GlaxoSmithKline plc

GlaxoSmithKline is one of the world's largest pharmaceutical companies. Glaxo Wellcome plc and SmithKline Beecham plc merged in 2001 to become GlaxoSmithKline plc (GSK), but GSK origins can be traced back to 1715. GSK is head-quartered in Brentford, London. Over the years, GSK has been involved in many controversies relating to, among other things, public health, carcinogenic pollution and animal testing. In 2012 the company was the subject of a significant criminal investigation as a result of whistleblowers challenging the company over its promotion of anti-depressants, which at the time was the largest settlement between the United States Justice Department and a drug company.

You can find Corporate Watch articles on GlaxoSmithKline and our 2002 Company Profile in the right hand column of this page.

Click here for GlaxoSmithKline's head office and other basic information from the opencorporates website.

Click here for details of GlaxoSmithKline's latest profits and other financial results from the Bloomberg website.
There is also lots of useful information on GlaxoSmithKline's website:

- Click here to find out what products the company is selling.
- Click here to find out who's on GlaxoSmithKline's board of directors.
- Click here to download GlaxoSmithKline's latest annual report and accounts.

For a more critical perspective on GlaxoSmithKline's work try Powerbase, or the Open Secrets or Medecins Sans Frontieres websites.

If you want to do some digging into GlaxoSmithKline yourself, have a look at our Investigating Companies: A Do-It-Yourself Handbook.

If you would like your website added to this list, or have any other links or suggestions for this page, please get in touch.

Category(s):
Pharmaceuticals

GlaxoSmithKline: Overview

A Corporate Profile
By Corporate Watch UK
Completed November 2002

1. The Company
Glaxo Wellcome plc and SmithKline Beecham plc merged in 2001 to become GlaxoSmithKline plc (GSK), the largest pharmaceutical company in the world.

At present, private pharmaceutical companies control the development of new medicines. Profit margins, not global health needs, are what determine the next new drug. GlaxoSmithKline’s corporate motto is ‘committed to improving the quality of human life’[1]. GSK has shown it’s commitment by suing the South African Government for trying to supply AIDS victims with medicine they can afford [2], knowingly producing toxic drugs [3], and by emitting more carcinogens than almost any other chemical producer in the UK.[4]

Name

GlaxoSmithKline plc

Industry areas: Prescription Medicines, Vaccines, and Consumer Health Products [i.e. toothpaste, nutritional drinks and over the counter (OTC) medicine]

Market share and importance

GlaxoSmithKline is the world’s largest pharmaceutical company. In 2000 GlaxoWellcome and SmithKline Beecham had a seven per cent share of the global pharmaceutical market, combined. In addition, the two combined companies accounted for 26 per cent of all vaccine sales, and 17 per cent of all anti-infectives (antibiotics, etc.).[5]

History

In January 2001 Glaxo Wellcome plc and SmithKline Beecham plc officially merged to become GlaxoSmithKline plc. GSK’s history dates back to 1715, when Plough Court pharmacy, a predecessor to SmithKline Beecham, was opened in London.[6]

Glaxo Laboratories Limited (the predecessor to Glaxo Wellcome) was set up in 1929, with director Alec Nathan. “Nathan formed the company when it was discovered that their dried baby food ‘Glaxo’ was the cause of rickets in children. The first product Glaxo Laboratories Ltd produced was therefore Ostelin, a vitamin D concentrate to replace vitamins that were destroyed in the food drying process.” (Corporate Watch Magazine, Issue 10).[7]

From the 1930s onwards there was a flurry of mergers and acquisitions. The business of Glaxo Laboratories Ltd expanded greatly with the new market created by the founding of the National Health Service (NHS).[8] And in 1972 Beecham Group Ltd made an unsuccessful bid to buy Glaxo Group Ltd. [9]

Products [10]

GlaxoSmithKline’s pharmaceuticals include the antidepressant Paxil/Seroxat the HIV/AIDS treatment Combivir, Zofran, a treatment for alcoholism, and Avendia a treatment for Type 2 diabetes.

Their Consumer Health Products [see Corporate Crimes, Animal Welfare] include Aquafresh Toothpaste, Tums antacid, Nicorette and the ‘nutritional drinks’ Horlick’s, Lucozade and
Ribena.

References:


GlaxoSmithKline plc: Who, Where, How Much?
GlaxoSmithKline plc

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2. Who, where, how much?

- Head office
- Board of Directors
- Turnover
- Employees

Head office

Headquarters in the UK, with Operations based in the U.S.

United Kingdom:
GlaxoSmithKline,
Glaxo Wellcome UK Ltd.,
Stockley Park West,
Uxbridge,
Middlesex, UB11 1BT

General Enquiries:
Tel: +44 (0)20 8990 9000
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United States:
GlaxoSmithKline
5 Moore Drive
P.O. Box 13398
Company Structure/Ownership

GlaxoSmithKline plc is a publicly owned company.

Board of Directors [11]

Sir Christopher Hogg, Chairman
Sir Hogg was appointed to the Board of SmithKline Beecham as a Non-executive Director in 1993. He is Non-executive Chairman of Reuters Group PLC and Allied Domecq PLC, and a Non-executive Director of Air Liquide S.A.

J.P. Garnier, Chief Executive Officer
Mr. Garnier became CEO of GSK in 2000. In August 2001 he was listed in the Guardian among the top ten highest paid CEOs, earning £2.5 million per year (including options and bonuses). [12] He also contributes to the ‘quality of human life’ by sitting on the board of arms manufacturer United Technologies, the maker of the Blackhawk helicopter and other warplanes. [13]

John Coome, Chief Financial Officer
Mr Coombe joined Glaxo Holdings as Group Financial Controller in 1986 and was appointed to the Board in July 1992. His other business appointments include membership of the Accounting Standards Board, Deputy Chairman of The Hundred Group of Finance Directors and a member of the Code Committee of the Takeover Panel.

Paul Allaire, Chairman of Remuneration and Nominations Committee
Born on 21st July 1938, Paul Allaire was appointed to the Board of SmithKline Beecham as a Non-Executive Director in 1993. He is also Chairman of Xerox Corporation and a Non-executive Director of JP Morgan & Co. Inc, Lucent Technologies Inc, Sara Lee Corporation and Priceline.com Inc. Food giant Sara Lee is regularly criticised for selling unhealthy food. While Glaxo’s ‘mission statement’ includes ‘enabling people to do more, feel better and live longer’ Sara Lee pleaded guilty in June 2001 to selling bad meat that killed 15 people and caused six miscarriages. He is also on the Board of Trustee of Carnegie Mellon University.[14]

Dr. Michele Barzach, Non-Executive Director
Appointed as a Non-executive Director of Glaxo Wellcome in 1997. Dr. Barzach also works for the World Bank as Chairman of the External Advisory Panel for Health, Nutrition and Population. She was formerly French Minister of Health and the Family.[15]

Sir Roger Hurm, Non-Executive Deputy Chairman
Born 9th June 1938, Sir Roger was appointed non-executive Director of Glaxo Wellcome plc in 1996 and Deputy Chairman in 1997. He was also Chairman of Marconi (formerly GEC) until he was forced to resign in September 2001 due to the companies collapsing share prices. He is a Non-executive Director of ICI plc. ICI was number one in the Environment Agency’s 1999
‘hall of shame’ league table of polluters.[16]

Sir Peter Job, Non-Executive Director
Sir Peter Job is a Non-executive Director of GlaxoSmithKline. He was appointed as a Non-executive Director of Glaxo Wellcome in 1997 and is a Non-executive Director of Schroders plc. Sir Peter was awarded a Knight of the British Empire (KBE) by the queen. The honour was received for services to the information and media industry.[17]

John McArthur, Non-Executive Director
He was appointed as a Non-executive Director of Glaxo Wellcome in 1996. He is a former Dean of the Harvard Business School, and is a Director of BCE Inc., Cabot Corporation, Rohm and Haas Company, Springs Industries Inc. and The AES Corporation.[18]

Donald McHenry, Non-Executive Director
Born on 13th October 1936, Donald McHenry was appointed to the Board of SmithKline Beecham as a Non-executive Director in 1989. He is a Non-executive director of the Coca-Cola Company, which has been criticised for its labour and environmental practices and the aggressive marketing of its high-sugar drinks. Other Non-executive Directorships include FleetBoston Financial Corporation and AT&T Corporation. He previously served as Ambassador and US Permanent Representative to the United Nations. [19]

Sir Ian Prosser, Non-Executive Director
Born 5th July 1943, Ian Prosser was appointed to the Board of SmithKline Beecham as a Non-executive Director in 1999. He is Executive Chairman of the pub owner Bass PLC. In addition he non-executive Deputy Chairman of BP Amoco plc, a company criticised for its pollution record. He is also a member of the CBI President’s Committee, an industry lobby group.[20]

Dr. Ronaldo Schmitz, Chairman of Audit Committee
Mr. Schmitz was appointed as a Non-executive Director of Glaxo Wellcome in 1997. He is also a former member of the Board of Managing Directors of Deutsche Bank AG and a member of the Supervisory Board of Bertelsmann AG and the Board of Directors of Rohm and Haas Company.[21]

Dr. Lucy Shapiro, Non-Executive Director
Dr. Shapiro was appointed to the Board of SmithKline Beecham as a Non-executive Director in 1996. She is Professor in the Department of Developmental Biology and Director of the Beckman Center at the Stanford University School of Medicine.[22]

Turnover
In 2001, GlaxoSmithKline had sales totalling £20.5 billion, and before tax profits of £6.2 billion.[23]

Number of Employees
GSK employs 100,000 people, 40,000 of which work in Sales and Marketing.[24]

References


[18] www.gsk.com/about/boardofdirectors.htm> [21] (source: GlaxoSmithKline, date viewed: 02.11.02)


[21] www.gsk.com/about/boardofdirectors.htm> [21] (source: GlaxoSmithKline, date viewed: 02.11.02)

[22] www.gsk.com/about/boardofdirectors.htm> [21] (source: GlaxoSmithKline, date viewed: 02.11.02)


Category(s):
Pharmaceuticals [12]

GlaxoSmithKline plc: Influence / Lobbying
3. Influence

Education and research

The discovery of new medicines and compounds is primarily done by, publicly funded, universities and institutes. These public institutions then license their patented discovery, for a fee, to a company that then develops the new discovery into a marketable drug. Financially strained universities often view their new discoveries as a fundraising opportunity, and “Scientists are requested to…promote and actively pursue commercialisation of their research findings.”[25] So, instead of doing research to further scientific knowledge, public institutions are pressured to research what can be sold to a company.

In addition, ‘Thirteen of the world's leading medical journals have recently (September 2001) mounted an outspoken attack on the rich and powerful drug companies, accusing them of distorting the results of scientific research for the sake of profits. The Lancet, the New England Journal of Medicine, the Journal of the American Medical Association and other major journals accused the drug giants of using their money - or the threat of its removal - to tie up academic researchers with legal contracts so that they are unable to report freely and fairly on the results of drug trials’. (Corporate Watch, Profile of the Pharmaceutical Industry-Footnote)

Public Relations

PR companies that GSK have retained include:

**Burson Marsteller:** In February 200001 GlaxoSmithKline selected Burson Marsteller (BM) to handle its launch in two regions.[26] BM is a large and powerful public relations company which is adept at creating a positive image for corporations involved in unethical business practices including human rights violations, environmental destruction and animal-testing. Many of these companies have faced public scrutiny and even convictions for their various activities. Further information regarding the company’s activities can be found at: [http://www.corporatewatch.org.uk/magazine/issue2/cw2f2.html](http://www.corporatewatch.org.uk/magazine/issue2/cw2f2.html) [28]

**Rick Amme & Associates (Media & Crisis Management).** Other clients have included Sara Lee Corp., R.J. Reynold Tobacco Co. and Time-Warner Cable[27]. A full list of their clients
GlaxoSmithKline plc: Corporate Crimes

GlaxoSmithKline plc

A Corporate Profile

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- Animal Welfare
- Failing Global Health Needs
- Environmental Issues

4. Corporate crimes

Animal Welfare

GlaxoSmithKline uses animal testing and vivisection in its drug research. In its company policy on animal testing GSK “…acknowledges that it has a moral responsibility to ensure best practice in the humane treatment of laboratory animals.”[28] In spite of this, GSK’s testing
practices are often cruel, and the tests themselves completely unnecessary.

GSK’s animal testing policy claims “Non-medical Consumer Healthcare products…are never tested on animals unless there is a specific demand for this from national governments.”[29] Yet, the Animal rights group People for the Ethical Treatment of Animals (PETA) in August 2000 listed SmithKline Beecham as a company that manufactured animal tested products. These were personal health care and household products that were not required by US law to be tested on animals. SmithKline Beecham’s animal testing policy at the time also stated that testing would only be carried out if required by law.[30]

**Failing Global Health Needs**

14 Million people die each year from infectious diseases, most of them in developing countries. [31] The medical treatments available are often archaic and ineffective, especially for so-called ‘neglected diseases’ (Malaria, Tuberculosis, Sleeping Sickness, Chagas disease, and leishmaniasis), whose victims are almost exclusively from developing countries and poor. These diseases are linked with poverty and unsanitary living conditions; new drugs are desperately needed.

At present, private pharmaceutical companies control the development of new medicines. People in Developing countries, who make up 80 per cent of the world’s population, only represent about 20 per cent of worldwide medicine sales.[32] Since these people are relatively poor, GlaxoSmithKline, along with other major pharmaceutical companies, do not see it as profitable to develop medicines for their needs, and do negligible research into medicines which would help them. “Of all annual health related research, only 0.2 per cent is spent on pneumonia, diarrhoea, and tuberculosis-three poverty related ailments which account for 18 per cent of the global disease burden.” (Oxfam, Briefing paper on GlaxoSmithKline, 2001).[33] This failure, in effect, kills untold numbers of people every year. It is the fault of the pharmaceutical industry putting their company profits above the lives of people, but it is also the fault of governments and other bodies like the United Nations for depending on market forces to provide people with basic necessities.

**Environmental Issues**

GlaxoSmithKline owns dozens of chemical plants all over the world. The chemical plant they own in Ulverston is marked by it’s carcinogenic emissions and repeated violations of environmental regulations.

According to the Factory Watch website, GSK’s chemical plant in Ulverston is one of the most carcinogenic polluters in the UK. Factory Watch’s information, compiled from Environment agency data, looked at over 1,500 factories nation-wide. The Ulverston site was ranked number three on Factory Watch’s list, emitting 773 tonnes of carcinogens in 2001, 10 per cent of the national total.[34]

In September 1992 the Ulverston site (then owned by Glaxo Wellcome) dumped several toxic chemicals in the river Leven, without authorisation. The chemicals included trichloroethylene, chloroform, and chlorobenzene.[35]
Also, in May 1994, the Ulverston site discharged, again without authorisation, 1,350m3 of “ineffectively treated effluent” into M. The company was required by law to notify the authorities within 24 hours, but they didn’t until six days later.[36]

References


[35] Friends of the Earth, Factory Watch press release, 8 February, 1999


Category(s):
Pharmaceuticals [12]

GlaxoSmithKline plc : Links, contacts & resources

GlaxoSmithKline plc
5. Further Information and Resources

Medecins Sans Frontieres [35]
Médecins Sans Frontières (MSF) is an international humanitarian aid organisation that provides emergency medical assistance to populations in danger in more than 80 countries.

Oxfam [36]
Oxfam’s campaign is calling for world trade rules to be changed, see more [37] or email: [38] or call 01865 312610.

Open Secrets [39]
Campaigning to make generic drugs more widely available at: http://www.opensecrets.org/payback/issue.asp?issueid=GD1 [40]

The Ecologist Magazine [41]

Ethical Consumer [42]
Which? style guide to ethical shopping plus critical information about brands and corporations.

Environmental Working Group [43]
Not-for-profit environmental research organization dedicated to improving public health and protecting the environment by reducing pollution in air, water and food.

South African Treatment Action [44]
Treatment Action Campaign: Fighting for affordable treatment for people with HIV.

Source URL: https://corporatewatch.org/company-profiles/glaxosmithkline-plc

Links: