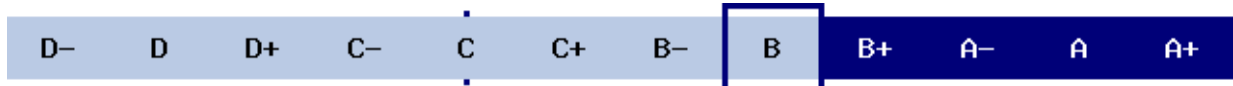


Corporate Responsibility Rating

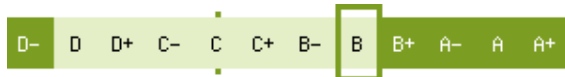
GlaxoSmithKline

Industry: Pharmaceuticals & Biotechnology
 Country: United Kingdom
 ISIN: GB0009252882
 MSCI: HCR Pharmaceuticals

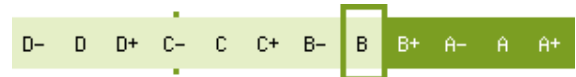
Investment Status **Prime**
 Rating **B**
 Rank out of 27 **1**



Social Cultural Rating **60.0%** | **B**
 Weight Rating



Environmental Rating **40.0%** | **B**
 Weight Rating

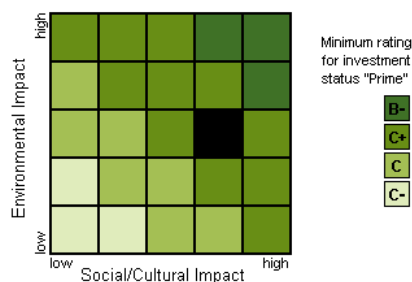


Company Profile

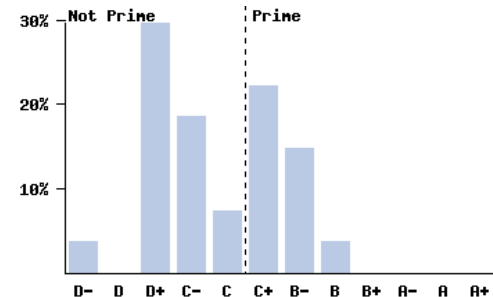
GlaxoWellcome and SmithKlineBeecham merged in 2000 to form GlaxoSmithKline, a research based healthcare company. GlaxoSmithKline operates principally in two industry segments: Pharmaceuticals (prescription pharmaceuticals and vaccines) and Consumer Healthcare (over the counter medicines, oral care and nutritional healthcare). Operations integrate creation and discovery, development, manufacture and marketing of products. During the year 2003, the Group acquired Europharm Holdings.

Industry

Classification



Breakdown of Ratings



Corporate Responsibility Rating System

Rating Scale

A+, A, A-, B+, B, B-, C+, C, C-, D+, D, D-
 A: excellent record
 B: good record
 C: medium record
 D: poor record

The highlighted sections on the rating scales indicate the range of ratings achieved within the industry. The average rating is marked with a vertical line.

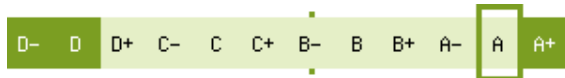
Investment Status

A company is being classified as "Prime" if it ranks among the world's best companies within the same industry and fulfils the sector-specific minimum requirements (best in class).

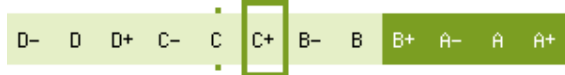
GlaxoSmithKline

Social Cultural Rating

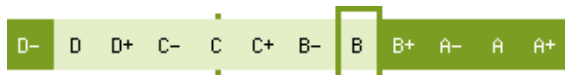
<i>Social/Cultural Management</i>	20.0%	A
- social/ethical policy	Weight	Rating
- external reporting		
- freedom of association		



<i>Staff Relations</i>	40.0%	C+
- working time	Weight	Rating
- safeguarding of jobs		
- health & safety		
- equal opportunities		

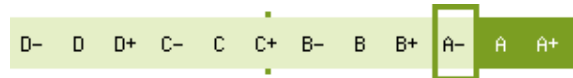


<i>Relation with External Stakeholders</i>	40.0%	B
- subcontractors/suppliers	Weight	Rating
- customer and product responsibility		
- shareholders/corporate governance		
- community involvement		
- operations in non-OECD countries		
- fair business conduct		

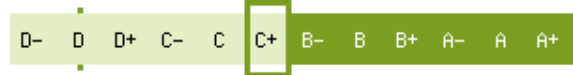


Environmental Rating

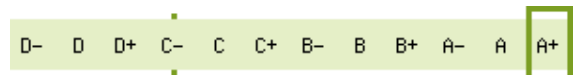
<i>Environmental Management</i>	25.0%	A-
- environmental policy	Weight	Rating
- environmental management system		
- external reporting		
- environmental accounting		
- business travel		
- subcontractors/suppliers		



<i>Products and Services</i>	50.0%	C+
- pharmaceuticals in the environment	Weight	Rating
- natural raw materials		
- genetical engineering/biological safety		
- animal testing		
- packaging		
- transport		
- environmental controversies		



<i>Eco-efficiency</i>	25.0%	A+
- energy use	Weight	Rating
- water use		
- GHG emissions		
- total waste		
- VOC emissions		
- COD discharge		
- hazardous waste		



GlaxoSmithKline

Exclusionary Criteria

Business Areas

	Risk Industry	Yes Producer	Yes User/ Retailer	No	No Info	
Abortion	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Alcohol	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Biocides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Chlororganic Mass Products	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Embryonic Research	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	01.05: The company stated it is not involved in embryonic research. However, future involvement cannot be excluded.
Furs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Gambling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
GMOs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Genetic engineering (GE) in pharma R&D and/or production including plant GE (pharming).
Military	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Nuclear Power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Pornography	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Tobacco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Business Practices

	Risk Industry	Yes Company	Yes Supplier	No	No Info	
Animal Testing	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	Only within the framework of pharmaceutical R&D and/or chemical safety assessment.
Business Malpractice	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	2004: USD 267 million for settlements in the context of antitrust in the US.
Controversial Env. Practices	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Violations of Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Violations of Labor Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Comments

The information regarding Exclusionary Criteria is based on company documentation and/or external sources.
 Risk Industry: Indicates that the industry sector is frequently active in controversial business areas or prone to controversial business practices.
 Biocides: Extremely or highly hazardous according to WHO. Only with regard to producers, not retailers.
 Embryonic Research: In the context of human embryos or respective embryonic cells.
 GMOs: In the context of genetically modified crops.

Military: Only with regards to products/services which are explicitly adapted to military purposes.
 Nuclear Power: With regard to commercial energy generation and traders, not users; also production of key components for nuclear power stations.
 Pornography: Def. based on UN Rapporteur's Rep., www.un.org/rights/dpi1772e.htm.
 Animal Testing: Exceeding legal requirements or in the context of cosmetics.

GlaxoSmithKline

Additional Company Information

Business Data

	Net.Sales (Mill. GBP)	Net. Income (Mill. GBP)	Number of Employees
2002	21,212.00	3,915.00	104,499
2003	21,441.00	4,484.00	100,919
2004	n/a	n/a	n/a

Fiscal Year ends: 31.12.

Breakdown of Net Sales

Turnover by Business Segment in 2003:

Pharmaceuticals	84.8%
Consumer Healthcare	15.2%

Company Locations

The company operates worldwide in some 117 countries, with products sold in over 130 countries. The principal research and development facilities are in the UK, the US, Japan, Italy and Belgium.

Breakdown of Employees

Employees by Region in 2003:

USA	24%
Europe	44%
Asia Pacific	18%
Japan	3%
Latin America	6%
Middle East, Africa	3%
Canada	2%

Participation in Rating Process

Apart from publicly available information, the company provided additional information and feedback on the rating upon request.

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 Email ruedel@oekom-research.com
 Internet www.oekom-research.com

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GlaxoSmithKline

	Weight	Rating
A. Social Cultural Rating	60.0%	B
A.1. Social/Cultural Management	20.0%	A
A.1.1. Existence of a Corporate Policy Covering Social/Ethical Issues (e.g. Health & Safety, Non-Discrimination, Freedom of Association, Suppliers)	15.0%	A+
<p>A comprehensive social/ethical policy was provided.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of employees are covered by a policy).</p> <p><u>Comment:</u> GlaxoSmithKline (GSK) publishes ten Corporate Responsibility Principles covering issues such as human rights (e.g. non-discrimination, intellectual property), labor rights (e.g. freedom of association), health & safety, access to medicines, code of business conduct (incl. marketing), products & customers, stakeholder engagement, and community involvement. Additionally, the company adopted separate policies and codes on e.g. health & safety, business conduct, suppliers, human rights, or community investment.</p>		
A.1.2. External Reporting on Social/Ethical Issues	50.0%	A+
<p>The company provides comprehensive and transparent social/ethical reporting on a regular basis.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of employees are covered by reporting).</p> <p><u>Comment:</u> GlaxoSmithKline publishes annually a detailed Corporate Responsibility Report and an Environment, Health & Safety Report. In addition, the company provides social/ethical information on its website and through special reports such as Community Investment or Facing the Challenge (Healthcare in the Developing World). The reporting covers the following relevant issues: staff (diversity, health & safety, training), developing countries (R&D and access to medicines), stakeholder engagement, community involvement, product responsibility, or business ethics.</p> <p>The Environment, Health & Safety Report follows the GRI reporting guidelines and has been audited by an external accountant.</p>		
A.1.3. Freedom of Association	35.0%	B+
<p>A.1.3.1. Securing Freedom of Association (e.g. through Group Policy, Staff Committees)</p> <p>The company guarantees freedom of association for all employees. However, it has production facilities in countries where no independent labor union may be established or where freedom of association is prohibited by law.</p> <p><u>Comment:</u> GlaxoSmithKline states that the company supports freedom of association and the right of employees to organize and bargain collectively in line with the requirements of international and local laws and the Conventions of the International Labour Organisation. In addition, employees are free to join trade unions anywhere in GSK around the world, except where this is prevented by national law. The company operates facilities in China and Egypt where no independent labor unions exist.</p> <p>A.1.3.2. Controversies Related to Freedom of Association</p> <p>External research did not reveal any controversies related to freedom of association in recent years.</p> <p><u>Comment:</u> —</p>		
A.2. Staff Relations	40.0%	C+
A.2.1. Working Time	25.0%	C
<p>A.2.1.1. Work-Life Balance</p> <p>a. Flexible working arrangements No group-wide information was provided. It was estimated that less than 50% of relevant employees are offered the possibility of using flexible working arrangements.</p> <p>b. Other innovative models No group-wide information was provided. It was estimated that less than 50% of relevant employees are offered the opportunity of using such models.</p> <p><u>Comment:</u> According to GSK, there is no global policy on flexible working options, however local business units or countries may have them. For example, both the UK and US (approximately 48,000 employees, representing about 48 percent of total workforce) have detailed flexible working policies which give all staff the opportunity to request flexible working. In the UK, the company adopted a detailed flexible working policy (provided), content is to be treated as confidential. In addition, GSK states to have employees working a variety of flexible working arrangements from part-time and job share through to homeworking and teleworking.</p>		

GlaxoSmithKline

Weight Rating

A.2.1.2. Average Weekly Working Time

The company's employees are located in countries with varying minimum standards regarding average weekly working time, which are set either by law or through labor agreements. No information is available on whether the company voluntarily exceeds the standards.

Comment: According to the company, the regional breakdown of its worldwide staff is as follows: Europe (44%), USA (24%), Asia Pacific (18%), Latin America (6%), Middle East, Africa (3%), Japan (3%), and Canada (2%).

A.2.2. Safeguarding of Jobs

25.0% D+

A.2.2.1. Occurrence of Staff Redundancies for Operational Reasons in Recent Years

There have been major layoffs (dismissals induced for reasons not related to the individual workers concerned) during the last 3 years.

Comment: In 2003, GlaxoSmithKline announced to cut about 3,400 jobs as part of an international cost-cutting program. There is no information how many people actually lost their job. External research revealed that closures and the restructuring of several facilities led to more than 500 jobcuts in the UK (e.g. Bristol, Montrose) and France within the last two years.

A.2.2.2. Implementation of e.g. Socially Adapted Redundancy Plans, Outplacement Programs

According to the company, there are measures to help former employees to find new employment. However, no further details were provided.

Coverage: No group-wide information was provided. It was estimated that less than 50% of relevant employees are covered by the measures mentioned above.

Comment: According to GSK, in the UK and some European countries redundancies are subject to consultation in line with relevant National Law and local arrangements. The company also states that all UK and US employees in a redundancy situation, covering about 48 percent of staff, are actively supported in finding new employment and are provided with company funded outplacement support. However, there is no information on details nor on other measures.

A.2.3. Health & Safety

25.0% A-

A.2.3.1. Health & Safety Conditions

The majority of the company's employees are located in countries with high minimum standards regarding health & safety conditions which are set either by law or through labor agreements. Some operations, however, are in countries with poor standards. According to the company, it voluntarily exceeds the standards in those countries.

Comment: According to the company, the regional breakdown of its worldwide staff is as follows: Europe (44%), USA (24%), Asia Pacific (18%), Latin America (6%), Middle East, Africa (3%), Japan (3%), and Canada (2%).

According to the company, GSK requires all operations to comply with legal requirements and Global Environment, Health and Safety (EHS) Standards. The set of 64 Global EHS Standards establishes specific requirements for the company worldwide. The Standards establish a management system approach to legal compliance, continuous improvement and the management of key EHS-related business risks. They are consistent with internationally recognised management system standards, such as ISO 14001 and OHSAS 18001.

However, there is no detailed information on the 64 standards available.

A.2.3.2. Development of the Accident Rate during the Last Three Years

The accident rate shows a downward trend.

Coverage: No group-wide information was provided. It was estimated that the accident rate applies to more than 80% of employees.

Comment: According to GlaxoSmithKline, the Lost Time Injury and Illness Rate declined continuously from 0.43 in 2001 to 0.30 in 2003. The data covers all 27 R&D sites, all 97 manufacturing locations and all except 13 of the 85 office, sales and distribution locations.

A.2.3.3. Controversies, Fines, Settlements Involving the Company in Health & Safety Cases

External research did not reveal major fines imposed related to health & safety cases in recent years.

Comment: GSK reports that a primary manufacturing facility in Ireland released dimethyl sulphate to atmosphere in 2002, potentially exposing five employees. The incident resulted in a fine from the Health and Safety Authority of EUR 15,000 paid in 2003.

GlaxoSmithKline

	Weight	Rating
A.2.4. Equal Opportunities	25.0%	B-
A.2.4.1. Policy on Equal Opportunities		
A comprehensive policy on equal opportunities (e.g. non-discrimination, diversity) was provided.		
<u>Coverage:</u> Group-wide coverage (= 100% of employees are covered by the information provided above).		
<u>Comment:</u> Within the company's Employee Guide of Business Conduct (provided), GSK states to support equality of opportunity and equal treatment for all employees and prospective employees, without regard to race, gender, age, religion, disability or sexual orientation. In addition, the company adopted comprehensive policies on harassment and diversity.		
A.2.4.2. Gender Distribution in the Company		
a. Ratio of female employees: No information available.		
b. Gender distribution on Executive Board: One gender is over-represented more than twofold.		
c. Ratio of women in management positions: 34% of management positions are held by women (2003).		
<u>Comment:</u> There is no information on the total ratio of female employees, data is only available for women in management positions.		
Gender distribution on Executive Board: There is one woman on the 14-member Executive Board.		
A.2.4.3. Controversies, Fines, Settlements Related to Discrimination		
External research did not reveal any fines imposed or controversies related to discrimination in recent years.		
<u>Comment:</u> —		
A.3. Relation with External Stakeholders	40.0%	B
A.3.1. Subcontractors/Suppliers		
A.3.1.1. Subcontractor/Supplier Standards with Regard to Social/Ethical Issues (e.g. Regarding Child Labor, Working Conditions)		
There is a subcontractor/supplier policy/standard covering various social/ethical issues. Details were provided.		
<u>Coverage:</u> Group-wide coverage (= 100% of subcontractors/suppliers are covered by the information provided above).		
<u>Comment:</u> GlaxoSmithKline has been included compliance with its human rights requirements as one of the company's criteria for selecting suppliers. The company is also introducing binding clauses into its procurement contracts which require suppliers to meet its standards on human rights. Furthermore, GSK states that it is committed to the core labor standards set out by the ILO and that it expects the same of its suppliers. The company also states that agreements for new and existing contract manufacturers and suppliers include health & safety requirements or will include them when the contract is renewed.		
A.3.1.2. Measures Taken to Monitor the Compliance of the Company's Key Subcontractors/Suppliers (e.g. Questionnaires, Written Statements, Audits, Counseling)		
According to the company, it monitors key subcontractors/suppliers with regard to social/ethical issues. Details were provided. However, there was no information on monitoring frequency.		
<u>Coverage:</u> The company did not specify the percentage of key subcontractors/suppliers that are covered by the information provided above.		
<u>Comment:</u> According to GSK, questions on human rights issues have been added to the standard list of topics discussed at supplier visits by its procurement and EHS global audit teams. In addition, if a supplier is found not to meet the company's standards the company will work with them to achieve compliance. GlaxoSmithKline will conduct regular audits to ensure that they have improved their performance so it is in line with its requirements. The company states that it will terminate a contract if a supplier will not or cannot work towards compliance.		
A.3.1.3. Major Social/Ethical Controversies Related to Subcontractor/Supplier Activities		
External research did not reveal any subcontractor/supplier involvement in major social controversies in recent years.		
<u>Comment:</u> —		

GlaxoSmithKline

	Weight	Rating
A.3.2. Customer and Product Responsibility	16.7%	C-
A.3.2.1. Policy Regarding Responsible Marketing and Data Protection		
<p>A policy covering issues on responsible marketing and data protection in general terms was provided.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of employees are covered by a policy).</p> <p><u>Comment:</u> Within GlaxoSmithKline's Employee Guide to Business Conduct the company states that GSK's marketing and promotion of pharmaceutical products worldwide must conform to high ethical, medical, and scientific standards. All marketing and promotion of pharmaceutical products by GSK companies shall be based on valid scientific evidence, shall be consistent with the local prescribing information document, and shall comply with company policies, and with all applicable laws and regulations. Marketing and promotional materials and activities must not incorporate any materials that could be judged offensive by minorities or to persons on general. In addition, the company states to protect the privacy of patient, consumer, and employee personal information.</p>		
A.3.2.2. Policy/Standards on Ethical Design and Transparency of Clinical Trials (e.g. GCP, Declaration of Helsinki, Registration of Trials in Openly Accessible Databases at Inception)		
<p>Company-sponsored clinical trials are conducted according to a general policy/standard with regard to the ethical design of trials. In addition, the company registers some trials in openly accessible databases.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of clinical trials are covered by a policy/standard).</p> <p><u>Comment:</u> GlaxoSmithKline states that it fully supports the PhRMA Principles on the Conduct of Clinical Trials & Communication of Clinical Trial Results and applies them to all its clinical studies worldwide. There is no company information on detailed ethical standards (e.g. trials on prisoners, etc). However, according to external research, GSK adheres to the ethical principles and concept of the WHO GCP guidelines and uses independent ethical review bodies. External research also revealed a policy on the ethical design of trials covering informed consent, use of appropriate language, respect of diversity and cultural norms, proper design and evaluation. In addition, the company publishes some trials in an openly accessible database in the internet, however, not at inception.</p>		
A.3.2.3. Human Stem Cells		
A.3.2.3.1. Activities and Research involving Human Stem Cells (Adult and/or Embryonic Stem Cells)		
<p>According to the company, it conducts research involving human adult stem cells. However, it does not conduct research involving embryonic stem cells.</p> <p><u>Comment:</u> GSK states that it uses adult stem cells. In addition, GSK makes limited use of foetal stem cells, for research that could not be pursued using adult stem cells or animal tissue. According to the company, GSK does not currently (Jan 2005) use any human embryonic materials (including stem cells or stem cell lines) in its research or in work being done with external research partners. In addition, GSK does not create human embryos as a source of stem cells.</p>		
A.3.2.3.2. Ethical Policy regarding Research Involving Stem Cells (e.g. regarding Information of Involved Persons, Purposes for Research, Reproductive Cloning, Sourcing of Stem Cells, Developmental Age of Embryos)		
<p>There is a company policy covering various issues, including a few ethical aspects regarding research involving human stem cells.</p> <p><u>Comment:</u> GSK states that this type of research is only undertaken following fully informed consent, and review by independent ethics committees. Further, GSK states that if the company did see a compelling scientific reason to use embryonic stem cells in the future, GSK has policies and procedures in place to ensure that there is appropriate senior-level review and approval of any use of embryonic materials, including tissues and stem cells.</p>		

GlaxoSmithKline

Weight Rating

A.3.2.4. Pharmaceuticals for Developing Countries

A.3.2.4.1. Implementation and Transparency of Measures to Increase Access to Medicines (ATM) in Developing Countries

The company has implemented several measures such as voluntary licensing/ patent-infringement immunity/ pricing/ donations to increase ATM in developing countries. It clearly states why other measures are being neglected. Specific conditions of the ATM-Program such as eligibility and prices are publicly available and restrictions are explained. However, there is no clear attribution of responsibility for ATM in developing countries at senior level.

Comment: GlaxoSmithKline states that it is committed to playing a leading part in improving healthcare in the developing world. GSK makes a vital contribution in three key areas: supplying antiretrovirals (ARVs) and anti-malarials at not-for-profit prices and vaccines at significant discounts (preferential-pricing); investing in research and development that targets diseases particularly affecting the developing world (see A.3.2.4.2); and community investment activities and partnerships that support better healthcare.

GlaxoSmithKline made humanitarian product donations equaling GBP 105 million in 2003. GSK is involved in many joint private public partnerships (JPPPs) and sets clear criteria for its significant community initiatives. There is evidence of monitoring systems in place and GSK stated in its 2002 CSR Report that it has formally endorsed and agreed to follow the WHO Guidelines for Drug Donations.

The company is also a participant in the Accelerating Access Initiative (AAI). The participants are committed to working with governments, international organisations and other stakeholders to find ways to broaden access while ensuring rational, affordable, safe and effective use of drugs for HIV/AIDS-related illnesses.

A.3.2.4.2. Research & Development Programs Aimed at Orphan Drugs for Developing Country Diseases (e.g. Malaria, TB, Sleeping Sickness)

Comprehensive R&D programs aimed at orphan drugs for developing country diseases (e.g. malaria, TB, HIV) have been implemented.

Comment: According to the company, GSK currently has some 20 R&D projects and programs of particular relevance to the developing world, nine of which are aimed at producing medicines and vaccines for diseases that disproportionately affect developing countries. According to the company, it has the largest vaccine research program for diseases of the developing world.

The company is undertaking R&D into the prevention and treatment of all three of the World Health Organization's priority diseases in the developing world /AIDS, tuberculosis (TB) and malaria. In addition, GlaxoSmithKline conducts research and development in the fields of dengue fever, hepatitis E, etc. However, there is no information if the company implemented R&D programs aimed at sleeping sickness.

GlaxoSmithKline

Weight Rating

A.3.2.5. Controversies, Fines, Settlements Related to Customer and Product Responsibility

According to external research, there have been several controversies, fines, settlements related to customer and product responsibility in recent years.

Comment: August 2004, GlaxoSmithKline had to pay USD 2.5 million as part of a settlement of the Paxil lawsuit filed by New York Attorney General Eliot Spitzer. The lawsuit alleged that GSK suppressed the results of at least four different studies which showed the antidepressant drug Paxil, known as Seroxit in Britain, was at best no more effective than a placebo and at worst was increasing suicidal behaviour among users. In addition to the monetary portion of the settlement, GSK has also agreed to publicly disclose all of its clinical drug trials about the safety of an antidepressant for children. The company will put summaries of all of its studies since. In a statement, Glaxo said it still believed the allegations were "unfounded" but agreed to pay the penalty to avoid "the high costs and time required to defend itself in protracted litigation".

In August 2004, Aids campaigners in South Africa started legal action against GlaxoSmithKline to try to reduce the price of patented drugs. The Aids Healthcare Foundation, a group based in California, US, said it was supporting a network of South African patients' organisations in a complaint against overcharging for life-saving medication. The competition tribunal in Pretoria has agreed to hear the case and ordered the drug company to pay the legal costs. In December 2003, GSK settled a similar action from another organisation, the Treatment Action Campaign, by agreeing to allow three companies to produce cheaper generic versions of its drug Combivir.

April 2004, an Observer investigation has revealed, orphans and babies as young as three months old have been used as guinea pigs in potentially dangerous medical experiments sponsored by pharmaceutical companies. GlaxoSmithKline is embroiled in the scandal. The firm sponsored experiments on the children from Incarnation Children's Centre, a New York care home that specializes in treating HIV sufferers and is run by Catholic charities. The children had either been infected with HIV or born to HIV-positive mothers. Their parents were dead, untraceable or deemed unfit to look after them. According to documents obtained by The Observer, GSK has sponsored at least four medical trials since 1995 using Hispanic and black children at Incarnation. GlaxoSmithKline has confirmed it provided funds for some of the experiments but denied any improper action. Furthermore a GSK spokeswoman said: 'These studies were implemented by the US Aids Clinical Trial Group, a clinical research network paid for by the National Institutes of Health. Glaxo's involvement in such studies would have been to provide study drugs or funding but we would have no interactions with the patients.'

In 2001, GSK has been warned several times by the FDA (US) to change its promoting activities in the context of Avandia. GSK has been alleged that the promotional material failed to present any risk information about Avandia or minimized the hepatic risk associated with the product. No further information.

A.3.3. Shareholders/Corporate Governance

16.7% A-

A.3.3.1. Independence and Effectiveness of the Board

A.3.3.1.1. Separation of Power Between CEO and Chairman of the Board

Separation of power is ensured since the two functions are held by separate persons.

Comment: Dr. Jean-Pierre Garnier is Chief Executive and Sir Christopher Hogg is Chairman of the Board (2004).

A.3.3.1.2. Existence of Different Board Committees Independent of Executive Managers (e.g. Remuneration Committee, Audit Committee, Nomination Committee)

There are separate and independent committees in charge of remuneration, internal audits and nominations.

Comment: —

A.3.3.2. Shareholder Democracy

A.3.3.2.1. Assignment of Voting Rights (e.g. One Share Entitles the Holder to One Vote)

There are no limitations on voting rights, i.e. one share entitles the holder to one vote.

Comment: The company has ordinary shares only.

A.3.3.2.2. Size of Shareholding Necessary to Raise a Resolution

There are some restrictions on submitting a resolution at the annual general meeting.

Comment: In the UK, any number of shareholders representing 5% of voting rights or not less than 100 shareholders holding shares on which there has been paid up an average sum, per shareholder, of not less than GBP 100 may submit a resolution.

GlaxoSmithKline

Weight Rating

A.3.3.2.3. Facilitation of Shareholder Participation (e.g. Broadcasting of Annual Meeting, e-Voting on Proxy Statements)

The company is giving shareholders the opportunity to vote on proxy resolutions via Internet or phone. However, no further measures to enhance shareholder participation have been implemented (e.g. broadcasting of the annual general meeting).

Comment: GlaxoSmithKline provides for its shareholders the opportunity to vote electronically whether directly by internet or using the proxy appointment service operated by CREST.

A.3.3.3. Transparency of Compensation Schemes for Executive Board Members

Compensation for executive board members is disclosed on an individual basis and sub-divided according to fixed amounts, variable performance-related components and long-term incentive components.

Comment: GSK discloses the compensation schemes of all of the non-executive directors and its two executive directors (CEO and CFO) on the board.

A.3.3.4. Transparency of Shareholder Structure (e.g. Disclosure of Major Shareholders in the Annual Report)

Publicly available company documentation discloses major shareholders.

Comment: Within the Annual Report 2003, GlaxoSmithKline discloses all major shareholders owning three percent or more. According to this, substantial shareholders are as follows: BNY (Nominees) Limited holds 9.66 percent, Legal & General Investment Management Limited holds 3.4 percent and Barclays plc holds 3.2 percent (27th February 2004).

A.3.4. Community Involvement

16.7% B+

A.3.4.1. Amount and Type of Social, Cultural and Environmental Corporate Contributions during the Previous Year

There is a substantial and continuous involvement in projects with a high social and environmental relevance.

Comment: In 2003, GSK's global community investment and charitable donations were valued at GBP 338 million, equivalent to 5.3% of its pre-tax profits (statutory results). Beside other costs, this included GBP 125 million for the Patient Assistance Program and other medicine donations for low income groups in the US, and GBP 105 million of humanitarian product donations. The company's community investment programs focus on public health initiatives on HIV, malaria and lymphatic filariasis, humanitarian aid, supporting communities around the world (health and health education), and employee involvement.

A.3.4.2. Political Donations

The company makes political donations. However, it publicly provides comprehensive and transparent information on the donations made.

Comment: GlaxoSmithKline publishes information on donations made to non-EU Political Organisations totalling GBP 353,000 during 2003. According to the Annual Report 2003, no donations were made to EU Political Organisations, even though the shareholders authorized the company at the AGM to do so.

A.3.5. Operations in Non-OECD Countries

16.7% A+

A.3.5.1. Policy on Human Rights and Cultural Self-Determination of Communities/Peoples Affected by the Company's Activities

The company has a comprehensive policy on human rights and cultural self-determination of communities/peoples affected by the company's activities.

Comment: The company states that it adheres to the UN Declaration of Human Rights and communicates the basic content of its articles covering human rights, freedom of association and non-discrimination. Additionally, GSK states that it recognizes and respects the intellectual property of others while seeking respect for its own intellectual property. In the context of traditional knowledge, the company will ensure a clear benefit is returned to the country of origin, for example through royalties or a share of net profits.

GlaxoSmithKline also shares the judgement of the UN that people should not be denied access to medicines because of the regime operating in the country. While operating in countries with oppressive or draconian regimes, the company states that it supports and is committed to upholding the Universal Declaration of Human Rights and the core standards set out by the International Labour Organisation. It also commits itself to observing all the laws and regulations of any of the countries in which it operates.

GlaxoSmithKline

Weight Rating

A.3.5.2. Major Social Controversies Related to Company Activities

External research did not reveal any company involvement in major social controversies in recent years.

Comment: —

A.3.6. Fair Business Conduct

16.7% D+

A.3.6.1. Code of Conduct Regarding Fair Business Practices (e.g. on Corruption, Antitrust, Insider Dealing, Validity of Financial Information)

A detailed and comprehensive code covering important aspects such as corruption, antitrust, conflicts of interest, and validity of information was provided.

Coverage: Group-wide coverage (= 100% of employees are covered by the code).

Comment: GlaxoSmithKline adopted a comprehensive Employee Guide to Business Conduct applying to all of GSK's business units, affiliates, employees, and others who act for them. Beside the above mentioned topics the code covers the following relevant issues: company assets and confidentiality, government relations, gifts and entertainment, and insider dealing.

GSK also has a company-wide policy on Pharmaceutical Marketing and Promotion Activity (not provided) which applies to all employees and agents. According to the company, it sets out its commitment to promotional practices that are ethical, responsible, principled and patient-centred. It prohibits bribery or other inducements to doctors to prescribe a medicine. Furthermore, GSK states that more detailed guidance is provided by the international and regional industry codes of practice that it adheres to, including the International Federation of Pharmaceutical Manufacturers Associations (IFPMA) Code of Pharmaceutical Marketing Practices. In addition, the company has developed, and keeps under review, its own regional marketing codes that ensure differences in market structure, national healthcare systems and legal framework are appropriately reflected.

A.3.6.2. Measures Taken by the Company to Ensure Fair Business Practices (e.g. Training, Audits, Compliance Officers, Hotlines)

Various measures have been implemented, such as a compliance officer, structures to report non-compliance, audits, discussion of realistic scenarios, and training measures.

Coverage: Group-wide coverage (= 100% of relevant employees are covered by the measures mentioned above).

Comment: The measures taken by the company include integrity helplines, a Corporate Compliance Officer, a confidential PO box, customer response centers for other stakeholders, training and internal audits. Additionally, the company has established a Corporate Ethics & Compliance program. The Employee Guide to Business Conduct also provides realistic scenarios and an "ethical compass" how to act.

In addition, training workshops and electronic media ensure sales and marketing staff understand the policy on Pharmaceutical Marketing and Promotion Activity and what constitutes acceptable promotional activities. According to the company, all employees receive regular training on its products so they can provide accurate information to doctors.

GlaxoSmithKline

Weight Rating

A.3.6.3. Fines/Settlements Paid by the Company in Antitrust Cases, Price Fixing, Corruption, Deceptive Marketing, Accounting Fraud etc.

Heavy fines have been imposed during the last 5 years in the context of antitrust or similar.

Comment: In 2004, GlaxoSmithKline has agreed to pay USD 92 million to settle antitrust cases involving the antibiotic product Augmentin. The class-action lawsuits were brought on behalf of direct purchasers, including pharmaceutical wholesalers and indirect purchasers. GSK said in a statement that it continues to believe that its actions were appropriate in obtaining and enforcing its patents for Augmentin. The legal charge is expected to be approximately USD 314.9 million.

In June 2004, around 300 employees of GlaxoSmithKline were being investigated by Italian police following allegations that they used illegal incentives to persuade doctors to use their products. Following a two-year investigation, police said GSK offered doctors holidays, pharmaceuticals, personal computers, and cash, worth a total of EUR 228 million between 1999 and 2002. Police have also put 4,400 doctors under investigation. No further information available.

2004: GlaxoSmithKline will pay USD 175 million to settle a class-action lawsuit brought on behalf of wholesalers of the company's anti-inflammatory drug Relafen.

The antitrust settlement was submitted for review to the US District Court in Boston, where the case has been pending since 2001. GlaxoSmithKline was sued by consumers, health plans and pharmacies who alleged that the company tried to block cheaper generic alternatives to nonsteroidal Relafen, an arthritis medicine. "GSK continues to believe that its actions were appropriate in obtaining and enforcing its patent for Relafen," the company said in a statement.

In 2003, GSK agreed to pay USD 87.6 million to resolve the US government's charge the company fraudulently inflated Medicaid costs. GSK had been accused of providing discounted prices to laiser Permanente for their drugs and engaging in "private labeling" for the HMO, affixing different labels to their drug products. These slightly altered labels allowed GSK to avoid reporting to the federal government lower prices extended to laiser and thus avoid paying millions of dollars in additional drug rebates to the Medicaid program.

In the past, GlaxoSmithKline has already been involved in similar controversies such as corruption (in Germany) or price-fixing (in the US).

GlaxoSmithKline

	Weight	Rating
B. Environmental Rating	40.0%	B
B.1. Environmental Management	25.0%	A-
B.1.1. Existence of a Corporate Policy Covering Environmental Issues	7.0%	A+
<p>A comprehensive environmental policy was provided.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of employees are covered by a policy).</p> <p><u>Comment:</u> GSK has adopted a group-wide Environment, Health Safety Policy referring to the following aspects: EMS and environmental performance improvement, legal compliance, environmental strategies, resource efficiency, pollution prevention, product stewardship, and stakeholder communication. In addition, GlaxoSmithKline established separate policies on GMOs and biodiversity. Environmental compliance and commitment is also addressed within the company's code of conduct.</p>		
B.1.2. Environmental Management System	31.5%	A-
<p>B.1.2.1. Implementation of an Environmental Management System</p> <p><u>Coverage:</u> 100% of locations are covered by an EMS.</p> <p><u>Comment:</u> —</p> <p>B.1.2.2. Certification to an International Standard</p> <p><u>Coverage:</u> Less than 50% of locations are certified to an international standard.</p> <p><u>Comment:</u> According to GlaxoSmithKline, 18 sites (GSK operates 27 R&D and 97 manufacturing sites) are certified to ISO 14001, in 2003. The certified sites are in Belgium, Egypt, France, Germany, India, Italy, Mexico, Spain, Turkey and the UK. The company plans to continue certifying individual volunteer sites and works toward global certification based on a sample of sites.</p> <p>B.1.2.3. Implementation of an Environmental Management System in Non-OECD Countries</p> <p><u>Coverage:</u> 100% of locations in non-OECD countries are covered by an EMS.</p> <p><u>Comment:</u> —</p> <p>B.1.2.4. Certification to an International Standard in Non-OECD Countries</p> <p><u>Coverage:</u> Some locations in non-OECD countries are certified to an international standard. However, coverage was not specified.</p> <p><u>Comment:</u> The company states that sites in India and Egypt are certified according ISO 14001.</p>		
B.1.3. External Reporting on Environmental Issues	14.0%	A+
<p>The company provides comprehensive and transparent environmental reporting on a regular basis.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of locations are covered by reporting).</p> <p><u>Comment:</u> GlaxoSmithKline publishes annually a detailed Corporate Responsibility Report and an Environment, Health & Safety Report. In addition, the company provides environmental information on its website. The comprehensive reporting covers the following relevant topics: EMS, organisation, environmental programs, policies and accounting, suppliers, safety management, product stewardship (risk assessment, eco-design, Green Chemistry, etc), bioprospecting & biodiversity, GMOs, and stakeholder communication. The Environment, Health & Safety Report has been audited by an external accountant and refers to the GRI reporting guidelines.</p>		
B.1.4. Environmental Accounting (Compilation of Data Covering e.g. Energy and Water Consumption, Air Emissions, Waste)	10.5%	A+
<p>The company collects comprehensive environmental data for all major areas of resource consumption and emissions.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of manufacturing operations are covered by environmental accounting).</p> <p><u>Comment:</u> GlaxoSmithKline tracks environmental data for energy and water use, carbon dioxide and global warming potential, ozone depletion potential, volatile organic compounds, wastewater (volume and chemical oxygen demand) and waste (hazardous, non-hazardous, and waste recycled). All data are tracked at least on an annual basis. In 2003, GSK collected environmental data from all 97 global manufacturing sites, 27 pharmaceutical and consumer healthcare research and development facilities, 5 of 7 distribution centres, 1 drinks manufacturing facility and 8 of 11 general office buildings.</p>		

GlaxoSmithKline

	Weight	Rating
B.1.5. Policy/Measures to Reduce the Environmental Impact of Business Travel (e.g. Use of Video Conferencing, Carbon Neutral Travel)	7.0%	C
<p>Some initiatives such as video conferencing have been taken to avoid business travel.</p> <p><u>Coverage:</u> The company did not specify the percentage of employees to which the information provided above applies.</p> <p><u>Comment:</u> In the context of driver safety GlaxoSmithKline states that it uses alternative options such as video or teleconferencing.</p>		
B.1.6. Subcontractors/Suppliers	30.0%	B
<p>B.1.6.1. Subcontractor/Supplier Standards with Regard to Environmental Issues (e.g. Environmental Program, EMS)</p> <p>According to the company, there is a subcontractor/supplier policy/standard covering environmental issues. Details were provided.</p> <p><u>Coverage:</u> Group-wide coverage (= 100% of subcontractors/suppliers are covered by the information provided above).</p> <p><u>Comment:</u> According to the company, GSK has two Global standards - one for key Contract Manufacturers the other for Key Suppliers. Additionally, the company states that initial agreements for new contract manufacturers include EHS requirements based on the applicable standards. As existing contract manufacturers renew their agreements, GlaxoSmithKline's EHS requirements are included. In addition, the company will apply product stewardship principles to its contract manufacturers and key suppliers. Furthermore, a business process called the EHS Milestone Aligned Process (EHS MAP) has been created to help scientists identify and pro-actively address EHS issues during routine new product development and supply activities.</p> <p>B.1.6.2. Measures Taken to Monitor the Compliance of the Company's Key Subcontractors/Suppliers (e.g. Questionnaires, Written Statements, Audits, Counseling)</p> <p>According to the company, it monitors key subcontractors/suppliers with regard to environmental issues. Details were provided.</p> <p><u>Coverage:</u> The company did not specify the percentage of key subcontractors/suppliers that are covered by the information provided above.</p> <p><u>Comment:</u> To ensure that contract manufacturers are managing EHS risks and impacts responsibly, GSK's internal EHS audit team conducts audits to assess conformance with GlaxoSmithKline requirements and with legislation. In addition, they conduct a program of assessments of identified key suppliers. Areas for improvement are highlighted to the contract manufacturer or key supplier and progress is monitored. According to GSK, the audit frequency varies depending on residual risks and issues. The company states that for key companies performing well, the monitoring frequency is 3-5 years.</p>		
B.2. Products and Services	50.0%	C+
B.2.1. Pharmaceuticals in the Environment	20.0%	D+
<p>B.2.1.1. Measures to Ensure Environmental Safety of Human and Animal Pharmaceuticals (e.g. Environmental Risk Assessments, New Design to Enhance Biodegradability)</p> <p>Some measures have been implemented to ensure environmental safety of human and animal pharmaceuticals (e.g. Environmental Risk Assessments, new design to enhance biodegradability).</p> <p><u>Comment:</u> GlaxoSmithKline states that it is playing a major role in the development of a risk assessment model, working with the research-based pharmaceutical industry, through its trade association PhRMA (Pharmaceutical Research and Manufacturers of America). Such a model is being used to identify potential risks of pharmaceutical products entering the environment through patient use. Furthermore, the company will continue to monitor the latest scientific studies and findings to continually improve risk assessments in this area.</p> <p>B.2.1.2. Guidelines/Measures to Ensure the Safe Disposal of Drugs (e.g. Guidelines for Drug Donations, Consumer Information, Take-back/Recycling Programs)</p> <p>No information is available whether the company has implemented guidelines/measures to ensure the safe disposal of drugs (e.g. guidelines for drug donations, consumer information, take-back/recycling systems).</p> <p><u>Coverage:</u> Not applicable.</p> <p><u>Comment:</u> —</p>		

GlaxoSmithKline

	Weight	Rating
B.2.2. Natural Raw Materials	20.0%	A-
<p>B.2.2.1. Policy on the Sustainable Extraction of Natural Raw Materials (e.g. Bioprospecting, Wild Harvesting, Palm Oil)</p> <p>A comprehensive policy on the sustainable extraction of natural raw materials (e.g. bioprospecting, wild harvesting, palm oil) is available.</p> <p><u>Coverage:</u> No group-wide information was provided. It was estimated that more than 80% of natural raw materials are covered by a policy.</p> <p><u>Comment:</u> GlaxoSmithKline states that it is fully aware of its responsibilities towards protecting biodiversity, respecting nature and working with the communities in which these natural resource materials are found. According to the company, it does not use natural product collection as a major source for existing products or as a major source of compounds for development of pharmaceuticals. It works with collaborative partners such as Extracta in Brazil and the Centre for Natural Product Research in Singapore to collect some natural products. GSK adheres to the principles set out in the Convention on Biodiversity (CBD). Furthermore, it states to work only with organisations and suppliers with the expertise and legal authority to collect plant and other natural material samples. In addition, it will ensure that governments are informed; will protect biodiversity by investigate species if their supply is reproducible and sustainable; will work with small quantities of natural materials; and transport material in accordance with the CBD's Cartagena Biosafety Protocol if necessary. However, there is no information on wild harvesting practices (e.g. herbs etc).</p> <p>B.2.2.2. Measures to Ensure the Sustainable Extraction of Natural Raw Materials (e.g. Bioprospecting, Wild Harvesting, Palm Oil)</p> <p>Reasonable measures have been implemented to ensure the sustainable extraction of natural raw materials by its own and/or supplier/subcontractor sites (e.g. bioprospecting, wild harvesting, palm oil).</p> <p><u>Comment:</u> GSK will only work with organisations and suppliers with the expertise and legal authority to collect plant and other natural material samples. These include botanic gardens, universities and research institutes around the world. The company also develops sustainable harvesting procedures to preserve the ecosystem from which the source material is derived where further supplies of the active compounds cannot be synthesized. Additionally, GlaxoSmithKline states that it collaborates with organisations to educate and train local people in collecting and screening skills, where appropriate.</p>		
B.2.3. Genetical Engineering/Biological Safety	20.0%	B
<p>B.2.3.1. Policy on Research and Use of Pharmaceuticals/Ingredients Derived from Genetically Modified Raw Materials (e.g. Pharmaceuticals from GMO Plants - Pharming, GM Soy Oil)</p> <p>The company conducts research on pharming and/or uses ingredients derived from genetically modified raw materials in some markets on the basis of a policy.</p> <p><u>Comment:</u> According to GSK, it does not routinely undertake research and development involving the cultivation of genetically modified plant species. The company also states that one exception was a small-scale field trial undertaken in Australia to develop morphine-containing medicines. Research was focused on increasing the yield of alkaloids in poppies with enhanced properties to develop more effective pain management medicines. According to the company, the Australian government strictly controlled these small-scale trials. Within its EHS Report 2003, GSK states that these trials have now been completed, and there are no plans at this stage to move to large scale production of GM poppies. However, it remains unclear if the company really stopped all R&D activities. On its Australian website, GlaxoSmithKline reports in 2004 that it is expected that a number of plants containing further modifications to the genes involved in alkaloid production will be available for evaluation next season. And that this next series is expected to potentially have significant improvements in alkaloid production.</p> <p>There is also no information available if the company uses GM raw materials such as soy lecithin for pharmaceuticals production.</p>		

GlaxoSmithKline

Weight Rating

B.2.3.2. Measures to Ensure Biological Safety and/or Facility Safety (e.g. Guidelines, Safety Management System, Emergency Plan)

Reasonable measures have been implemented to ensure biological safety and/or facility safety (e.g. guidelines, safety management system, emergency plan).

Coverage: Group-wide coverage (= 100% of locations are covered by the information provided above).

Comment: According to the company, GlaxoSmithKline's safety engineering program focuses on construction, plant safety and emergency response activities to ensure that its employees, contractors, visitors and the community are protected from the operational hazards within the company's facilities. Through innovative programs such as the Risk Assessment and Control Processes, Construction Contractor Safety Program, Capital Project EHS Review Process and its Emergency Response Programs, GSK states it ensures that safety is built into and maintained at its sites worldwide. For example, during 2003 all manufacturing sites participated in an internal emergency response evaluation and improvement cycle. Each site evaluates its internal emergency response programs as well as the technical capabilities of the community emergency response organisations.

Additionally, all work with GMOs within GlaxoSmithKline is controlled to the strictest national and international regulations, and according to GSK, apply best practice across all its facilities. Any work with GMOs is subject to full risk assessment including safe conditions of use, storage and disposal. Any laboratory work with GMOs is performed under conditions of contained use using containment laboratories appropriate to the risk of the materials handled. According to GlaxoSmithKline, it has a policy of routinely treating all waste from its GMO operations to ensure it does not release viable GMOs from its contained processes into the environment. As a result, all GMOs are inactivated prior to disposal by chemical or heat treatment.

B.2.4. Animal Testing

20.0%

B-

B.2.4.1. Alternative Testing Methods

Comprehensive measures have been implemented to reduce, replace and/or refine animal testing.

Comment: GlaxoSmithKline states that it is committed to the 3 Rs: reducing the number of animals used in each study; refining studies to minimise pain and maximise the information obtained from each animal; and replacing animal studies with alternative methods wherever possible. In the UK the company has developed an Ethical Review Process to include a thriving special interest group in the 3Rs that facilitates information sharing and training, and promotes the culture of the 3Rs at GSK. The group is made up of scientists, statisticians, senior managers, animal technicians and veterinarians. Training (courses, symposia and practical education) is provided to all staff that are involved in the care and use of animals. Scientists are encouraged to publish their research in the 3Rs and to attend academic and professional congresses to share their findings with other researchers in other companies and in academia.

For example, the company has replaced many animal studies with new research methods such as computer modelling and tests on isolated cells and tissues. It has refined many procedures to use non-invasive techniques such as magnetic resonance imaging, which have helped to reduce the number of animals used in each study. In addition, GSK also runs award programs to encourage researchers to find alternative approaches to the use of animals.

B.2.4.2. Development of the Number of Animals Used during the Last Three Years (Total Number of Animals Used Factored against Total R&D Expenditure)

No information is available on the development of the number of animals used during the last three years.

Coverage: Not applicable.

Comment: In its 2003 CSR Report, GlaxoSmithKline only states that the number of animals used by GSK is broadly the same as nine years ago despite a significant increase in R&D activity. However, no detailed data available.

GlaxoSmithKline

	Weight	Rating
B.2.5. Packaging	10.0%	D+
<p>B.2.5.1. Measures to Reduce the Impact of Packaging (e.g. Reduction, Recycling, Reuse, Substitution of Hazardous/Controversial Substances)</p> <p>Some measures have been implemented to reduce the impact of packaging (e.g. reduction, recycling and/or reuse; substitution of hazardous/controversial packaging materials).</p> <p><u>Coverage:</u> The company did not specify the percentage of packaging volume covered by the information provided above.</p> <p><u>Comment:</u> GSK developed an eco-design toolkit, one module of the toolkit is the Green Packaging Guide. This provides an assessment tool, guidance and a business process for selection of packaging for the Pharmaceuticals and Consumer Healthcare businesses. The assessment tool WRAP (Wizard for the Rapid Assessment of Packaging) is a tool and process that allows packaging designers and managers to rapidly assess the environmental impacts of existing and new packaging designs (including mass of packaging, biodegradability, PVC content, etc). However, there is no information on concrete measures available.</p>		
<p>B.2.5.2. Development of the Volume of Packaging during the Last Three Years (Total Volume of Packaging Factored against Total Production)</p> <p>No information is available on the development of the volume of packaging during the last three years.</p> <p><u>Coverage:</u> Not applicable.</p> <p><u>Comment:</u> —</p>		
B.2.6. Transport	10.0%	D-
<p>B.2.6.1. Measures to Increase Transport Efficiency</p> <p>No information is available whether the company has implemented measures to increase transport efficiency (e.g. local production/supply, mode of transportation).</p> <p><u>Coverage:</u> Not applicable.</p> <p><u>Comment:</u> —</p>		
<p>B.2.6.2. Development of CO2 Emissions from Transport of Raw Materials/Products during the Last Three Years (Tons of Transport-Related CO2 Factored against Tons of Products)</p> <p>No information is available on the development of CO2 emissions from transport of raw materials/products (e.g. t transport-related CO2/t tonnage).</p> <p><u>Coverage:</u> Not applicable.</p> <p><u>Comment:</u> GSK publishes data for product freight transport (2001 to 2003) among the top 50 country destinations. According to the company, products travelled a total of 149 million kilometres in 2003 (up 16% from 129 million kilometres in 2002), 75.5% of it (112.5 million kilometres) by air. This air transport represents 12.6 million kilograms of CO2 emissions (12.8 in 2002). The remaining 24.5% of product transportation is by rail and sea for which GlaxoSmithKline does not estimate CO2 emissions. As the company does not specify the amount of freight represented by the collected data, absolute data could not be factorized and therefore a trend could not be assessed.</p>		

GlaxoSmithKline

	Weight	Rating
B.2.7. Major Environmental Controversies Related to Company Activities	0.0%	X
<p>External research did not reveal any major environmental controversies in recent years.</p> <p><u>Comment:</u> According to a report by the European Commission GlaxoSmithKline is named among a handful of companies responsible for disproportionate pollutant emissions in Europe, and says these companies may not be ready to comply with imminent legislation. The report, which reviews the performance of the European Pollutant Emission Register (2001), concludes that a high proportion of industrial pollution is caused by a small number of plants. The report suggests that the named "big polluters" need to improve their environmental performance. It is unlikely that these polluters will be in compliance with the 1996 Directive on Integrated Pollution Prevention and Control, which comes into force in October 2007. Among the worst offenders is GlaxoSmithKline operation. GSK accounts for 64.6% of Europe's total of dichloromethane (DCM) that is released into waterways.</p> <p>According to GSK, the data about dichloromethane in the public domain is historic. The company states that due to closure of a chemical processing building that used dichloromethane and additional effluent treatment, GSK's current emission rate to water is the equivalent of less than 1 ton per annum. Therefore the total value for 2005 will be below 1 ton.</p> <p>Within its EHS Report, the company reports on several only minor environmental fines, penalties and incidents. During 2003 there were five environmental fines and penalties totalling GBP 40,389. One in Ireland (GBP 5,793), one in Romania (GBP 135), one in the Philippines (GBP 3,363) and two in the United States (GBP 31,098). There was one health and safety fine in Ireland (GBP 10,345) related to the same incident that resulted in an environmental fine. In addition to the incidents that resulted in fines, there was one chemical release in the United Kingdom.</p>		

GlaxoSmithKline

Weight Rating

B.3. Eco-efficiency

25.0%

A+

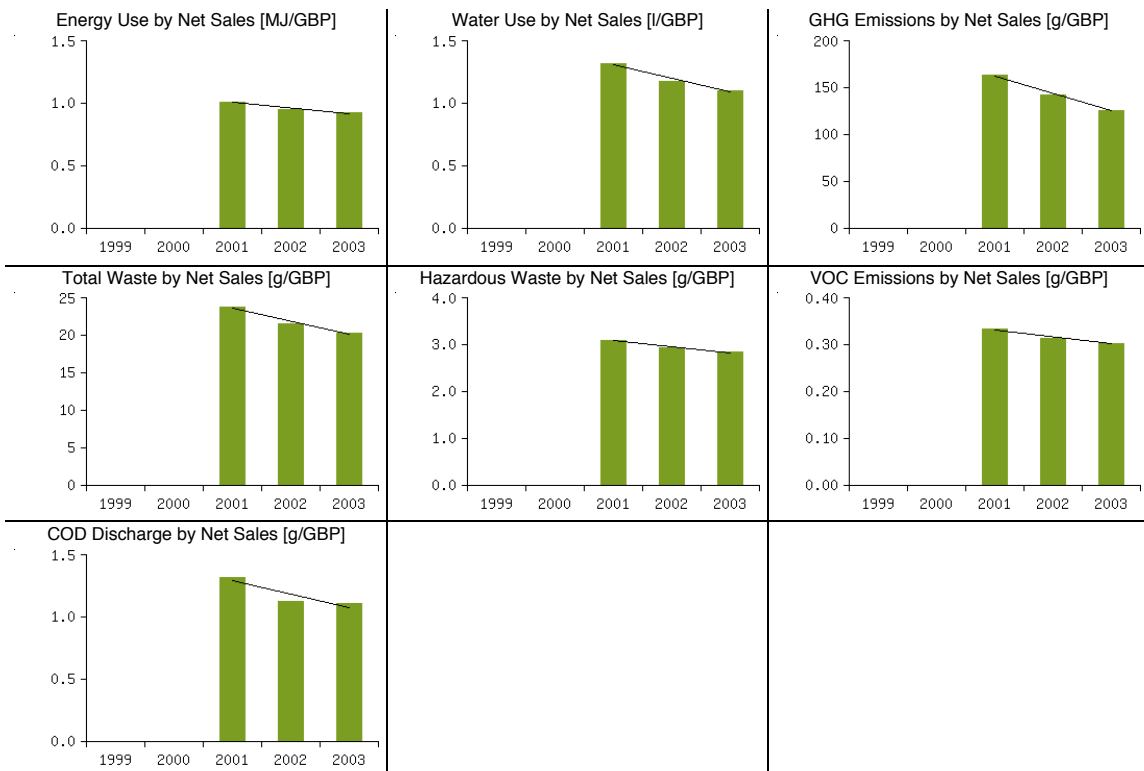
GlaxoSmithKline provides environmental data for energy and water use, CO2 equivalents and VOC emissions, COD and waste (total and non-hazardous). Total waste includes hazardous, non-hazardous, and waste recycled. All data are factorized against net sales. The collected environmental data covers all 97 global manufacturing sites, and all 27 pharmaceutical and consumer healthcare research and development facilities. The data on GHG emissions is measured in CO2 equivalents.

a. Absolute Values

	Energy Use [GJ]	Water Use [m3]	GHG Emissions [t]	Total Waste [t]	Hazardous Waste [t]	VOC Emissions [kg]	COD Discharge [kg]		
2002	20,100,000	24,800,000	3,012,000	455,900	61,900	6,620,000	23,800,000		
2003	19,700,000	23,500,000	2,692,000	434,700	60,800	6,470,000	23,600,000		
2004	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

b. Factored Values

against	Net Sales [MJ/GBP]	Net Sales [l/GBP]	Net Sales [g/GBP]	Net Sales [g/GBP]	Net Sales [g/GBP]	Net Sales [g/GBP]	Net Sales [g/GBP]		
2002	0.948	1.169	142.0	21.49	2.918	0.312	1.122		
2003	0.919	1.096	125.6	20.27	2.836	0.302	1.101		
2004	n/a	n/a	n/a	n/a	n/a	n/a	n/a		



GlaxoSmithKline

Annex – Information Origins

Company Sources

Publicly available company documentation, such as annual reports, social and environmental reports and sustainability reports, as well as company web pages. In addition, internal documents or other company information (e.g. obtained through interviews with company representatives), where provided.

External Sources (examples only)

American Federation of Labor - Congress of Industrial Organizations (AFL-CIO)
 amnesty international
 BBC
 Big Class Action
 BUKO Pharma
 Business & Human Rights Resource Centre
 Campaign for Labor Rights
 Center for Responsive Politics (Open Secrets)
 Cleanpolitix (New Politics Network)
 competition authorities
 CorpWatch
 environment agencies
 Environment News Service
 European Medicines Agency (EMA)
 European Union institutions
 Financial Times
 Friends of the Earth
 Global March Against Child Labor
 Greenpeace
 Guardian
 Human Rights Commission
 Human Rights Watch
 International Confederation of Free Trade Unions (ICFTU)
 International Labor Organization (ILO)
 Multinational Monitor
 Organisation for Economic Co-operation and Development (OECD)
 Planet Ark
 Public Citizen
 Responsible Shopper
 Reuters
 SciDevNet (Science and Development Network)
 Social Accountability International (SAI)
 Transnationale (Transnational Corporations Observatory)
 Transparency International
 UN Global Compact
 United Nations Environment Programme (UNEP)
 US Food and Drug Administration (FDA)
 World Health Organisation (WHO)
 WWF