

Corporate social responsibility

We are committed to good practice and ethical behaviour, and we recognise that we have responsibilities to all stakeholders. We regularly review our employee, ethical and environmental policies and improve them where appropriate.

Framework

An Ethics & Policy Guide, which is reviewed annually and updated where appropriate, is made available to all employees.

Rolf Soderstrom is the Board member with specific responsibility for CSR matters. The Board receives regular updates on CSR policies and reviews recommended changes.

BTG is a member of the FTSE4Good index series, created to measure the performance of companies that meet globally recognised corporate responsibility standards.

Summaries of key policies follow.

Equal opportunities policy

BTG is committed to achieving equal opportunities for all its employment policies, procedures and practices. The Company respects employee human rights and dignity and recognises the advantages of a diverse workforce. BTG does not tolerate any harassment of, or discrimination against, employees or potential employees, irrespective of their race, creed, colour, sexual orientation, nationality, ethnic origin, religion, disability, age, gender or marital status.

Employment of people with disabilities

BTG makes every effort to ensure that disabled employees are treated fairly and without prejudice. Job applicants with disabilities have an equal opportunity to be selected for employment, and disabled employees have an equal opportunity to be selected for promotion and receive training to aid their career development.

Family friendly employment policies

BTG's maternity and paternity leave policies meet and in many aspects exceed the statutory minimum standards. Flexible approaches to returning to work after maternity leave, including part-time and non-standard hours of work, are adopted where viable.

Employee training and development

BTG considers continuous learning to be one of its core Company values and training is a key constituent of the employee appraisal process. The Company employs a dedicated training resource, which, together with the wider Human Resources team, is responsible for sourcing appropriate employee training across sites. In addition, an apprenticeship scheme operates in our UK manufacturing facility which enables specialist pharmaceutical manufacturing skill development, benefiting the local community.

Employee communication and involvement

Management acknowledges the importance of internal communication, especially in a Company with global operations. Briefing and consultative procedures exist throughout the Group to keep employees informed of general business issues and other matters of interest. Monthly company-wide meetings, the intranet and email are used both to communicate Company matters to employees and to elicit questions, feedback and requests. Employee Representative Committees have been formed in both BTG's Welsh and Australian manufacturing facilities and meet regularly to discuss items of interest to employees and management alike.

Health and safety

Health and Safety is a priority within the Group's work spaces. All sites are compliant with the local relevant legislation and regular Health and Safety audits are undertaken. Risk assessments are used to review and improve workplaces and working practices. The Group has an excellent safety record and maintains strong local relationships with government Health and Safety bodies. Consultative processes are in place in both manufacturing sites to allow employee involvement in Health and Safety issues. The Company's Health and Safety Manual, Policies and Procedures are issued to all employees on joining the Company.

Environment

BTG offices occupy parts of large, managed office buildings and therefore the Company has no control of overall building emissions, energy usage or waste. However, the Group seeks to reduce usage by encouraging employees to turn off equipment and lights outside of normal office hours.

Other initiatives in the UK, US and Australian sites include sourcing local materials, suppliers and contractors, recycling of paper, and sourcing recycled consumables and energy-efficient IT equipment. During the past two years, recycling of wet waste including food waste, food containers and contaminated paper and tissues, has been introduced in the UK office. The Group encourages recycling and makes this easy through strategic placement of recycling facilities, but it does not consider measurement of the percentage achieved viable. In the UK, the Group also works with suppliers to source fair trade products where possible and similar initiatives have been implemented at the US office. The Australian operation has been actively pursuing a reduction in water usage, given the drought currently being experienced in South Australia. Several rain collection and storage systems have been installed with more planned in the coming year.

Business travel is an essential component of BTG's activities and, as the amount will vary depending upon activity cycles, it is not appropriate

to set targets. A car sharing initiative has been set up at the Company's UK manufacturing site which helps to reduce local carbon emissions and increase the efficiency of car travel to and from the site. The Group has installed and encourages the use of video and telephone conferencing facilities in its UK and US offices to reduce travel wherever possible. It is Company policy to adopt the 'best available techniques not entailing excessive costs' (BATNEEC) and 'best practicable environmental option' (BPEO) approach at all times to prevent pollution of the air, land and water and to protect everyone from all foreseeable hazards connected with the Company's activities, wherever necessary in consultation with the Environment Agency, local enforcing authorities and other external bodies.

The Company's UK manufacturing operation has been granted an Integrated Pollution and Prevention Control (IPPC) permit from the Environment Agency and the site passed a recent audit without any concerns raised. A Monitoring and Targeting (M&T) system has been installed as part of the site energy management strategy. The system is yielding savings in electrical energy and steam usage. Investment is also being made in a waste water treatment plant that will use membrane bio-reactors (MBR) further reducing the site's impact on the environment. BTG's UK manufacturing site has been independently assessed to the Green Dragon Environmental Level Two, and good progress has been made toward achieving the higher Level Three standard. Green Dragon is a recognised UKAS Accredited and independently inspected Environmental Management System (EMS).

Regulation

There is a legal requirement to ensure medicines are tested in animals prior to exposure to human volunteers and then patients. All such research in the UK is regulated by the Animals (Scientific Procedures) Act 1986, which is administered by the Home Office. BTG supports the key principles of reduction, refinement and replacement and applies them as part of the Group's standard operating procedures to each study before it is commissioned. All studies are conducted through external contract research

organisations, and BTG works only with organisations that uphold the highest standards of welfare and, as a minimum, conform to local regulatory and legal requirements and standards of care.

Ethical dealings

BTG has identified six values which it believes best embody the Company culture: openness, accountability, teamwork, integrity, delivery and continuous learning. Through company-wide communications, staff are encouraged to embrace these values in their every-day work and the values are being incorporated into the employee appraisal system over the course of the current year. BTG endeavours to be honest and fair in its relationships and dealings with its suppliers, customers and other stakeholders and extends its own values to relationships with these parties, working only with companies that uphold high standards of ethical conduct and fair practices. The Company Code of Conduct details BTG's approach to these matters and includes policies on data protection, corrupt practices, and competition and anti-trust matters. A comprehensive section on whistle blowing encourages employees to report any concerns and provides means for them to do so with anonymity.

Political and charitable donations

BTG's policy is that it does not donate money, services or facilities to political parties. However, BTG may campaign for, or against, proposed changes in legislation or regulations that might affect its business or the environment in which it operates. Officers or employees, with BTG's approval, participate in government advisory committees or non-governmental organisations that are relevant to the business. No political contributions were made during the current or prior financial years.

BTG encourages employee involvement in charitable causes in a number of ways. Following the acquisition of Protherics, BTG is consolidating and updating its Give As You Earn Scheme, whereby employees can make a regular donation to any

registered charity from their monthly pay, and the Company plans to relaunch this scheme by the end of 2009. In addition, BTG will top up other donations made by employees up to a fixed amount that is set annually, based on the previous year's donations.

BTG strives to work with charities and organisations that are either in some way local, or of interest to BTG employees. In the UK, BTG employees annually by ballot select charities to sponsor. In 2008/09, BTG's first nominated charity was the Children's Cancer and Leukaemia Group. As the fundraising target was exceeded, a second charity, Cancer Research UK was chosen and good progress is already being made to meet the fundraising goal. Employees are encouraged to organise money-raising activities for the charity throughout the year: reasonable use of BTG time and facilities is allowed.

BTG promotes interaction with the local community including schools and has hosted a number of open days at its UK manufacturing facilities. This year, the Company sponsored the Top of the Bench Competition for the Mid-Wales Local Section Trust of the Royal Society of Chemistry (RSC). In addition, computing equipment, surplus to requirements following the Protherics acquisition and London office consolidation, was donated to schools in mid Wales.

In Australia, the Company strives to be a good corporate citizen in the local environment, and, as a relatively large employer in two rural areas, the Company aims to support the local community wherever possible. The Company has supported numerous local charity appeals during the last year, most recently donating AU\$8,860 to the Victorian Bushfire Appeal generated by local employee, subsidiary and plc contributions.

Charitable contributions made by the Group during the year amounted to £5,955 (07/08: £2,356).