Responsible Business Summary

As included in our Annual Report and Form 20-F Information 2011

AstraZeneca

Health Connects Us All

Our core values sit at the heart of our culture: working with integrity and to high ethical standards; showing respect for the individual and diversity; being open and honest in all our interactions; and leading by example at all levels.

> Our Responsible Business Plan provides the framework for applying integrity and high ethical standards across all our activities.

> Our commitment to the highest standards of sales and marketing practice was underpinned in 2011 by our new Global External Interactions Policy which describes what is required to operate with the highest level of integrity in our interactions with public officials, healthcare professionals and community organisations. Among other things, it places a ban on providing gifts, other than low monetary value cultural items or educational items for the benefit of patients.

> A Responsible Business Council comprising senior leaders and reporting to the Senior Executive Team has been established. The Council will agree the Responsible Business strategy and oversee its implementation as measured by long-term and annual objectives, targets and KPIs established by the relevant business functions and published in the Responsible Business Plan.

85%

A member of the Dow Jones Sustainability Index since 2001, we achieved our highest ever assessment score in the 2011 World Index.

Responsible Business

We are committed to acting responsibly and to the sustainable development of our business

“Our continuing commitment to enhancing the sustainability of our business was demonstrated by the launch of our Responsible Business Plan and the creation of our Responsible Business Council”

Dame Nancy Rothwell
Non-Executive Director, with responsibility for overseeing Responsible Business

In this section we describe how we are working to deliver business success responsibly, including summary information about our commitment and performance in certain key areas. Further information about these areas and others is available on our website, astrazeneca.com/responsibility.

Introduction

At AstraZeneca, we are dedicated to the research, development, manufacture and marketing of medicines that make a difference in healthcare. For us, this is at the core of our responsibility to our stakeholders and to society. Successful pharmaceutical innovation, delivered responsibly, brings benefits for patients, creates sustainable value for shareholders and contributes to the economic development of the communities we serve.

Previous sections have described our strategic business priorities and how we are enhancing our R&D, expanding our footprint in Emerging Markets, continuing our efforts to source innovation from outside AstraZeneca and increasingly working in partnerships that broaden the base for success in improving healthcare. At the same time, we continue to drive efficiency and effectiveness across the organisation, including increased outsourcing to a diverse range of strategic suppliers.

All of these efforts are underpinned by our continued commitment to the sustainable development of our business which delivers value for our stakeholders and for us. To that end, our responsible business objectives must be closely aligned to, and support delivery of, our business strategy. Our new Responsible Business Plan, published in April 2011, provides our framework for delivering business success responsibly. It puts at the top of our agenda those areas most impacted by our strategic priorities and which are therefore key enablers of our business strategy.

This means a specific focus on:

> Clinical trials and animal research – underpinning our drive for innovation with sound ethical R&D practice worldwide
> Sales and marketing practices – driving consistently high ethical standards to promote our medicines responsibly worldwide
> Access to healthcare – exploring ways of increasing access to healthcare for underserved patient populations in a sustainable way
> Human rights – making sure that we continue to develop and drive a consistent approach across all our activities
> Diversity and inclusion – ensuring that diversity, in its broadest sense, is appropriately represented in our leadership, our workforce and our thinking. See the People section from page 40 for more information
> Suppliers – working only with organisations who embrace ethical standards that are consistent with our own.

Delivering our strategy

As well as managing specific responsible business challenges associated with the changes to our strategy, we are maintaining focus on other aspects of our responsibility:

> Patient safety
> Environmental impact
> Employee safety, health and wellbeing
> Community investment.

A summary of these areas of focus is provided in this section. The full Responsible Business Plan is available on our website, astrazeneca.com/responsibility.

Accountabilities and responsibilities

The Board is responsible for our Responsible Business framework and Non-Executive Director, Dame Nancy Rothwell, oversees implementation and reporting to the Board.

The SET and senior managers throughout the Group are accountable for operating responsibly within their areas taking into account national, functional and site issues and priorities. Line managers are accountable for ensuring that their teams understand the requirements and that people are clear about what is expected of them as they work to achieve AstraZeneca's business goals. Individually, everyone has a responsibility to integrate sustainability considerations into their day-to-day decision making, actions and behaviours.

Our dedicated Global Corporate Responsibility Team (CR Team) works together with the SET areas across the business to ensure that responsible business risks and opportunities are identified and managed appropriately, in line with our strategic business objectives.

Responsible business governance

During 2011, we established the Responsible Business Council (the Council) – a cross functional team of senior leaders, chaired by our EVP, HR and Corporate Affairs. The Council will meet twice a year and their agenda is focused on driving long-term value creation by agreeing, among other things:

> Responsible Business priorities for the Group in line with strategic business objectives
> Strategy and overseeing performance as measured by short- and long-term objectives, targets and key performance indicators recorded in the Responsible Business Plan
> Appropriate policy positions to support AstraZeneca's business objectives and reputation management.

The Council is supported by a newly established Responsible Business Working Group (the Working Group) of SET area representatives and our CR Team, chaired by the Head of Corporate Affairs Strategy, Brand and CR. Among other things, the Working Group continuously reviews external issues with the potential to impact AstraZeneca and, as appropriate, prepares management and measurement proposals for the Council's consideration. The Working Group will meet four times a year.

External engagement and benchmarking

Stakeholder dialogue was critical in the development of our Responsible Business Plan and we continue to engage with our stakeholders to ensure that our strategy development and risk management take account of their feedback.

During 2011, we developed a global framework for multi-stakeholder engagement to provide a consistent, best practice-based approach across AstraZeneca and to improve how we capture feedback from around the world.

We held a number of multi-stakeholder events throughout the year. These included an event specifically for key Socially Responsible Investor (SRI) contacts. The agenda reflected areas of interest expressed by the SRI community and focused on growth in Emerging Markets, sustaining innovation in R&D and managing environmental impact. Feedback following the event was generally positive and the opportunity to interact with senior AstraZeneca leaders was particularly welcomed by the participants. Discussion centred on how we are managing the potential challenges to sustainability as we expand our business and drive R&D productivity. The SRIs also highlighted that they wanted more information on our access to healthcare strategy.

We also hosted a discussion on global product security during the year. This brought together representatives from diverse organisations, geographies and perspectives to gain insights into what our stakeholders expect from us in the area of product security, and to gain new perspectives on how we can reduce the threat that counterfeiting and illegal trade pose to global health. Attendees included NGOs, supply chain partners, academics and enforcement professionals from both the developed and developing world. The discussion focused mainly on the critical need for collaboration between all the key players in this area, including the role that AstraZeneca can play, working with other manufacturers and influencing broader stakeholders regarding policy and regulation, enforcement and activities to influence patient understanding and behaviour. Product security is an inherent part of our commitment to patient safety, which continues to be a fundamental consideration.

In addition, we use the insights we gain from external surveys to develop our approach in line with global best practice. A member of the Dow Jones Sustainability Index since 2001, AstraZeneca achieved its highest ever placing in the 2011 World Index. We also retained our listing on the DJSI STOXX – European index (the top 20% of the 600 largest European companies) for the fourth year running (one of only four pharmaceutical companies to do so out of 14 assessed). We achieved a total score of 85% (2010: 81%) compared with a sector best score of 87% (2010: 87%). We increased individual scores for 14 out of 23 criteria for 2011 (compared to nine out of 23 criteria in 2010) including corporate governance, R&D, environmental policy and supplier standards. While these scores are encouraging, we lost ground in some areas including marketing practices and health outcomes contribution. To better understand these lower scores, we have commissioned an in-depth external benchmark survey and the analysis will be used to inform our improvement planning. The survey is expected to report in the first quarter of 2012.

External assurance

Bureau Veritas has provided external assurance on the responsible business information contained within this Responsible Business section of this Annual Report and of the detailed content of the Responsibility section of our website. Bureau Veritas has found the responsible business information provided within this Annual Report to be accurate and reliable (based on the evidence provided and subject to the scope, objectives and limitations defined in the full assurance statement). The full assurance statement which contains detailed scope, methodology, overall opinion and recommendations can be found on our website, astrazeneca.com; web page content assured by Bureau Veritas is marked at the bottom of each page. Bureau Veritas is an independent professional services company that specialises in quality, health, safety, social and environmental management with a long history of providing independent assurance services.

India has the fastest growing number of urban poor in the world. However, services and infrastructure have not kept pace with rapid urbanisation. There are significant issues related to water and sanitation, including lack of potable water, waste disposal and sewage maintenance. Access to health services is limited and awareness about sexual and reproductive health and HIV/AIDS is low.

Our programme seeks to improve the health of adolescents by empowering them with necessary information, skills and access to services. Objectives for the programme include enabling better choices about health and lifestyle, as well as improving health seeking behaviours through raising awareness and knowledge about healthcare and access to available healthcare systems.

The programme is being implemented by Plan India in partnership with the Community Aid and Sponsorship Programme (CASP). Since its launch in November 2010, over 30,000 young people have received health information.

healthintegrity

Improving the health of young people

The Young Health Programme is a global programme. In India it is focused on improving hygiene, infection and reproductive health in five settlement areas in Delhi.

Delivering our strategy

R&D ethics

We want to be recognised for our high quality science and for the impact we can make on serious diseases, and to be trusted for the way we work. Our standards of R&D ethics are global and apply to all AstraZeneca research activity, in all locations, whether conducted by us or on our behalf by external contract research organisations (CROs). We continue to work to ensure that these standards are applied, particularly as we expand our activity in countries such as China and Russia.

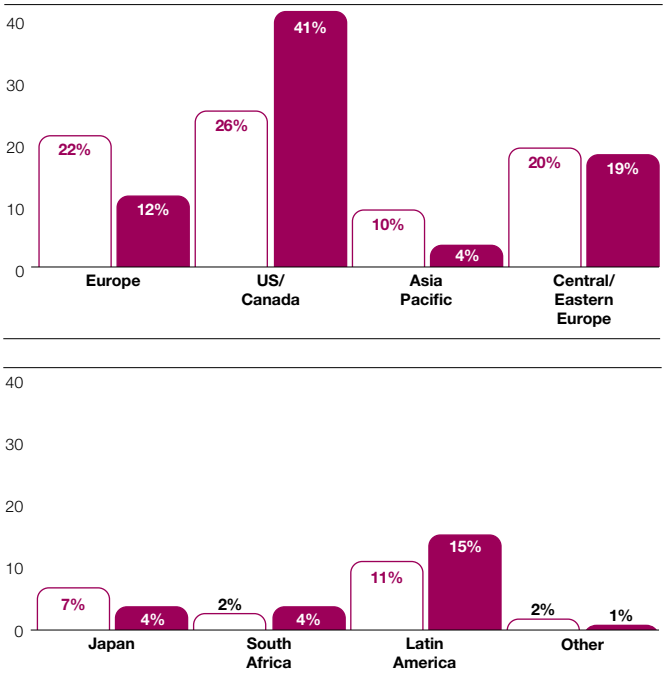
Clinical trials

We conduct clinical trials at multiple sites in several different countries. A broad geographic span helps us to ensure that those taking part in our studies reflect the diversity of patients around the world for whom the new medicine is intended. This approach also helps to identify the types of people for whom the treatment may be most beneficial.

Our global governance process for determining where we place clinical trials provides the framework for ensuring a consistent approach worldwide. We take several factors into account, including the availability of experienced and independent ethics committees and a robust regulatory regime, as well as sufficient numbers of trained healthcare professionals and patients willing to participate in a trial.

Before a trial begins, we work to make sure that those taking part understand the nature and purpose of the research and that proper procedures for gaining informed consent are followed (including managing any special circumstances, such as different levels of literacy). Protecting participants throughout the trial process is a core priority and we have strict procedures in place to ensure that they are not exposed to any unnecessary risks.

Patients in global AstraZeneca studies by geographic region (2011)



We recognise that situations may exist where continued provision of a non-approved clinical study drug to patients is both appropriate and necessary following the completion of a clinical study. During 2011, we introduced a new standard to provide global guidance in this area. Factors we take into account include the severity of the disease, the availability of alternative treatments, the individual patient response to the medicine, and the overall benefit/risk profile of the medicine based on completed and ongoing studies. If we continue to provide a clinical study drug after the original study is completed, we ensure that appropriate oversight measures are in place, such as dispensing treatment in the context of a clinical study or a compassionate use programme.

All our clinical studies are conceptually designed and finally interpreted in-house but a percentage of them are run for us by CROs. In 2011, around 39% of patients in our small molecule studies and around 66% of patients in our biologics studies were monitored by CROs on our behalf. We contractually require CROs to work to our global standards and we conduct risk-based audits to monitor compliance.

We publish information about the registration and results of all our clinical trials, whether favourable or unfavourable to AstraZeneca, on a range of public websites including our own dedicated site, astrazenecaclinicaltrials.com. By the end of 2011, we had registered over 1,370 trials and published the results of more than 1,150.

Animal research

Animal studies continue to 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 body. Regulatory authorities around the world also require safety data from preclinical testing in animals before a new medicine can be tested in humans.

As we work to improve our R&D productivity, we remain committed to minimising our use of animals without compromising the quality of the research data. All research using animals is carefully considered and justified, not only to confirm the scientific need for a study, but also to make sure that it has been designed so that the minimum number of animals is used and that they are exposed to as little pain and distress as possible.

Wherever possible, we use non-animal methods, such as computer modelling, that eliminate the need to use animals early in drug development or reduce the number required. We also work to refine our existing methods. This replacement, reduction and refinement of animal studies is known as ‘the 3Rs’ and to support our drive for continuous improvement, we work both within AstraZeneca and the wider scientific community to share 3Rs knowledge and learning.

The number of animals we use will continue to vary because it depends on a number of factors, including the amount of preclinical research we are doing, the complexity of the diseases under investigation and regulatory requirements. We believe that, without our active commitment to the 3Rs, our animal use would be much greater. In 2011, we used approximately 381,400 animals in-house (2010: 408,000). In addition, approximately 16,600 animals were used by external CROs on our behalf (2010: 21,000).

The welfare of the animals we use continues to be a top priority and our standards apply worldwide. In addition to mandatory inspections by government authorities, we have a formal programme of regular peer reviews of our internal animal research facilities conducted by our own qualified staff. External CROs that conduct animal studies on our behalf are required to comply with our global standards and we undertake audits to ensure our expectations are being met.

Protests

AstraZeneca acknowledges the right of every individual to express their views on the use of animals in research but we condemn the use of violence and other illegal acts. We firmly reject any harassment, intimidation or harming of our employees and their families, our suppliers and our other stakeholders as totally unacceptable.

Sales and marketing ethics

Delivering consistently high standards of sales and marketing practice continues to be one of our top priorities and is at the core of our commitment to driving commercial success responsibly. Our activities centre on ensuring that the appropriate information is provided to those who need it to support the safe and effective use of our medicines and enhance patient care.

We have always had a range of sales and marketing policies and standards in place but, following a review in 2010, we further strengthened the requirements and consolidated the range to form a single new Global Policy on External Interactions (the Policy). Launched in April 2011, the new Policy provides a single common, principle-based approach to all our interactions worldwide. Everyone in AstraZeneca, wherever they are located, is required to work to our global standards of ethical sales and marketing practice. We believe this is especially important as we grow our business in Emerging Markets, such as China and Russia, alongside our continued efforts in Established Markets, including the US and Japan.

The diversity of business cultures around the world means that putting a global approach into practice at a local level is a challenge. Nevertheless, we are committed to making it work. During 2011, we continued to provide targeted training for our people to ensure expectations and accountabilities were clear and understood as well as where to obtain further advice and support if needed. We are also talking to our customers and other stakeholders to explain the changes they are seeing to the way we are working with them.

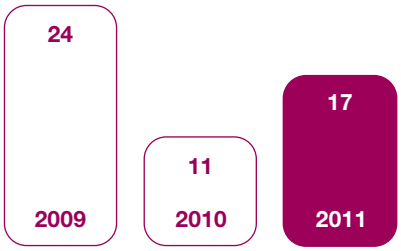
We have comprehensive processes in place for monitoring compliance with our Code of Conduct and global policies, including dedicated compliance professionals who support our line managers locally in monitoring their staff activities. We also have a nominated signatory network that works to ensure that our promotional materials meet all applicable requirements.

Instances of potential non-compliance are collected through our compliance incident management processes and reviewed by senior management in local and/or regional compliance committees. Serious breaches are reviewed by the Audit Committee and, if appropriate, the Board. More information about our compliance and risk assurance processes is contained in the Managing risk section from page 129.

We take all breaches very seriously and act to prevent repeat occurrences. In 2011, we identified a total of 17 confirmed breaches of external sales and marketing regulations or codes globally (2010: 11; 2009: 24). Excluding the confirmed external breaches, there were 1,275 instances of failure to comply with our Code of Conduct and global policies in our Commercial organisation, including contract staff. In relation to all these breaches we removed 214 people from their role, formally warned 570 people, and provided further guidance or coaching on our policies for 971 people. It is important to note that a single breach can involve more than one employee failing to meet the standards required.

We believe that the increase in identified breaches is due in part to our enhanced management oversight of compliance and heightened awareness of policy requirements through targeted training, alongside improved data capture mechanisms. However, we acknowledge that our numbers are likely to continue to vary as we reshape our business and geographic footprint. We will continue to focus our compliance efforts appropriately.

Global KPI: Breaches of external sales and marketing codes and regulations ruled by external bodies



Disciplinary actions: Breaches of Code of Conduct by our Commercial organisation including contract staff

	Number of people	
Action taken	**2011**	2010
Removed from role*	**214**	117
Formal warning	**570**	740
Guidance and coaching	**971**	768
Total	**1,755**	1,625

* In the majority of cases, this means dismissal from the Company/contract termination, but it can include resignations and demotions.

US Corporate Integrity Agreement reporting

In April 2010, AstraZeneca signed an agreement with the US Department of Justice to settle an investigation relating to the sales and marketing of *Seroquel IR*. The requirements of the associated Corporate Integrity Agreement between AstraZeneca and the Office of the Inspector General of the US Department of Health and Human Services (OIG) include a number of active monitoring and self-reporting obligations that differ from self-reporting required by authorities in the rest of the world. To meet these obligations, AstraZeneca provides notices to the OIG describing the outcomes of particular investigations potentially relating to violations of certain laws, as well as a separate annual report to the OIG summarising monitoring and investigation outcomes relevant to Corporate Integrity Agreement requirements.

Access to healthcare

Providing sustainable access to healthcare for all those who need it is a significant global challenge. The complexities surrounding the issue mean that there is no 'one size fits all' solution. Factors affecting access range from the affordability of medicines to the availability of healthcare systems and the resources to make them effective. We believe it will take a combined global effort involving all related stakeholders to drive sustainable progress in increasing access to healthcare worldwide and we know that, as a global biopharmaceutical company, we can make a meaningful contribution to that effort.

Our strategy takes account of the different barriers to healthcare in different parts of the world and, because access to healthcare can also vary within a country, our approach is tailored locally to meet the needs of different patient populations. We are pursuing a range of different initiatives across these populations to understand what works best and in what context. We believe we will be able to make the biggest contribution to improving health where we are able to adopt a commercial approach. Our goal is always to improve health for patients and add value for our stakeholders and our business.

> Our mainstream business will continue to focus on those people for whom healthcare is readily available and who can afford our medicines. The selling of these medicines in our Established Markets helps enable us to generate the revenue we need to provide our shareholders with a return, invest in continued innovation and pursue other opportunities to increase the availability of our medicines.

Delivering our strategy

> As we expand our business in new geographies, we are exploring broad market strategies to reach new patients, in particular the emerging middle income populations who are increasingly able to access healthcare systems and for whom our medicines are becoming affordable. You can read more about our efforts to broaden access to our medicines in the Sales and Marketing section from page 36.

> The availability of medicines is not always the primary challenge. Access to healthcare also depends on having a functioning healthcare system and the right allocation of resources to make sure that medicines are used appropriately as part of overall health management. For people in communities with limited healthcare infrastructure we partner with others to help strengthen healthcare frameworks and capabilities.

We have defined some common criteria to guide our commitment and ensure that all our partnerships centre on delivering meaningful and enduring benefit. The key principles are that our partnerships:

> lead to positive, measurable outcomes in underserved communities
> can be scaled up and potentially replicated to improve outcomes for a greater number of people
> deliver a sustainable framework that can ultimately be owned and managed locally, without the need for our support.

Such partnerships can also contribute to our business development, by enabling us to understand better the health needs of, and build important relationships in, markets of the future. An example is our Phakamisa initiative in South Africa (see page 55 for further information).

We also partner with NGOs who are experienced at tackling disease at a community level. For example, we have been supporting the British Red Cross since 2002 in their work to tackle TB and TB/HIV in Kyrgyzstan, Turkmenistan and Kazakhstan and, more recently, in South Africa and Lesotho. To date, over 16,000 people have been directly supported in completing their TB treatment across all our partnership countries and TB mortality and morbidity rates continue to fall in our partnership countries in central Asia. Our partnership with the African Medical and Research Foundation (AMREF), created in 2007, centres on strengthening healthcare systems and integrating the management of malaria, HIV/AIDS and TB (MAT) programmes in Uganda, where there is a high burden of all three diseases. Progress to date includes six laboratories upgraded to Ministry of Health standards to support improved diagnosis and over one million patient visits recorded in the Health Management Information System as having received MAT diagnostic, treatment and other services.

Our most recent community investment, the AstraZeneca Young Health Programme (YHP) is designed to help young people in need around the world deal with the health issues they face so they can improve their chances of living a better life. We are working with expert partners, Plan International and Johns Hopkins Bloomberg School of Public Health, to identify the needs in our local communities and to help address these needs with a combination of work on the ground, research and advocacy. Adolescent health remains an underserved part of the healthcare agenda and this global investment initiative aims to make a measurable and sustainable difference. YHP initiatives are now in place in nine countries and our target is 15 by the end of 2012. By 2015, YHP will reach 500,000 young people between the ages of 10 and 24 directly and will touch an additional 500,000 lives indirectly.

> On a broader basis, we collaborate at a global level to increase understanding of fast-emerging and existing health threats in the developing world, and to lend our skills and resources to addressing these. For example:

  > In partnership with the IFPMA, AstraZeneca is undertaking policy research to understand practical steps to overcome the barriers to treatment and care for non-communicable diseases (NCDs) which are fast overtaking communicable diseases as a developing world health threat. The challenges that NCDs present are not new to us. We have many decades of experience in NCD treatment, with a strong product portfolio and pipeline of new medicines targeting these areas. The majority of our research investment continues to centre on NCDs.
  > Alongside the rising challenge of NCDs, the battle against TB and neglected tropical diseases (NTDs) is far from over. Scientists at our dedicated research facility in Bangalore, India are focused on finding a new treatment for TB. For further information about this, see the Infection section from page 64. As outlined in the Research and Development section from page 30, during 2011, we joined the World Intellectual Property Organization's (WIPO) Re:Search initiative. This unprecedented collaboration between the private sector and public partners will make publicly available a searchable database of available IP assets and resources for use in NTD research to speed the discovery and development of new potential treatments.

More information about our Access to healthcare strategy and the associated initiatives is available on our website, astrazeneca.com/responsibility.

Human rights

As we reshape our organisation, grow our business and increase our outsourcing, we are working to make sure that human rights continue to be appropriately integrated into our policies and processes.

AstraZeneca is a signatory to the United Nations Global Compact (UNGC), a strategic public-private initiative for organisations committed to social and environmental sustainability. This means that we have committed to uphold 10 internationally recognised principles in the areas of human rights, labour standards, environmental sustainability and anti-corruption. These are long-standing principles for AstraZeneca (as described in our Code of Conduct and global policies) but being part of the UNGC reinforces how seriously we take these principles. It also gives us the framework for further developing our approach.

In recent years, we participated in a project led by the Danish Institute for Human Rights (DIHR), working with the pharmaceutical industry to develop a human rights assessment tool for pharmaceutical companies, based on the DIHR's existing Human Rights Compliance Tool. The first pharmaceutical industry version of the tool was launched in November 2010 and we used it to conduct a labour review in 11 of our marketing companies, including some countries where national labour standards are inconsistent with global best practice. The review focused on International Labour Organization core areas (freedom of association and collective bargaining, forced and bonded labour, child labour, discrimination and working time and wages).

Building on the experience of this review, we adapted and simplified the employment section of the assessment tool and, during the remainder of 2011, used it to conduct a labour review in every country where AstraZeneca has employees.

The results of all our 2011 reviews are currently being collated and analysed to identify what we are doing well and where we may need to improve. Any areas identified for improvement will be included in our local people strategies in the relevant countries.

Also in 2011, the DIHR in collaboration with AstraZeneca, GSK, Novartis and Merck established the Human Rights Assessment Tool for Pharmaceuticals Companies Forum (the Forum). The Forum is a means of sharing information, experience and best practice, helping members to better understand what it means to integrate human rights into daily business practice and to further clarify human rights responsibilities for pharmaceutical companies.

Working with suppliers

Our ongoing drive to support increased efficiency through our procurement activity continues to be underpinned by our work to make sure that our purchasing is directed only to those organisations which embrace ethical standards consistent with our own.

Our Global Responsible Procurement Standard (the Standard) defines one of the key business processes for integrating our ethical standards into our procurement activity and decision making worldwide. It includes detailed expectations of suppliers. In addition, responsible procurement clauses that include audit requirements are incorporated in supplier contracts. We continue to review the Standard to ensure it appropriately reflects our commitment and during 2011, revised it to strengthen the anti-bribery and anti-corruption (ABAC) requirements in line with our ABAC policy and the requirements of the UK Bribery Act.

The process outlined in our Standard applies to suppliers of goods and services globally and is focused on ensuring that our responsible business expectations are being met. Specific expectations of suppliers such as healthcare professionals or CROs are managed within the relevant functions using specific assessment and monitoring processes.

Our Responsible Procurement process is based on an escalating set of risk-based due diligence activities, applied in a pragmatic way. The same initial assessment process is used for all suppliers and more detailed, focused assessments are then made, relevant to the service provided. Full details of the process are available on our website, astrazeneca.com/responsibility.

By the end of 2011, we had completed 3,342 responsible procurement risk assessments accounting for 71% of our third party spend.

We categorise suppliers as high, medium or low risk. We focus our auditing efforts on high and medium risk rated suppliers but we also audit some suppliers that we consider to be lower risk, to confirm our performance expectations across all suppliers we do business with. In 2011, we worked with our suppliers to substantially increase our audit activity. 727 suppliers across 55 countries have participated in 751 audits undertaken this year (48 audits and 42 suppliers in 2010).

Forty five percent of supplier sites audited demonstrated standards that met our expectations with a further 51% implementing improvements to address non-compliances. We monitor progress across all corrective actions and 4% of suppliers audited this year will require significant follow up to confirm they will make the improvements we require. We will not use suppliers who are unable or unwilling to meet our expectations in a timely way.

Our audits are conducted through a combination of internal resources and external independent auditors. Our assessment programmes reflect best practice from other industry sectors as well as the principles of the Pharmaceutical Supply Chain Initiative.

Patient safety

The safety of the patients who take our medicines will always be a fundamental consideration for us. All drugs have potential side effects and we aim to minimise the risks and maximise the benefits of each of our medicines, beginning with the discovery of a potential new medicine and continuing throughout its development, launch and marketing.

After launch, we continually monitor the use of all our medicines to ensure that we become aware of any side effects not identified during the development process. This is known as pharmacovigilance and is core to our ongoing responsibility to patients. We have comprehensive and rigorous pharmacovigilance systems in place for detecting and rapidly evaluating such effects, including mechanisms for highlighting those that require immediate attention. We also work to ensure that accurate, well-informed and up-to-date information concerning the safety profile of our drugs is provided to regulators, doctors, other healthcare professionals and, where appropriate, patients.

We have an experienced, in-house team of clinical patient safety professionals working around the world who are dedicated to the task of ensuring that we meet our commitment to patient safety. At a global level, every medicine in development and on the market is allocated a Global Safety Physician and a team of patient safety scientists. In each of our markets we also have dedicated safety managers with responsibility for patient safety at a local level.

Our two Chief Medical Officers (one for small molecule products and one for biologics) have overall accountability for the benefit/risk profiles of the products we have in development and those on the market. They provide medical oversight and ensure that appropriate risk assessment processes are in place to enable informed decisions to be made about safety as quickly as possible.

We use an external provider, Tata Consultancy Services (TCS), to manage the data entry process for individual case safety reports relating to our products. As experts in their field, TCS continues to drive improvements in the efficiency and consistency of data entry across AstraZeneca and using TCS for this work means our patient safety teams can focus primarily on case prioritisation, the medical aspects of patient safety and continuing to improve our safety science. TCS is contractually required to comply with our patient safety standards and is closely monitored through audits against detailed quality and compliance performance indicators.

Environmental sustainability

Managing our environmental impact is a core commitment. In January 2011, we implemented our new SHE strategy and associated objectives and targets for 2011-2015 which are closely aligned with our business objectives and provide the framework for driving our environmental sustainability going forward. This section includes summary information about certain key areas of the framework. Full details of our strategy, objectives and targets are available on our website, astrazeneca.com/responsibility.

We aim to minimise our environmental impact by reducing the carbon footprint and natural resource demands of our business activities, and improve the environmental profile of our products. We believe we are on track to deliver our 2015 targets.

We work to reduce our CO_2 emissions by, among other things, improving our energy efficiency and pursuing lower-carbon alternatives to fossil fuels at our sites, and making sure that our travel and transport activities are as efficient as possible. Our carbon footprint is also affected by some of our respiratory therapies, specifically our

pressurised metered-dose inhalers that rely on hydrofluoroalkane (HFA) propellants to deliver the medicine to a patient's airways. While HFAs have no ozone depletion potential and a third or less of the global warming potential than the chlorofluorocarbons (CFCs) they replace, they are still greenhouse gases. Our target is to reduce our operational greenhouse gas footprint (excluding emissions from patient use of our inhaler therapies) by 20% by 2015. In 2011, our greenhouse gas emissions (from all sources) totalled 1.17 million tonnes (35 tonnes/$m indexed to Group revenue).

The management of waste is another key aspect of our commitment and we have a 2015 target of a 15% reduction in hazardous and non-hazardous waste. Our primary focus is waste prevention, but where this is not practical, we concentrate on waste minimisation and appropriate treatment or disposal to maximise the reuse and recycling of materials and minimise disposal to landfill. In 2011, our total waste was 45.9 thousand tonnes (excluding our biologics capabilities) with a tonnes/$m index of 1.41.

We recognise the need to use water responsibly and where possible to minimise the use of water in our facilities. To support the delivery of our target to reduce water use by 25% by 2015, we now have water conservation plans at our largest sites. In 2011, our water use was 4.4 million m^3 with a m^3/$m index of 130.

Alongside these efforts, we are also working to ensure that we measure and report the impact of our external manufacturing activity on the environment, and that our suppliers have appropriate environmental improvement targets.

Our continued commitment to product stewardship is underpinned by our ongoing work to integrate environmental considerations into a medicine's complete life-cycle, from discovery and development, through manufacturing, marketing, use and, ultimately, disposal. Further information is available on our website, astrazeneca.com/responsibility, including environmental risk assessment data for our medicines.

Employee safety, health and wellbeing

Providing a safe workplace and promoting the health and wellbeing of all our people remains a core consideration. We provide a wide range of health and wellbeing improvement programmes across AstraZeneca, designed to help people understand their personal health risks and support them in proactively managing these risks.

In January 2011, we implemented our new SHE strategy and a complementary Health and Wellbeing strategy, with associated objectives and targets for 2011-2015. The new targets reflect our determination to stay focused on continuous improvement as we grow and reshape our business.

Driver safety remains our highest priority for improvement and our focus is on promoting driver safety among our sales forces, collectively the single largest group of employees who drive on company business. Our long-standing 'Road Scholars' scheme in the US continues to be a valuable channel for building awareness and improving driver skills. Outside the US, our 'Drive Success' programme takes into account the different driving environments in the various countries in which we operate and provides a high-level framework of common standards and measures to be applied by each country. Driver safety targets are included in regional and local scorecards. Performance is monitored centrally to assess progress and identify areas for improvement.

We regret that during 2011 one of our employees was killed in a road traffic accident while driving on AstraZeneca business. A detailed investigation was carried out, including an audit of the implementation of the Drive Success programme. An action plan was drawn up to respond to the findings of the investigation which include further enhancements to the Drive Success programme and increased communications to drivers. These actions are being tracked and learning will be shared widely across the business.

In 2011, we achieved a 23% improvement in the lost time injury/illness rate compared to the baseline year (2010), exceeding our annual improvement target. This puts us well on track to achieve our 2015 target of a 25% reduction in the lost time injury/illness rate.

Work-related stress remains our greatest single category of occupational illness with high workloads, interpersonal issues and organisational change identified as significant factors. As part of our ongoing efforts in this area, we are adopting an increasingly proactive, risk-based approach, using wellbeing risk assessment tools to identify high-risk areas and target interventions more effectively.

Community investment

Wherever AstraZeneca operates worldwide, we aim to make a positive contribution to our local communities through partnerships, charitable donations and other initiatives that help to make a sustainable difference. Our investment is focused on improving health and promoting science skills.

In 2011, we spent a total of $1.27 billion (2010: $1.41 billion) on community sponsorships, partnerships and charitable donations worldwide, including our product donation and patient assistance programmes which make our medicines available free of charge or at reduced prices. Through our three patient assistance programmes in the US we donated products valued at an average wholesale price of over $938 million (2010: $1.38 billion). We also donated products worth $8.2 million, valued at average wholesale price, to the charitable organisations: Americares and Direct Relief International.

Disaster relief

During 2011, we made a number of contributions to disaster relief efforts, including donations from our Charities Aid Foundation (CAF) account. We also developed an enhanced protocol for working with the British Red Cross, our global disaster relief partner, to improve our internal coordination and enable us to respond in a timely, consistent and effective way to emergencies as and when they arise. This protocol was used to inform the following contributions to disaster relief efforts during the year.

> In February 2011, we donated £10,000 (approximately $16,000) from our CAF account to the British Red Cross New Zealand Earthquake Appeal. In March 2011, we donated £100,000 (approximately $162,000) from our CAF account to the British Red Cross Libya and Region Appeal to help support those who had fled to neighbouring countries to escape the violence in Libya.

> Following the earthquake in Japan, we donated 51 million Yen (approximately $640,000) as part of an overall pledge of 100 million Yen (approximately $1.3 million) to Ashinaga Ikueikai in support of their ongoing relief and rebuilding effort. In addition, employee donations from AstraZeneca in Japan totalling 25.5 million Yen (approximately $320,000) were matched by the Company. We donated $25,000 to AMREF to support their local networks in North East Kenya, where the Horn of Africa drought was having a devastating impact.

healthcollaboration

Raising breast cancer awareness and improving treatment

Named after the Zulu word for ‘rise’ or ‘uplifting’, our Phakamisa partnership brings together different organisations to help raise breast cancer awareness, increase early diagnosis, and improve access to treatment and effective support networks in communities across South Africa.

Breast cancer is the most common cancer among women in South Africa and is on the increase. Every year, 1 in 29 women will be diagnosed with the disease. Many more go undiagnosed and a lot of women are unable to afford or access treatment.

Phakamisa helps in three ways. First, we are ensuring that our hormonal treatments are made available to the health service cost effectively. Secondly, in collaboration with South Africa’s Foundation for Professional Development, we are providing accredited courses in cancer diagnosis, treatment and care to doctors, nurses and other healthcare professionals. Finally, with the help of the Cancer Association of South Africa and the Breast Health Foundation, we are training teams of volunteers and counsellors to raise awareness and support patients.

In 2011, 100 doctors and nurses and 400 volunteers and counsellors were trained.

Important information for readers of this Annual Report

Cautionary statement regarding forward-looking statements
The purpose of this Annual Report is to provide information to the members of the Company. The Company and its Directors, employees, agents and advisors do not accept or assume responsibility to any other person to whom this Annual Report is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. In order, among other things, to utilise the 'safe harbour' provisions of the US Private Securities Litigation Reform Act of 1995 and the UK Companies Act 2006, we are providing the following cautionary statement: This Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. Forward-looking statements are statements relating to the future which are based on information available at the time such statements are made, including information relating to risks and uncertainties. Although we believe that the forward-looking statements in this Annual Report are based on reasonable assumptions, the matters discussed in the forward-looking statements may be influenced by factors that could cause actual outcomes and results to be materially different from those expressed or implied by these statements. The forward-looking statements reflect knowledge and information available at the date of the preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements. We identify the forward-looking statements by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Important factors that could cause actual results to differ materially from those contained in forward-looking statements, certain of which are beyond our control, include, among other things, those factors identified in the Principal risks and uncertainties section from page 130 of this Annual Report. Nothing in this Annual Report should be construed as a profit forecast.

Inclusion of reported performance, Core financial measures and constant exchange rate growth rates
AstraZeneca's determination of non-GAAP measures together with our presentation of them within our financial information may differ from similarly titled non-GAAP measures of other companies.

Statements of competitive position, growth rates and sales
In this Annual Report, except as otherwise stated, market information regarding the position of our business or products relative to its or their competition is based upon published statistical sales data for the 12 months ended 30 September 2011 obtained from IMS Health, a leading supplier of statistical data to the pharmaceutical industry. For the US, dispensed new or total prescription data and audited sales data are taken, respectively, from IMS Health National Prescription Audit and IMS National Sales Perspectives for the 12 months ended 31 December 2011; such data is not adjusted for Medicaid and similar state rebates. Except as otherwise stated, these market share and industry data from IMS Health have been derived by comparing our sales revenue to competitors' and total market sales revenues for that period. Except as otherwise stated, growth rates are given at CER. For the purposes of this Annual Report, unless otherwise stated, references to the world pharmaceutical market or similar phrases are to the 53 countries contained in the IMS Health MIDAS Quantum database, which amounted to approximately 96% (in value) of the countries audited by IMS Health.

AstraZeneca websites
Information on or accessible through our websites, including astrazeneca.com, astrazenecaclinicaltrials.com and medimmune.com, does not form part of and is not incorporated into this Annual Report.

External/third party websites
Information on or accessible through any third party or external website does not form part of and is not incorporated into this Annual Report.

Figures
Figures in parentheses in tables and in the Financial Statements are used to represent negative numbers.

The full Annual Report is available on our website,
astrazeneca.com/annualreport2011

AstraZeneca
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