incidents are more serious than first aid, even though they do not result in a day off work.) Safety experts believe that addressing the causes of these less serious injuries will result in improvements in both categories.

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 covers 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. (This data is not covered by the ERM verification).

### 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 almost a third of the total.

## Employment practices continued

### Mental ill-health

Cases of work-related mental ill health are excluded from the overall illness rate. This is because the consistency of reporting such cases is less robust than other occupational illnesses and there are variations in the way these illnesses are defined under local legislation which affects reporting. We are working to address these inconsistencies and aim to include these cases in the future. In 2005, the mental ill health rate (involving lost time) was 0.01 per 100,000 hours worked. Mental ill-health was the second most significant cause of work-related sickness absence, accounting for 41% (1026 days) of the total.

For information on programmes to reduce illness and injury, see Health Programmes and Safety Programmes.

### 2005 Highlights

At 77 sites in 30 countries, there were no lost time injuries or illnesses during the year. In addition:

- one site in India achieved 5 million hours worked without a lost time injury or illness;
- one site in Singapore achieved 4 million hours worked without a lost time injury or illness;
- six sites in Canada, China, India and Pakistan achieved 2 million hours worked without a lost time injury or illness;
- fourteen sites in China, France, India, Mexico, Pakistan, Philippines, South Africa, UK, and the US achieved 1 million hours worked without a lost time injury or illness.

### Performance

The table summarises our experience in 2005, while the charts illustrate trends.

In 2005 we recorded 984 injuries and 344 illnesses, compared to 949 and 406 respectively in 2004. Employees lost working days in 624 of these incidents (580 in 2004). Comparing our record with the expected relationship between incidents that result in lost time and those which don't suggests that we undercount the real number of injuries and illnesses that do not result in lost time. We are working to improve our reporting of these injuries and illnesses.

In 2005, approximately 17% of illnesses resulted in permanent disabilities, such as noise-induced hearing loss, sensitisation to chemicals and some musculoskeletal illnesses.

GSK's injury and illness performance placed us in the third quartile of a benchmark industry group in 2004.

### Causes of injuries and illnesses

The main causes of injuries were motor vehicle accidents, slips, trips and falls. Illnesses leading to lost time were mainly musculoskeletal or concerned with mental ill-health. Chemical-related dermatitis following exposure to chemicals at work caused a significant number of illnesses which did not lead to lost time.

### Our record in 2005

Workplace injury and illness incidents

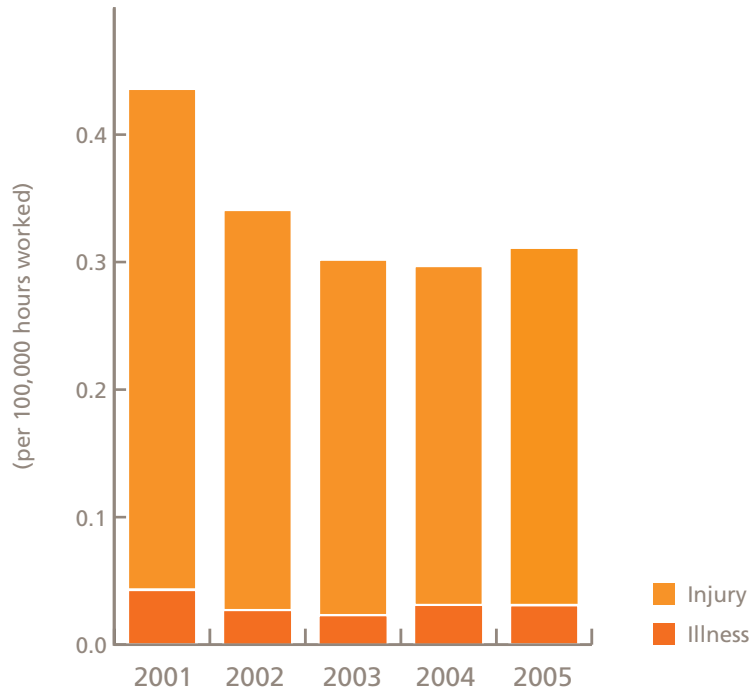
	GSK employees		Contractors*
	Injuries	Illnesses	
<b>Incidents leading to lost time</b>	547	50	100
– musculoskeletal (included above)	90	30	
– mental illness (not included above)		27	
<b>Days lost (excluding mental illness)</b>	11,080	1,492	1,551
<b>Reportable incidents (not leading to lost time)</b>	437	261	276
– musculoskeletal (included above)	73	80	
– mental illness (not included above)		6	

\*contractor data is not included in the verification by ERM



## Employment practices continued

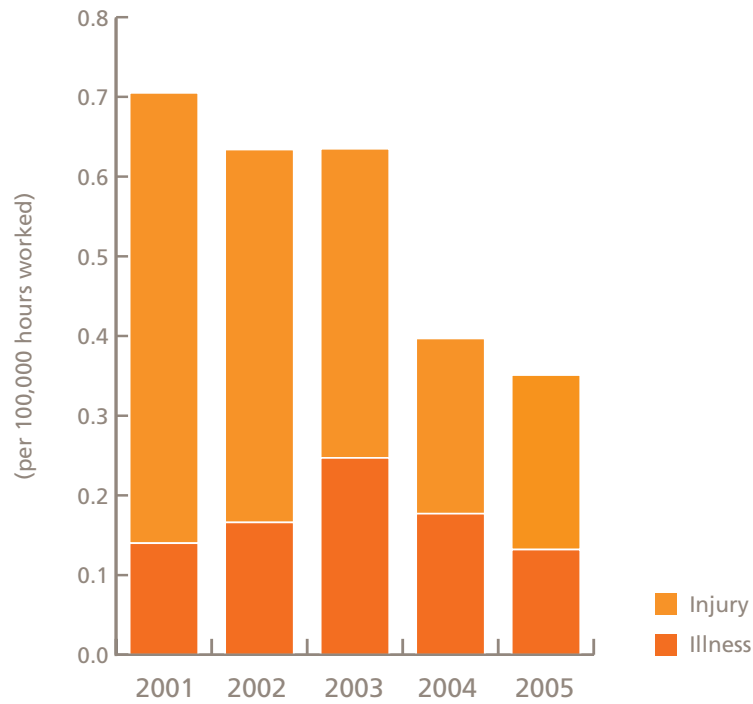
### Lost time injury and illness rate



Lost time injury and illness rate			
Year	Illness	Injury	Total
2001	0.04	0.39	0.43
2002	0.03	0.31	0.34
2003	0.02	0.28	0.30
2004	0.03	0.27	0.30
2005	0.03	0.28	0.30

## Employment practices continued

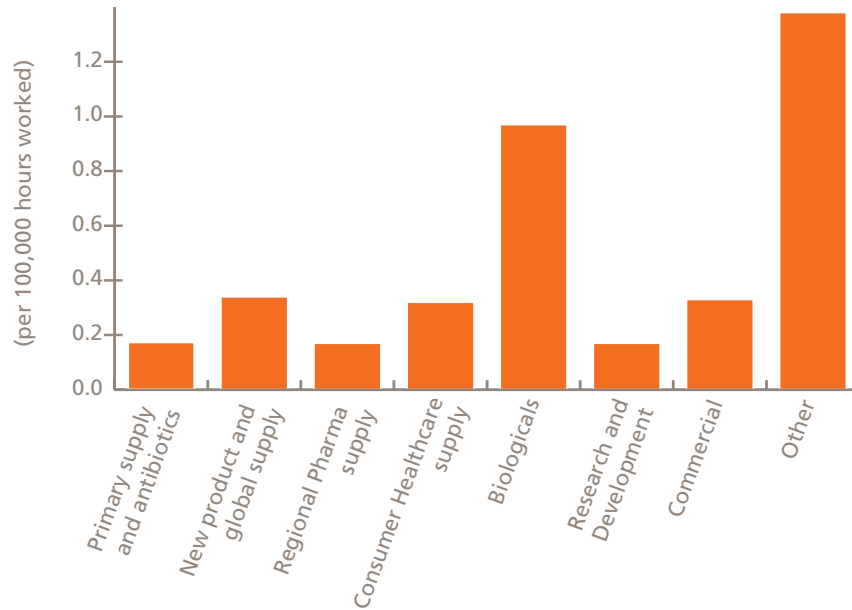
### Reportable injury and illness without lost time rate



Reportable injury and illness without lost time rate			
Year	Illness	Injury	Total
2001	0.15	0.56	0.71
2002	0.17	0.47	0.63
2003	0.25	0.39	0.64
2004	0.18	0.22	0.40
2005	0.13	0.22	0.35

## Employment practices continued

### Lost time injury and illness by business

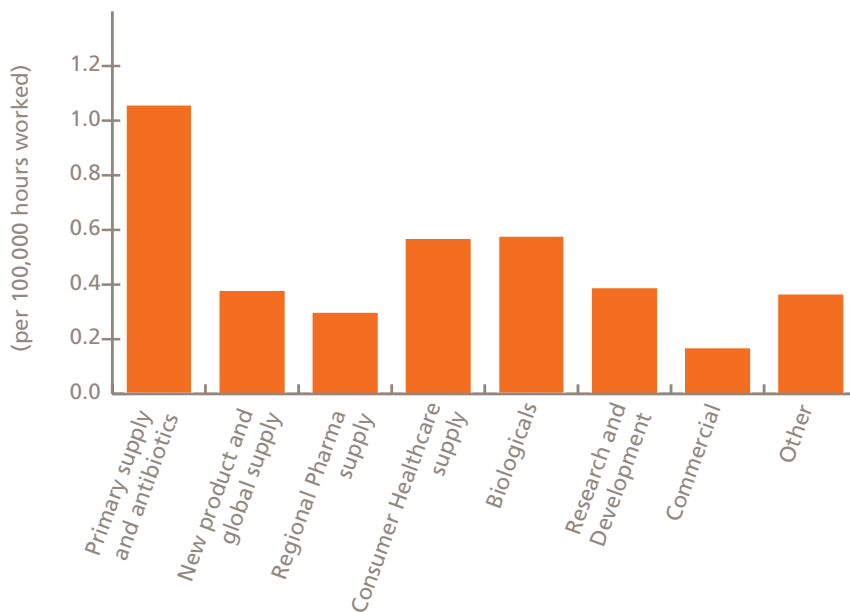


#### Lost time injury and illness by business

	I&I rate
Primary supply and antibiotics	0.17
New product and global supply	0.34
Regional Pharma supply	0.17
Consumer Healthcare supply	0.32
Biologicals	0.97
Research and Development	0.17
Commercial	0.33
Other	1.38

## Employment practices continued

### Reportable injury and illness without lost time by business

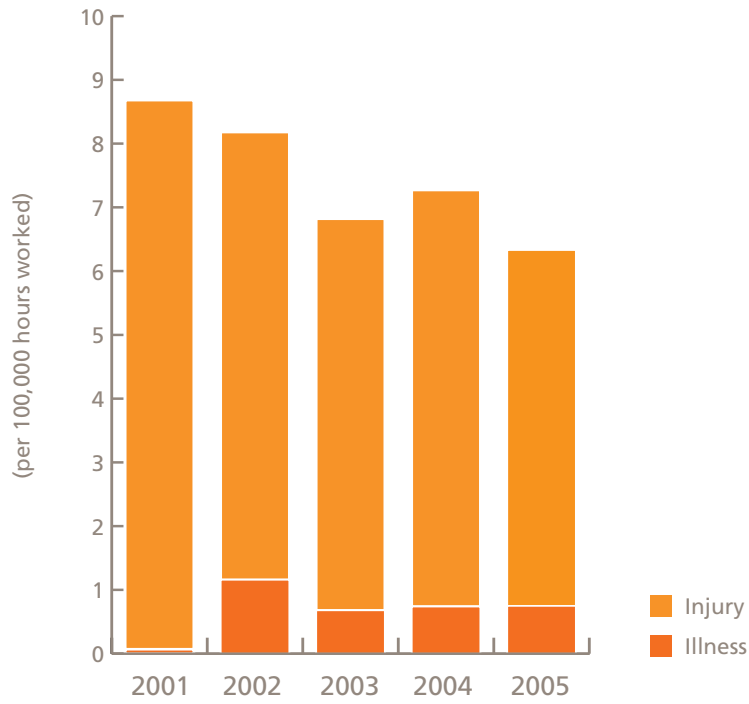


#### Reportable injury and illness without lost time by business

	I&I rate
Primary supply and antibiotics	1.06
New product and global supply	0.38
Regional Pharma supply	0.30
Consumer Healthcare supply	0.57
Biologicals	0.58
Research and Development	0.39
Commercial	0.17
Other	0.37

## Employment practices continued

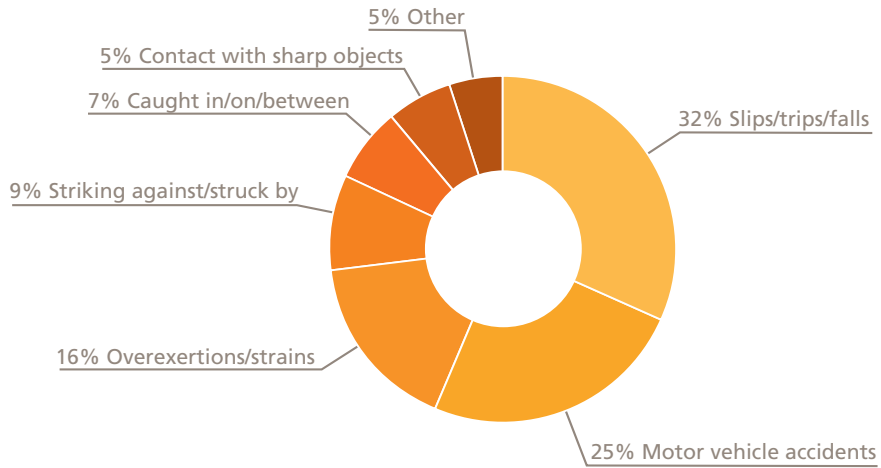
### Calendar days lost rate



Calendar days lost rate			
Year	Illness	Injury	Total
2001	0.07	8.61	8.68
2002	1.16	7.02	8.18
2003	0.68	6.14	6.82
2004	0.74	6.53	7.27
2005	0.75	5.58	6.34

## Employment practices continued

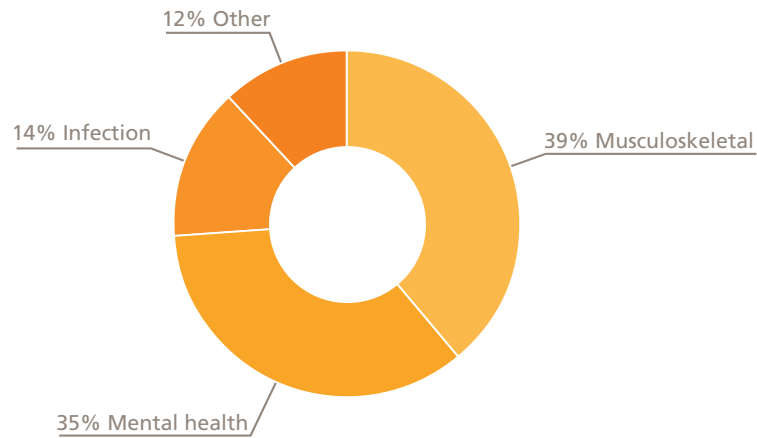
### Categories of lost time injury



Slips/trips/falls	174
Motor vehicle accidents	137
Overexertions/strains	90
Striking against/struck by	51
Caught in/on/between	37
Contact with sharp objects	30
Burns-thermal/chemical	17
Foreign bodies/objects	6
Other	3
Workplace violence	1
Electrical/fire/explosion	1
Animal/insect	0
<b>Total</b>	<b>547</b>

## Employment practices continued

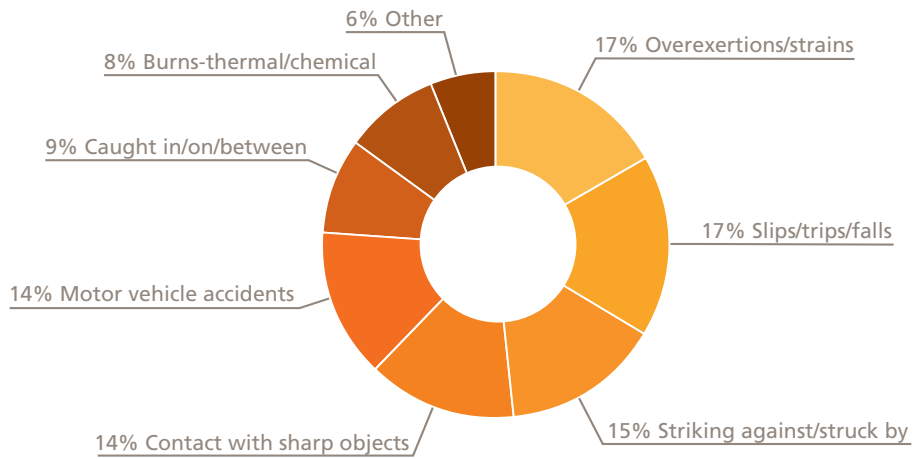
### Categories of lost time illness



Musculoskeletal	30
Mental health	27
Infection	11
Other	5
Non-allergic respiratory	2
Allergic respiratory	2
Non-allergic dermal	0
Systemic	0
Allergic dermal	0
Physical	0
Cancer	0
Reproductive	0
<b>Total</b>	<b>77</b>

## Employment practices continued

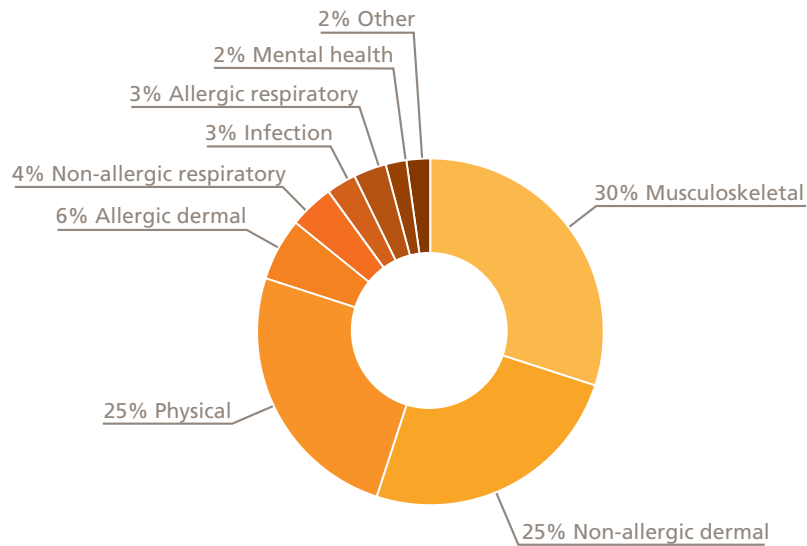
### Categories of reportable injury without lost time



Overexertions/strains	73
Slips/trips/falls	75
Striking against/struck by	66
Contact with sharp objects	62
Motor vehicle accidents	59
Caught in/on/between	40
Burns-thermal/chemical	37
Animal/insect	14
Foreign bodies/objects	8
Other	2
Electrical/fire/explosion	1
Workplace violence	0
<b>Total</b>	<b>437</b>

## Employment practices continued

### Categories of reportable illness without lost time



Musculoskeletal	80
Non-allergic dermal	68
Physical	68
Allergic dermal	15
Non-allergic respiratory	11
Infection	8
Allergic respiratory	7
Mental health	6
Other	2
Systemic	2
Cancer	0
Reproductive	0
<b>Total</b>	<b>267</b>

## Employment practices continued

### Summary tables

Injuries and Illnesses with lost time – rate per 100,000		
Year	Injury	Illness
2001	0.39	0.04
2002	0.31	0.03
2003	0.28	0.02
2004	0.27	0.03
2005	0.28	0.03

Injuries and Illnesses without lost time – rate per 100,000		
Year	Injury	Illness
2001	0.56	0.15
2002	0.47	0.17
2003	0.39	0.25
2004	0.22	0.18
2005	0.22	0.13

Calendar days lost – rate per 100,000		
Year	Injury	Illness
2001	8.61	0.07
2002	7.02	1.16
2003	6.14	0.68
2004	6.53	0.74
2005	5.58	0.75

### Supplier Health and Safety Performance

In 2005 we requested information from 39 suppliers (includes both contract manufacturers and key suppliers), 23 of which provided data. Some of these had not provided data in 2004 so we do not have comparative figures. In 2005, these 23 suppliers reported a total of 32.7 million work hours.

### Lost Time Injury and Illness

There were 187 lost time injuries and 16 lost time illnesses, a rate of 0.62 lost time injuries and illnesses per 100,000 hours worked.

### Injury and Illness Without Lost Time

There were 641 injuries without lost time and 75 illnesses without lost time, 2.18 injuries and illnesses without lost time per 100,000 hours worked.

### Calendar Days Lost from Injury and Illness

There were 2,668 lost days from injuries and 940 days lost from illnesses, 11.03 calendar days lost per 100,000 hours worked.

### Notes to charts

The health and safety data cover both our employees and contract workers who are directly supervised by GSK employees.

All injury and illness rates are per 100,000 hours worked.

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.

Lost calendar days are the calendar days 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.

Reportable injuries and illnesses without lost time are reported incidents that did not result in time away from work (lost time). They are more serious than first aid but generally less serious than lost time.

We do not include cases of mental ill health in our lost time or reportable illness rates. This is because of variations in the way mental ill-health is defined and reported across sites globally, which we are working to address.

## Employment practices continued

### Serious Incidents and Fatalities

We deeply regret that one employee died in a work-related driving incident in Egypt, and two members of the public were killed during 2005 in driving accidents involving GSK employees.

We are working to reduce traffic related accidents through our driver safety programme (see safety programmes).

We have seen a reduction in the number of work-related fatalities in the last few years. This is consistent with the targets for improving health and safety performance set out in the Plan for Excellence. Contractor fatalities have remained largely constant over the same period.

Five year trend in employee fatalities:

	Fatalities
2001	5
2002	3
2003	5
2004	2
2005	1

We also report serious incidents ie incidents that result in permanent disability or those that are reported to regulatory authorities. In 2005, accidents involving machinery resulted in three employees (at sites in South Africa, the US and Puerto Rico) suffering finger amputations. One contract temporary worker at a site in the US had to have his lower leg amputated as a result of a forklift incident. Twenty two employees had to be evacuated from a site in France following the accidental release of a hazardous chemical. Nine needed medical treatment, eight of whom were hospitalised for the night. One sales employee in the US was involved in a multi vehicle road accident that resulted in severe injury and hospitalisation. An employee in the UK suffered burns to 18% of his body as a result of burst pipework releasing boiling water and steam.

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.

### Employee Health

A workplace culture that supports a healthy and resilient workforce drives positive business performance. Protecting and promoting the wellbeing of our employees increases employee productivity and attendance, reduces health care and health insurance costs and supports us in our goal to be an employee of choice. This is aligned with GSK's mission of improving quality of life.

In the sections below, we focus on the steps we have taken to improve ergonomics, resilience (managing pressures and stress) and attendance. We also provide information on our HIV initiatives and planning process for a potential worldwide influenza pandemic.

### Health Programmes

Our health programmes enable employees and their families to benefit from better health and enhanced quality of life, while the business gains from increased employee commitment and productivity and from reductions in the financial impact of ill-health.

We have a range of programmes to support employee wellbeing including 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 immunizations, cancer screening, help with smoking cessation and regular check ups. We assist employees suffering from chronic diseases with their medical plans and provide support to help them continue with treatments.

We have developed a scorecard to measure and track our progress in improving employee health and adding value to the business. The scorecard contains quantitative measures including ill-health absence rates. We will report our performance against these measures and targets in 2006.

In 2005 we held five workshops globally with Environment Health & Safety and Human Resources to share information and best practice. Our Employee Health Management Department supports sites across GSK in implementing our Employee Health Policy and achieving consistent standards. We carry out internal audits to monitor site performance and oversee improvement plans.

### Ergonomics

Musculoskeletal illness and injury is one of the leading causes of ill health resulting in time away from work. In 2004 we appointed a full-time professional ergonomist to lead the development of our ergonomics strategy. We have set a target to reduce the number of ergonomic

## 5 Employment practices continued

illnesses and injuries 10% by 2010. Improving workplace and job design will also improve efficiency and productivity.

An internal 'ergonomics university' was established in 2005 to increase knowledge of ergonomic issues and best practice among GSK employees. We introduced computer presentations on a variety of ergonomic topics and a CD-based programme for commercial field-based employees covering ergonomics "on the go". A Global Ergonomic Community website was developed for employees to discuss issues, share ideas and access resources. It includes best practice examples ranging from laptop ergonomics to lifting.

We launched an on-line ergonomics risk assessment for office-based employees to help reduce ergonomic injuries associated with computer use. The programme is used at over 150 GSK sites worldwide and has been translated into Spanish, French, Italian and Polish. In 2005, 5,540 employees completed the computer-based risk assessment. We are developing a similar risk assessment tool for non-office based employees that will be piloted in our US manufacturing sites.

In 2005 we established employee-led ergonomic improvement teams at 26 manufacturing sites in the UK, US, and Latin America. Their role is to embed ergonomic design considerations into workplace practices and procedures. For example, the team at our Zebulon site in the US has made a number of improvements to the work environment. These include the use of adjustable height carts to reduce injuries from lifting heavy items such as rolls of material. It also reduces waste due to reduced manual handling of the materials. We will launch ergonomic improvement teams at manufacturing facilities across Europe and Asia in 2006.

### Resilience

Mental illness is another one of the leading causes of ill health resulting in time away from work. We use the term 'resilience' to describe the set of skills and behaviours needed to be successful in a highly pressured, fast-paced and continuously changing environment. This enables us to support employees to manage work and home demands more effectively, and minimises the adverse health affects of stress. Data from our resilience programmes show that this can improve business results along with employee commitment and engagement. These programmes fully support UK legislative requirements to tackle sources of workplace stress.

Our team resilience programme is a participatory, proactive quality- improvement process utilizing assessment tools to identify sources of workplace stress with a team-based solution focused process. It looks at issues that can cause pressure and affect performance such as work demands, team relationships, management practices, career and development concerns and work culture. Individual team members get a confidential personal profile and a tailored action plan is developed by the whole team. In 2005, 5,800 staff took part in team resilience programmes. The programme has been translated into Spanish, Portuguese, French, German, Italian, Japanese and Mandarin.

The majority of GSK sites have programmes to reduce workplace pressures and help employees achieve a good work-life balance. These include time management training, flexible working options, health awareness and education initiatives. Over 50% of our employees worldwide have access to Employee Assistance Programmes that provide confidential support 24 hours a day along with additional counselling as needed.

The team resilience programme received external recognition from the UK Health and Safety Executive (HSE), and was nominated for several awards which included winning Personnel Today's Managing Health at Work award.

### Attendance

Long-term employee absence has a financial impact on GSK through lost productivity and efficiency. By limiting employee absence and helping those off work return as soon as appropriate, we can minimise these costs and improve employee wellbeing.

In 2004 we launched a new case management approach to long-term employee absence in the UK. This involves close collaboration between the EHM team, HR staff, line managers and the employees themselves. Key elements include accurately measuring absence and ensuring that we maintain regular contact with employees who are off work. We make sure that employees and their doctors know about the wide-range of in-house support available at GSK, including access to physiotherapists, counsellors and occupational health physicians.

A rehabilitation plan is agreed with the employee. This may include making modifications to their workplace, reducing work hours or finding alternative work until they are fully recovered.

## 5 Employment practices continued

Initial results suggest that this approach has led to a fall in absence rates at several sites from approximately 7% to around 3% over 2 years. It is estimated that one manufacturing site in the UK has experienced cost savings of about £1.5 million based on the direct and indirect costs of absence. Employees are returning to work more quickly as they are not being signed off for longer than necessary. Staff feedback indicates that the majority of employees feel better-informed, valued and supported.

During 2006 we will continue to roll out the new procedures across our sites in the UK. We plan to complete this process by mid 2006. Our target in the UK is to reduce the number of days lost due to long-term absence by 10% in 2006. We have set a target for our manufacturing sites worldwide to achieve at least 98% attendance by 2010.

### HIV/AIDS

We provide antiretroviral treatment (ARV) to all HIV positive GSK employees (full and part-time) and their families in the developing world where treatment is not provided adequately or consistently by the local healthcare system.

We offer preferentially priced ARVs to other employers in Sub-Saharan Africa who provide care and treatment for staff. See Preferential Pricing.

We have developed awareness-raising initiatives for use worldwide. In 2005, educational materials developed by GSK Kenya and the Positive Action Programme [[www.gsk.com/positiveaction](http://www.gsk.com/positiveaction)] were adopted by other companies in Kenya, reaching an estimated 10,000 employees in the public and private sectors. The materials have been translated into French and are now available to companies in Burkina Faso, Cameroon, Chad, Gabon, Madagascar and Mali. In early 2006, the materials will be translated into Arabic with help from companies in Morocco. GSK Mexico and GSK Dominican Republic will develop similar, Spanish-language resources for use in Central America. GSK India has also started this process with three employee workshops on HIV and AIDS and a pilot survey demonstrating the need for more employee HIV education.

### Influenza Pandemic

Global outbreaks of Avian Influenza (bird flu) have highlighted the danger of a potential worldwide influenza pandemic. Externally, we are working with governments and the WHO to assist with the provision and development of antiviral drugs and vaccines to manage a potential pandemic. Internally, we have a cross business

team that has developed a global policy and plan for GSK business continuity and employee health preparedness. A plan that minimises the impact of a pandemic on our employees, and ensures we are able to continue manufacturing medicines and vaccines.

### 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 three key areas: driver safety, process safety and chemical exposure.

For information on our approach to ergonomics see Employee Health.

### 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 2005, there were 137 driving accidents resulting in lost time, and these accounted for 25% of lost-time injuries.

Our Global EHS standard on Occupational Travel includes requirements on driver safety. In 2004 we developed 11 technical instruction documents to help GSK businesses comply with the standard. These cover topics such as training, vehicle selection, risk assessment, accident reporting, driving and the environment. In 2005 we combined these documents with additional safety guidelines to create a compliance tool for commercial businesses called 'EHS Essentials'.

Approximately 60% 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 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.

## 5 Employment practices continued

### Process Safety and Safety Engineering

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. During 2005 we expanded our Risk Assessment Tools & Evaluations (RATE) System. It now includes tools covering: Failure Mode & Effects Analysis, Hazard & Operability, and Failure Mode Effects Criticality Analysis. The programmes apply globally, allowing us to standardize assessment documentation and share safety information across all business sectors.

In 2005 we launched an initiative to ensure our Primary Supply and Antibiotics Supply Chain has updated safety plans that focus on key risks and regulatory compliance.

### Material Hazard Information

Our HazClass System tracks hazardous material shipments worldwide and monitors the transportation of over 10,000 materials per month.

We have developed safety data sheets (SDSs) for more than 1,200 of our products. Some 600 of these for pharmaceutical products that are sold in the US or Europe are available on our website [www.msds-gsk.com](http://www.msds-gsk.com). An email notification tool automatically keeps employees up-to-date with changes to SDSs. We have started to make environmental testing data available on our SDSs.

### Occupational Hygiene and Control of Chemical Exposure

In 2005, exposure to chemicals resulted in 4 respiratory or skin-related lost-time incidents and 101 cases which did not result in lost time. Together, they accounted for 31% of work-related illnesses.

In 2004 we developed a strategy to control chemical exposure up to 2010. This sets out a plan of action for achieving our 2010 goal of a 'shirt sleeve' working environment – a workplace where we contain chemicals using engineering controls during manufacture so that employees do not need to wear protective equipment.

In 2005 we introduced several steps to help us achieve this goal:

- we commissioned a benchmarking study of containment methods for potent chemical compounds
- we seconded a member of Engineering staff to Corporate EHS to work on ensuring that all relevant operations have engineering controls
- our new product support process is designed to integrate EHS considerations into product design. Teams include a product stewardship/occupational toxicology expert whose role is to ensure that chemical exposure and other EHS considerations are built into product design
- we began recruiting Regional Hygienists to deliver an improved Occupational Hygiene (OH) service to businesses
- we began to design dispensary equipment for powdered pharmaceutical ingredients which eliminates the need for protective equipment