

Corporate social responsibility

“The Company aims to provide an appropriate work/life balance for employees”

Oxford BioMedica strives to operate at the highest level of integrity. Corporate Social Responsibility (CSR) requires consideration of the economic, social and environmental impacts of the activities of the business. The Board recognises the potential benefits of CSR for the competitiveness of the Company and encourages a culture of continuous improvement in CSR-related issues. The Company has specific policies and goals that cover key aspects of CSR.

The CSR report describes the working practises adopted by Oxford BioMedica that are relevant to employees, health and safety in the workplace, external relationships, the environment, and the community. Significant changes and new initiatives that have been implemented in 2006 are also highlighted.

EMPLOYEES

The Company operates in an ethical manner and in accordance with best UK and US employment practises in its recruitment and management of employees. This applies to career development, performance evaluation and feedback, training and promotion. The Company is committed to equal opportunities regardless of age, gender, nationality, race or disability. The Company currently has 72 employees, with a gender ratio of male to female of 1:1.7.

In 2006, the Company enhanced its staff appraisal process by implementing a more formal process for setting objectives in consultation with each individual, together with regular reviews of performance. This enables staff at all levels to consider their training needs and to discuss development opportunities. The Company continues to encourage senior management to identify

new initiatives that could further improve internal working practices.

The organisational structure of the Company is designed to promote internal communication through various forums. Research, clinical and corporate teams have regular meetings, which include members of senior management, enabling broad dissemination and discussion of relevant issues. Various team and Company-wide social events and activities are organised throughout the year.

The Company has policies covering maternity and paternity consistent with statutory requirements in the UK. Employees are eligible for a number of benefits as part of their employment, including a personal pension plan and, in respect of certain employees, a performance related bonus. The Company aims to provide an appropriate work/life balance for employees, including flexible working practises, where this is practical and consistent with the Company's goals. In addition, the Company operates a Share Option scheme, and usually grants options to employees when they join and periodically thereafter. In 2006, the Company introduced two new benefits for all staff, in the form of a childcare voucher scheme and a health cash benefit plan.

HEALTH AND SAFETY

Effective health and safety is integral to the Company's business activities. The Company has strict policies to minimise the risk of accidents in the workplace or employment-related ill-health. These policies cover working practices for instruments and hazardous materials, and requirements for instruction and training, particularly for laboratory-based personnel. Given its

importance to the Company, health and safety issues are represented at Board level.

The Company's internal health and safety representatives attend meetings and workshops on a regular basis, including those organised by the UK government's Health and Safety Executive, to ensure that Oxford BioMedica is up to date with changes to policies and regulations. In 2006, Oxford BioMedica implemented a new quality management system that requires good practice guidelines for all activities of the Company, including research, development and manufacturing. As part of this quality management system, the laboratories are audited routinely, enhancing the monitoring of health and safety issues. The Company has a first-class safety record and has never been required to report an accident to the UK Health and Safety Executive or its US equivalent.

EXTERNAL RELATIONSHIPS

External stakeholders in Oxford BioMedica include suppliers, advisors, shareholders, patients, healthcare professionals, partners and licensees. These relationships are a fundamental aspect of the Company's business activities. Oxford BioMedica is committed to interact with these third parties in an ethical manner, and to ensure that the relationships are maintained at a professional and appropriate level.

For example, the Company has internal procedures to prevent and identify bribery and corruption. These are assessed annually by the Company's external auditors.

For its clinical development activities, Oxford BioMedica has a clinical trials policy and an internal team to ensure that trials are

conducted appropriately and that ethical standards are maintained. The Company's websites (www.oxfordbiomedica.co.uk and www.trovax.co.uk) provide information on Oxford BioMedica's ongoing clinical trials, and include contact details for the centres involved, and details of clinical results and scientific publications that relate to the Company's products and technologies. Oxford BioMedica also lists its US-based trials on a US government-sponsored website (www.ClinicalTrials.gov) that provides information about federally and privately supported clinical research in human volunteers.

The Chief Executive and Executive Directors have primary responsibility for communication with shareholders and related stakeholders. The Company also employs the services of external financial and corporate communications agencies. The website includes news announcements and financial and share-related information. The Company uses webcast facilities to provide broad access to relevant presentations such as analyst briefings and investor conferences. The Company strives to disseminate information in a timely, reliable and comprehensive fashion. It also conforms to the rules and guidelines required by the UK Listing Authority in the release of price-sensitive news and disclosures required for a company on the Official List.

ENVIRONMENT

Oxford BioMedica is committed to the protection of the environment. As part of the new quality management system, implemented in 2006, the Company is finalising a new environmental policy that

provides a framework for setting and reviewing environmental objectives. Based on this policy, new guidelines have been drafted for issues ranging from water and electricity consumption to recycling and waste management. The Company will monitor its performance and aims to conduct routine audits. Again, given its importance to the Company, environmental issues are represented at Board level.

In terms of recycling, the Company currently recycles the majority of its cardboard. A new objective is to recycle over 75% of office paper waste, plastics and cans by the end of 2007. In terms of electricity usage, under the draft guidelines, employees are encouraged to turn off all non-essential equipment at the end of each working day. Independent from the Company's quality management system, Oxford BioMedica is also engaged as an active participant in a new initiative for general waste management for companies based on the Oxford Science Park.

Oxford BioMedica complies with all current regulations in its processing of laboratory waste, which include the decontamination of all biological material on site to prevent accidental release into the environment. The Company uses qualified licensed contractors for the collection and disposal of chemical and radioactive waste and decontaminated biological materials. No laboratory waste goes to landfill sites.

The Company regularly assesses its environmental impact against published guidelines for best practice. In particular, the Company adheres to the guidelines published by the UK government's Department for Environment, Food and Rural Affairs.

COMMUNITY

Oxford BioMedica recognises its responsibility to and the benefits from supporting and participating in both the local and wider communities.

The Company works closely with several charitable and disease-specific patient organisations that are relevant to its therapeutic programmes. The Company uses local suppliers, where practical, for maintenance, repairs and other services. It is an active member of the tenants' forum of the Oxford Science Park, and employees participate in social and leisure activities within the Oxford Science Park and the local community.



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