



**CORPORATE
RESPONSIBILITY 2006**

SUMMARY REPORT

CONTENTS

MESSAGE FROM OUR CEO	2	Pharmaceuticals in the Environment	15
PATIENTS	4	Sales and Marketing	16
Patient Safety	6	Supporting Economic Development	17
Access to Medicines	7	PEOPLE	18
In the Developing World	8	Human Rights	20
PRODUCTS	10	Safety, Health and Wellbeing	20
Animal Research	12	Diversity	23
Clinical Trials	13	PERFORMANCE	24
Stem Cell Research	14	Responsibilities and Accountabilities	26
		ASSURANCE STATEMENT	36

ASTRAZENECA IN BRIEF

- > We discover, develop, manufacture and market medicines for important areas of healthcare – cancer, cardiovascular, gastrointestinal, infection, neuroscience, and respiratory and inflammation.
- > We have a broad range of medicines, including many world leaders, designed to offer innovative, effective approaches to combating disease.
- > We employ over 66,000 people worldwide.
- > We have sales in over 100 countries.
- > We manufacture in 19 countries.
- > We have 16 research and development centres in 8 countries.
- > We spend \$16 million each working day on discovering and developing new medicines.
- > Alongside our commitment to high performance and competitiveness, we continue to be led by our core values to deliver sustainable success.

GROUP CR POLICY

Through the innovation of new medicines, AstraZeneca improves human health and enhances people's lives. Our activities affect not just the patients we serve and our investors, but also our employees and society as a whole.

Our reputation and continued long-term success depend on our ability to integrate successfully our financial obligations with our social and environmental responsibilities. In so doing, we will maintain the trust and confidence of our stakeholders and continue to be a company that is welcomed by society and for which our employees are proud to work.

AstraZeneca aims to set, promote and maintain high standards of corporate responsibility worldwide, in line with our core values and consistent with our publicly declared codes of conduct, which will ensure that:

- > Patient benefit and safety continue to be the core priority.
- > Safety, health and environmental issues remain a fundamental Company consideration.
- > The individuality, diverse talent and creative potential that every employee brings to the business are fully valued and respected.
- > We maintain high ethical standards in our research and development of new medicines.
- > We maintain high ethical standards of sales and marketing practices in all countries of operation.
- > We make a positive contribution to the communities in which we operate.
- > As a minimum, we meet national and international regulations.
- > Our CR commitments are expanded by encouraging our suppliers to embrace standards similar to our own.
- > New and emerging issues relating to CR are dealt with appropriately and effectively.

We will be transparent in our communications about the work we are doing to meet these commitments and drive continuous improvement in our CR performance.

THE FIGURES THAT APPEAR THROUGHOUT THIS REPORT ARE PRELIMINARY FIGURES ONLY. FINAL STATISTICS, INCLUDING A THREE-YEAR DATA PERFORMANCE SUMMARY, WILL BE PUBLISHED ON OUR WEBSITE: ASTRAZENECA.COM/RESPONSIBILITY.

OUR 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

ASTRAZENECA IS ONE OF THE WORLD'S LEADING PHARMACEUTICAL COMPANIES, WITH A BROAD RANGE OF MEDICINES DESIGNED TO FIGHT DISEASE IN IMPORTANT AREAS OF HEALTHCARE. BACKED BY STRONG SCIENCE AND WIDE-RANGING COMMERCIAL SKILLS, WE ARE COMMITTED TO SUSTAINABLE DEVELOPMENT OF OUR BUSINESS AND THE DELIVERY OF A FLOW OF NEW MEDICINES THAT MAKE A DIFFERENCE IN THE LIVES OF PATIENTS AND CREATE VALUE FOR OUR SHAREHOLDERS AND WIDER SOCIETY.

WE FOCUS OUR EFFORTS IN FOUR KEY AREAS – PATIENTS, PRODUCTS, PEOPLE AND PERFORMANCE. CORPORATE RESPONSIBILITY (CR) TARGETS ARE INTEGRATED INTO ALL THESE AREAS OF ACTIVITY BECAUSE WE KNOW THAT HOW WE DO BUSINESS, AS WELL AS WHAT WE DO, IS VITAL TO OUR REPUTATION AMONG STAKEHOLDERS AND WIDER SOCIETY. MAINTAINING THEIR TRUST AND CONFIDENCE IN ASTRAZENECA AS A RESPONSIBLE COMPANY MEANS MAKING SURE THAT OUR HIGH-LEVEL VALUES AND PRINCIPLES ARE TRANSLATED INTO CONSISTENT AND APPROPRIATE BEHAVIOUR WORLDWIDE.

THIS SUMMARY REPORT IS DESIGNED TO CAPTURE THE MAIN POINTS OF OUR APPROACH TO MANAGING THIS CHALLENGE AND TO PROVIDE A BRIEF OVERVIEW OF OUR 2006 PERFORMANCE.

DETAILED STATISTICS AND FURTHER INFORMATION ABOUT OUR CR PERFORMANCE, POLICIES AND PRINCIPLES ARE AVAILABLE ON OUR WEBSITE, WHICH IS UPDATED THROUGHOUT THE YEAR.

VISIT ASTRAZENECA.COM/RESPONSIBILITY

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

"I WANT ASTRAZENECA TO BE VALUED AS A SOURCE OF INNOVATIVE MEDICINES THAT HELP IN THE FIGHT AGAINST HUMAN DISEASE, AND TO BE TRUSTED FOR THE WAY IN WHICH WE DO THAT."



01 PATIENTS
02 PRODUCTS
03 PEOPLE
04 PERFORMANCE

AstraZeneca's business strategy centres on building our capabilities in the new science and technologies that will help us develop better, safer medicines; on maximising the therapeutic and economic value of all our medicines to deliver their full benefit for patients and society, and on working closely with all our stakeholders to gain the insight we need to continue to make a valued contribution to patients and healthcare. Throughout all of these activities, maintaining our fundamental commitment to corporate responsibility (CR) remains a top priority.

As Chief Executive Officer, I am accountable, together with senior leaders in the organisation, for leading the delivery of our business goals, and for maintaining the trust of our stakeholders and wider society that is so vital to our continued success.

Our Business Performance Management (BPM) framework sets financial and non-financial targets, including CR, in line with our strategic objectives in four core areas: Patients, Products, People and Performance. Progress in each of these four areas is reviewed quarterly by the AstraZeneca Board and Senior Executive Team (SET).

TAKING OWNERSHIP

We know that targets alone cannot deliver improved performance. Actions must be identified and accountability assigned to people who can ensure that these actions are implemented. Led by the SET, each AstraZeneca function and location is responsible for setting its own CR targets, based on the global framework but relevant to their local issues and priorities. And we continue to work to ensure that all of our people are clear about our CR commitment; that they fully understand what it means for them and that they are empowered to integrate CR considerations into their everyday business decision-making.

GAINING INSIGHT

Understanding the needs of our stakeholders is essential for effective leadership of our business. We have increased our emphasis on stakeholder dialogue and are making it a more permanent feature of how we operate in AstraZeneca. Stakeholder engagement is also important in identifying our CR priorities and, during 2006, we published internally a new guideline on how to engage stakeholders

in CR-specific dialogues as an important step in local CR priority action planning. You can read more about this on page 26.

LISTENING TO OUR PEOPLE

The views of our employees are very important to us and the results of this year's global employee survey helped us track employee engagement and identify areas of concern. Conducted every two years, this was our fourth such survey, and I was heartened to see that it achieved the highest response rate to date (86%), which reflects people's continuing confidence in it as a trusted feedback mechanism. This year's scores improved across all categories compared to the last survey, with positive feedback in areas such as health, safety, information sharing and communication. The survey also highlighted areas for further improvement, including some aspects of leadership and performance management. I take this feedback very seriously, and am determined to address these areas for improvement. Initiatives that have already begun include increased clarity on accountabilities being integrated into the BPM framework described above.

BROADENING OUR BASE FOR INNOVATION

During the year, we continued to recognise the importance of accessing new science and technologies that will boost our own innovation and provide a broader base for researching the next generation of medicines that offer better results for patients. To that end, we completed a number of acquisitions designed to add strength to our pipeline of new medicines. This strategy brings with it a duty to ensure that our CR policies and principles are understood and applied consistently by the new members of the AstraZeneca family of companies. For that reason we have included this in our CR Priority Action Plan this year.

IN THE DEVELOPING WORLD

We continue to explore ways in which AstraZeneca can help more patients around the world to get the healthcare they need. As part of this, we are piloting a project in Ethiopia which centres around building local capability in breast cancer care and management. We have also entered a new partnership with Voluntary Service Overseas, in which our employees will be able to lend their skills and experience to help the charity

in its goal to improve key infrastructures in developing countries. Our expanded support for the Red Cross and African Medical and Research Foundation in their community-focused efforts to combat TB continues to be consistent with our own research effort in Bangalore to find a new treatment for this devastating disease. You can read more about this on page 8.

OUR CLIMATE CHANGE CHALLENGE

In common with most businesses, our potential impact on climate change arises from the global warming emissions from energy use at our facilities, from other in-house activities and from the various means of transport we use. However, we also face an additional challenge since some of our asthma therapies use propellant gases in their delivery mechanisms, which potentially contribute to global warming. As we grow our business and more patients benefit from such therapies, the associated increase in emissions means we will not be able to continue to reduce our emissions of global warming gases year-on-year. We are working hard, however, to ensure that our emissions from all sources, including products, will in 2010 be no greater than they were in 2000. You can read more about this on page 30.

EVERY INTERACTION COUNTS

We are making progress but in the ever-changing world in which we live, we will continue to face challenges as well as opportunities for our CR. We know that as we continue to drive our business forward, we must not lose sight of our fundamental responsibility to do business the right way. Our reputation with our stakeholders and wider society depends on it. Wherever people are located within the Company, and whatever their role, everyone has a part to play. Every interaction counts towards ensuring that AstraZeneca continues to be welcomed as a valued and trusted member of society.



DAVID R BRENNAN
CHIEF EXECUTIVE OFFICER



6

WE HAVE A POWERFUL RANGE OF MEDICINES TARGETED AT MEETING PATIENT NEEDS IN SIX IMPORTANT AREAS OF HEALTHCARE – CANCER, CARDIOVASCULAR, GASTROINTESTINAL, INFECTION, NEUROSCIENCE, AND RESPIRATORY AND INFLAMMATION – HELPING TO IMPROVE HEALTH AND QUALITY-OF-LIFE FOR MILLIONS OF PEOPLE WORLDWIDE.

01

PATIENTS

OUR FUNDAMENTAL RESPONSIBILITY IS TO MAKE SURE THAT OUR MEDICINES WORK WELL AND THAT THEY ARE AS SAFE AS THEY CAN BE FOR THOSE WHO TAKE THEM. WE ALSO BELIEVE WE HAVE A RESPONSIBILITY TO CONTINUE TO EXPLORE WAYS IN WHICH ASTRAZENECA CAN HELP MORE PATIENTS AROUND THE WORLD TO GET THE HEALTHCARE THEY NEED.

THIS SECTION PROVIDES A BRIEF OVERVIEW OF OUR COMMITMENT IN THESE AREAS. MORE DETAILED INFORMATION IS AVAILABLE ON OUR WEBSITE, ASTRAZENECA.COM.



WE HAVE A TEAM OF OVER

500

CLINICAL DRUG SAFETY PROFESSIONALS DEDICATED TO ENSURING THAT WE MEET OUR COMMITMENT TO DRUG SAFETY THROUGHOUT A MEDICINE'S LIFE-CYCLE.



OUR PILOT PROJECT IN ETHIOPIA IS DESIGNED TO BUILD LOCAL CAPABILITY IN MANAGING BREAST CANCER. IF SUCCESSFUL, WE HOPE THAT IT WILL PROVIDE A MODEL THAT CAN BE REPLICATED IN OTHER COUNTRIES AND OTHER DISEASE AREAS.



CORPORATE RESPONSIBILITY PRIORITY ACTION PLAN – PATIENTS

ISSUE	OBJECTIVE	ACTION PLAN	KPI WHERE APPROPRIATE	2006 PERFORMANCE AGAINST KPI AND WHERE TO FIND MORE DETAILS
PATIENT SAFETY	Ensure patient safety continues to be a fundamental Company consideration for all our medicines, throughout their life-cycles.	Continue to focus on drug safety throughout discovery, development, launch and marketing of each of our products. Continue to communicate to build understanding of the benefits and risks associated with all medicines.	Establishing KPIs is difficult in this area, where the safety of any medicine has to be evaluated in terms of its benefit/risk profile. Our commitment to minimising the risks and maximising the benefits of our medicines is integrated into everything we do.	See page 6.
ACCESS TO MEDICINES, INCLUDING DISEASES OF THE DEVELOPING WORLD	Ensure access to medicines is considered when defining pricing and market access strategies for new brands. In the developing world, apply our skills and experience to helping to improve healthcare delivery in a sustainable way.	Continue to communicate our framework for considering access. Continue to research a new treatment for TB. Continue discussions with relevant external organisations regarding development and delivery. Focus on helping to strengthen healthcare capabilities in the developing world.	Candidate drug identified for development as a new TB treatment. Target: not earlier than 2010.	KPI target date revised. See pages 7 and 8.



AT OUR DEDICATED RESEARCH FACILITY IN BANGALORE, WE HAVE OVER

80

SCIENTISTS FOCUSED ON FINDING A NEW TREATMENT FOR TB – ONE OF THE LEADING CAUSES OF DEATH FROM INFECTIOUS DISEASE WORLDWIDE.

PATIENTS



90%

OVER 90% OF NEW MEDICINES COME FROM RESEARCH-BASED INDUSTRY. NO ONE ELSE HAS THE COMBINATION OF SKILLS, EXPERIENCE AND RESOURCES TO DO ALL THAT IS NEEDED TO DELIVER REAL PHARMACEUTICAL ADVANCES.



PATIENT SAFETY

Ideally, a medicine would target only the disease that it is meant to treat and would not have any other effect. In reality, however, despite the best efforts of scientists, such a medicine does not yet exist and all medicines have possible side effects. The benefits of a medicine therefore have to be weighed against its side effects and the acceptable level of risk decided upon – by the company developing the medicine, by the regulators who approve it for marketing and ultimately by physicians, in consultation with their patients. The level of risk that is considered acceptable will depend, among other things, on the type of disease being treated. For example, in treating life-threatening diseases such as cancer, potentially serious side effects may be judged acceptable because of the desired beneficial effect in saving or extending life. It also depends on a patient's ability to tolerate a particular medicine and to comply with a treatment regime. The risks associated with alternative treatments, or no treatment at all, are also important considerations.

We aim to minimise the risks and maximise the benefits of each of our medicines – throughout their life-cycle.

IN THE SEARCH FOR NEW MEDICINES

In discovery research, where we investigate thousands of compounds for their potential to become a new medicine, only a small number succeed because of the demanding criteria of our selection process, which centres on safety and how the medicine works. During development of the highest potential compounds, safety continues to be a priority focus. Safety data from animal studies are required by regulatory authorities before a potential new medicine can be tested in humans. Throughout human testing, safety information is continuously collected and evaluated. Getting approval to market

depends on the regulatory authorities agreeing with us, after their rigorous review of our submissions, that our new medicine has an acceptable benefit/risk profile.

AFTER LAUNCH

Understanding how our medicines are working on a day-to-day basis is also crucial to meeting our commitment to patient safety. After launch, we monitor all our medicines for any side effects not identified during the development process. Clinical trials, although extensive, cannot replicate the complete range of patient circumstances that exist among much larger and more diverse patient populations. Rare side effects can often only be identified after a medicine has been launched and used in far greater numbers of patients and over longer periods of time. If information received suggests a change is needed in a benefit/risk profile, the actions we take can include conducting further clinical trials, modifying the prescribing information, and communicating with healthcare professionals and others who need to know of the change. In certain situations, it may be appropriate to stop an ongoing clinical trial or withdraw a product from the market.

Our decision in 2006 to withdraw our anti-coagulant, *Exanta*, from the market, and terminate its development, was triggered by new clinical trial data indicating a potential risk of severe liver injury. The data came from a clinical trial to examine use of *Exanta* after orthopaedic surgery to prevent venous thromboembolism over 35 days, longer than was currently approved for marketing. In the interests of patient safety, we took *Exanta* off the market as well as halting its development. We communicated widely with regulatory authorities and with all prescribers and healthcare professionals to advise them that no new patients should be started on *Exanta*. We also worked to ensure that, given the media coverage

of the withdrawal, our communications included a message to patients that they should not stop taking their tablets without first speaking to their doctor.

ONGOING COMMUNICATION

As part of the process for the approval of new medicines, and beyond, we work with regulators to develop prescribing information that gives healthcare professionals the benefit/risk information they need to make prescribing decisions, including indications for use, dosing recommendations, warnings and contra-indications and what side effects might be experienced. We also make information available, as appropriate, to patients about our medicines and how they should be taken.

DEDICATED DRUG SAFETY RESOURCES

We have an experienced, in-house team of over 500 clinical drug safety professionals working across AstraZeneca and dedicated to the task of ensuring that we meet our commitment to drug safety throughout the processes described above. Each of our products (whether in development or on the market) has an assigned global drug safety physician who, supported by a team of drug safety scientists, is responsible for that product's continuous safety surveillance. Drug safety managers in each of our national companies have local responsibility for product safety within their respective countries.



OUR PATIENT ASSISTANCE PROGRAMMES IN THE US ARE DESIGNED TO HELP PEOPLE WITHOUT HEALTH INSURANCE GET ACCESS TO OUR MEDICINES AT REDUCED COST OR FREE OF CHARGE. IN 2006, WE EXTENDED THE REACH OF OUR PROGRAMMES BY EXPANDING THE QUALIFYING INCOME LEVELS – A CHANGE THAT MEANS MILLIONS MORE PATIENTS MAY BENEFIT.

COMBATING COUNTERFEIT MEDICINES

Counterfeit medicines have the potential to affect the health and wellbeing of patients anywhere in the world. The World Health Organization (WHO) estimates that 10% of medicines in developing countries are counterfeit, rising as high as 30% in parts of Latin America, Asia and Africa. In developed countries, where effective regulatory systems are in place, counterfeits represent less than 1%.

AstraZeneca has a range of activities focused on protecting patients, including the use of technologies that make copying our products more difficult for counterfeiters. We also conduct market surveillance and monitor supply chain activities to identify potential counterfeiting operations. We respond rapidly to any reports of counterfeits of AstraZeneca medicines, working with the relevant regulators, healthcare professionals, distributors, law enforcement agencies and other organisations to protect patient health.

We continue to explore other measures for combating counterfeit medicines and participate in a range of anti-counterfeiting public/private sector forums, including the WHO's International Medical Products Anti-Counterfeiting Task Force (IMPACT) working group.

ACCESS TO MEDICINES

PRICING

The ever-growing demand for healthcare worldwide, driven by people living longer, increasing populations and the emergence of new markets, also means more and more pressure on healthcare budgets. Our ongoing challenge is to manage the associated downward pressure on the price of our products whilst continuing to invest in the research, development, manufacturing and marketing of new medicines that make a difference.

When setting the price of a medicine, we take into consideration its full value to patients, to those who pay for healthcare and to society in general. Our pricing also takes account of the fact that, as a publicly owned company, we have a duty to ensure that we continue to deliver a return on investment for our shareholders. We balance many different factors, including ensuring appropriate patient access, in our global pricing policy, which provides the framework for optimising the profitability of our products in a sustainable way.

We continually review our range of medicines (both those on the market and in the pipeline) to identify any that may be regarded as critical to meeting healthcare needs – either because they treat diseases that are (or are becoming) prevalent in developing countries, or because they are potentially a leading or unique therapy addressing an unmet need and offering significant patient benefit in treating a serious or life-threatening condition.

In such cases, we aim to provide patient access to these medicines through charitable donation and expanded patient access programmes. We also support the concept of differential pricing in this context, provided that safeguards are in place to ensure that

differentially priced products are not diverted from patients who need them, to be sold and used in more affluent markets.

INTELLECTUAL PROPERTY PROTECTION

Patents are important incentives for the continued innovation that drives society's progress. In the case of pharmaceuticals, the vast majority of new medicines come from research-based industry – no one else has the right combination of skills, experience and resources to deliver real advances in this area. The path to a new medicine is a long, complex, expensive and risky process. It can take between eight and 12 years and typically over \$800 million is invested before the first dollar of sales is realised. We usually file for patent protection early in the research and development process, which means that at the time a new medicine is launched, we have between eight and 15 years of protection left before other companies can begin selling generic versions (at lower prices, because they do not need to bear the high costs of research that we do). We therefore rigorously defend our legitimate intellectual property rights during the period of protection, because this gives us time to generate the revenue we need to continue our investment in providing medicines for important areas of healthcare.

Patents do not create a monopoly for treating a disease – other companies are able to develop a different medicine to treat the same condition. Also, because patents require the disclosure and publication of information about the patented medicine, they can stimulate competition to innovate improved alternatives that expand the range of treatment options – which is important, because patients respond differently to different therapies. And after all patents applicable to a product expire, any company (both innovative and generic) can legitimately market the same product.

PATIENTS



OUR SUPPORT TO THE BRITISH RED CROSS AND THE AFRICAN MEDICAL AND RESEARCH FOUNDATION IS FOCUSED ON HELPING THE CHARITIES STRENGTHEN LOCAL CAPABILITIES IN THE CARE, PREVENTION AND TREATMENT OF TB/HIV AND MALARIA IN AFRICA AND ASIA.



IN THE DEVELOPING WORLD

AstraZeneca remains committed to making a contribution to improving health in the developing world. Because our range of medicines is not relevant to the treatment of the most significant healthcare problems that the developing world is facing today, we believe we can best help by applying our global skills, resources and experience to meeting the challenge in other ways. We have a dedicated scientific resource that focuses on finding a new treatment for tuberculosis (TB), a major threat to life in the developing world, and alongside this ongoing research programme, we continue to expand our efforts to help local communities strengthen their healthcare capabilities.

TAKING ON TB

Dedicated research

TB is one of the leading causes of death from infectious disease worldwide, claiming over 5,000 lives every day – more than ever before. Existing TB therapies are effective but treatment regimes are complicated and prolonged, which means patients may give up treatment once the symptoms are no longer apparent but before the infection is fully treated. This may lead to relapse and makes drug resistance more likely. Finding new treatments for TB is a complex process. New drugs need to be compatible with established TB agents, and also appropriate for use with HIV/AIDS therapies because TB is the biggest killer of people infected with HIV (TB and HIV/AIDS form a lethal combination, each speeding the other's progress).

To enhance our ability to participate in the global effort to identify new therapies for TB, in 2003 we opened a purpose-built, state-of-the-art, dedicated TB research centre at our Bangalore site in India. Over 80 scientists there work closely with our infection research centre in Boston, Massachusetts, US, as well as with external

academic leaders in the field, and they have full access to all AstraZeneca's platform technologies such as high-throughput screening and compound libraries.

Our work is focused on finding new therapies that will act on drug-resistant strains, shorten the duration of treatment, eradicate disease (including the latent form) to reduce the chances of relapse, and be compatible with HIV/AIDS therapies. As their experience in this challenging area of research expands, our scientists are increasingly able to make swifter, better decisions to maintain a focus on the highest-quality, highest-potential new molecules. However, our determination to progress only the best opportunities, coupled with our growing understanding of the requirements for an effective agent, has caused us to set very high hurdles for development candidates – which is having an impact on our timelines. We had hoped to have a candidate drug (CD) for introduction into human studies during 2007/2008, but the stringent criteria that we have set for success within this complex area of research means that our current programmes are some three to four years away from CD delivery. We have therefore revised our KPI in this area to delivery not earlier than 2010. Backed by their ever-increasing knowledge, our scientists continue to drive progress of these programmes and build a robust portfolio of compounds with high potential to deliver significant advances in the treatment of TB.

Once a candidate drug is found, we expect to establish a route for its development in consultation with regulatory authorities and external experts such as the Global Alliance for TB Drug Development. We will apply for patent protection in the normal way but, importantly, we will seek partnership arrangements with the appropriate global and local organisations to make treatment available at affordable prices to those who need it in the poorest countries.

Beyond research

Four years ago, we joined forces with the British Red Cross to help them combat TB in Central Asia, specifically in Kyrgyzstan and Turkmenistan, where a high proportion of the population live below the poverty line and the incidence of TB remains at seriously high levels. With funding from AstraZeneca, the Red Cross/Red Crescent's community-based work has focused on raising awareness of TB, fighting the stigma associated with the disease, encouraging early diagnosis, improving patient compliance and building local capabilities in prevention and control. Progress to date includes a significant increase in community awareness of TB following a media campaign and health education sessions in schools and public places, which have reached over 300,000 people. An increasing number of diagnosed patients are now completing their treatment, due to the care and support of the dedicated Red Cross/Red Crescent nurses.

We are also supporting the charity in a new programme in Kazakhstan, aimed at reducing the incidence of TB/HIV co-infection, which has emerged as a significant threat to public health in the region. The local Red Crescent organisation is working to establish effective, sustainable and replicable models of treatment and social support for patients with TB and HIV, and their families.

In January 2007, we further expanded our partnership with the British Red Cross and are supporting them over the next three years in their work to help local communities combat TB and the major threat of TB/HIV co-infection in the hard-hit areas of South Africa and Lesotho.

We also further increased the geographic footprint of our support activity during the year through a partnership with the African Medical and Research Foundation (AMREF) that focuses on helping to strengthen



ASTRAZENECA IS ACTIVELY ENGAGED IN INTERNATIONAL EFFORTS TO HELP IN THE FIGHT AGAINST TB, SUCH AS THE OPEN FORUM ON KEY ISSUES IN DRUG DEVELOPMENT AND THE STOP TB PARTNERSHIP.

healthcare systems and integrate delivery of TB/HIV/malaria programmes in Uganda, a country where there is a high burden of all three diseases. Because this combination of diseases is not yet widely addressed, the programme presents an opportunity to develop and innovate a new model in Africa.

As part of our ongoing commitment to working collaboratively, we actively engage in international efforts to help in the fight against TB.

In 2006, we helped fund and participated in the second Open Forum on Key Issues in TB Drug Development, organised by the Bill and Melinda Gates Foundation, the Global Alliance for TB Drug Development (TB Alliance), Treatment Action Group (TAG), and the Stop TB Partnership Working Group on New Drugs. The workshop involved representatives from industry, academia and non-governmental organisations (NGOs), and focused on key issues in the critical path to TB drug registration and pivotal trials as well as the challenges in TB drug development for special populations, including people living with HIV/AIDS.

We also participated in a new Stop TB Partnership for Europe, established by the International Federation of Red Cross and Red Crescent Societies with the World Health Organization (WHO), European Centre for Disease Prevention and Control and other leading European agencies and

NGOs to forge a more effective response to the TB epidemic in areas of Europe. The partnership aims to strengthen strategic impact by engaging a broad range of stakeholders, including private sector, foundations, academic and research institutions, media, NGOs and civil society.

STRENGTHENING HEALTHCARE CAPABILITIES

As well as the availability of appropriate medicines, access to healthcare depends on having a functional healthcare system, trained healthcare staff and effective supply and distribution mechanisms in place to ensure that medicines are used to their full effect as part of overall healthcare management. In some parts of the developing world, this is a particular challenge.

To explore how we might best help in meeting this challenge, in 2005 AstraZeneca began a pilot project in Ethiopia that is designed to build local capability in managing breast cancer – the second most common cancer among young women in that country. At the outset, Ethiopia had only one cancer specialist for the entire population; there was no mammography; no easy access to chemotherapy or hormonal agents; no cancer screening and no national treatment protocol. In its first 18 months, our programme has focused on strengthening diagnosis and treatment capabilities at Tikur Anbessa University Hospital in Addis Ababa (where the country's two oncologists are based). AstraZeneca's breast cancer medicines are also being donated. Ongoing objectives for

the project include raising awareness of the facilities amongst healthcare professionals and strengthening the referral system; setting up an institutional-based cancer registry; providing training for other physicians in Ethiopia and establishing Tikur Anbessa University Hospital as a centre of excellence for the diagnosis and treatment of breast cancer. In the longer term, the sustainability of the project will be ensured through the educational initiatives established during the pilot, including the development of treatment guidelines, as well as assistance in putting in place mechanisms for future funding of the diagnostic and screening procedures. The programme also has a robust outreach strategy, aimed at bringing the breast cancer challenge in developing countries to the attention of policy makers and international organisations such as the World Health Organization and the Union of International Cancer Coalitions. This is the first project of its kind for us and we plan to run the pilot for three years to enable meaningful evaluation of its impact. If successful, we hope that it will provide a model that can be replicated in other countries and other disease areas.

In a new approach to applying our skills and experience where they can be most useful, in 2006 we entered a three-year partnership with Voluntary Service Overseas (VSO), an international development charity that works through volunteers to strengthen core capabilities in the developing world. Our support includes a senior manager seconded to the agency and AstraZeneca is enabling employees to volunteer for placements in appropriate countries that will draw on their skills to help build local professional capabilities in improving important infrastructures. For our employees, it provides the opportunity to make a personal contribution whilst developing their skills in leadership, collaboration and project management as part of their career development.



50

WE HAVE 50 MARKETING COMPANIES WITH
NATIONAL SALES AND MARKETING CODES IN PLACE
TO DRIVE HIGH ETHICAL STANDARDS OF PRACTICE.

02

OUR FUTURE BUSINESS SUCCESS DEPENDS ON MAXIMISING THE FULL THERAPEUTIC AND ECONOMIC POTENTIAL OF OUR EXISTING PRODUCTS THROUGH EFFECTIVE LIFE-CYCLE MANAGEMENT AND MARKETING, AND ON MAINTAINING A FLOW OF SUCCESSFUL NEW MEDICINES BY APPLYING LEADING-EDGE SCIENCE TO MEETING PATIENT NEEDS.

PRODUCTS

OUR REPUTATION DEPENDS ON DELIVERING OUR OBJECTIVES IN A RESPONSIBLE WAY – ENSURING THAT OUR SALES AND MARKETING METHODS ARE ETHICAL AND PROPER, THAT THE FULL BENEFIT OF OUR MEDICINES TO SOCIETY IS UNDERSTOOD, AND THAT IN OUR SEARCH FOR NEW MEDICINES, OUR SCIENTIFIC STUDIES ARE CONDUCTED TO THE HIGHEST ETHICAL STANDARDS.

THIS SECTION PROVIDES A BRIEF OVERVIEW OF OUR COMMITMENT IN THESE AREAS. MORE DETAILED INFORMATION IS AVAILABLE ON OUR WEBSITE, ASTRAZENECA.COM.





AS PART OF OUR COMMITMENT TO PROVIDING INFORMATION ABOUT OUR MEDICINES TO THOSE WHO NEED IT, WE PUBLISH AND PROVIDE OPEN ACCESS VIA THE INTERNET TO THE FINDINGS OF OUR CLINICAL TRIALS, WHETHER FAVOURABLE OR UNFAVOURABLE.



\$14M

THE \$14 MILLION EXTENSION TO OUR ENVIRONMENTAL LABORATORY IN BRIXHAM, UK WILL STRENGTHEN OUR RESEARCH INTO THE ENVIRONMENTAL IMPACT OF PHARMACEUTICALS.

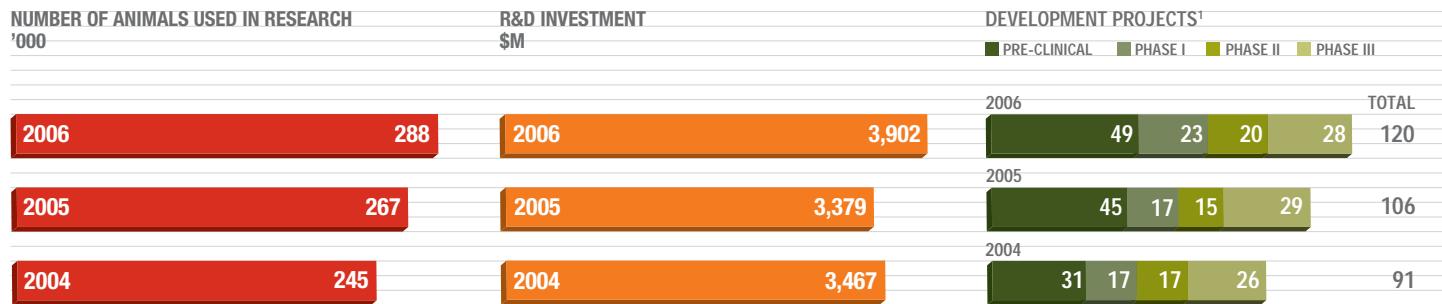


3Rs

WE ARE COMMITTED TO DRIVING CONTINUOUS IMPROVEMENT IN THE REPLACEMENT, REDUCTION AND REFINEMENT OF ANIMAL STUDIES.

CORPORATE RESPONSIBILITY PRIORITY ACTION PLAN – PRODUCTS				
ISSUE	OBJECTIVE	ACTION PLAN	KPI WHERE APPROPRIATE	2006 PERFORMANCE AGAINST KPI AND WHERE TO FIND MORE DETAILS
ANIMAL RESEARCH	<p>Use the minimum number of animals to achieve our scientific objectives.</p> <p>Maximise the use of non-animal methods in drug discovery.</p> <p>Enhance the welfare of those animals we have to use.</p>	<p>Maintain annual site improvement plans covering animal welfare and the replacement, reduction and refinement (3Rs) of animal use at all AstraZeneca sites using animals.</p> <p>Conduct a formal programme of animal welfare inspections of sites where studies are conducted by, or on behalf of, AstraZeneca.</p>	<p>Number of animals used.</p> <p>Percentage of sites with approved improvement plans (target 100%).</p> <p>Percentage of sites demonstrating positive progress against their improvement plans (target 100%).</p> <p>Percentage of scheduled internal peer review inspections completed (target 100%).</p> <p>Percentage of planned external contractor inspections completed (target 100%).</p>	<p>276,000 used in-house and 12,000 used by external contractors.</p> <p>100% sites with approved plans.</p> <p>100% sites demonstrating positive progress.</p> <p>83% of scheduled internal inspections completed.</p> <p>80% of planned external contractor inspections completed.</p> <p>See page 12.</p>
CLINICAL TRIALS	<p>Ensure that our clinical trial programmes continue to be safe, well-designed and appropriate wherever they take place.</p> <p>Open communication of appropriate data.</p>	<p>Maintain consistent ethical standards worldwide, in line with our global policy.</p> <p>Continue to update our public global clinical trials website with latest information.</p>	<p>Percentage of ongoing hypothesis-driven clinical trials disclosed through AstraZeneca's website and the US National Library of Medicine's website.</p> <p>Percentage of disclosed data on hypothesis-driven global clinical trials of all major products.</p>	<p>100%.</p> <p>100%.</p> <p>See page 13.</p>
PHARMACEUTICALS IN THE ENVIRONMENT	<p>Continue to refine our understanding of how products interact with the environment and pursue opportunities to reduce or eliminate potential adverse impacts.</p>	<p>Continue to work both independently and in collaboration with other organisations to advance research in this area.</p> <p>Pursue site-specific opportunities to minimise the amount of product lost to waste water during manufacturing activities.</p> <p>Improve the integration of environmental information into the drug development process.</p>	<p>Whilst scientific knowledge continues to advance, we believe it is too early for us to be able to establish a meaningful KPI in this area of long-term research.</p>	<p>See page 15.</p>
SALES AND MARKETING	Ensure high ethical standards of sales and marketing practice applied in all countries of operation.	<p>Continue training of sales and marketing staff.</p> <p>Monitor and review compliance.</p>	<p>Number of local AstraZeneca codes in place.</p> <p>Number of confirmed breaches of external regulations or codes.</p>	<p>All national companies have up-to-date, relevant codes.</p> <p>44 breaches across 60 countries surveyed.</p> <p>See page 16.</p>

PRODUCTS



ANIMAL RESEARCH

Animal studies still play a vital role in the search for new medicines. They provide essential information, not available through other methods, about the effects of a potential new therapy on disease and the living body. Safety data from pre-clinical testing in animals is also required by regulatory authorities around the world before a new medicine can be tested in humans (clinical trials, as described earlier).

We are committed to applying the principle of the 3Rs (replacement, reduction and refinement of animal studies) across our research activity. Wherever possible, we use non-animal methods such as cell culture, computer modelling and high-throughput screening that eliminate the need to use animals early in drug development, or reduce the number needed. We also work to refine our existing methods, so that animals are exposed to as little discomfort and stress as possible.

In 2006, we used approximately 276,000 animals in-house, an increase on 2005 (254,000 animals). In addition, approximately 12,000 animals were used by external contractors, a decrease on 2005 (13,000). Approximately 94% of the animals we used in 2006 were rodents, 5% were fish and amphibians and the remaining 1% included dogs, rabbits, primates, ferrets, pigs and shrews. We also use genetically modified mice to better understand the genes involved in human disease. In 2006, these accounted for 14% of our total rodent use.

The increase in our animal use in recent years does not reflect any departure from our commitment to minimise the number of animals needed to meet our scientific objectives. Our ongoing challenge is to manage the associated increase in animal

use as we continue to expand our discovery research, in which animals are used to help identify candidate drugs (CDs) for development.

The growth of our early development portfolio during 2006 reflects the effort we are putting into improving the quality and productivity of our research, and we believe that, without our active commitment to the 3Rs, our animal use in discovery research would be much greater.

In addition to our existing capabilities, we continue to explore new areas of science for opportunities that will help us to develop better, safer medicines.

These new areas may also lead to either reductions or increases in our animal use. One such area is biological molecules – which are usually produced naturally by the body in response to disease – antibodies, for

example. New technologies have opened up the possibility of imitating and improving on the natural response, where it is not itself being effective. As we enter this new area of science, it is anticipated that our use of primates will increase over time because, in most cases, they are the only relevant animal model.

Another new area for us is human embryonic stem cell research, which we are pursuing through external partners. This type of research has the potential to increase the human relevance of studies at an earlier stage of the development process and so may lead to a reduction in the number of animals we need to use, although more work is needed in this very new area of science before the implications on animal research are understood. (You can read more about our stem cell research on page 14.)

EXAMPLES OF OUR COMMITMENT TO THE 3Rs INCLUDE:

1

A European project, led by AstraZeneca, is challenging the regulatory guideline for acute toxicity studies in animals as a routine test ahead of first administration of a new medicine to humans. The project has demonstrated that this is not necessary, because the information required to assure human safety is obtained from other, more refined animal studies. The key recommendations from this project have already been adopted by AstraZeneca, resulting in a substantial reduction in the animals used in acute toxicity tests.

2

We use *in vitro* hepatocyte (liver cell) tests to assess how a compound is eliminated from the body, allowing us to discard unsuitable compounds without the need for animal studies. We have also developed an automated test for rat hepatocytes, the accuracy of which is proving less variable than the previous manual assay. These efficiencies mean that at this stage of research, we can test more compounds and make compound selections without the need for animal studies.

3

Our use of synthetic animal protein in drug development means that some techniques which required the use of animal tissue have been replaced, and the predictability of the animal studies that we must still do has been improved, leading to the use of fewer animals overall.

¹ Includes New Chemical Entities and Line Extensions.



WE CONTINUE
TO EXPLORE NEW
AREAS OF SCIENCE
THAT WILL HELP
US DEVELOP BETTER,
SAFER MEDICINES.

ANIMAL WELFARE

The welfare of all the animals that we use continues to be a top priority. Compliance with all relevant external legislation and regulatory requirements is considered a minimum baseline and underpins our own standards of animal welfare. Qualified veterinary surgeons are involved in the development and implementation of our animal welfare programmes, and everyone working with laboratory animals is trained and competent in their allocated animal care responsibilities. As well as mandatory inspections by government authorities, we have a formal programme of internal inspections every two years by our own, highly qualified staff. External organisations that conduct animal studies on AstraZeneca's behalf are also expected to comply with high ethical standards, and members of our staff conduct a rolling programme of inspections of contractors to ensure our expectations are being met.

MEASURING PERFORMANCE

We have indicators in place to support and measure continuous improvement in the 3Rs and animal welfare.

Each of our animal research sites is required to have an annual plan of improvements and must demonstrate their overall progress against them each year. This can include improved animal housing conditions, less stressful or less invasive research techniques, and improved research study design leading to reduced animal use.

By the end of the year, 100% of our sites had approved improvement plans in place; 100% of sites had demonstrated positive progress against these plans; 83% of scheduled internal peer review inspections had been completed, and 80% of the planned inspections of external contractors had been completed.

THE 3Rs OF ANIMAL RESEARCH

REPLACE

USE ALTERNATIVES
TO ANIMAL TESTING
WHENEVER POSSIBLE

REDUCE

IMPROVE EXISTING
METHODS SO THAT
FEWER LABORATORY
ANIMALS ARE
REQUIRED

REFINE

REFINE EXISTING
METHODS SO
THAT ANIMALS ARE
EXPOSED TO AS
LITTLE DISCOMFORT
AND STRESS AS
POSSIBLE

CLINICAL TRIALS

A candidate medicine enters clinical development (testing in man) only after we have confirmed its potential efficacy and safety in pre-clinical trials, which include animal testing as described earlier in this section. Clinical studies are a significant undertaking, including extensive collaboration with clinicians in many countries and involving thousands of people (both healthy volunteers and patients).

We take very seriously our responsibility to deliver the highest standards of ethical practice when conducting clinical trials. Trial proposals are first subject to stringent internal review, including consideration of the pre-clinical data and how safe the trial process is for those taking part. Before it can begin, each trial must be approved by the appropriate external independent ethics committee or institutional review board, and the relevant regulatory agency.

Our commitment includes strict guidelines to ensure that those taking part in trials understand their nature and purpose and are not exposed to unnecessary risks, and that the privacy of participants' health information is protected. We also ensure that proper procedures are in place for gaining informed consent from participants, including appropriate ways of dealing with any special circumstances, such as different levels of literacy.

Some of our medicines, such as asthma therapies, are designed to treat children as well as adults. Sometimes a child can receive a reduced adult dose of a medicine, adjusted according to body weight, but in many other ways, children are not miniatures of adults. Normally, every medicine must be studied separately in children to ensure factors that vary according to age, such as liver and kidney functions, are accounted for.

PRODUCTS



WE TAKE VERY SERIOUSLY OUR RESPONSIBILITY TO DELIVER THE HIGHEST STANDARDS OF ETHICAL PRACTICE WHEN CONDUCTING CLINICAL TRIALS.

in establishing the right dose. When children are involved in a clinical trial, we work with experienced child healthcare professionals to ensure that the information provided for the volunteer, and for the parents who give the informed consent, is appropriate to the age of the child.

Our standards of ethical clinical trial practice apply worldwide and we aim to ensure they are consistently observed across the full geographic reach of our clinical trials programme. We conduct a wide range of audits of, and formal visits to, our clinical research-related activities, whether they are being done in-house or by an external organisation on our behalf. This includes audits at investigator trial sites covering clinical trial documentation as well as audits of systems and processes.

TRANSPARENCY OF DATA

As part of our commitment to providing appropriate information about our medicines to those who need it, from July 2005 onwards, we have made public all new and ongoing clinical trials sponsored by AstraZeneca that satisfy the ICH¹ definition of "hypothesis-testing" (those trials that are conducted to provide firm evidence to support safety and efficacy claims). Basic information on such

trials is available on our dedicated website, astrazenecaclinicaltrials.com, with more details provided on the US National Library of Medicine's website, clinicaltrials.gov. Any new trial will be added within 21 days of its initiation.

Our website provides results of clinical trials (whether favourable or unfavourable) within one year of completion of the trial (unless restricted by a pending regulatory filing). For clinical trials that are under review by medical journals that prohibit disclosure of results before the journal publishes them, we will post the results at the time of publication.

The information available on our website covers core safety and efficacy registration trials for medicines approved since the formation of AstraZeneca in 1999 as well as global trials completed since formation, and local trials completed since 1 January 2005, for all our currently approved medicines. We will continue to update the website as appropriate.

This information is also included in the IFPMA² Clinical Trials Portal, launched in September 2005, which provides a single-entry means of searching for clinical trials data across the research-based pharmaceutical industry.

STEM CELL RESEARCH

We believe that human embryonic stem cell research may provide new opportunities to deliver safer and more effective medicines and so help us to develop the next generation of medicines that offer better results for patients.

This is a relatively new area of medical science for us and because we do not yet have all the necessary skills and technologies in-house, we are working with external partners to explore its potential.

THE POTENTIAL BENEFITS

Our interest is in the potential of cells from human embryonic stem cell lines to differentiate into normal human cells, such as hepatocytes (liver cells) and cardiac myocytes (heart muscle cells). If this were possible, such cells could be used to evaluate what effect a potential new medicine has on the normal cell, and to provide a more accurate prediction of drug metabolism and safety profiles in man. We believe this would represent a significant step forward in increasing the human relevance of studies at an earlier stage of development of a potential new medicine and would help us to overcome the current limitations that a restricted supply of normal cells presents.

ENSURING HIGH STANDARDS

Our commitment to ensuring high ethical standards in this area of research is reflected in our Human Embryonic Stem Cell Research Policy framework, which demands compliance both with external legislation, regulations and guidelines, and with our own codes of research practice. The framework applies to all internal work and external research on AstraZeneca's behalf and

¹ ICH = International Conference on Harmonisation: Harmonised Tripartite Guideline E9.

² IFPMA = International Federation of Pharmaceutical Manufacturers and Associations (ifpma.org).



PHARMACEUTICALS IN THE ENVIRONMENT

In recent years, improved analytical techniques have resulted in pharmaceutical residues being detected in the aquatic environment. There is general agreement among scientists in academia, industry and government that, although variable, these quantities are too small to pose any significant risk to human beings or to cause immediate or short-term harm to aquatic life. More information is needed to determine if there are any long-term effects and AstraZeneca is actively involved in this research, as described later in this section. In the meantime, we are working to minimise the quantity of residues from our products in the environment or otherwise ensure that their presence does not pose an unreasonable risk, taking into account the value of these medicines to patients.

We know that the presence in the environment of pharmaceutical residues results mainly from the excretion of medicines by patients. However, some may find their way into the environment as a relatively minor component of discharges from manufacturing facilities or as a result of disposal of unused medicines into drainage systems. Our work in these areas is summarised below.

MANUFACTURING

Initial surveys of our manufacturing sites in 2003 showed that their pharmaceutical losses to the environment were already very low. Nevertheless, we continue to pursue site-specific opportunities to minimise the amount of product lost to wastewater during our manufacturing activities. We also continue to develop and refine assessment tools that help us to understand any environmental impact of our discharges and manage our activities accordingly. In 2006, we introduced a new expert system to help our engineers to select the most appropriate effluent treatment

includes essential criteria that must be met before any such research is undertaken. Similar to those that govern inclusion in public stem cell registries such as the UK Registry and the US National Institute of Health Registry, these criteria require that the stem cells must have been derived from a fertilised egg that was created for reproductive purposes; that the fertilised egg must no longer be needed for these purposes, and that fully informed consent (with no financial inducements) must have been obtained for the donation of the fertilised egg for scientific research.

The framework is designed to ensure that all research effort in this area remains consistent with our strategy of developing more effective, safer medicines for serious disease.

We are not involved or expressing any interest in genetic modification or cloning of human embryonic stem cells to repair damaged or diseased tissue.

technology. This system was used to validate the design of our new manufacturing facility in Egypt, commissioned during the year.

MEDICINES IN USE

The European Medicines Evaluation Agency published new guidance on the environmental risk assessment of medicines in 2006. AstraZeneca was supportive of, and actively engaged in the development of this guidance. All new medicines sold in the European Union, and those existing medicines where a new use for the medicine might lead to a significant increase in sales, will now be subject to a comprehensive assessment focused on identifying any potential environmental impact.

We are committed to making this environmental risk data, together with available information on our existing products, publicly available via the Swedish Doctors Prescribing Guide, FASS.se website using the voluntary disclosure system introduced by the Swedish pharmaceutical trade association (LIF). The system was developed by LIF and a number of Swedish stakeholders, in conjunction with expert representatives from international pharmaceutical companies, convened and chaired by AstraZeneca. In association with the Association of the British Pharmaceutical Industry, we are also helping the Environment Agency for England and Wales to evaluate the risks of the existing medicines on their priority action list.

AstraZeneca is continuing to build information related to this issue into our drug development model to provide early warning of any potential impact and to enable more informed decisions to be made. We are developing the concept of an Environmental Risk Management Plan that will accompany all new medicines through the development process and will enable all relevant environmental data to be available at all key decision points.

PRODUCTS

WE CONTINUE TO PROVIDE TRAINING IN SALES AND MARKETING PRACTICE FOR ALL RELEVANT STAFF TO ENSURE WE BEHAVE APPROPRIATELY WHEREVER WE HAVE A PRESENCE OR AN IMPACT.

UNUSED MEDICINES

If discarded down the toilet, unused medicines can easily find their way into the environment. This can also happen if medicines are put into domestic waste that is eventually deposited in unlined landfill sites. Disposal of unused medicines only makes a very small contribution to the total amount of residues in the environment, but it is a source that can be more easily managed than others. Many European countries have already established schemes to encourage the return of unused medicines to pharmacies to enable them to be safely destroyed. In the US, such collection systems are less common. We are working with various stakeholders and industry counterparts to help ensure that patients in the US have the information and disposal options they need to manage unused medicines in an appropriate manner.

CONTINUED RESEARCH

A better understanding of the potential long-term effects of pharmaceuticals in the environment continues to be a priority area of study for AstraZeneca's environmental scientists, working both independently and in collaboration with other organisations to advance research in this area. We continue to publish our work on this subject in scientific literature, and a list of recent publications can be found on our website. We are currently building a \$14 million extension to our environmental science laboratory in Brixham, UK specifically to investigate the environmental fate of our medicines.

As the research moves forward, the understanding of some of the complexities of this issue improves. There was a concern that all pharmaceuticals might have long-term environmental effects that were not predictable by extrapolation from short-term studies. However, as evidence accumulates, it appears that this may only be an issue



for a small number of substances that demonstrate 'atypical' effects.

AstraZeneca has recently undertaken a full fish life-cycle test for tamoxifen, which showed significantly less toxicity than might have been predicted for hormonally-acting compounds. It seems, therefore, that all medicines should be evaluated on a case-by-case basis in this respect, rather than being grouped together as a single class or classes.

It also appears that even some closely related substances with the same mode of action can show very different environmental profiles. This has been observed with the beta-blockers, atenolol and propranolol, for example, where atenolol shows significantly lower toxicity to fish compared with propranolol.

Recent research has also demonstrated that natural photo-degradation, caused by sunlight, can be a powerful factor in the removal of pharmaceutical residues from the environment. For example, there is evidence that up to 70% of propranolol can be destroyed this way.

SALES AND MARKETING

As a global pharmaceutical company with national marketing companies in over 50 countries, we face an increasing level of complexity in the various regulatory and legislative environments in which we operate. Our sales and marketing effort is further complicated by the fact that we use a wide variety of communication channels, ranging from traditional face-to-face contact through professional sales representatives, to the internet, which plays an increasingly important role in informing doctors, pharmacists and others about AstraZeneca's medicines. Our challenge is to ensure that we consistently manage these complexities effectively and behave appropriately wherever we have a presence or an impact.

We are committed to ethical sales and marketing practices worldwide that comply with, and exceed the minimum standards set by, external regulations and codes of practice. To that end, all our marketing companies have national codes of practice in place that are in line with our own global Code of Sales and Marketing Practice and are at least as restrictive as all relevant external codes. For example, these codes all include financial limits, in local currency, for the hospitality associated with meetings and scientific congresses.

SALES AND MARKETING:

NUMBER OF CONFIRMED BREACHES OF CODES OR REGULATIONS RULED BY EXTERNAL BODIES

**THE IMPACT OF ILLNESS ON WORK PRODUCTIVITY IN AN EMPLOYED POPULATION, CALCULATED ASSUMING A 40-HOUR WORKING WEEK¹**

■ ABSENTEEISM = hours absent from work

■ PRESENTEEISM = work hours lost because of reduced productivity while at work (% reduced productivity x number of hours worked)



Our codes include a requirement for a national compliance committee to monitor performance in each of our markets. We also have a nominated signatory network that focuses specifically on approving promotional materials for release.

Information concerning instances where our practices are not up to the standards required is collected through our continuous compliance reporting process and reviewed by senior management and, as appropriate, by the AstraZeneca Board and the AstraZeneca Audit Committee, led by Non-Executive Director, John Buchanan.

During the year, AstraZeneca actively supported a major revision and expansion of the international industry marketing code – the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) code. We also updated our own global and national codes in most countries during 2006 to ensure compliance with the new IFPMA code, which came into force in January 2007, and to include new provisions in several additional areas. This work was complemented by an independent review in 2005/2006 of our governance controls in sales and marketing as well as other aspects of our business activity. The outcome of this review helped to inform the development of our updated codes. Training in governance and sales and marketing practices is being provided for all relevant staff.

MEASURING PERFORMANCE

The different national external frameworks for regulation of sales and marketing practices create a challenge in interpreting the new Key Performance Indicator (KPI) that we introduced in 2005 (the number of cases of confirmed breaches of codes or regulations

ruled by external bodies). Nevertheless, the KPI provides a benchmark against which to measure our performance over time. In 2006, we identified a total of 44 such cases (56 in 2005), based on information gathered from 50 countries in which we have AstraZeneca marketing companies, together with 10 other countries where AstraZeneca is represented.

We are pleased to be able to report this decrease, particularly in the light of the introduction of stricter codes and an increasing emphasis from regulators and code of practice bodies on sales and marketing practices. The types of complaints considered by adjudication bodies included inter-company disputes over superiority claims for medicines. Companies carefully monitor the promotional activities of competitors to ensure that claims for improved efficacy or tolerability can be fully supported by all the available evidence.

Our 2006 figure includes a few cases where we were found to have provided inappropriate and unauthorised levels of hospitality, after which we took appropriate action to prevent repeat occurrences. In addition there were some cases where, whilst not confirmed breaches, regulatory authorities raised concerns with us and we took appropriate steps to address those concerns.

We can also gain useful information by examining the number of breaches relative to other companies' performance, where such data are made public by the authorities.

SUPPORTING ECONOMIC DEVELOPMENT

As described earlier, the growing demand for healthcare means ever-increasing pressure on the budgets of those who pay for it. In our discussions with these groups, we therefore include explanation of the economic as well as the therapeutic benefits of our products to ensure the full value of our medicines is understood.

Effective treatments can help to save healthcare costs by reducing the need for more expensive care, such as hospital stays or surgery. For example, a 2002 study² in the US found that for each additional \$1 spent on newer medicines, \$6.17 could be saved on total healthcare expenditure (including a saving of \$4.44 in hospital costs).

There are productivity benefits too. The use of innovative medicines that reduce the incidence of disease, or enable better disease management, means both less time off work or away from school or other daily activities and increased productivity whilst engaged in these activities – helping patients to lead normal lives as active members of their communities.

As well as our products, our business activities in general also contribute to the economic development of the communities in which we operate, through local employment and wages, taxes, community support and the purchase of materials and services that are sourced locally and nationally. We are beginning to contribute in a similar way as we expand our presence in emerging economies, such as China, through investment in facilities, collaborations with local partners and clinical trial programmes, as well as employing people from the local community.

¹ P Wahlqvist, M Reilly, A Barkun: "Systematic review: the impact of gastro-oesophageal reflux disease on work productivity", *Alimentary Pharmacology & Therapeutics* 2006;24(2):259-272.

² Frank R Lichtenberg: "Benefits and Costs of Newer Drugs: An Update", *National Bureau of Economic Research*, Cambridge, MA, June 2002.

**66,800
EMPLOYEES
WORLDWIDE**



63%

OUR 2006 GLOBAL EMPLOYEE SURVEY SHOWED THAT, OVERALL, 63% OF OUR STAFF BELIEVE THAT MANAGEMENT SUPPORTS EQUAL OPPORTUNITY FOR ALL.

03

PEOPLE

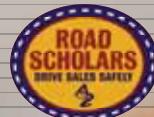
WE BELIEVE THAT IF WE ARE TO EXPECT PEOPLE'S CONTINUED COMMITMENT TO MANAGING THE CHALLENGES AND MAXIMISING THE OPPORTUNITIES TO ACHIEVE OUR BUSINESS OBJECTIVES, WE MUST PROVIDE THE RIGHT ENVIRONMENT FOR THAT TO HAPPEN. AS PART OF THIS, ONE OF OUR CORE PRIORITIES IS MAINTAINING A HEALTHY, SAFE, FAIR AND ENERGISING WORKPLACE FOR ALL OUR EMPLOYEES WORLDWIDE.

THIS SECTION PROVIDES A BRIEF OVERVIEW OF OUR COMMITMENT IN THESE AREAS. MORE DETAILED INFORMATION IS AVAILABLE ON OUR WEBSITE, ASTRAZENECA.COM.



29%

OF ACCIDENTS RELATED TO
DRIVING IN 2006 – DRIVER SAFETY
REMAINS A TOP PRIORITY.



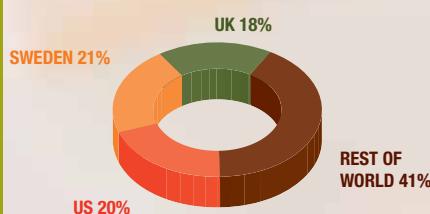
OUR "ROAD SCHOLARS" PROGRAMME IN THE US
IS FOCUSED ON IMPROVING DRIVER SAFETY AMONG
SALES REPRESENTATIVES – BY FAR THE BIGGEST
GROUP WHO DRIVE ON COMPANY BUSINESS.



CORPORATE RESPONSIBILITY PRIORITY ACTION PLAN – PEOPLE

ISSUE	OBJECTIVE	ACTION PLAN	KPI WHERE APPROPRIATE	2006 PERFORMANCE AGAINST KPI AND WHERE TO FIND MORE DETAILS
HUMAN RIGHTS	Ensure we consistently live up to our core values and our commitment to the principles of the UN Declaration of Human Rights worldwide.	Continue to roll out common Human Resources Information System. Establish global KPI based on the planned areas of data collection.	KPI under discussion.	See page 20.
DRIVER SAFETY	Promote the safety of all those who drive on Company business.	Continue to implement driver safety programmes worldwide with a particular focus on areas of greatest driving activity.	Number of accidents per million kilometres driven by marketing company employees.	Ongoing implementation on a country-specific basis. See page 21.
DIVERSITY AND INCLUSION	Ensure diversity and inclusion are appropriately supported in our global workforce, reflected in our leadership, and integrated into business and people strategies.	Build diversity and inclusion into business performance management. Focus on minimum standards in talent management, staffing, performance review and reward, and learning and development.	Percentage of women at senior levels.	33% of the 79 managers reporting to the Senior Executive Team are women. See page 23.

GEOGRAPHIC LOCATION OF OUR EMPLOYEES



PEOPLE



FOR THE FIFTH CONSECUTIVE YEAR ASTRAZENECA WAS RANKED AS A TOP EMPLOYER BY SCIENCE MAGAZINE'S 2006 SURVEY.	ASTRAZENECA EMPLOYEES CASES OF OCCUPATIONAL ILLNESSES (PER MILLION HOURS)		ASTRAZENECA EMPLOYEES ACCIDENTS WITH SERIOUS INJURY WITH AND WITHOUT DAYS LOST (PER MILLION HOURS)	
	2006	0.97	2006	2.37 ¹
	2005	1.34	2005	3.05
	2004	2.07	2004	3.62

HUMAN RIGHTS

AstraZeneca is fully supportive of the principles set out in the UN Declaration of Human Rights. Our Code of Conduct and our Global Human Resources Policy and Standards outline the high standards of employment practice with which everyone in the Company is expected to comply, both in spirit and letter. This includes only employing adults, as defined by the labour laws in the countries in which we operate and, as a minimum, complying with national legal requirements regarding wages and working hours. All our employees have the right to be a member of a trade union. We have agreements with trade unions in a number of countries where collective bargaining is customary practice, is within a country's legal framework and is supported by employees.

We also work closely with our major suppliers and use purchasing practices to encourage similar standards to our own. This commitment applies as much to our expanding business in emerging markets, such as China and Mexico, as it does to our existing supplier relationships. You can read more about our work with suppliers on page 32.

A particular challenge for any business of our size and scale is drawing the boundaries of responsibility. We do not believe that it is appropriate for AstraZeneca to proactively promote individual rights and freedoms more widely in society than described above, but we believe that we can, and do, influence others through leading by example.

MONITORING AND MEASUREMENT

In recent years, we have been working to improve our global reporting processes in this area, building on our long-standing systems for local monitoring of compliance with our Human Resources policy and standards. We have made a major investment

in this area and are in the process of implementing a global Human Resources information system that will drive consistent people management practices and information standards worldwide. The system was launched in the UK, Sweden and China during 2006 with launch in the US, Japan and other Asia Pacific countries planned for 2007. This major initiative means we will have consistent, detailed and integrated people information available at a global level for around 70% of our workforce by June 2007. Plans are being developed now for roll-out to the rest of the world and we are working to establish a global KPI in this area for introduction in 2007.

'RIGHT TO HEALTH'

In some quarters, the achievement of the United Nations' Millennium Development Goals for Health have been characterised in human rights' terms as a 'Right to Health', with accountabilities allocated to both governments and pharmaceutical companies. We believe that in this context, it is governments who are accountable for providing a robust healthcare infrastructure for their populations – one that supports good public health and can ensure that medicines are delivered to those who need them. AstraZeneca nevertheless recognises that we have a part to play although, as described earlier in this report, our challenge is to shape the form of that contribution, given that our marketed medicines are not relevant to the most significant healthcare problems in the developing world. We continue to participate in national and international discussions on this issue, in which we explain that we believe the best way we can help to achieve the health-related Millennium Development Goals is through our TB research in Bangalore and from our initiatives aimed at strengthening local healthcare capabilities. See page 8 for further details about our commitment in these areas.

SAFETY, HEALTH AND WELLBEING

Providing a safe workplace and promoting the health and wellbeing of all our people worldwide has always been a core priority for AstraZeneca. As we continue to expand and change our activities in an ever-more challenging business environment, we are strengthening and adjusting our commitment. We are building on our traditional programmes, which focus on workplace behaviours and attitudes, coupled with the introduction of new approaches to managing stress and helping employees understand their personal health risks.

At the start of 2006, we introduced new Company-wide objectives and associated targets for 2010 that focus on three aspects of our global Safety, Health and Environment Policy. The first of these relates specifically to our commitment to safety, health and wellbeing; the second relates to our environmental performance, which you can read more about on page 30 of this report. Experience suggests that good safety and health performance is strongly linked to personal ownership of these challenges across the Company. Therefore, our third 2010 objective includes a commitment to train, empower and require individuals to take personal responsibility for safety and health. This is not a new commitment, but the specific objective strengthens our platform for continuous improvement and we expect our focus on this aspect to reinforce accountabilities and encourage new ideas and initiatives for effectively managing safety and health across the range of our business activities.

Our aim is to eliminate all work-related injuries and cases of ill health by providing a safe and healthy work environment and

¹ The definition of "serious injury" was modified in 2006 – see explanation on facing page.



84%

OF EMPLOYEES
RECOGNISE
ASTRAZENECA'S
COMMITMENT
TO THE HEALTH
AND WELLBEING
OF ITS STAFF.

50%

REDUCTION BY 2010 –
OUR TARGET FOR
COMBINED ACCIDENT
RATES AND
OCCUPATIONAL
ILLNESSES.

by promoting health and wellbeing. Our new key performance indicator (KPI) for safety, health and wellbeing combines the frequency rates for accidents resulting in fatal and serious injuries and new cases of occupational illness into one KPI. Specifically, we aim to achieve a 50% reduction in the combined rates for employees by 2010, compared to a 2001/2002 reference point.

Each AstraZeneca function and location is responsible for identifying initiatives, programmes and other opportunities for contributing to the global 2010 objectives; for setting their own local targets; for monitoring progress in these areas, and for reporting progress centrally on a quarterly basis.

Our ultimate vision is a Company where employees are applying their skills and energy in a working environment that is free of injury or illness. Of course, in practical terms, all risks cannot be eliminated, and we still face some significant challenges, particularly with regard to driver safety and workplace stress. As our business grows and changes, we also continue to work to ensure that our external partners and the companies that we acquire are aligned with AstraZeneca's range of standards, including health and safety. Our work in this area includes pre-selection reviews, contractual requirements and audits, and is an area of continued focus and effort.

ACCIDENT RATES AND CAUSES

Sadly, during the year there were three fatal accidents. An employee was killed when the car he was driving was involved in a collision with a lorry on a motorway outside Budapest in Hungary; a member of our sales force was killed in a single-vehicle road accident in Venezuela, and a construction contractor fell to his death from a height whilst working on our new research and development facility in Bangalore, India.

We work hard to identify the root causes of any serious accident and use a range of investigation procedures to help us avoid repetition. Learning is shared with management and staff, and our conclusions about underlying causes are used to improve our SHE management systems.

Although overshadowed by the fatalities described above, we are encouraged to be making progress toward our 2010 health and safety objective. The frequency rate for accidents resulting in fatal and serious injury for AstraZeneca employees decreased in 2006 (2.37 per million hours) when compared to 2005 (3.05). However, the "serious injury" definition was modified in 2006 to remove certain injuries categorised under "puncture wound" and "injured by an animal". When adjusted accordingly, the 2005 rate (2.54) has not changed significantly when compared to

2006 (2.37). The greatest cause of serious injuries to AstraZeneca employees is slips, trips and falls on the same level, at 30% of the total. Vehicle accidents are the second greatest cause, accounting for 29%, and injuries whilst handling, lifting and carrying is the third greatest, at 14%.

The fatal and serious injury frequency rate for contractors did not change significantly in 2006 when compared to 2005, with only a 7% reduction. We continue to work together with our contractors to ensure the same level of safety commitment as we would expect from our own employees.

DRIVER SAFETY

We are disappointed to report that our vehicle-related accident record showed little improvement in 2006, with 29% of accidents reported relating to driving. To help improve performance in this area, in 2006 we began the roll-out of our new KPI – the number of accidents per million kilometres driven by marketing company employees. The KPI provides a benchmark against which we can measure our relative performance in the future, and we aim to use the data gathered from individual countries to inform the development of market-specific action plans.

Our sales representatives are the largest group that drive on Company business, and we are pursuing a range of country-specific projects designed to actively raise the profile of driver safety among these employees. Initiatives include implementing data-based driver care management systems, which provide detailed information to line managers who are then better able to identify high-risk drivers.

With a sales fleet of around 6,500 vehicles, the US is home to our largest group of sales representatives. In response to the associated

PEOPLE

WE ENCOURAGE AND SUPPORT A HEALTHY WORK/LIFE BALANCE, WHICH WE KNOW IS ESSENTIAL TO THE CONTINUED WELLBEING OF OUR EMPLOYEES WORLDWIDE.

safety challenges, AstraZeneca in the US has developed a comprehensive driver safety programme, "Road Scholars". The philosophy behind the scheme is that driver safety should be managed in the same way as we manage all other aspects of sales, including training consistent with sales coaching models and integration into performance management. Vehicle-related injuries are down by 30% since 2004 and traffic offences are down by 54% since 2005.

In the UK, driver safety programmes have historically focused on the highest mileage drivers, which addressed a significant risk, but failed to take account of those people who do less mileage but may be at risk from other factors. In a new approach, all drivers are now individually risk-assessed against the same criteria, using an on-line tool that gathers information such as age and licence condition and includes an interactive programme that tests areas such as traffic law awareness and hazard perception. The output determines what level of individually focused "Behind the Wheel" training is required, with a training review follow-up after the session.

Elsewhere in the world, AstraZeneca in Brazil has introduced a comprehensive driver safety management system, which includes risk-profiling drivers, safe driver coaching and integrated driving into performance assessments. All our employees in Brazil who drive on business have annual training in defensive driving, in which the main aspects of driver safety are evaluated.

We are making progress, but there is much to do to promote improved performance in driver safety across our growing sales force worldwide. It remains a significant challenge.



OCCUPATIONAL ILLNESS

During 2006, we made good progress towards achieving our 2010 target. 118 cases of occupational illness were reported, representing a significant reduction of 28% in the occupational illness frequency rate per million hours worked, compared to the previous year. Improvements were evident for most categories of illness.

Work-related stress illness was the most frequently reported condition, accounting for 54% of all cases. However it is encouraging that there was a 16% reduction in the frequency rate for this condition. High workload remains the most common reason given, with interpersonal issues, difficulties coping with change and job uncertainty also important causative factors. 84% of the stress cases resulted in absence from work.

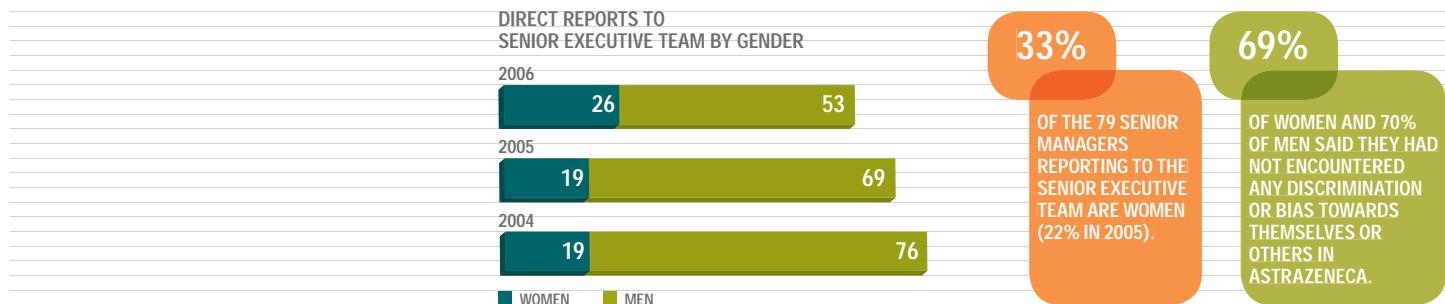
Although work-related upper limb disorder was the second most reported illness, accounting for 27% of all cases, we are pleased to report that the frequency rate for this condition continues to follow a downward trend. Computer work and repetitive production activities, such as packing, were the main causes of this condition.

Our occupational health and hygiene initiatives continue to focus on the three key areas of good ergonomic practice, identification and management of workplace pressures, and the protection of employees

from occupational exposure to hazardous substances.

The promotion of good ergonomic practices within the business is an important element in our strategy to reduce the burden of work-related musculo-skeletal problems, and the steady fall in the frequency rate for this condition suggests that ergonomic improvements made in recent years are delivering benefits. Ergonomics is being increasingly applied in the design and development of workplaces throughout the Company, but we recognise there is scope for further improvements. We believe that people working in ergonomically designed workplaces, using ergonomically designed products are more productive, more healthy and less stressed by the physical demands.

In our ongoing efforts to tackle work-related stress, we are adopting an increasingly proactive, risk-based approach, using wellbeing risk-assessment tools to identify high-risk areas and target interventions more effectively. Another key element in this strategy is to develop a more integrated approach to managing this issue, through closer collaboration between occupational health and wellbeing, human resources and management professionals at all levels. We also continue to maintain, and where necessary improve, occupational illness reporting across the Company, through our ongoing SHE audit programme and the regional SHE support network, established in 2006.



In the area of industrial hygiene, we will continue to focus on control of exposure via the inhalation route, whilst refining risk-assessment tools that help to ensure that all potential routes of exposure are taken into account, including skin exposure.

WELLBEING

We continue to make significant investment in providing a wide range of health and wellbeing improvement programmes throughout the Company, focused on encouraging and empowering employees to take personal responsibility. Results from our 2006 global employee survey indicate that 84% of employees recognised the Company's commitment to the health and wellbeing of its employees. Programmes vary according to health risk profile, function and culture, and include general health initiatives aimed at increasing exercise levels, reducing smoking, improving nutrition, managing stress, and promoting a healthy work/life balance. In addition, we provide programmes focused on specific disease areas such as cancer, cardiovascular disease and influenza.

In 2006 we developed plans to deal with the potential threat of pandemic flu. An educational pack was made available to all employees worldwide to help them and their families prepare for an outbreak. Other measures include the provision of antivirals for employees based in areas where adequate supplies may not be available through national treatment regimes.

With an increasing body of evidence suggesting direct associations between health and productivity, particularly in the areas of musculo-skeletal and psychological disorders, promoting good health is an important element of our health and wellbeing strategy for the future.

DIVERSITY

At AstraZeneca, our approach to diversity is not just about gender and race – it takes account of other ways in which we are different. We aim to ensure that these differences are recognised, understood and valued, to bring benefit for our individual employees, our business, our customers and the communities within which we work.

Our continuing challenge is to ensure that diversity is appropriately supported in our workforce and reflected in our leadership. Diversity and talent management are included in our Senior Executive Team (SET) objectives and we have a set of minimum standards that support global alignment in the integration of diversity into our Human Resources processes, including staffing, performance review, learning and development, and reward. The introduction of objective- and evidence-based approaches to reviewing the performance and potential of individuals has brought clarity and transparency to the identification of high potential talent within the Company.

The implementation of the global Human Resources information system described on page 20 will make a significant contribution to driving consistent application of our standards and increasing our understanding of performance in this area.

During the year our focus continued to be on ensuring diversity is appropriately reflected in our senior management teams. As an indicator, 33% of the 79 senior managers reporting to the SET are women (22% of 88 senior managers in 2005).

The 2006 global employee survey showed that, overall, 63% of our staff believe that management supports equal opportunity for all employees and 69% of women and 70% of men said they had not encountered any discrimination or bias towards themselves or others in AstraZeneca. The survey results also included a geographic and functional breakdown of these overall figures, which has enabled us to identify areas where further improvement activities need to be focused. More details of this survey can be found on page 27.



OUR NEW 2006-2010 ENVIRONMENTAL OBJECTIVE
REQUIRES CONTINUOUS IMPROVEMENT IN THE
SUSTAINABILITY OF ALL OUR ACTIVITIES BY, AMONG
OTHER THINGS, ECONOMISING ON THE USE OF NATURAL
RESOURCES AND WORKING TO ELIMINATE POLLUTION.

04

OUR MEDICINES ARE DESIGNED TO BRING BENEFIT FOR PATIENTS
AND ADD VALUE FOR WIDER SOCIETY. THE FINANCIAL SUCCESS THAT
FLOWS FROM US GETTING THIS RIGHT ENABLES ASTRAZENECA TO
FULFIL OUR DUTY AS A PUBLICLY OWNED COMPANY AND DELIVER
THE RETURN ON INVESTMENT THAT OUR SHAREHOLDERS EXPECT.

PERFORMAN

WE KNOW THAT AS WE STRIVE FOR
TOP-TIER FINANCIAL PERFORMANCE,
IT IS ESSENTIAL THAT WE DO NOT
LOSE SIGHT OF OUR COMMITMENT
TO DOING BUSINESS THE RIGHT
WAY TO ENSURE THAT WE MEET OUR
RESPONSIBILITY TO WIDER SOCIETY.



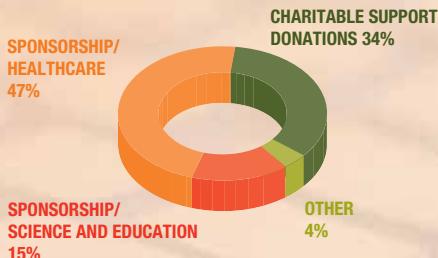


WE WORK CLOSELY WITH NEW MEMBERS OF THE ASTRAZENECA GROUP TO ENSURE THAT OUR CR EXPECTATIONS ARE UNDERSTOOD.

CE

COMMUNITY SUPPORT 2006

TOTAL SPEND \$56 MILLION



CORPORATE RESPONSIBILITY PRIORITY ACTION PLAN – PERFORMANCE

ISSUE	OBJECTIVE	ACTION PLAN	KPI WHERE APPROPRIATE	2006 PERFORMANCE AGAINST KPI AND WHERE TO FIND MORE DETAILS
INTEGRATION OF CR INTO ALL OUR ACTIVITIES	Ensure CR considerations are included in all relevant strategies and decisions.	Continue to integrate CR into personal performance objectives. Continue internal communication of policies, framework, standards and guidelines. Continue local implementation. Continue integration of CR into learning and development programmes. Continue sampling of employee understanding and opinion.	Two-yearly global employee survey plus ad hoc 'pulse' surveys. Number of leaders involved in CR training.	See page 27. 490 leaders involved in CR training in 2006 (245 in 2005).
CORPORATE GOVERNANCE AND COMPLIANCE	Apply highest ethical standards in all dealings with stakeholders. Ensure globally consistent implementation of required CR standards across the AstraZeneca group of companies. Work with new members of the AstraZeneca Group to ensure that our CR expectations are understood.	Continue to communicate the Code of Conduct including the procedure for reporting concerns. Continue development of audit processes to include CR. Continue global auditing.	Number of audits conducted including CR.	18 Internal Facility Audits conducted (18 in 2005). See page 29.
CLIMATE CHANGE	Minimise the impact of our business activities worldwide.	Our target is to ensure that our emissions from all sources in 2010, including releases from the use of pMDI products, will be no greater than they were in 2000 and 40% less than they were in 1990. Make further substantial efforts to produce by 2010 an absolute reduction of 12% in global warming emissions from all sources other than pMDIs, when compared to 2005.	Total emissions of greenhouse gases from all sources including products in use.	1.32 million tonnes (1.43 in 2005).
SUPPLIERS	Encourage our suppliers to embrace CR standards similar to our own and work with them to share best practice and help them to improve, if appropriate.	Continue to include CR in our global purchasing category management processes. Implementation of the CR in Purchasing Guideline in countries where we have major marketing, manufacturing or research activities.* Continue the rolling programme of audits of chemical intermediate and active pharmaceutical ingredient suppliers. Broaden the scope to include formulation and packaging suppliers.	Continue to reference CR in all category plans. CR referenced in all new contracts and master agreements generated from the countries in scope.* Number of audits.	CR being included in the roll-out of our new category management processes. Processes in place by end 2006 to ensure that CR included in all new contracts and master agreements generated in the countries in scope.* 17 audits conducted (19 in 2005). See page 32.

* Including UK, US, Sweden, Japan, China, India, Canada, Mexico and Puerto Rico.

PERFORMANCE



NON-EXECUTIVE DAME NANCY ROTHWELL (FAR LEFT) HAS SPECIFIC RESPONSIBILITY FOR OVERSEEING CR WITHIN ASTRAZENECA. CHIEF FINANCIAL OFFICER, JONATHAN SYMONDS (LEFT), LEADS ASTRAZENECA'S RISK ADVISORY GROUP WHICH MONITORS THE KEY RISKS THAT THE COMPANY FACES, INCLUDING REPUTATIONAL RISKS, AND HOW THEY ARE BEING ADDRESSED.

RESPONSIBILITIES AND ACCOUNTABILITIES

The AstraZeneca Board owns our CR strategy and we have a Non-Executive Director (Dame Nancy Rothwell) with specific responsibility for overseeing the implementation of that strategy within the Company.

Dame Nancy is supported by a Global CR Committee, which leads development of the CR framework. Our Senior Executive Team (SET) and other senior managers are accountable for CR management within their areas, based on the global CR framework but taking account of national, functional and site issues and priorities. Individually, everyone at AstraZeneca has a responsibility to integrate CR considerations into their day-to-day decision-making, actions and behaviours.

The common platform that supports this effort worldwide includes our Group CR Policy, Group CR Standards and Global CR Priority Action Plan, which together provide the framework for understanding and managing the delivery of our CR commitment.

CR targets are also included in our Business Performance Management framework, and relevant CR-related objectives are being included in personal targets as part of the new performance management regime that is being implemented across the Company. For our SET and senior managers, these objectives reflect their responsibility for ensuring that management systems and action plans are in place to manage CR in an integrated way across their areas. Through our standard performance management system, our annual employee review process includes an assessment of each employee's adoption of and compliance with AstraZeneca business standards and ethics.

PRIORITY ACTION PLANNING

We continue to integrate reputational risk into our risk management processes to ensure that managers build it into their everyday thinking. Appropriate tools are available in the form of a shared risk management philosophy, principles and a framework that all managers can use to reflect on behaviours, assess risks and positively shape their decision-making.

We have a dedicated team of integrated risk management professionals who assist senior managers in identifying, assessing and developing strategies for managing risk in their respective areas of responsibility. The team also carries out a rolling programme of training staff in effective integrated risk management and it develops networks for the sharing and embedding of best practice.

This work informs the agenda of AstraZeneca's Risk Advisory Group, led by the Chief Financial Officer, which monitors the key risks the Company faces and how they are being addressed.

IDENTIFYING THE CR PRIORITIES

We use our formal internal risk assessment processes, together with external benchmarking and stakeholder dialogue, to help us identify the opportunities and challenges associated with our corporate responsibility.

In 2006, we further strengthened our internal process by expanding the range of internal risk-focused dialogues to include more representation from appropriate teams across the business. This helped us to build a better picture of our CR risks.

During the year, we also published internally a new guideline on how to engage stakeholders in CR-specific dialogues as part of our CR priority action planning. Our long-established CR Implementation Guide for Managers identifies stakeholder engagement as an important step in local priority action planning, and our new guideline will help to build understanding on how this can be done. It also provides a platform for ensuring in the future that we are consistently capturing all key CR concerns and expectations and, where appropriate, incorporating them into the global CR agenda.

Our CR Priority Action Plan, which is divided into four sections shown on pages 5, 11, 19 and 25, provides a framework for managing these issues in line with our core values, including defined objectives and, where possible, appropriate key performance indicators (KPIs). The Plan is reviewed annually to make sure that it continues to be relevant. In 2006, we introduced a new KPI for climate change, reflecting our continued commitment in this area. Recognising the responsibilities associated with our expansion through acquisition, we also added a particular reference to the Plan, under Governance and Compliance, to ensuring that our CR expectations are understood by new members of the AstraZeneca Group.

Whilst other areas of CR, including those described in the narrative of this report, remain firmly on our agenda and our commitment to good performance in these areas is as strong as ever, we believe that for the Plan to be meaningful, it should contain only those issues that our assessment processes have identified as having the highest priority.



DURING 2006, WE
CONTINUED TO
SUPPORT MANAGERS
WITH TOOLS AND
GUIDELINES FOR THE
LOCAL IMPLEMENTATION
OF CR.

STAKEHOLDER DIALOGUE

As described earlier, we are working to strengthen understanding of how to integrate CR-focused stakeholder engagement into local CR priority action planning. Such events are specially arranged and have an exclusively CR-focused agenda.

On a broader scale, our day-to-day business activities include ongoing interactions with all our various stakeholders to get the insight we need to maintain a flow of new medicines that bring benefit for patients and add value for shareholders and wider society. Whilst such dialogues are business-driven, rather than CR specific, they also provide the opportunity for CR issues to be raised by either party.

These dialogues take place at two levels. Corporately, we focus on the investment community, our employees worldwide, international governmental and non-governmental organisations, and opinion leaders such as business and financial media.

In our individual markets, we focus on local employees, national governments, national media, our local communities and our customers.

SHAREHOLDERS

We encourage feedback from shareholders on our reputation both informally at face-to-face meetings, as well as the more formal assessments provided by surveys such as the Dow Jones Sustainability Indexes, described on page 29.

In November 2006, AstraZeneca was one of six companies invited to meet with over 20 Socially Responsible Investors (SRIs), at a "Best of British" conference arranged by Citigroup to discuss CR. During four sessions, the investors were encouraged to bring up topics they considered to be the most significant for AstraZeneca or where

they wanted to learn more. Areas of interest included clinical trials, pharmaceuticals in the environment, marketing and sales practices and stem cell research. AstraZeneca responded openly to all questions and the participants were encouraged to contact us should they wish to continue the discussion or find out more. One such follow-up meeting was held in January 2007.

EMPLOYEES

As well as line manager briefings and team meetings, we use a wide range of electronic and printed media to communicate regularly with our employees around the world. Feedback opportunities are integrated into our internal communication programmes and, in addition, our Code of Conduct outlines the procedures for employees to raise integrity concerns, including a confidential telephone helpline number. In 2006, 106 concerns were raised via the helpline and other routes (114 in 2005). The majority of calls were about the workplace conduct of individuals. All concerns are investigated and appropriate action taken as required, which can include management counselling, disciplinary action or dismissal. No material issues were reported through this route during the year.

We also use a two-yearly global internal survey to track employee engagement and identify areas of concern. These surveys are conducted anonymously and with the help of an external specialist agency who also analyse the results. In 2006, we conducted our fourth such survey, which generated the highest response rate to date (86%). This high level of employee engagement reflects people's continuing confidence in the survey as a trusted feedback mechanism. The scores improved across all categories compared to the last survey in 2004 and exceeded the pharmaceutical benchmark in most cases. Areas of positive feedback included health, safety, information sharing

and communication (in particular, immediate managers being more open to feedback). Employees rate the Company highly on the ethical standards that are applied to its external dealings. Overall, engagement levels are strong, but the survey highlighted the need for further improvement in some aspects of leadership and performance management. Initiatives focused on these areas have already begun – including increased clarity on accountabilities being integrated into business performance frameworks.

GOVERNMENT AND NON-GOVERNMENTAL ORGANISATIONS

The pharmaceutical industry is one of the most highly regulated of all industries. Almost every aspect of our business is subject to regulation or ethical overview. It is therefore essential that we participate in public policy dialogue with governments and other public bodies to exchange views on issues that impact our business.

Our exchanges with governments are aimed at creating a constructive framework for the development and implementation of policies and regulations that affect our industry in a way that delivers good regulation and sound operational practices. We also work with, and through, national and international trade associations to promote industry best practice and engage effectively with key government and international agency stakeholders. And in addition to our work with the Red Cross and Red Crescent, we also have discussions with other non-governmental organisations and international bodies such as the World Health Organization and OXFAM.

PERFORMANCE



WE ENCOURAGE CONSTRUCTIVE DIALOGUE WITH ALL OUR STAKEHOLDERS AND OTHERS WHO HAVE AN INTEREST IN OUR ACTIVITIES TO MAKE SURE WE ARE STAYING IN TUNE WITH THEIR CHANGING EXPECTATIONS AND TO GIVE US AN OPPORTUNITY TO MAKE ASTRAZENECA'S POSITION UNDERSTOOD.

During 2006, we began development of an Internal Code of External Affairs Practice. This Code will apply to all communication programmes and public policy strategies that are intended to inform those who set or influence public policy. It will aim to ensure the highest standards of communication from all those engaged in the public policy debate on behalf of AstraZeneca in order to create and maintain a constructive dialogue with governments and other relevant stakeholders.

CUSTOMERS

Our day-to-day business activities include regular contact in our local markets with physicians and other healthcare professionals, and those who pay for healthcare. As described earlier in this report, our communications focus on providing information about our medicines, the diseases they treat and the benefits and risks associated with their use. As buyers of healthcare, national governments are often also our customers as well as being our regulators, and access to medicines that offer therapeutic and economic benefits is an important part of our dialogues with these groups.

PATIENTS

Staying in touch with changing needs is vital to our aim of making the best contribution in healthcare that we can. We continuously talk to patients and their physicians to understand what they need and want. This includes working with, and supporting, patient groups who represent the particular demands of specific health issues, as well as discussing with healthcare professionals the broader range of disease challenges they and their patients face.

During 2006, in line with the new code of practice requirement to do so, we made public (through our website astrazeneca.co.uk) all our relationships with patient groups in the UK. Using the external requirement as a baseline, we also developed a set of standards for interactions between AstraZeneca's global teams and international patient groups and we will consider extending this approach to other territories. These standards include a mechanism for capture of this information which we will make available on our international website, astrazeneca.com.

LOCAL COMMUNITIES

Our site-based community liaison teams aim to ensure that we maintain open dialogue with our local communities, keeping them informed of our business activities and plans, and providing the opportunity to raise any concerns.



WE USE LEADING EXTERNAL SURVEYS SUCH AS THE DOW JONES SUSTAINABILITY INDEXES, TO HELP EVALUATE OUR PROGRESS AND BUILD OUR UNDERSTANDING OF THE DEMANDS OF SUSTAINABLE DEVELOPMENT.

NUMBER OF INTERNAL FACILITY AUDITS

2006	18
2005	18
2004	24

EVALUATING PERFORMANCE

Performance measures are key to effective CR management. Understanding the progress we are making – and identifying those areas where we need to do better – is critical to our aim of continuous improvement in our performance.

The key performance indicators (KPIs) that we have in place are listed in the CR Priority Action Plans shown on pages 5, 11, 19 and 25, including the new KPI introduced in 2006 for climate change as described on page 30.

We continue to explore more ways in which we can meaningfully benchmark our performance.

We also participate in leading external surveys, such as the Dow Jones Sustainability Indexes, which are important means of evaluating our performance and understanding better the demands of sustainable development. AstraZeneca is again listed in the 2007 Dow Jones Sustainability World Index, used by asset managers globally to guide their socially responsible investment. However, we did not regain the place we lost in 2005 in the European Index (Dow Jones STOXX) where competition for places is increasingly fierce.

GOVERNANCE AND COMPLIANCE

All our managers have individual responsibility for ensuring that their teams comply with the Code of Conduct and with all other AstraZeneca policies and standards that are relevant to their roles. We are also working to ensure that the right processes are in place to ensure compliance with these requirements throughout the business.

COMPLIANCE

During 2006, to further strengthen our strategic approach to compliance and align tactical delivery, we established the new position of Global Compliance Officer (GCO). Appointed in October, the new GCO reports to the CEO, and is aligned with the network of regional and local compliance personnel across the Company who are charged with the implementation of AstraZeneca's Global Compliance Programme within their geography or functional area. These compliance personnel work within the business to promote compliance with our policies and standards through effective training, monitoring, auditing and enforcement processes.

During 2006, we completed the independent review of our marketing companies that began in 2005. This programme concentrated on AstraZeneca's governance controls, particularly in the areas of sales and marketing practice, finance, IT and human resources. The findings of the review informed the development of improvement plans within each marketing company, with defined targets for completion of all actions.

INTERNAL AUDIT

Our Group Internal Audit function (GIA) is an independent assurance and advisory function that reviews, among other things, the effectiveness of AstraZeneca's risk, governance and compliance framework,

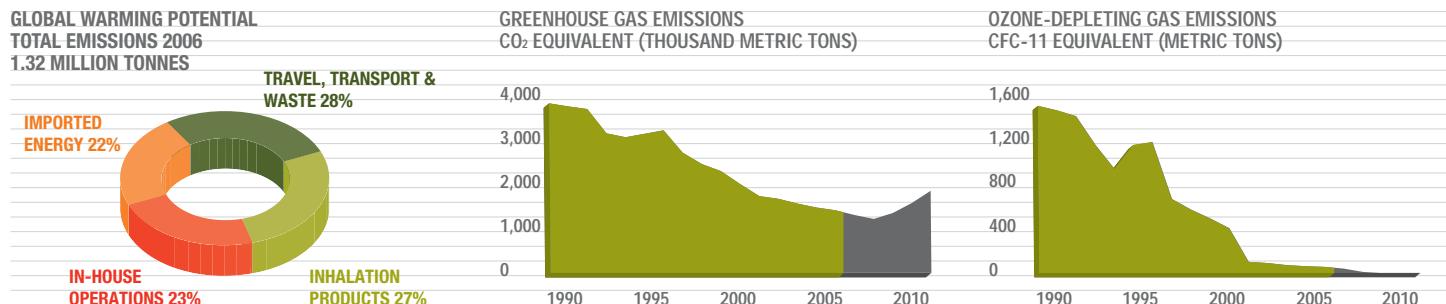
including the work and independence of other audit and compliance functions in the Company. GIA also conducts reviews looking at compliance with laws, regulations and Group policies. In 2006, GIA focused on a combination of core assurance areas (including compliance) as well as the effectiveness of risk management processes and activities in several key areas.

During the year, we continued our rolling programme of Internal Facility Audits, which focus on the performance of local facilities and regions against our policies, standards and programmes relating to the safety, health, wellbeing, environment, security, diversity, and local community aspects of our CR agenda. Specific protocols have been developed to guide auditors in this work, which is a critical component of our performance assessment, and 18 such audits were conducted in 2006. Whilst it is difficult to draw general conclusions from this broad-ranging programme, our audit results confirm that our local operations are working to embed the relevant aspects of the Company's CR commitments into their business as usual. However, more work still needs to be done at the centre to ensure a common understanding of how local initiatives can contribute to the delivery of the business's strategic CR objectives.

AUDIT COMMITTEE

The AstraZeneca Audit Committee, a committee of the AstraZeneca Board, which consists of three Non-Executive Directors, reviews GIA audit findings and other key items reported through management. Among other things, the Audit Committee reviews and reports on the overall framework of internal controls, and has a responsibility to bring promptly to the Board's attention any significant concerns about the conduct, results or outcome of internal audits.

PERFORMANCE



ENVIRONMENTAL PERFORMANCE

Our ongoing challenge is to continue to manage our environmental impact as we grow our business. 2006 saw the introduction of our new global environmental performance objective, namely: continuous improvement in the sustainability of all our activities by, among other things, economising on the use of natural resources and working to eliminate pollution. The specific targets for 2010 relate to our emissions of greenhouse gases and waste generation rates, described in more detail below.

CLIMATE CHANGE

In common with most businesses, our potential impact on climate change arises from the global warming emissions from energy use at our facilities, from other in-house activities and from the various means of transport we use. However, we consider the emissions associated with the use of our products also to be part of our performance profile and we therefore face an additional challenge since some of our asthma therapies use propellant gases that potentially contribute to ozone depletion and global warming.

Strong track record

Over the last five years, through a combination of energy-efficiency measures, investment in combined heat and power plants and active pursuit of renewable energy options, we firstly reduced the rate of growth and then stabilised the emissions of CO₂ from our facilities. By 2005, our emissions from these sources had fallen to their 2001 level and our absolute greenhouse gas emissions from all sources (including products) had fallen by 63% compared to 1990; by comparison, the Kyoto Protocol target for industrialised nations is a 5% reduction by 2008-2012.

We have identified areas of our business where further improvements can be made

to reduce our emissions to the environment. These include, amongst other things:

- > Implementation of further energy conservation programmes.
- > Implementation of green technology principles in our process design.
- > Further investment in greener energy supply from external power suppliers and cleaner heat and power plants at our sites.
- > Investment in cleaner vehicles and travel options.
- > Minimising waste and emissions from our sites.

In 2006, our climate change disclosure and strategy was rated as the best in the pharmaceutical sector and equivalent to the best in the Climate Leadership Index by the Carbon Disclosure Project, an organisation that helps investors to assess the effects of business on GHG emission and climate change.

Our challenge going forward

Asthma is a common, often debilitating illness that can be alleviated by breathing in medication from a small aerosol called a pressurised metered dose inhaler (pMDI), which uses propellant gases to deliver the medicine to a patient's airways. When CFCs, the gases used originally in pMDIs, were identified as ozone-depleting gases, we worked to develop alternatives. Our *Turbuhaler* dry powder inhaler, launched in 1987, does not require a propellant gas, but it is not suitable for all patients. We therefore developed and are introducing alternative propellant gases for our pMDIs, which have no ozone-depletion potential and significantly less than half the global warming potential of the CFCs they replace. Although these HFA (hydrofluoroalkanes) propellants still have some impact on climate change, there is

an international consensus that there is no safer alternative for patients.

During 2006, we received approval to market a new asthma treatment, *Symbicort*, in the US, where over 30 million people suffer from this debilitating disease. Our new therapy provides rapid and effective asthma control in a pMDI containing HFA propellant. The launch of this new therapy in the US, the world's largest pharmaceutical market, will inevitably lead to an increase in emissions of HFAs as more and more patients benefit from the new medicine.

Despite the potential climate change implications, we believe that the expanded treatment choice and potential benefits that *Symbicort* pMDI offers asthma sufferers outweigh the potential impact it will have on our environmental performance.

We will continue to work hard to manage our impact, and our new climate change target aims to ensure that our absolute emissions in 2010 will be no greater than they were at the start of the decade and 40% less than they were in 1990. Although the greenhouse gas emissions from our business operations will continue to fall, as a result of the planned launch of *Symbicort* pMDI in 2007, we will not be able to continue to achieve the reductions of total greenhouse gases (including emissions from products) that we have delivered each year since 2000.

We are committed to achieving our 2010 target without compromising our ability to provide new inhalation therapies that bring benefit for patients. Therefore the climate change objectives approved by the AstraZeneca Board in 2005 require very substantial efforts to be made across our business to produce, by 2010, an absolute reduction of 12% in global warming emissions from all sources other than pMDIs, when compared with 2005.



THE 'FLEX FUEL' VEHICLES USED BY OUR SALES FORCE IN SWEDEN CAN BE POWERED BY EITHER PETROL OR ETHANOL – A NON-FOSSIL FUEL FROM RENEWABLE RESOURCES, WITH MUCH LOWER IMPACT ON CLIMATE CHANGE THAN PETROL. OUR 50 'FLEX FUEL' CARS HAVE THE POTENTIAL TO DELIVER A REDUCTION IN CO₂ EMISSIONS EACH YEAR OF AROUND 200 TONNES.

SUSTAINABLE PRODUCTION

Measuring the total amount of raw materials that we use, including energy and water, provides a better indication of our resource efficiency and the sustainability of our business processes than the amount of waste we produce. We are working to develop appropriate metrics in this area.

In the meantime, we continue to focus on waste to maintain pressure on continuous improvement. Our new waste target is a further 11% reduction by 2010 in the amount of waste we produce compared to 2005, and normalised to sales. We are also beginning to look at the energy used and waste generated by those companies who manufacture intermediates and products on our behalf. More information is available on our website.

TOTAL WASTE (KTE)

2006	59.7
2005	59.2
2004	60.4

REACH – THE EU CHEMICALS POLICY

AstraZeneca has always supported the stated aims of this regulation to protect the environment and human health whilst enhancing the competitiveness of EU industry.

We anticipate that the implementation of REACH will have an impact on our current supply chains. For example, manufacturers may decide, for competitive or economic reasons, to cease supply of certain substances. There are indications that this has already started to occur, even before the regulation has come into force. We are currently working in partnership with our suppliers to facilitate future compliance with REACH and avoid any potential for business interruption.

We are examining the potential impact of the revised Authorisation & Substitution articles of REACH. Mandatory substitution may now result in a conflict between the requirements of the REACH regulation to replace substances in established manufacturing processes with safer alternatives and the Medicines regulations, which would require partial or complete re-registration of the product if such substitution is considered to be a material change. We believe that REACH has the potential to bring significant benefits to humans and the environment but it is a highly complex regulation, the full implications of which for our business operations will only emerge over the next 10 years.

PERFORMANCE

NUMBER OF AUDITS OF CHEMICAL INTERMEDIATE AND ACTIVE PHARMACEUTICAL INGREDIENT SUPPLIERS

2006	17
2005	19
2004	10



TWO SENIOR MANAGERS FROM OUR GLOBAL PURCHASING TEAM RAN A CR WORKSHOP AT OUR WUXI SITE IN CHINA DURING 2006. OUR REVISED CR IN PURCHASING GUIDELINE WAS INTRODUCED AND PROVIDED THE BASIS FOR DETAILED DISCUSSION OF HOW THE HIGH-LEVEL PRINCIPLES CAN BE INTERPRETED AT A LOCAL LEVEL.

WORKING WITH SUPPLIERS

We believe we have a responsibility to encourage our suppliers to embrace CR standards similar to our own, and to work with them to share best practice and stimulate improved performance where needed.

This applies across the full range of our purchasing activities, from promotional items to pharmaceutical ingredients, and includes any specialised work for which we use external contractors to complement our in-house effort, such as animal research. It also applies as much to our expanding business in emerging markets as it does to our existing supplier relationships.

Much of our buying activity is led by our Global Purchasing function, but many people outside that function are also involved in purchasing goods and services from external sources. During the year we reviewed and revised our CR Principles in Purchasing Practice guideline for everyone involved in any purchasing activity on AstraZeneca's behalf. The guideline provides a framework for developing and implementing the functional, regional and site-specific programmes needed to ensure that we effectively and consistently incorporate our CR commitments into our buying practice.

It is AstraZeneca's preference to encourage improvement rather than automatically exclude suppliers based on unacceptable CR performance, but we will not use suppliers who are unable or unwilling to improve performance in a timely manner.

A ROLLING IMPLEMENTATION

Integrating CR into the many thousands of supplier relationships we have around the world is a significant challenge. We are making progress but it will take time to interpret the high-level principles for local implementation and apply them appropriately to all our purchasing activities worldwide.

CR considerations are now included in all new contracts and master agreements in the US, the UK and Sweden – our three main business hubs where over 80% of our suppliers are based. Because of the huge number of suppliers we already had under contract in these countries, we are continuing to take the pragmatic approach of prioritising those that are most important to ensuring the continuity of our business, and discussing CR standards with these companies before reviewing the rest.

Alongside this work, we are now broadening our geographic reach, focusing initially on suppliers in countries where we have other major marketing, manufacturing or research activities. These include Japan, China, India, Canada, Mexico and Puerto Rico, as well as more countries in Europe. In countries where there is a cultural acceptance of what might elsewhere be considered low supplier standards, we will work to lead by example by encouraging, and so driving, improved standards through our purchasing practice.

MONITORING PERFORMANCE

In 2006, our rolling programme of audits of chemical intermediate and active pharmaceutical ingredient suppliers continued with a total of 17 audits conducted. Since the launch of this supplier audit

programme in 2002, which covers SHE, CR, quality and security of supply, we have now completed a first cycle of audits of our preferred suppliers. Three of the audits in 2006 were of suppliers that were audited for the second time since 2002. Between audits, our suppliers have been subject to several visits and business review meetings, which include discussion on CR issues that are identified.

Findings from a number of audits of suppliers in emerging markets in 2006 highlighted issues around process safety, and as a result, we are working with these suppliers to help them develop their capabilities to assess chemical hazards.

In January 2007, we broadened the scope of this rolling programme of audits to include formulation and packing suppliers – another significant group that provide customised goods for AstraZeneca. In preparation for this, during 2006, over 95% of the people responsible for auditing of formulation and packaging suppliers were trained in this audit protocol, which includes CR. The remaining training is planned for early 2007.

Additional activities planned for early 2007 include re-shaping our approach to the rolling programme, to ensure that our audit activities prioritise those groups with the highest potential to impact our business continuity and our reputation. At the same time, we are focused on strengthening the CR risk management aspects of these audits, including the development of a strengthened guideline for publication in the coming year.



ASTRAZENECA CHARNWOOD IN THE UK WAS AWARDED A BUSINESS IN THE COMMUNITY 'BIG TICK AWARD FOR INVESTING IN YOUNG PEOPLE' FOR ITS PARTNERSHIP WORK WITH LOCAL SCHOOLS. OVER 4,500 PUPILS ARE BENEFITING AND AN INCREASING NUMBER OF OUR EMPLOYEES ARE ACTIVELY ENGAGED IN THIS WORK.

INTEGRATING CR AROUND THE WORLD

The integration of CR across all of our activities worldwide continues to be a core priority. For a company of the size and with the geographic reach of AstraZeneca, it's a significant challenge. We are making steady progress, but there is still work to do to ensure that CR is consistently embedded throughout the organisation and actively interpreted and managed at a local level.

We have national CR committees and management frameworks in place in the US, the UK and Sweden, where around 60% of our employees are located. Elsewhere in the world, CR continues to be integrated into leadership team agendas and interpreted at a local level. You can read about our progress in CR integration in our markets in the following section.

Whilst we have systems in place to monitor performance worldwide in our priority issue areas, as described elsewhere in this report, we do not currently have a formal mechanism for the central collation of all of our CR-related activities wherever we have a presence or an impact. During 2006, we piloted a more formalised approach to the central collation of information that is not captured through other routes. We will build on this pilot, and integrate where appropriate with our existing databases, to develop a common platform for capturing at a global level the full extent of our CR-related activities around the world.

GEOGRAPHIC REVIEW

Below is a brief summary of our progress in CR implementation during the year in our three main business hubs and in other areas of the world. More examples of our projects and partnerships worldwide are included in the relevant sections of this report and on our website.

In the UK

In the UK, CR is integrated into the remit of the UK Governance Group, who act as the National CR Committee. A separate CR Steering Group manages the development of the CR framework, including priority action planning. Our UK CR Priority Action Plan is aligned with our Global Plan and has designated improvement managers responsible for ensuring that progress is made in each of the areas. In addition to the national Plan, each of our major locations (Alderley Park, Macclesfield, Charnwood, Avlon, Brixham and Luton) now has a site-based action plan, which reflects the issues and opportunities that relate to the site activity and to the local community. Each year, a workshop for all those with CR responsibilities is held to review progress and drive forward the CR agenda.

All employees in the UK have a standard CR directive (that they "ensure their main role responsibilities are delivered in compliance with AstraZeneca's corporate responsibility policies") included in their performance objectives, as their number one target.

CR is now also a mandatory component of the induction process for all new employees in the UK. During 2006, 528 people were taken through the programme, which includes an interactive element that is designed to bring our CR commitment to life for new starters and help build their understanding of what is required of them in an engaging way.

At our UK marketing company, where sales and marketing is the primary activity, all our employees are required, on an annual basis, to validate their understanding of, and commitment to, compliance with AstraZeneca policies and codes through an interactive intranet sign-off. All new starters have to do the same and, on joining the Company, are given a four-hour corporate governance training session, with line management follow up. In addition to the induction of 245 new starters during 2006, 301 first-line managers were given full-day refresher training in corporate governance. Where compliance issues are highlighted, actions include in the first instance remedial training and if no improvement is demonstrated, further action is taken which can include disciplinary action and ultimately dismissal.

In order to better understand their needs and concerns, during 2005/2006, our UK marketing company held a wide range of issue-based discussions with key stakeholders, including employees, healthcare professionals, specialists in continuing professional development, and representatives from the National Health Service and the UK Government. The outcomes of these discussions informed the establishment of a common set of organisational behaviours, within which responsible sales and marketing practice is firmly embedded. This common platform, which was widely communicated internally, will help our 1,700 sales and marketing people in the UK to further strengthen the relationships they need to drive continued business success.

PERFORMANCE



IN THE US, WE LAUNCHED A NEW WEBSITE DURING THE YEAR, "AZANDME.COM", WHICH BRINGS TOGETHER IN ONE PLACE A RANGE OF HEALTH INFORMATION AND RESOURCES FOR PATIENTS, INCLUDING DETAILS OF OUR PATIENT ASSISTANCE PROGRAMMES.

SOUTH AFRICA

THE GLOBAL EDUCATION FUND IN SOUTH AFRICA IS A PARTNERSHIP BETWEEN ASTRAZENECA AND SWEDISH SPORTS PERSONALITY, SVEN TUMBA, WHICH IS FOCUSED ON IMPROVING EDUCATION MANAGEMENT AND FOUNDATION LEARNING IN RURAL SCHOOLS – INCLUDING BASIC LITERACY AND NUMERACY ALONGSIDE MOTIVATIONAL SPORTS ACTIVITIES.

In Sweden

A cross-functional Swedish CR Committee supports AstraZeneca Sweden's senior leadership team, who own the national CR Priority Action Plan. The Swedish Plan tracks the Global Priority Action Plan, with particular emphasis on those issues that are receiving increased public attention locally, including pharmaceuticals in the environment (PiE), animal research and sales and marketing practice.

We held two formal external stakeholder dialogues in Sweden during 2006 – one focused on PiE and the other on animal research. The PiE dialogue involved representatives from the external research community, local authorities and non-governmental organisations and they helped us reinforce our understanding of the expectations in this area. These include the need for continued proactivity, collaboration, openness and integration of PiE considerations into the drug development process, and this is informing the global programme of work (see page 15 for more information about our commitment). The animal research dialogue focused on the role of animal testing in medical research and the use of alternatives. The meeting involved representatives from animal welfare and animal rights organisations, patient groups, politicians and government officials, and research scientists. Although no consensus could be reached, the participants welcomed AstraZeneca's openness and willingness to bring together the various key interest groups to discuss the subject.

During the year, one of Sweden's largest fund managers, Folksam, assessed 269 companies listed on the Stockholm stock exchange for their commitment to human rights and the environment. AstraZeneca was rated the best company in both categories in the pharmaceutical sector and overall rated fifth and seventh respectively.

Our rolling programme of CR workshops for leaders in Sweden continues with some 150 senior managers attending such events in 2006. We also held eight separate workshops during the year for different areas of the business, tailored to their specific CR accountabilities. To make sure that our responsibilities are appreciated and understood by new recruits to the Company, a mandatory CR session is integrated into all induction courses across our sites in Sweden.

In the US

AstraZeneca's US CR Council is a cross-functional group of managers that reports through the Vice President of Policy, Legal and Scientific Affairs to the AstraZeneca Business Integrity and Assurance Team. The Council recommends the US CR strategy, creates the Priority Action Plan, and leads the implementation across the US organisation. The US CR Plan is aligned with our Global Plan and there are nominated managers with responsibility for overseeing progress in each of the key issue areas.

One outcome from stakeholder dialogues held during 2005 was a common request for more country-specific information about how AstraZeneca is delivering its CR commitment in the US. To that end, we published our first US CR Report in June 2006 and made it widely available internally and externally, via the external website, astrazeneca-us.com.

We introduced another new patient assistance programme in 2006 in the US, "AZ Medicine and Me", for people with Medicare Part D. Medicare is the health insurance programme, administered by the US federal government, for people aged over 65 of any income and for younger adults with permanent disabilities. Part D is a prescription drug benefit for Medicare eligible patients that provides beneficiaries with optional prescription drug coverage through private plans. Our new programme provides AstraZeneca medicines

at discounted rates to those who are enrolled in the Medicare prescription benefit, but have financial difficulty affording their medicines.

All our US employees, and key external resource staff, are given training in our US Code of Conduct and other policies, including those directly related to CR, that are relevant to their roles and to sustaining an ethical culture within the Company. CR also continues to be integrated into a range of business-related communications to ensure that understanding and committing to responsible behaviour is part of everyone's daily working life. This year, our comprehensive employee Compliance & Ethics communication programme, was recognised as "Best Practice in Communications" by the Pharmaceutical Compliance Forum.

In the rest of the world

We continue to drive integration of CR beyond our three major business hubs. Some examples are given below.

In China, governance and compliance issues are overseen by a dedicated Compliance and Risk Management function, supported by a Compliance Committee chaired by the President of AstraZeneca China. All new employee induction programmes include a Code of Conduct session to introduce Company policies and key compliance guidelines and, during 2006, we continued our rolling programme of manager training and supplier dialogues, aimed at building understanding of our standards and expectations.

In the Philippines, where the Marketing Company President leads the CR agenda, the focus during the year was further training of staff in relevant policies and codes. All sales representatives in the country undergo annual training in our Code of Conduct and sales and marketing

SPAIN

THE WORK OF THE ASTRAZENECA FUNDACION IN SPAIN, FOUNDED IN 2002, IS FOCUSED ON IMPROVING HEALTHCARE IN THE COMMUNITY THROUGH SUPPORT FOR MEDICAL RESEARCH PROGRAMMES AND CONTINUOUS HEALTH EDUCATION TARGETED AT IMPROVING THE QUALITY OF LIFE OF PEOPLE LIVING WITH CHRONIC DISEASE OR DISABILITY.

CHINA

ASTRAZENECA IN CHINA IS PARTNERING THE CHINESE CANCER REHABILITATION SOCIETY IN A SERIES OF EVENTS FOCUSED ON PATIENT EDUCATION IN CANCER REHABILITATION.

INDIA

TO MARK WORLD TB DAY IN MARCH 2006, ASTRAZENECA'S FIELD FORCE IN INDIA DISTRIBUTED POSTERS AND LEAFLETS IN SIX INDIAN LANGUAGES TO HELP PROMOTE DISEASE AWARENESS AMONG PATIENTS IN HOSPITALS, NURSING HOMES AND CLINICS.

codes and the induction of all new recruits includes a policies and standards session. Staff training in how to report adverse events is also a feature, as part of our commitment to patient safety. Compliance is integrated into personal targets and performance is reviewed twice a year. Plans for 2007 include the establishment of a local CR Priority Action Plan and CR management structure.

AstraZeneca in Spain has established a national CR Committee, led by the Marketing Company President and including all her functional directors. They have a local CR Priority Action Plan, which includes local as well as corporate priorities, with owners accountable for progress in each of the areas. Once a year, as a minimum, all employees receive refresher training in ethical standards of promotional practice and everyone is given driver safety training, as part of our ongoing commitment in these priority areas. AstraZeneca Spain publishes their own annual CR Report, which provides details of their commitment and performance in that country.

AstraZeneca in Lithuania integrates CR into the agenda of its Compliance Committee of cross-functional senior management, led by the Marketing Company President. Local activities are aligned to the relevant aspects of the Global CR Priority Action Plan, focusing primarily on sales and marketing practice, and employee health and safety.

In Mexico, CR is integrated into the agenda of the senior leadership team, led by the Marketing Company President. Local priorities include employee health and safety, the environment, sales and marketing practice and the integration of CR into purchasing practice.

IN THE COMMUNITY

Wherever AstraZeneca operates worldwide, we aim to make a positive contribution to our local communities through charitable donations, sponsorships and other initiatives that help make a difference. Our commitment is reflected in our Community Support Policy, which aims to ensure that our community activities 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.

We have a dedicated community support database that gathers global information centrally, enabling the sharing of information and best practice across the organisation and supporting accurate financial reporting of our overall spend in this area. The database also helps us to ensure that our efforts are aligned with our commitment to bring benefit mainly through healthcare and science education initiatives.

Examples of our community activities are included throughout this report, and more are available on our website.

In 2006, we spent a total of \$499 million on community sponsorships and charitable donations worldwide, including \$443 million in product donations, valued at average wholesale prices.

The decrease in product donations (\$835 million in 2005) reflects the implementation of Medicare Part D in the US, a change that means more people now have prescription drug coverage through the federal system. Already a leader in providing patient assistance in the US, AstraZeneca launched a new programme in November 2006 for those enrolled in Medicare Part D, but who still have financial difficulty affording their medicines, as described earlier in this report. We also extended the reach of our patient assistance programmes by expanding qualifying income levels during the year. The financial commitment associated with these initiatives will be reflected in our 2007 figures. We also continue to explore other ways in which we can help appropriate populations in the US to get the medicines they need.

BUREAU VERITAS' INDEPENDENT ASSURANCE STATEMENT

Bureau Veritas has been engaged for the third year by AstraZeneca PLC (AstraZeneca) to provide independent assurance over its Corporate Responsibility (CR) Summary Report (the Report). The preparation of the Report and its content is the sole responsibility of the management of AstraZeneca. Our responsibility is to provide assurance on the reliability of the information therein and to express our overall opinion on the Report as per the scope of assurance. The objectives, scope, methodology, limitations and exclusions of our work are detailed on the facing page.

OPINION

In our opinion, based on the work carried out:

- > The Report provides a fair summary of AstraZeneca's status and performance over the reporting period, in relation to the CR issues identified by the company to be of material interest to stakeholders.
- > The position statements in the Report demonstrate alignment with corporate policies and objectives.
- > The factual information in the Report can be considered to be accurate and reliable and is reported in a clear and understandable manner.
- > The reported Key Performance Indicator (KPI) data are also an accurate reflection of information collected at site level and collated by AstraZeneca at corporate level.
- > Safety, health and environment (SHE), community support, sales and marketing, and global employee survey data are derived from well co-ordinated systems and information sources.
- > The Report demonstrates increasing alignment to the principles of AA1000 Assurance Standard and addresses CR material issues considered to be a priority to the company's stakeholders.
- > AstraZeneca has maintained issues of compliance and reputation high on the organisation's agenda.

PROGRESS OVER THE REPORTING PERIOD

Bureau Veritas was pleased to observe that AstraZeneca has, over the reporting period:

- > Produced a guideline on consultation and communication with stakeholders on CR issues, and is now developing a platform for capturing this information in a more structured manner.

- > Developed mechanisms to strengthen its internal compliance monitoring, control and reporting with the appointment of a Global Compliance Officer, supported by a compliance network.
- > Further embedded CR principles into its standard business activities by:
 - Continued integration and alignment of CR into the organisation's management structures.
 - Integrating CR targets in the Senior Executive Team's and other functional Business Performance Management scorecards.
 - Initiating a review and reorganisation of its CR governance arrangements with the aim of realigning roles and responsibilities.
- > Included further selected global operations within the independent assurance scope.
- > Introduced a new KPI in the area of climate change and included a specific reference in the Priority Action Plan to working with new members of the AstraZeneca Group to ensure that CR expectations are understood.
- > Implemented or progressed recommendations resulting from assurance of the previous CR Summary Reports.

ALIGNMENT WITH THE PRINCIPLES OF AA1000AS

Completeness

AstraZeneca's CR agenda and reporting scope are well informed by a robust and comprehensive process of identification of CR risks and opportunities to the business at the corporate level that reflects the broad range of ongoing and new issues affecting AstraZeneca. All areas and activities of the organisation selected for inclusion in the Report have been considered and reviewed through cross-functional governance arrangements. AstraZeneca has also made progress in structuring the way it captures stakeholders' concerns and feedback, whilst new opportunities now exist for further alignment with corporate risk and reputation management programmes.

Materiality

The reporting scope has been determined through a process of prioritisation of CR issues deemed of material importance to the organisation and its stakeholders. AstraZeneca is measuring performance against CR issues of concern it has identified both internally and in consultation with certain key stakeholders in its effort to provide

information that is relevant and meaningful, although not always on the basis of structured dialogue. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Responsiveness

AstraZeneca has set CR objectives and targets for those aspects it has identified as material and, in its reporting and associated scope, provides a fair representation of its performance and status during the reporting period. AstraZeneca continues to review its Priority Action Plan and develop appropriate KPIs; during the reporting period, for instance, it has introduced a new objective to ensure that CR expectations are understood by newly acquired member-companies of the Group. It has also introduced a new KPI in the area of climate change. However, these do not yet exist for the collection of HR data in the areas of Human Rights and Patient Safety.

AstraZeneca followed up on its commitment to transparency in reporting performance data on some material CR issues such as breaches of sales and marketing external regulations or codes, animals used in research and CO₂ emissions. The business has reported performance improvement against its main reported parameters.

KEY AREAS FOR FURTHER CONSIDERATION BY ASTRAZENECA

Based on the work conducted, we recommend AstraZeneca to consider the following:

1. In light of the ongoing internal re-structuring of relevant functions, ensure that the Group's CR management and governance arrangements continue to be clearly defined, communicated and implemented.
2. Continue to ensure that the setting of objectives and performance indicators at a local level is appropriate to local requirements and consistent with the priorities and objectives set at the corporate level.
3. Continue to progress the integration of CR across its global operations against common understanding as to the purpose, benefit and relevance of such an initiative.
4. Improve the process for ensuring external stakeholder concerns are consistently captured and fed into the company's CR risk identification.

5. Incorporate or refine performance measures through use of reporting guidelines such as the GRI to facilitate benchmarking against areas of common concern across industry and to assist in extending the range of performance data reported.
6. Where appropriate, improve the robustness of data collection systems for the Priority Action Plan KPIs, and to report progress against these KPIs. This should include where best practice has been observed, setbacks experienced, instances of non-compliance and corrective actions taken to address these.
7. Continue to build upon existing systems to develop KPIs in the company's CR Priority Action Plan, where these have not been progressed.
8. Formally manage and report on AstraZeneca's response to independent recommendations and stakeholders' feedback over its CR approach and performance.

This opinion has been formed on the basis of, and is subject to, the inherent limitations outlined below in this independent assurance statement. The assurance work was planned and carried out to provide reasonable, rather than absolute, assurance and we believe it provides a reasonable basis for our conclusions.

OBJECTIVES OF ASSURANCE

The objectives were to:

1. Provide assurance over the content of the Report for the reporting period 1 January to 31 December 2006.
2. Evaluate the Report against the main principles of the AA1000 Assurance Standard:
 - > Completeness
 - > Materiality
 - > Responsiveness
3. Provide an impartial commentary on the reporting process and where appropriate, propose recommendations for further development.

Bureau Veritas recognises the need for a robust, transparent assurance process to ensure credibility and to act as a tool to drive performance improvement of AstraZeneca's CR programme. This is achieved by providing an impartial commentary on the reporting process and, where appropriate, propose recommendations for further development, further elaborated in a separate report to the management of AstraZeneca.

SCOPE OF ASSURANCE

The scope of our work was determined through discussions with AstraZeneca and included provision of assurance over:

- > AstraZeneca's CR management and governance structure, supporting policies, and related management and implementation systems.
- > Factual information relating to environmental and social issues, initiatives, systems and supporting data including KPIs.
- > Information from AstraZeneca's global operations that has been incorporated into the Report.
- > Progress over the reporting period.

METHODOLOGY

Factual statements and supporting data were verified through a series of interviews, document review, data sampling and interrogation of supporting databases and associated management and reporting systems. This involved challenging and substantiating the content of the material presented in the Report. This process was used to assess the quality of reporting and underlying systems that support CR performance. We have ensured, as a minimum, that the data have been accurately transposed into the Report.

- > We have interviewed more than 50 personnel at all levels throughout the organisation, including senior level, research and supervisory staff.
- > We conducted site visits to AstraZeneca's UK offices in London and Alderley and operations in Södertälje, Sweden and Naucalpan, Mexico.

Our work should not be relied upon to detect all errors, omissions or misinterpretations in the Report.

LIMITATIONS AND EXCLUSIONS

Excluded from the scope of our work is information relating to:

- > Activities outside the defined reporting period.
- > Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intention provided by AstraZeneca).

> Information that was of a highly confidential nature (in the minority) was also subject to review, for example pricing and patient safety; whilst such information was witnessed as part of the assurance, it was not always possible to provide a detailed assessment.

> Financial data in this Report are taken from AstraZeneca's Annual Report and Form 20-F Information, which is separately audited by an external auditor and therefore excluded from the scope of the Bureau Veritas assurance.

STATEMENT BY BUREAU VERITAS OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 170 years' history in providing independent assurance services, and an annual turnover in 2005 of €1.7 billion.

Our assurance team does not have any involvement in any other projects with AstraZeneca and we do not consider there to be a conflict between the other services provided by Bureau Veritas and that of our assurance team.

Bureau Veritas has implemented a Code of Ethics across its business which is intended to ensure that all our staff maintains high ethical standards in their day-to-day business activities.

Competence: Our assurance team has over 20 years' combined experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes in accordance with best practice.

LONDON, JANUARY 2007



BUREAU
VERITAS

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