

# We're working

Chief Executive's Message	01
Policy & Management	02
Priorities	04
Economic Performance	06
Environmental Performance	08
Social Performance	10
Company Projects	14
Performance Highlights	16

AstraZeneca is one of the world's leading pharmaceutical companies. Backed by a strong research base and extensive manufacturing and commercial skills, we provide a powerful range of products designed to meet patients' needs in important areas of healthcare.

Headquartered in the UK, with R&D headquarters in Sweden and a strong presence in the key US market, we sell in over 100 countries, manufacture in 20 and have major research centres in 5. We employ over 58,000 people worldwide.

With a global business comes a global responsibility for consistent and appropriate standards of behaviour worldwide. This Summary Report is designed to capture the main points of our approach to corporate responsibility (CR) and the highlights of our 2002 performance. Detailed statistics and further information about our policies and commitment are provided on our website: [www.astrazeneca.com](http://www.astrazeneca.com), which also provides a feedback facility.

Where appropriate, we have used the guidelines published independently by the Global Reporting Initiative (GRI) as the basis for selecting and organising the content of both this Summary Report and the information on our website. The GRI seeks to create a common international framework for voluntary reporting on economic, environmental and social issues.

This Summary Report was approved by the AstraZeneca Board in February 2003.

# worldwide

AstraZeneca's core values form the heart of our commitment to corporate responsibility. Living these values means ensuring consistently high standards of responsibility wherever AstraZeneca has a presence or an impact.

Good corporate citizenship is not a new concept for AstraZeneca. We have always worked to high ethical standards in all areas of our business. Our CR programme is an evolution of that commitment. We continue to build on our existing policies and best practice, to provide a global platform for all of our activities and to ensure we are acting appropriately and consistently worldwide. We have made good progress, but recognise that there is still work to do to ensure that all our stakeholders are aware of our CR commitments and that CR is integrated into all that we do.

During 2002, we published our Corporate Responsibility Policy and Management Standards – the foundation blocks of the global platform. We also worked to further develop our CR framework, including the publication of supporting policies and principles such as our Bioethics Policy, reflecting our commitment to high ethical standards in our R&D processes, and our Purchasing Principles, designed to encourage and support our suppliers in embracing similar CR standards to our own. The creation of our new community support database in 2002 was also a significant step forward in enabling us to capture previously de-centralised information about all of our community activities worldwide.

CR measurement processes continue to be put in place to ensure that we can monitor our progress and continue to identify areas for improvement. Areas for priority attention have been defined and you can see these on page 5.

I am pleased to report that our continued progress in 2002 was recognised by our inclusion for the second year running in the Dow Jones World Sustainability Index (with an improved rating) and for the first time in their European Index, where competition for entry is very high.

One of the priorities for 2003 is to continue to communicate widely our policies and progress within the Company to build understanding and commitment to our CR objectives, and to drive integration of CR considerations into all of our business activities. Feedback is very important to us. In 2002, we conducted our second global employee survey, which gave all our people the opportunity to let us know what they consider we are doing well – and what we are not doing so well. You can read about

the results on page 11. We currently participate in ad hoc dialogue on CR issues with many external stakeholders, including investors, and we aim to improve these dialogue processes during 2003.

Quite appropriately, the pharmaceutical industry today is being asked to play its part in addressing the increasing disparity between the world's healthcare 'haves' and 'have nots'. I believe that our industry can best do this by using its expertise in drug discovery and development to target improved treatment of the highest priority diseases, and by helping to find ways in which people all over the world can have access to medicines in a way that they can afford. As part of this, AstraZeneca continues to contribute to industry discussion and the setting of programmes that are focused on better healthcare in both developed and developing countries. Our R&D strategy includes ongoing investment in infection research and at our laboratories in Bangalore India, work focuses primarily on tuberculosis – one of the world's greatest causes of death from infectious disease and particularly prevalent in the developing world. We will seek patent protection for any inventions emerging from this work in the normal way, but intend to work in partnership with parties involved with healthcare in the developing world on appropriate mechanisms for development, commercialisation and distribution. You can read elsewhere in this Report about AstraZeneca's approach to providing wider access to medicines for people in need.

We believe that good CR performance depends on achieving an acceptable balance between the economic, environmental and social priorities of sustainable development and I am firmly committed to achieving that balance. High standards of CR are essential to our continued business success and our continued ability to add value in society through our medicines, our financial performance and our contribution within our local communities.



Sir Tom McKillop  
Chief Executive

#### AstraZeneca Core Values

- > integrity and high ethical standards
- > respect for the individual and diversity
- > openness, honesty, trust and support for each other
- > leadership by example at all levels



## Our Corporate Responsibility Policy brought together the principles of all our existing policies and commitments to provide a single global platform for managing our CR activities worldwide.

Expectations relating to corporate responsibility are higher than ever before and maintaining society's trust and confidence is an increasing challenge for companies everywhere. Shareholders are of course still looking for a good return on their investment, but they increasingly want assurance that they are investing in a business that delivers shareholder value in a responsible way. Similarly, employees and potential employees still want the best reward and benefit package they can get, but they also want to work for a company whose values they can recognise and relate to. Customers expect high ethical standards as well as high quality products. Local communities only welcome those businesses that can demonstrate good corporate citizenship.

Companies are also more visible than ever before – the speed and reach of modern communications means that society can be influenced by events as they happen, wherever they happen. It is important therefore that global companies are seen to act appropriately and consistently worldwide.

Good CR performance is not an optional extra. AstraZeneca aims to demonstrate that it is a responsible company so that we continue to be welcomed as a valued member of society and so that we are credible in the public debate of any CR issues that relate to our business.

### Our commitment

Earning and maintaining society's trust and confidence has always been important to us, and we have always worked to high standards with policies in place to support this. Our CR programme is an evolution of that commitment. Approved by the Board in early 2002, AstraZeneca's CR Policy brings together the principles of all our existing policies and commitments relating to high standards of human rights and ethical behaviour (for example, our Code of Conduct and Safety, Health and Environment Policy). In bringing these principles together, it provides a single global platform on which all of our CR activities can be based to ensure that we are acting appropriately and consistently worldwide.

### Organisation and management

During 2002, we focused on further developing the framework for managing and measuring our CR performance, continuing to build on existing processes and best practice within the Company. This work is led by the AstraZeneca Corporate Responsibility Committee – a cross

functional, cross territorial group which reports to Dame Bridget Ogilvie, the Non-Executive Director with responsibility for overseeing CR within AstraZeneca. Overall accountability for CR performance ultimately lies with the Chief Executive and the Board of AstraZeneca PLC.

Senior managers throughout the Company each have responsibility for the development and implementation of local CR programmes in their areas – based on the global policy and tailored to individual site or functional priorities and objectives. In December 2002, we published a set of CR management standards, which outline the framework for managing our CR commitments and which include advice for implementation. These continue to be widely communicated to managers throughout AstraZeneca to ensure the integration of CR into all of our activities worldwide. They are also available on our external website.

### Measurement

Measuring our performance is essential to our understanding of the progress we are making and for identifying potential areas for improvement. Whilst we have long-standing measurement processes in place for monitoring our economic, environmental, safety and health performance, we recognise the need to broaden our approach in other areas of social performance. To that end, we have been reviewing our data-processing systems to ensure that, where possible, further social performance indicators are included.

We have also been working to include more CR issues in our internal audit processes and in 2003, will work to ensure CR is integrated into our annual compliance report by senior management to the AstraZeneca Board (the 'Letter of Assurance').

The CR Committee has an ongoing role to review our CR programme and to make recommendations about its development, including an annual priority action plan for approval by the AstraZeneca Senior Executive Team.





## AstraZeneca Corporate Responsibility Policy

Approved by the AstraZeneca Board  
February 2002

Through the innovation of new medicines, AstraZeneca improves human health and enhances people's lives. Our activities impact not just on the patients we serve and our investors but also on our employees and on society as a whole. Our continued long term success depends on our ability to integrate successfully our financial obligations with our social and environmental responsibilities.

AstraZeneca aims to set, promote and maintain high standards of corporate responsibility worldwide, which will ensure that:

- > as a minimum, we meet national and international regulations
- > safety, health and environmental considerations continue to be a fundamental Company consideration
- > we make a positive contribution to the communities in which we operate
- > the individuality, diverse talent and creative potential that every employee brings to the business are fully valued and respected
- > marketing and sales practices are reputable
- > ethical issues are dealt with in an effective and transparent way
- > our CR commitments are expanded by encouraging suppliers to embrace standards similar to our own



to  
manage

In 2002, we initiated the practice of using a formal risk assessment process to understand better the challenges of our CR programme. This helped us to formulate a priority action plan with defined objectives and, where appropriate, key performance indicators (KPIs) for measuring our progress. Some KPIs are already in place, some we are working to establish. Here, we are sharing our action plan as it stands now. It is an evolving process, however, and this plan will be further developed over time based on ongoing risk assessment. Any updates over the coming year will be published on our website.



# the priorities

## Corporate Responsibility Priority Action Plan

Issue	Objective	Action plan	KPI (where appropriate)
Integration of CR into all activities	CR considerations are given to all relevant strategies and decisions	Internal communication of policies, framework, management standards and guidelines  Inclusion in business development processes and annual business review	
Compliance	Global consistency	Working with Group Internal Audit and Global SHE to include more CR issues in Letter of Assurance and internal audit processes	Number of audits conducted
Human rights	Ensuring that we consistently live up to our core values and our commitment to the principles of the UN Declaration of Human Rights, worldwide	Establishing a means of collecting Human Resources data on a consistent global basis	
Diversity/ equal opportunity	Ensure an appropriate balance of ethnicity/gender/abilities at all levels	Creation of diversity programmes  Establishing ways to address issues other than gender  Ensuring recruitment processes are appropriate  Establishing a means of collecting Human Resources data on a consistent global basis	Number of diversity programmes  Percentage of women at senior levels
Use of laboratory animals	Minimising the number of animals used	Continued adoption of alternatives where possible	Number of animals used
Animal welfare	Ensuring high standards of care for those that are used	Continued monitoring using established procedures	
Suppliers	Encouraging our suppliers to embrace CR standards similar to our own and working with them to share best practice and help them improve, if appropriate	Supplier communication, dialogue and contractual arrangements	Number of business control meetings including CR
Community support	Ensuring optimum effectiveness of our commitment to community support, which focuses on health, science, education	Monitoring activity through the community support global database	Percentage of community programmes focused on our priorities of health, science, education
Safety, health and environment*	'Target Zero' – ie to have no accidents or incidents and continuous improvement in occupational illness record          To economise on the use of natural resources and work to minimise our impact on the environment          As part of the overall CR integration objective, ensure that SHE considerations continue to be integrated into all activities across the Group	Continue to develop and introduce behaviour-based SHE programmes  Continue to carry out formal investigations of all accidents, occupational illness and significant incidents to identify root causes  Development of improved communication techniques to promote the sharing of best practice  Implement the planned changeover of CFC propellants in pMDIs  Complete construction of new CHP power facilities  Continue the fostering of promotion of energy efficiency and ensure technology transfer via energy networks in key regions  Develop a sustainable waste management strategy which seeks to recover, re-use or recycle any waste that cannot be eliminated at source  Seek improvements in process technology in order to minimise waste generation at source	Accidents with injury (Target: reduction of 30% against 2001/2002 mean by 2005)  New cases of occupational illness (Target: reduction of 30% against 2001/2002 mean by 2005)  Unplanned releases to the environment not contained within site boundary (Target: reduction of 50% against 2001/2002 mean by 2005)  Ozone Depletion Potential (Target: reduction of 30% against 2001/2002 mean by 2005)  Global Warming Potential (Target: reduction of 10% against 2001/2002 mean by 2005)    Total waste produced (Target: reduction of 10% against 2001/2002 mean by 2005)
Employee commitment and motivation	Promote good performance management practice, regular communication and an energising work environment	Continued implementation of the Employer of Choice initiative  Two-yearly global employee survey, supported by regular (at least annual) measurement against specific objectives	As defined in the global employee survey

\* Last year we reported against five safety, health and environment (SHE) objectives and seven key performance indicators. During 2002, we reviewed our approach and set SHE objectives for a three-year period, focusing on key areas where we believe AstraZeneca has the greatest potential impact. We have now set three wide ranging SHE objectives and six key performance indicators.



A high-angle, slightly blurred photograph of a busy stock exchange floor, likely the New York Stock Exchange. Numerous traders in business attire are seen from behind or in profile, working at their desks. The desks are equipped with multiple computer monitors displaying financial data. The scene is filled with a complex network of cables and structural elements, creating a sense of intense activity and technological complexity. The lighting is warm and focused on the trading area.

# between economic,



## AstraZeneca's business is focused on delivering shareholder value by maintaining a flow of new medicines that benefit patients and society through improved healthcare.

We recognise that to be able to achieve both these objectives in the longer term, we must continue to be welcomed as a valued member of society. Good management of our wider responsibilities as a global business is therefore also key to our future success.

The medicines that we discover improve patients' health and quality of life. They also relieve the pressure on healthcare systems by reducing the incidence of disease or the time needed for treatment. In addition, they help to improve productivity by reducing time taken off work through illness. Improvement in productivity correlates well with improved health status. The economic leap made in the industrial revolution, for example, was enabled by the creation of city infrastructures capable of sustaining relatively healthy urban populations. In today's world, economic development cannot be seen as independent of the health status of nations.

Our business activities also bring other economic benefits to the communities around us through local employment and wages, taxes, community support and local and national sourcing of materials and services.

We continue to make significant investment in research and development (some \$10 million each working day) – an important contribution to the combined commitment of the pharmaceutical industry, which is the source of the vast majority of medical innovation. Over 90% of new medicines are researched and developed by the pharmaceutical industry.

Highlights of our 2002 financial performance are provided on page 16.

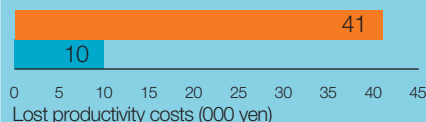
### Corporate governance

An essential part of our corporate responsibility is to continue to operate to high standards of corporate governance, as set out in our Code of Conduct and supported by internal auditing to ensure Group-wide compliance. In addition to the processes available to employees for expressing concerns outlined in the Code of Conduct, during 2002 the Board nominated Sir Peter Bonfield as the senior Non-Executive Director contact for investors wishing to raise high-level concerns, to ensure clear lines of communication on any potential corporate governance issues.

### Pharmaceuticals can improve productivity

For example, asthma in Japan<sup>1</sup>

Asthma

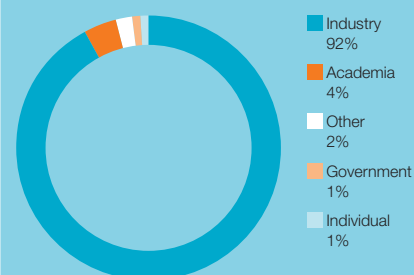


Key

Placebo

Budesonide Turbuhaler

### Percentage of drug approvals by sector<sup>2</sup>



<sup>1</sup> Miyamoto T, Fujino S, Nakajima S, Tollema U, Liljas B (1999). Cost effectiveness of budesonide Turbuhaler in the treatment of mild-to-moderate asthma in Japan. Allergy International 48(4):275-285.

<sup>2</sup> Kaitin KI, Bryant NR, Lasagna L (1993). The role of the research-based pharmaceutical industry in medical progress in the United States. Journal of Clinical Pharmacology 33:412-417.

Managing AstraZeneca's environmental impact continues to be a priority. Our attention is focused in particular on two areas where we believe our global business has the greatest potential impact on the environment: climate change (arising from energy use and use of propellants in some of our inhalation products) and ozone depletion (through use of CFC propellants).

In addition, the total amount of waste we produce in relation to our sales is a measure of the efficiency with which we use natural resources and an important indication of the sustainability of our business. Here, we have summarised our approach in these three areas. We also monitor a number of other environmental performance indicators in line with the recommendations of the Global Reporting Initiative, and information on these can be found on our website.

#### Climate change and ozone depletion

Not all gases have the same impact on the greenhouse effect. The Global Warming Potential (GWP), which expresses each gas in tonnes of CO<sub>2</sub> equivalents, is an effective way to measure their relative impacts. We follow the guidance in the Greenhouse Gas GhG Protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org)) to make sure that we calculate and report our greenhouse gas emissions transparently. In 2002, we reduced our total emissions from all sources by 6%.

AstraZeneca's sources of greenhouse gas emission include the propellant in some of our inhalation products, our use of energy at our facilities, emissions from our in-house activities and the various modes of transport that we employ.

CFCs, which contribute to ozone depletion as well as being greenhouse gases, are commonly used as propellants. As one of the world's largest producers of inhalers, AstraZeneca is leading the way in replacing CFC inhalers with more environmentally friendly systems such as our *Turbuhaler* dry powder inhaler, *Rhinocort* pump spray and *Pulmicort* nebulising suspension. Although these alternative technologies eliminate the need for propellants, there are still some patients for whom a propellant-driven metered dose inhaler is essential. We are developing a new generation of respiratory HFC inhalers that do not damage the ozone layer. Progress has been slow, however, due to the technical complexity of introducing new propellants and the nature of the associated regulatory processes.

In accordance with our policy on refrigeration, we are gradually replacing all CFCs and HCFCs used in refrigeration with gases that have no ozone-depleting potential and substantially lower global warming potential.

In 2001, we set ourselves a target to control the emission of greenhouse gases associated with our energy use. This calls for a reduction from the 'business-as-usual' scenario equivalent to 20% of our 1998 emission level by the year 2005. As part of this, we are investing in cleaner, more efficient energy systems, such as a major new combined heat and power plant at our largest UK site in Macclesfield, Cheshire. Other initiatives for improving our energy efficiency are also being implemented at our sites around the world. The beneficial effects of these investments will begin to be seen over the coming years.

The cost and environmental impact of product transport and business travel are significant issues for a company such as AstraZeneca. Through ongoing efforts to rationalise our product distribution networks and use alternatives to business travel, such as video-conferencing, we are working to reduce our reliance on air and road transport.

#### Waste management

Our waste comes mainly from our product manufacturing processes. Plans to reduce the amount of waste we generate include the improved operation of existing production processes and the better design of new ones, improved purchasing processes and internal waste awareness programmes. The highest priority in waste minimisation is the prevention of any waste production but where this is not possible, we focus on the re-use and recycling of materials, including energy recovery, to reduce waste as much as possible.

In 2002, the installation of new abatement techniques and production changes resulted in a 9% reduction of our total waste and a 16% reduction of our hazardous waste, compared to 2001. The percentage of our total waste that has been recovered (ie either recycled or incinerated with energy recovery) has increased slightly to 57% in 2002, from 56% in 2001.

#### Unplanned releases

Unplanned releases can cause damage both to the environment and to our relationships with our local communities and regulators. They represent a loss of control of processes and we aim to eliminate such incidents by ensuring that all of our processes are robust and reliable. In 2002, we had 27 unplanned releases (compared to 36 in 2001). Of these, 17 were prevented from reaching the environment by effective use of in-plant control systems.

#### Pharmaceuticals in the environment

In recent years, highly sensitive analytical techniques have been able to detect very low concentrations of a number of pharmaceuticals in some watercourses. The vast majority of levels detected are many times less than the minimum concentrations expected to cause any significant environmental or pharmacological effect and we believe they do not pose any significant threat. Nevertheless, we are working alongside other pharmaceutical companies and regulatory bodies to provide further improvement to the existing techniques used to assess the environmental risk associated with pharmaceuticals. In addition, we aim to minimise the amounts of any of our products being released into the environment in effluent discharges from our facilities and we encourage patients to return surplus pharmaceuticals to their pharmacist to ensure correct disposal.



# environmental







# and social

## Our employees

In a world of rising expectations on our business, our challenge is to ensure that we provide an energising work environment in which people are healthy, safe and feel capable and confident of dealing with the demands made upon them.

## Health and wellbeing

We have a wide range of occupational health and safety education and awareness programmes in place, complemented by our wellbeing programmes, which include physical development, stress management and nutrition advice. In 2002, 34 wellbeing projects were in place in 13 countries, and best practice is being shared across AstraZeneca to support wider implementation. We believe that a good work/life balance is also essential to people's physical and psychological welfare and aim to help promote the right balance with flexible working hours and working from home opportunities. Encouragingly, our recent global employee survey showed that 74% (an increase of 4% over 2000) considered that they have sufficient flexibility in their work to effectively balance their work and home lives.

In 2002, the overall frequency rate of occupational illness (per million hours worked) significantly decreased. It is encouraging to also see a decrease in work-related stress illness, although there was no significant change in the frequency rate of work-related musculo-skeletal disorders.

## Safety

There was no significant change in the frequency rate for reportable injuries in 2002, compared with 2001. No fatal accidents were reported during the year. Whilst there was no significant change in the frequency rate for vehicle accidents, vehicles are now the greatest cause of accidents with injury which remains a concern for the Company. With almost half our employees using vehicles as part of their normal business activity, we place great importance on providing defensive driver training. During 2002 we worked with a specialist information research group to review the effectiveness of different training programmes by analysing the global information available, and we will be using the outcome of this to further enhance our approach.

AstraZeneca's impact on society covers a wide range of areas, some of which we have been addressing for many years, some of which are relatively new. Here we focus on a selection of issues that affect or concern society today. Further details of our approach in other areas are available on our website. We recognise that corporate responsibility is an evolving landscape and so we continuously monitor our internal and external environment for new and emerging issues.

One of the other major categories of accident is slips, trips and falls. We are working on a range of educational approaches that aim to raise awareness and reduce the number of incidents. Managing the risk of fire also continues to be of major importance. In these and other areas, personal behaviours are the primary cause and we continue to apply a behaviour-based approach to our risk management activities.

To ensure understanding and compliance with our standards, we have a comprehensive, global safety, health and environment (SHE) audit programme. With over 120 trained auditors drawn from all parts of the business worldwide, we are able to benefit from skilled teams of professionals to carry out audits whilst also encouraging the sharing of best practice. We are working to include wider CR issues into this established SHE audit process, building on our experience and expertise.

We continue to strive for improvements in our health and safety performance and have a target of a 30% reduction of accidents with injury and occupational illnesses from our 2001/ 2002 mean by 2005.

#### Development

We are proud of our global workforce and their contribution to our success, and want our people to feel valued and supported in developing their potential to the full. All our managers are responsible for working with each member of their team to agree a personal development plan for that person, aligned to business needs and tailored to the individual's skills and aspirations. Regular meetings with managers provide the opportunity to discuss work objectives, progress made towards these, and to plan any further personal development that may be needed. Over the last two years, significant effort has been focused on ensuring that we have the processes in place, and the tools available, to support effective learning and development at both global and local levels. These include leadership development programmes, learning management systems and the promotion of mentoring. Our recent employee survey showed improvements in the area of learning and development with results that compared well with external global benchmarks.

#### Diversity

At AstraZeneca, we define diversity more broadly than gender, race or ethnicity. Our approach takes account of all the ways our 58,000 employees in 45 countries are different – including culture, age, ability and family situation. We value the creative energy that these differences bring to our business and our challenge is to build and maintain a culture in which diversity is appropriately supported in our workforce and reflected in our leadership. We recognise that we have some work to do in this area and are committed to driving improvement throughout the Company. Individual functions have responsibility for devising programmes specific to their diversity needs and for putting measures in place to monitor progress. In addition, our Senior Executive Team is responsible for annually reviewing the diversity of the top 100 senior positions in AstraZeneca.

#### Reward

We believe that reward is about more than remuneration. As well as providing a competitive package, we also want to respond to individual needs and support a healthy work/life balance – key elements of the energising work environment that we aim to provide. New, integrated reward schemes are designed to meet varied and changing employee needs around the world by introducing individual choice and flexibility. Flexible benefit schemes have so far been introduced in the UK, US and Sweden.

#### Communication

Our management style is an open one and we aim to keep our employees informed of all major business decisions and events, using a range of electronic and printed media as well as face-to-face briefings. Feedback is very important to us and feedback opportunities are integrated into all our communication programmes. We also use a two-yearly global employee survey to identify areas of both satisfaction and concern. These surveys are conducted with the help of an external specialist agency who also analyse the results. The first of the surveys in 2000 indicated the progress AstraZeneca had made in its first year: people were proud to be associated with the Company and were clear about, and committed to, our objectives. The survey also highlighted some challenges

including managing heavy workloads and maintaining the right balance between work and home life – and you can read elsewhere in this Report about the initiatives put in place to address these issues. The results of our second survey in 2002 indicated major improvements overall, comparing favourably with external global benchmarks and including good progress in previous areas of concern. Improvement is a continuous process and the 2002 survey highlighted other areas for attention such as opportunities for improving efficiency and speed of decision-making. Recommendations on how improvements can be made are being developed by teams working across AstraZeneca. Follow-up on specific areas is the responsibility of the relevant functional and territorial management.

#### Focus 2002: Global Employee Survey:

Some of the results

Key

■ AstraZeneca

■ ISR Global High Performance Norm

% difference against ISR Global High

Performance Norm

My work area is a safe place to work +5%



The physical working conditions in my work area are satisfactory +19%



Management supports diversity in the workplace -9%



I receive the training and development I need to do my job +12%



I have the opportunity for personal development and growth +5%



I am proud to work for AstraZeneca +9%



© 2002 International Survey Research (ISR)

**Community support**

Wherever AstraZeneca is located worldwide, we aim to be responsible members of our local communities through charitable donations, sponsorships and other initiatives that help to make a positive difference. A recent challenge for us has been to capture the full extent of our community support initiatives throughout the Company and to make sure that the information can be shared internally to promote good practice.

During 2002, we issued a new Community Support policy to provide a global platform for local implementation programmes. In particular, we focus on bringing benefit in ways that are consistent with our business of improving health and quality of life, and on promoting the value of science among young people. The policy also encompasses reporting of local initiatives through a central database, developed and launched during 2002 to address the need for improved data collection and information sharing. To date, over 830 projects have been entered, covering charitable contributions, product donations and community sponsorships in 27 of our marketing companies. In 2002, our overall community support spend totalled \$316 million, \$303 million of which covered product donations at average wholesale price.

**Sales and marketing**

In the marketing of our medicines, we are committed to ethical behaviour and aim to ensure we communicate information about our products effectively and in a proper manner. We have standards of compliance that are based on the global industry code of conduct (the IFPMA Code of Pharmaceutical Marketing Practice) and all codes of marketing practice, laws and regulations applicable in the countries in which we operate. Increasingly, society is looking for transparency in this area. The principles to which we work are published on our external website, as well as widely communicated within AstraZeneca to ensure understanding and commitment.

**Working with suppliers**

As a global company sourcing materials and services from around the world, an increasingly important question is where the limits to our responsibility should be drawn. We believe we have a responsibility to encourage our suppliers to embrace CR standards similar to our own, share best practice and, where needed, stimulate improved CR performance. Our Purchasing Principles provide global guidelines for ensuring that CR considerations are taken into account in the management of all our external expenditure. They outline the general principles of our approach and provide our purchasing community with advice on how these principles can be applied. During 2002,

we have been working to communicate our expectations to our major suppliers and began formal audit processes to ensure our expectations are being met. We talked with over 2,500 companies and audited 13 sites at 8 of our existing major chemical contractors and toll manufacturers, identified for priority action based on size of spend and highest potential business risk. Whilst all were considered satisfactory, some improvement actions were identified and agreed. Three potential new suppliers were also audited and were turned down due to low standards. We are only at the beginning of this process and plans for 2003 include an ongoing programme of priority audit, the integration of CR into business reviews with strategic suppliers and the development of further advice for our purchasing community on which social issues to include in these discussions.

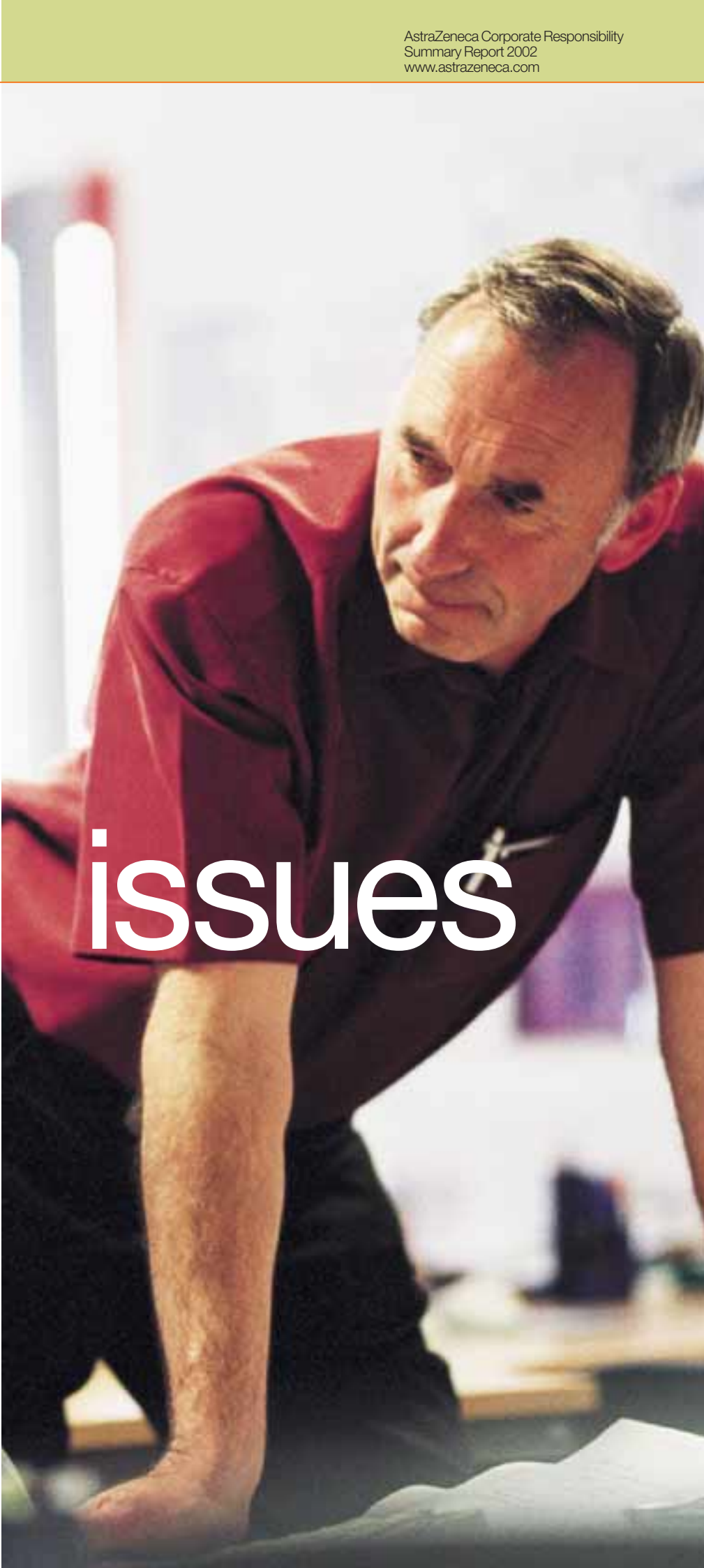
**Animal welfare**

Laboratory animals play a vital and necessary role in the discovery and development of new medicines for important areas of human healthcare. Furthermore, safety data involving animal studies is submitted to regulatory authorities worldwide before any new medicine can be tested in healthy volunteers and then patients. In our research and development, we use the most modern scientific methods available. These include non-animal techniques such as computer simulations, informatics and high throughput screening – some of which replace animal testing, whilst others reduce the number of animals needed. We are constantly seeking to reduce the number of animals used by developing our own range of alternative techniques and also adopting successful methods developed by others.

In 2001, we used around 248,000 animals, a small reduction on 2000 (250,000). Some 98% of these were rodents and fish. Approximately 3% were used by external contractors. The number of animals we use will fluctuate from year to year. Increases can result from increases in the number of compounds in research and development, from our further adoption of tests using genetically modified animals and from additional regulatory requirements. Factors influencing a reduction in the numbers of animals used include our continued commitment to adopting alternative techniques wherever possible and our ability to agree with regulatory authorities any possible reductions in the number of animals required by their protocols.

All our new medicines research involving animals is undertaken strictly in accordance with the relevant legislation, regulations and guidelines, and is subject to our own strict animal welfare standards of care and use.





# issues

These include routine inspections by our own staff in addition to the mandatory visits by government authorities around the world. The Company does outsource studies to give us access to additional expertise or capacity and external centres are expected to operate to the same regulatory standards as AstraZeneca.

## Clinical trials

Clinical development of a potential new medicine is a substantial effort, involving extensive collaboration with clinicians in many countries and, in most cases, several thousands of people in clinical trials. New substances are only progressed into clinical trials once we have confirmed their potential efficacy and adequate safety in pre-clinical trials, which include animal testing.

We have processes in place to ensure that all proposed clinical trials using healthy volunteers are reviewed and approved, including consideration of the pre-clinical data, the safety of the trial and the nature and amount of information given to trial volunteers. We also have strict guidelines to ensure that volunteers and patients using the Company's medicines in clinical studies, and patients receiving approved medicines, are not exposed to unnecessary risks. These guidelines include the protection of privacy of health information from individuals taking part in clinical studies.

## Access to medicines in developing countries

We believe that access to medicines in developing countries is one part of the bigger challenge of improving health infrastructures and the delivery of medicines and healthcare to patients in need. Whilst AstraZeneca does not have a strong recent history in diseases of the developing world, we are committed to a role in the future through our ongoing R&D investment in Boston, US where work focuses on, among other things, infection, and our research facility in Bangalore, India which is dedicated to finding a new treatment for tuberculosis.

We support the concept of differential pricing in developing countries and seek safeguards that differentially-priced products are not diverted from the patients that need them to be sold and used in more affluent markets. Differential pricing will only be of significant benefit in countries where there are appropriate healthcare systems to deliver medicines and ensure medical compliance.

The international protection of intellectual property rights underpins future investment by the pharmaceutical industry in the research and development of new medicines and, like other pharmaceutical companies, we will continue to work to uphold our intellectual property rights where appropriate.

Here are just a few examples of our principles being put into practice. For more information on our other initiatives worldwide, please visit our website.

#### Community health

During 2002, AstraZeneca and the Red Cross joined forces in the fight against tuberculosis – the single largest cause of adult death from infectious disease in the world. We have committed \$450,000 over the next three years to supporting a Red Cross programme designed to help combat tuberculosis in Kyrgyzstan and Turkmenistan where over 9,400 new cases are diagnosed each year. Alongside our infection research investment in Boston, US and Bangalore, India, our support to this initiative represents another step in our commitment to playing a role in combating infectious diseases that affect the developing world.

The project is co-ordinated through the International Federation of the Red Cross and Red Crescent societies and will also be supported by the national Red Cross societies of the UK, US, Sweden and Spain.

#### Patients access to medicines

The AstraZeneca Foundation Patient Assistance Program in the US, which celebrates its 25th anniversary next year, provides qualifying, low-income people with free products. In 2002, patients received over \$270 million worth of product through this programme. A separate initiative provides for product donations to humanitarian appeals in other parts of the world. Also in the US, to help meet the needs of seniors who cannot afford prescription medicines, AstraZeneca – together with six other pharmaceutical companies – launched the Together Rx Program in 2002. This programme provides eligible Medicare patients with up to 40% savings on medicines used to treat a range of common conditions affecting older people, including hypertension, cancer and arthritis.

On a more global scale, during 2002 we implemented an Expanded Access programme for *Iressa*, our new treatment for lung cancer. This programme made *Iressa* available, prior to commercial launch, to patients with non-small cell lung cancer for whom no other treatment options had been successful. During the year, over 29,000 patients in 70 countries received the therapy through this route.

#### Occupational health

At our site in Reims, France, an original method for assessing and avoiding musculo-skeletal disorders has been in

place for two years. This behaviour-based programme gives all staff training in basic ergonomics and the opportunity to suggest improvements to working practices. One of the tools used is a body map, on which staff in various work environments can mark zones of personal discomfort or pain. A summary body map for each work environment is then compiled and used to assess how each work area can be improved to reduce the ergonomic hazards. New solutions are discussed with the work area teams and implemented with a formal follow-up. This is an ongoing process that is successfully delivering continuous improvement.

#### Energy saving

In Sweden, Project Mälurvatten was a co-operation between AstraZeneca and Telge Energi, a Swedish energy company. It involved a joint investment in the construction of a pumping station that uses cold water from Lake Mälaren for cooling purposes. The plant, which replaces units containing several tonnes of refrigerants such as HCFC and HFC, was brought into operation in 2001, providing cost efficient, energy saving and environmentally friendly cooling for AstraZeneca and the city of Södertälje. For AstraZeneca's manufacturing and R&D sites based in Södertälje, this has delivered substantial cost savings due to more efficient cooling, shorter operation times and lower maintenance costs.

Our Pandaan site in Indonesia runs a resource conservation programme that has resulted in a 20% reduction in the site's energy use. They have also implemented initiatives to protect endangered birds and animals and to prevent erosion by cultivating unused land. When harvested, crops grown on this land are distributed among the local community.

#### Work/life balance

In the US, 'Working Mother' magazine acknowledged AstraZeneca as one of the '100 Best Companies for Working Mothers', acknowledging developments such as our Senior Women's Network and the AstraZeneca Child Development Centre at our site in Wilmington, which is due to open in 2003. The centre will accommodate some 350 children and provide our employees with convenient, high quality, on-site childcare.

#### Driver safety

In the Philippines, some 400 AstraZeneca people drive on company business on more







than 260 working days each year, making driving the most significant safety-related risk for AstraZeneca in that country. To address this, our local management introduced a range of programmes aimed at reducing car accidents by 20% by the end of 2001. This included comprehensive driver training and behaviour-based safety programmes. The target of 20% in 2001 was far exceeded and overall, the number of accidents was further reduced to a total of 75% of the baseline figure. The programme has also contributed to around a 41% reduction in insurance premiums.

#### Diversity

During 2002, our R&D organisation created a number of 'Diversity Challenge' teams to get fresh ideas about what employees think a diverse working environment should involve. Each of our major R&D sites formed a team of volunteers who were asked to address three questions: 'What would a really diverse workforce look like and how would it behave?' (thinking in terms of visible and non-visible differences), 'What is missing at the moment?' and 'How might we fix it?' The findings were presented to relevant Senior Management Teams at each site for their consideration and implementation. Those issues with implications wider than site specific will be put forward for possible inclusion in the global R&D Diversity Improvement Plans.

#### Community award

In 2002, AstraZeneca in the US received an award from the Association of Fundraising Professionals for its community support activities. In particular, the award recognised our 'Ambassadors' programme, which encourages and supports employees in volunteering for good causes, such as mentoring schoolchildren in their local communities.

#### Science education

The AstraZeneca 'Inspiring Science' Programme, run in conjunction with the CREST awards scheme in the UK, comprises a programme of project work that is enjoyable, relevant to the secondary education curriculum (ages 11 – 18) and designed to encourage young people's interest in science and promote scientific excellence. There is a competitive element to the programme, with regional competitions and a national final. Cash prizes are awarded to the schools of the students who deliver the best projects – either from the programme or their own ideas.

to  
provide  
for



	2000	2001	2002
<b>Economic (\$m)</b>			
Sales <sup>1,2</sup>	15,583	16,222	17,841
Operating profit <sup>1</sup>	3,984	4,156	4,356
Dividends (cash)	1,236	1,225	1,206
Ratio of market cap to book value of net assets	9.3	8.0	5.5
R&D investment <sup>1</sup>	2,620	2,687	3,069
Total wages	3,680 <sup>3</sup>	3,542	3,993
Taxation <sup>1,4</sup>	1,453	1,214	1,177

**Environmental****Greenhouse gases**

Mte CO <sub>2</sub> -equivalents	1.96	1.87	1.76
Index (tonnes/\$m sales)	125	115	99

**Energy**

GWh	1,950	2,170	2,200
Index (GWh/\$m sales)	0.125	0.134	0.124

**CFCs**

Total ozone depletion potential	Tonnes (CFC11 equivalent) Index (kg/\$m sales)	130 8.4	110 7.0	100 5.5
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**Waste**

Hazardous waste in kte	31	37	31
Index (tonnes/\$m sales)	2.0	2.3	1.7
Other waste in kte	30	29	29
Index (tonnes/\$m sales)	1.9	1.8	1.6

**Unplanned releases**

Contained within site boundary	30	24	17
Not contained within site boundary	7	12	10

**Social****Safety and health****AstraZeneca employees**

Cases of occupational illnesses (per million hours)	3.40	3.83	3.15
Number of accidents with injury (per million hours)	3.44	4.16	3.84
Number of accidents with injury and days lost (per million hours)	2.11	2.86	2.84

**Contractors**

Number of accidents with injury (per million hours)	2.80	4.35	6.42 <sup>5</sup>
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**Community support (\$m)**

Sponsorships			9.7
Charitable contributions			3.3
Product donations			303.0
Total			316.0

**Compliance****Regulatory infringements – safety, health and environment**

Prosecutions	0	1	1
Legal sanctions	3	4	7
Failures to obtain correct permits	1	1	0
Infringements of operating permits	7	7	6

<sup>1</sup> Continuing operations before exceptional items<sup>2</sup> After reclassification of cash discounts from cost of sales to sales<sup>3</sup> Including Agrochemicals<sup>4</sup> Restated for implementation of FRS19<sup>5</sup> This increase is due to better reporting, as some areas are reporting for the first time, and to a major construction project in the UK which has significantly increased contractor activity. Comparative analysis has shown that the AstraZeneca construction safety performance is among the best in the UK and the EU.

A review of the data reported for 2000 and 2001 has been carried out to ensure accuracy and consistency. A number of omissions have been corrected in the hours worked. Some accidents have been reclassified and a number of accidents originally classified as 'other' have been reclassified. The result of this exercise has been a slight change in the statistics produced for these two years. None of the changes are in themselves statistically significant. The statistics quoted in this Summary Report are generated from the revised data.

With the exception of the economic data, the above represent preliminary figures only. Final statistics will be published on our website: [www.astrazeneca.com](http://www.astrazeneca.com).



a healthy future.

We're working  
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manage the  
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economic,  
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and social issues  
to provide for a  
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