



ESG Report

2020



THE
BLADDER CANCER
COMPANY

Contents

For information about this report and its content, please contact Photocure ASA and CFO Erik Dahl or Corporate Communications Director Maja Bergmann. This is Photocure's second sustainability report for the period January 1st - December 31st 2020. The report will be conducted annually.

This report is prepared by a cross-functional team within the company and in accordance with GRI Standards Core option. The report complies with Euronext guidelines for ESG reporting. For GRI index, please see page 18/19 or the GRI Database. The achievements and goals are followed up quarterly with the leadership team, tracked and documented with the oversight from the Corporate Quality & Compliance Director Lise Borgen Carlson.

This Photocure sustainability report has been reviewed and approved by the Board of Directors. Anne Worsøe, an assigned member of the Board, provided guidance and advisement on behalf of the Board. The claims and data in this report have not been audited by a third party.

About this report	2
CEO letter	4
About Photocure	6
Locations	6
Key figures 2020	6
Corporate governance	6
Photocure's Core values	7
Photocure's approach to sustainability	8
Photocure's stakeholders	8
Photocure's materiality assessment	9
Reporting on material topics	10
Product quality and safety	10
Supply chain responsibility	11
Working environment	12
Business ethics and transparency	14
Data protection and IT security	16
Goals & Targets 2020	17
Appendix: GRI Content Index	18

CEO letter

At Photocure, we focus all our efforts and resources on delivering transformative solutions to improve the lives of bladder cancer patients. We are proud of our unique technology, making bladder cancer cells glow bright pink, which to date has helped treat over 500,000 patients worldwide. The real growth is ahead of us however, as we expand our global reach. And we believe many more patients should benefit from the procedure.

In 2020, the company had to deal with business volatility due to the global Covid-19 pandemic and I am pleased with how we managed through these unprecedented times and proud of our employees for adapting to changing working conditions and continuing to serve our patients and customers.

Our highly regulated business has an economic, social and environmental impact on our surroundings and stakeholders. The most important impact is the positive contribution to the patients' lives, the economies and the societies in which we operate. However, we also need to assess and address potentially negative aspects and consequences of our operations and business relations such as potential environmental impacts and human rights risks in our supply chain, potential quality and safety issues and the risk of corruption.

This impact comes with a responsibility and requires that we comply with laws, regulations and guidelines, that we listen to our stakeholders and

constantly strive to deliver quality products through responsible business operations. In the past couple of years, we have also experienced an increased attention to responsible business and high ESG (Environmental, Social and Governance) standards from our shareholders. For Photocure, sustainability is about both the products we make and the way we run our operations. Being part of the solution rather than the problem is anchored in our DNA as we strive to give bladder cancer patients access to care in a sustainable way, while working to create value for our shareholders.

Guided by the Euronext ESG guidelines and GRI Standards, we have implemented a process based on stakeholder inclusiveness and materiality to ensure that Photocure reports on the most material topics for our company and our industry. We also reference our attention to industry standards and regulations, which helps us implement our responsibilities across our value chain in a systematic manner.

This year, we deliver Photocure's second sustainability report according to the GRI Standards core option. As assessed for the previous ESG report, we continue to report on the same material topics, identified through stakeholder dialogue. The materiality assessment will ensure that our reporting is aligned with our business objectives, supports our strategy, and minimizes risks.

These material topics are focused around key topics for our company and our industry, taking into account the interests of stakeholders and the wider society. They include the quality and safety of our products, how they are produced and purchased, as well as the working environment of our employees.

As for our business and risk minimization, the material topics include ethical conduct in our business relationships, in research and development and when working with personal data.

As a pharmaceutical company, I believe responsibility, transparency and sustainability must be integrated in Photocure's business model and strategy. For us, efficient, high-quality products produced, sold and used in a responsible manner is what makes us a successful company, in addition to our people and culture. Photocure's core values comprise important standards for the company, both internally and externally. Together with the key behaviors, our values guide what we

believe and how we will succeed. They exist under the principle that We Care... about all that we do and all who we touch. Our newly refreshed values – Take Ownership, Be Passionate, Be Courageous, Be Agile, Be Curious and Work Together – guide our behaviors and form the basis for Photocure's ethical guidelines.

In the present report, we follow up on the targets and progress for each material topic, as defined in last year's ESG report and we continue to set goals for how to improve our work in the future. Going forward, we will work systematically on implementing sustainability targets in our purchasing and supply chain activities. We will also strengthen the focus on a good working environment and ensure the appropriate channels for reporting concerns are well known.

Photocure's mission is to deliver transformative solutions to improve the lives of bladder cancer patients. We seek to do so in a responsible way. We will continue to build a high-performance corporate culture based on a foundation that values diversity, equality, and inclusion, and is respectful and operates with the highest level of integrity.

I hope this report will provide new insights for our stakeholders and provide the information you need about our response to the sustainability challenges and opportunities for our business and society.



Daniel Schneider

President and CEO of Photocure

About Photocure

Photocure was founded by the Norwegian Radium Hospital to develop and commercialize a promising photodynamic non-melanoma skin cancer product with a vision to become a global leader in photodynamic technology.

Photocure has since transformed from a technology-based focus and being a global leader in photodynamic therapy to a valued player in the bladder cancer area. Based on its experience, solid foundation and the growth of its breakthrough bladder cancer product, the company has a stepwise approach to further developing its products and services for the benefit of patients, urology care providers and the health care community.

Photocure has a strong track record of developing and commercializing pharmaceutical products based on photodynamic technology. The company has brought two first-in-class products to the market, Metvix sold by Galderma and indicated for non-melanoma skin cancer and Hexvix®/Cysview® indicated for the better detection and management of bladder cancer. Photocure has also developed Cevira® through completion of phase two studies. Cevira is a photodynamic drug-device combination product, for non-surgical treatment of high-grade cervical dysplasia. Cevira has been out-licensed to Asieris Medtech in 2019.

Additionally, Photocure distributes Combat BRS and Combat BRS kits for the Hivec™ procedure in the Nordics, an innovative recirculation system for the delivery of hyperthermic intravesical chemotherapy in the treatment of non-muscle invasive bladder cancer (NMIBC).

Photocure has evolved into a therapeutic area-focused commercial stage pharmaceutical company with a focus on bladder cancer. The company is exploring expansion opportunities within the bladder cancer domain. In addition, Photocure has regained from Ipsen the commercialization rights to Hexvix in Europe and other territories around the world. Photocure has begun commercial and medical activities in these new European territories on October 1, 2020.

Today, the company's vision is driving change in bladder cancer and its mission is to deliver transformative solutions to improve the lives of bladder cancer patients.

Locations

Photocure is located in Oslo, Norway (headquarter), in Princeton, New Jersey (U.S. office) and in Düsseldorf, Germany (Europe office, second quarter 2021).

Photocure ASA is listed on the Oslo Stock Exchange (ticker: PHO).

Key figures 2020

- Photocure's total revenues in 2020 were NOK 256.5 million
- Photocure's net loss in 2020 was NOK -22.4 million
- At 31 December 2020, the company's consolidated equity was NOK 508.1 million, an equity ratio of 65%

Employees per region:

Location	Total
Oslo / Global functions	19
Europe commercial	21
Princeton / Global functions	9
U.S. commercial	40
Total	89

Corporate governance

Photocure has made a strong commitment to ensure trust in the company and to enhance shareholder value through effective decision-making and improved communication between the management, the Board of Directors and the shareholders. The company's framework for corporate governance is intended to decrease business risk, maximize value and utilize the company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large. Photocure seeks to comply with the Norwegian Code

of Practice for Corporate Governance to an appropriate extent considered reasonable due to the company size and stage of development.

The Board of Directors is responsible for the overall management of the company and shall supervise the company's day-to-day management and the company's activities in general.

The Annual General Meeting (AGM) is Photocure's supreme governing body at which shareholders can influence how sustainability is practiced. Photocure's Board of Directors bears the ultimate responsibility for the company's sustainability approach and the sustainability report is discussed and approved by the board.

For more information about Corporate Governance, Nomination Committee, Audit Committee and ESG Board Advisor, please see the Photocure corporate governance policy in the 2020 annual report on pages 22-28.

Photocure's Core Values

Photocure's values constitute key premises for the company, both internally and externally. The company's values were refreshed in 2020 with the involvement of over 60% of our employee population in order to bring full alignment. Our Core Values and Key Behaviors guide what we believe and how we will succeed. They exist under the principle that We Care ... about all that we do and all who we touch. We value diversity and are respectful, inclusive and operate at the highest level of integrity. Our refreshed values

guide the behavior of employees and form the basis for Photocure's ethical guidelines:

Take Ownership:

Take initiative and responsibility

Be Passionate:

Care deeply about what we do

Be Courageous:

Take action in the face of obstacles

Be Agile:

Move quickly, act decisively

Be Curious:

Have the desire and interest to learn new things, grow and develop

Work Together:

Think individually, act as One Team to achieve more



Take Ownership

Be accountable for your actions
Drive for results
Act Professionally
Make an impact



Be Passionate

Care about the people we serve
Inspire your colleagues
Be enthusiastic about what we do
Be spirited in our interactions



Work Together

Be inclusive and respectful
Work collaboratively
Have fun doing what you do
Build trust



Be Curious

Have a learning mindset
Think innovatively
Be resourceful
Be inquisitive

We Care...
about all that we do and
all who we touch. We
value diversity and are
respectful, inclusive and
operate with the highest
level of integrity.



Be Agile

Adapt to changes
Demonstrate flexibility
Be responsive
Be quick



Be Courageous

Exhibit determination
Have integrity in all interactions
Challenge the status quo
Be open in our communications

Photocure's approach to sustainability

This report covers sustainability topics that are of importance to Photocure and the company's stakeholders. The report covers the period between 1 January 2020 and 31 December 2020. Photocure's approach to sustainability reporting is based on the stakeholder dialogue and materiality assessment undertaken in April 2020.

The prioritization of Photocure's stakeholders as well as the stakeholder dialogue and materiality assessment, were undertaken by an interdisciplinary working group consisting of Photocure employees representing medical affairs, finance, operations, HR, communications, IT, compliance and quality management. The work was undertaken as a series of phone interviews and digital workshops, while the stakeholder dialogue was undertaken through semi-structured interviews with key stakeholders.

In early 2020, a third party, Corporate Communications in Oslo, facilitated the stakeholder dialogue on behalf of Photocure, speaking to representatives from key stakeholder groups. Internal and external stakeholder representatives were invited to share their thoughts and perceptions on Photocure's sustainability performance through semi-structured interviews. The stakeholder dialogue process also included document review and

Photocure's stakeholders

Employees

Photocure's employees are directly affected by the company's internal policies and activities, and directly affect the company through their performance and actions.

Customers/Patients

Photocure's customers consist of urologists, hospitals, clinics and the bladder cancer patients they treat. Customers are directly affected by the quality and safety of Photocure products. Customers directly affect the company economically and customer expectations also impact Photocure's sustainability priorities.

Suppliers

Photocure's suppliers are economically affected by the company and their responsibility is indirectly affected by Photocure's focus on responsible practices and the expectations placed on them by the company. Suppliers directly affect the company through the quality and pricing of their products and services.

Investors/Shareholders

Photocure's investors and owners are primary stakeholders and directly affect the company's priorities and strategic direction. Photocure's economic and business performance may affect the priorities of investors and shareholders.

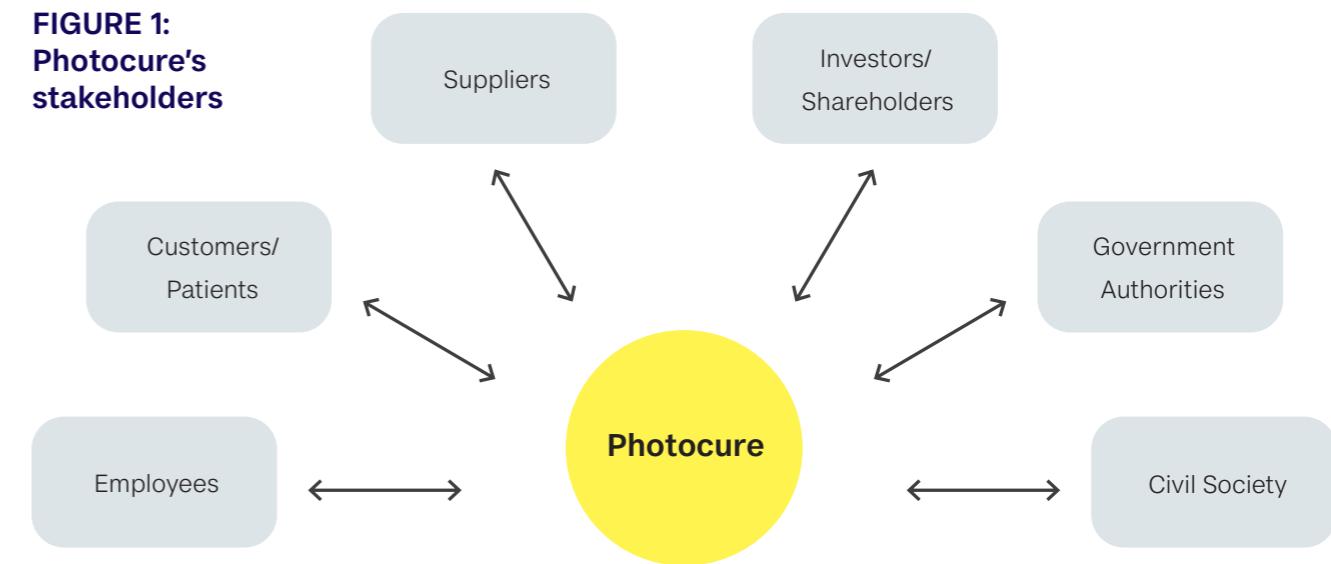
Government authorities

Government and regulatory authorities affect the company's operating conditions directly and indirectly.

Civil society

Civil society affect the company's operating conditions directly and indirectly. Local communities are indirectly socially, environmentally and economically affected by Photocure's activities in terms of job creation, contribution to local value creation and environmental impact.

FIGURE 1:
Photocure's stakeholders



Photocure's materiality assessment

Based on stakeholder input and priorities, as well as an assessment of the company's business impact, the materiality of each suggested sustainability topic was considered.

The results are presented in the materiality matrix below, with topics considered material for Photocure in the upper right section.

These topics are summarized into the following over-arching material themes:

- Product quality and safety
- Supply chain responsibility
- Working environment
- Business ethics and transparency
- Data protection and IT security

FIGURE 2: Materiality assessment for Photocure



Reporting on material topics



In this chapter, the company's management approach, activities, goals and performance for the reporting period is described for each of the material topics.

Product quality and safety

Photocure's high quality products and processes are a prerequisite for the company's contribution to value creation for both owners and society and for future growth. Photocure's product Hexvix®/Cysview® is available in over 30 countries, with its established specialist commercial and medical teams in the U.S. and Europe. In addition, to broaden the access to the product, Photocure has strategic partnerships for Hexvix/Cysview in China, Canada, Chile, Australia and New Zealand.

The quality policy and the quality and compliance manual are the overarching documents describing the company's quality goals and quality system. Photocure has a quality management system (QMS) which is compliant with Norwegian, European and U.S. Health Authorities rules and regulations for drug manufacturing, research activities and surveillance of drug safety and quality. The QMS also covers Norwegian and European rules and regulations for distribution of medical devices.

The QMS consists of a set of policies, standard operating procedures, forms and work instructions. Photocure follows the GMP standard for manufacturing, the GDP standard for distribution, the GCP standard for clinical research and the GVP standard for safety surveillance for Photocure's products. Photocure holds

a manufacturing license and a GMP certificate issued by the Norwegian Medicine Agency. Photocure follows the EU directive for medical devices with respect to distribution of medical devices.

An annual review of the quality system, product quality and safety are done with the management team. All reports of adverse events and/or product complaints are promptly investigated and assessed. Adverse events are reported to applicable health authorities according to procedures. All complaints are investigated to identify if the root cause is linked to the manufacturing process and if there is a potential quality issue/ defect with the product. This is done for all of Photocure's products. For the year 2020 there were no quality and/or safety incidents that led to any market actions or need for reporting to health authorities e.g. product recall or healthcare information letter.

Photocure's medicinal product complies with the European Falsified Medicines Directive which came into force February 9th, 2019. All products sold in Europe have a unique identifier (2D barcode) as a safety feature. In addition, all product packs have tamper evidence in the form of glued cartons.

Goals and targets for 2021

- Maintain Photocure's track record of no quality and/or safety incidents leading to any market actions e.g. product recall or healthcare information letter.
- 0800 phone service for medical information, adverse event reporting and product quality complaints to be implemented for Europe.

Supply chain responsibility

Photocure is strongly committed to conducting its business in a lawful and ethical manner, including engaging with suppliers that are committed to the same principles. Our suppliers are viewed as an extension of Photocure, and therefore are expected to adhere to guidelines for ethical business practices.

As a business with outsourced production, the main effects from Photocure's operations occur outside the organization's boundaries. This means that Photocure has an impact on the indirect environmental and climate emissions, human rights and anti-corruption through its procurement practices and the follow-up of suppliers.

Photocure relies on third-party contract manufacturers based in Europe and is thereby directly and indirectly exposed to risks and opportunities in its business relations and supply chain. Delays or interruptions and quality issues at the production facilities as well as improper transport, handling and delivery may impair supply of Hexvix®/Cysview® to the market and hence revenues. Additionally, other parts of the company's supply chain may have direct and indirect effect on delivery, environmental risk, product and process risk.

We require suppliers, defined as individuals or organizations who provide goods and services to Photocure, to comply with our new Supplier and Partner Code of Conduct ("Code"). The suppliers are expected to support the ten principles of the UN Global Compact. Photocure also expects its suppliers to require their own suppliers and subcontractors to follow the same standards and principles.

All new supplier contracts include a claim that the supplier shall materially comply with all Applicable Laws relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, labor, environmental protection, sustainable development and bribery and corruption in accordance with the ten principles of the UN Global Compact.

Photocure follows several standard operating procedures for the interaction with suppliers, including qualification and follow-up, quality risk assessment, auditing and supplier re-qualification. Photocure has detailed SOPs describing GxP operational procurement. As a part of the initial and ongoing evaluation of suppliers, Photocure obtains confidence that the supplier materially complies with all applicable laws relating to ethical and responsible standards of behavior in accordance with the United Nations Global Compact or similar. Suppliers Business Conduct and responsible business practice is part of the agenda on business review meetings with the suppliers.

Annually, the company measures and analyzes potential risks in its supply chain and performs risk assessment of its GxP suppliers, which includes quality and ability to supply. Photocure has not terminated or discontinued contracts with any suppliers due to sustainability breaches in the reporting period.

Goals and targets for 2021

- Ensure that supplier agreements to be revised/updated in 2021 include a claim that the supplier shall materially comply with all Applicable Laws relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, labor, environmental

protection, sustainable development and bribery and corruption in accordance with the principles in the United Nations Global Compact

- Distribute to all suppliers the Supplier and Partner code of conduct

Working environment

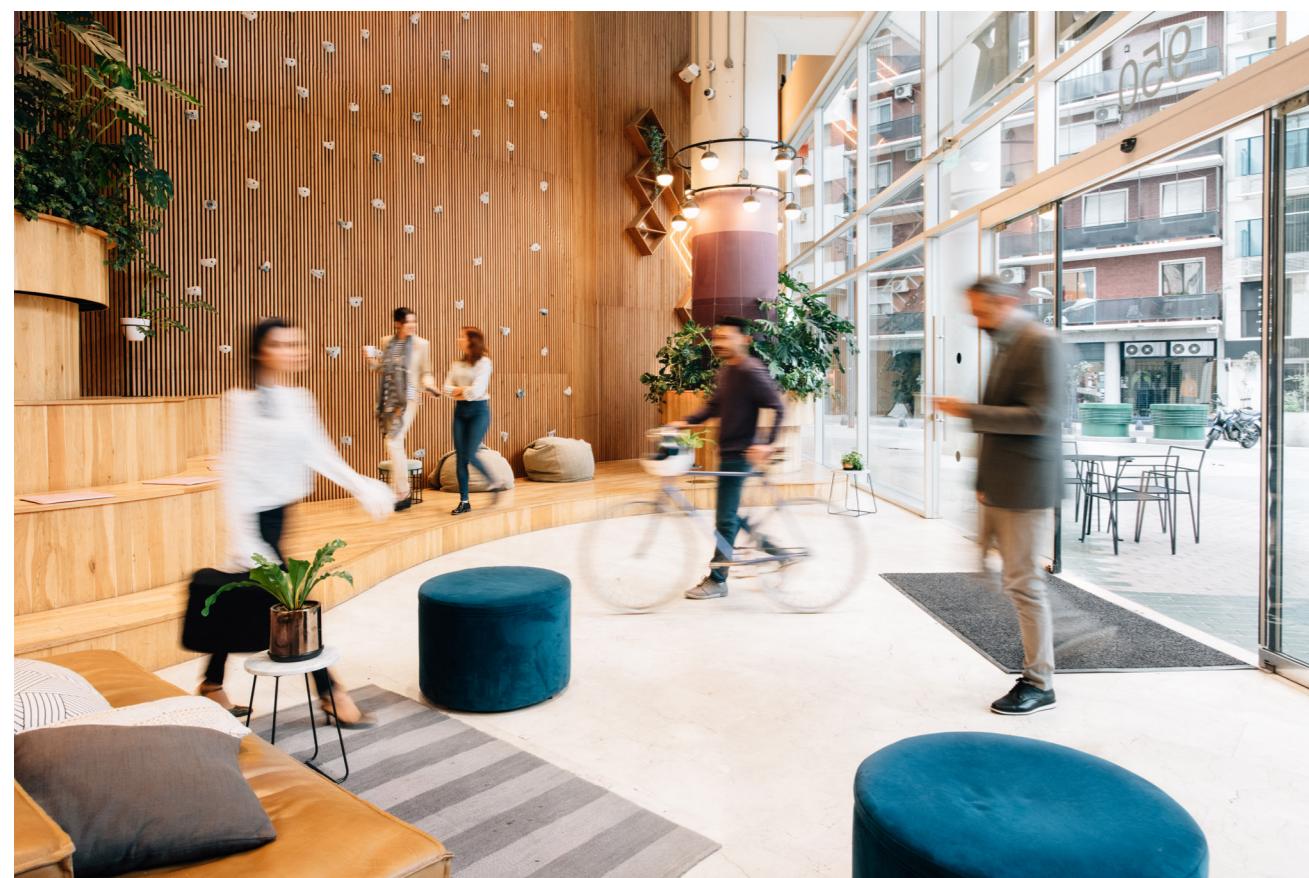
The ability to attract and retain a skilled workforce as well as maintaining a safe and healthy working environment are key interests of both the company and its stakeholders. Photocure can directly impact the working environment through its policies and agreements, and by keeping an active dialogue with employees. Working in an office environment or remotely with sales without any inhouse production,

the company and its employees are mainly exposed to risk related to the working environment, such as the psychological well-being of employees and physical risks related to the working environment, e.g. ergonomics and sedentary work and risk associated with business travel.

In 2020 the company implemented remote work arrangements across its locations and remained fully operational during the Covid-19 pandemic. All functions were designed to accommodate remote work, primarily through the use of technology. The Company was successful in effectively maintaining a positive work environment in spite of virtual working and had continuous employment for all colleagues. No major disruptions were observed. The main priority of

the organization is the health and welfare of all Photocure employees and stakeholders. Business and travel policies which supported work from home and social distance were implemented prior to governmental orders.

Photocure strives to ensure a good working environment for all employees and aims to be a workplace with equal opportunities in all areas. The company's policy is to ensure and provide equal employment rights and opportunities for all persons employed by, or seeking employment with Photocure without regard to race, age, color, religion, sexual orientation, citizenship, gender, marital status, pregnancy, national origin, disability or other non-work-related criteria as may be protected by local or country



law. This extends to the employment relationship and all other areas of personnel activity, such as recruiting, selection, job assignment, supervision, training, promotions, performance evaluations, transfers, terminations, compensation, benefits, educational opportunities, recreational activities and work facilities. Photocure recognizes its obligation to actively promote such opportunities for all qualified persons and will take reasonable and necessary action to ensure that these objectives are met.

The company has implemented separate processes for talent acquisition, compensation, training and development, performance management and communications that ensure a non-discriminating, secure work-environment follow local labor law regulations and that are compliant with the Norwegian Working Environment Act, the European Directive 89/381-OSH and the U.S. employment law and standards, as well as following industry best practices. The company does not have employee representatives on the board. The number of employees covered by collective bargaining agreements in 2020 was 0%.

At the end of 2020, the organization comprised of 89 employees of which 87 were full-time employees. The working environment within the company is considered to be very good, measured through regular employee surveys. With the 2020 European expansion, Photocure broadened the scope of the employee survey to include all global employees. This was launched ahead of the originally planned 2021 date. The results of the December 2020 global Pulse Survey were overall better than the previous

In addition, Photocure continues to successfully utilize a strong network of consultants to support the operations and development, and the company's practice is to outsource non-core operations and highly specialized services where it makes sense. This practice allows for the Company to manage its resources in an effective and practical way.

Traditionally, Photocure has recruited from environments where the number of women and men is relatively equally represented. In terms of gender equality, 40% of Photocure's board members are women, as is 63% of the senior management team at the end of 2020. Globally, Photocure employs 52% men and 48% women. Working time arrangements at the company, independent of gender, strive to enhance the individual work-life balance.

local surveys with over 92% of the employee population participating. The employee engagement survey will continue to be administered on an annual basis.

The annual performance appraisal for Photocure employees and management includes an assessment of the performance in relation to the company's values.

No accidents or injuries resulting in absence were registered in 2020. Absence due to illness in the company was 1.1% of total hours in 2020, compared 1.6% in 2019. Photocure has not been in any legal proceedings regarding working environment in 2020.

Goals and targets for 2021

- Report share of employees/new employees who have participated in company on-boarding process.
- Maintain or improve employee engagement score.
- Continue to report on employee turnover.
- Create and implement leadership training program.

TABLE 1: Photocure's workforce in 2020

Photocure's workforce 31.12.2020	Men		Women		Total	
	2019	2020	2019	2020	2019	2020
Total workforce (part-time and full-time employees)	33	46	35	43	67	89
Total workforce full-time employees	31	46	33	41	64	87
Total workforce part-time employees	1	0	2	2	3	2
Number of contractors/consultants	1	7	3	5	4	12

Business ethics and transparency

Being part of a global value chain, Photocure is directly and indirectly exposed to ethical risks through its business operations. This includes good corporate governance, local and industry specific business ethics norms, such as good pharmacovigilance practices, ethical research and development activities, as well as anti-corruption and adherence to Photocure's core values and respect for human rights.

Photocure's framework for corporate governance is intended to decrease business risk, maximize value and utilize the company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large. The company seeks to comply with the Norwegian Code of Practice for corporate governance (NUES), and the Code of Conduct and Anti-corruption policy sets the frame for business ethics and compliance. The quality and compliance manual describes the scope and structure of the company's quality system and compliance program.

Photocure's overarching goal is to comply with industry code of conduct in all markets for how we promote our product and interact with health care professionals and health care organizations. In Europe, the company follows the European Federation of Pharmaceutical Industries and Association's (EFPIA) code of practice, while for the U.S. market, Photocure follows the Pharma Code. Procedures are established to ensure promotional materials and activities are conducted responsibly and according to industry standards. The company's CEO and management team are responsible for following up business ethics and anti-corruption work at Photocure.

Photocure develops and manufactures innovative products and markets and sells these products through its own commercial teams and in partnerships with other companies. These activities entail exposure to various risks relating to manufacturing, product quality, regulatory requirements and the like. Each year, the Board of Directors conducts a thorough assessment of the significant parts of the company's business and outlook in order to identify risks and potential risks and remedy any incident that may have occurred. This company risk assessment includes areas relating to corruption and business ethics. In addition, a detailed risk assessment for compliance was conducted in 2020. No significant business ethics risks were identified in the reporting period.

In contracts with business partners and suppliers, Photocure has included statements that both parties are obliged to follow all applicable laws, rules and regulations, and this general statement also includes anti-corruption laws. There have not been any cases of terminations or contracts not being renewed due to suspected business ethics breaches or corruption in the reporting period, nor has Photocure been involved in any legal proceedings regarding business ethics or corruption.

Employees can report suspected cases of business ethics breaches or corruption through an anonymous whistleblowing channel established in October 2020. All employees have been introduced to the channel, both in meetings and in writing. There have been no reported incidents of corruption in the reporting period.

New Board members receive a general introduction training from management and the legal counsel. The training includes an introduction to business ethics and insider rules, as well as a



review of the company's corporate governance and CSR strategy. In addition, new Board Members receive an introduction to Quality and Compliance.

A transparent disclosure regarding payments and transfers of value between the medical community and the pharmaceutical industry is important to keep a trustworthy and healthy relationship with patients, health care professionals, government officials and the public,

and it also strengthens the company's commitment to keeping a high ethical business standard.

Therefore, Photocure has published annual disclosure reports describing these payments and transfers on its website or applicable external websites. Photocure is equally disclosing its support for research.

Within Business ethics and transparency several notable achievements can be reported for 2020. Photocure appointed its

Compliance officer in March. A compliance program for business ethics with focus on pharma industry guidelines was established. In October, the company established a Code of Conduct and Anti-corruption policy. All employees received a training on these topics. Photocure also established an anonymous whistleblowing channel.

Furthermore, a detailed risk assessment for compliance was implemented and the general company risk assessment was updated with more focus on responsible business.

Research activities

As part of its quality management system, Photocure has established a range of standard operating procedures for all research and development related areas, including research on animals. The procedures ensure activities are conducted in compliance with applicable laws and regulations and are subject to regular review and internal audits.

No clinical studies were ongoing in the reporting period. One pre-clinical exploratory trial was performed in the reporting period. The study was approved by the Ethical Committee for Animal Experiments. One non-interventional Photocure sponsored study (Blue Light Cystoscopy with Cysview registry) was ongoing in the reporting period.

Photocure has also supported three investigator-initiated trials. During 2020, several studies were published highlighting and confirming key benefits of Blue Light Cystoscopy with Hexvix/ Cysview.

Main publications and presentations can be found in the Annual Report 2020 on page 8/9.

Goals and targets for 2021

- Update quality and compliance manual with more focus on responsible business.
- Implement compliance monitoring activities

Data protection and IT security

As a company in the pharmaceutical sector working with research and development and cooperating with physicians and patient advocacy groups, Photocure and/or its research partners may need to gather and store personal data as part of its research and development practices or business operations. Also, as a listed company on the Oslo Stock Exchange, information security and data protection are also an important part of the company's obligations to its shareholders and the marketplace.

Data and information security is a priority for Photocure and described in the company's quality manual. IT activities and security is evaluated, and if necessary new risk analyses are performed. Management is informed about the result of the evaluations and approves corrective and preventive actions.

Photocure has invested in an extensive security and information security platform based on international standards ISAE3402 and ISAE3000. The procedures and processes that Photocure has established for personal data protection are based on the Norwegian Personal Data Act and the EU Directive 95/46/EC. A personal data protection group has been established and a procedure is in place to describe the responsibility and process for data protection issues. Photocure has a dedicated personal data contact person with delegated responsibility from the board and management.

Photocure's quality manual describes the overall responsibility for both data protection and IT security. To ensure appropriate management and documentation of electronic files critical for Photocure's activities

TABLE 2: security tickets and breaches

Security tickets and breaches	2019	2020
Number of moderate security tickets registered	13	42
Number of critical security tickets registered	0	0
Number of personal data breaches	0	0

in a GxP environment, Photocure has a number of standard operating procedures. For instance, Photocure has established processing of personal data, that is governed by applicable laws and regulations, and in particular the Personal Data Act "Personopplysningsloven" and The General Data Protection Regulation (GDPR) where applicable. In addition, there are several Photocure procedures that describe the personal data process for a specific task. These procedures include work instructions for relevant roles such as employees, contractors, job candidates and board members.

The security platform is supported by an industrialized information security and compliance service that simplifies work to ensure compliance with internal and external audits.

This security and compliance service also acts as a compliance hub when leveraging public cloud services. Photocure's security platform is audited annually according to ISEA3402 and ISAE3000 by PWC. The ISAE reports are also mapped up to the Cloud Control Matrix framework to fit industry standards defined by the Cloud Security Alliance. Photocure keeps a live dashboard on all security incidents.

The goal for 2020 was to create more awareness amongst the employees

about security and potential security breaches. Employees received e-mail communications on how to detect and be aware of suspicious activities. A new feature in Outlook was implemented in Outlook to enable employees to easily report suspicious e-mails.

An external GDPR consultant reviewed the GDPR status in Photocure in 2019 and the overall work was considered high quality. Tasks recommended by the GDPR consultant for improvement and work on updating procedures, work instructions and employee training are implemented.

Goals and targets for 2021

- Keep security tickets with severity "critical" to zero.
- Continue to increase awareness of the security situation and reporting suspicious e-mails by annual reminders to all employees. The success of this goal will be measured by increased number of security tickets with severity "moderate" reported by Photocure employees.
- Hold an annual GDPR refresher training to make sure every employee gets a better understanding on how to handle personal data in their daily work.

Goals & Targets 2020

Area	Goals & Target 2020	Progress and Achievements 2020
Product quality & safety	Maintain Photocure's track record of no quality and/or safety incidents that lead to any market actions e.g. product recall or healthcare information letter.	● No quality nor safety incidents which led to market actions reported.
Supply chain responsibility	Create and implement a supplier code of conduct outlining the suppliers' responsibility for upholding Photocure's standards for ethics and responsible business practices, which should be signed off by suppliers, both GxP and non-GxP.	● Q4 2020: All new contracts include wording and reference to the ten principles of the United Nations Global Compact. Supplier Code of Conduct in progress.
	Update applicable supplier related procedures and processes to further increase the focus on responsible business practices.	● Procedures updated.
Working environment	Report share of employees/new employees who have participated in company on-boarding process.	● All employees hired to date have been on-boarded. New hire and on-boarding process to be revised in H1 2021.
	Maintain or improve employee engagement score.	● Employee Engagement survey conducted in December. Comparison of previous scores show higher engagement with 92% of the global population participating.
	Report on employee turnover rate.	● Implemented. Monthly turnover will continue to be reported. Overall regrettable turnover declined to under 9.1%.
	Create and implement leadership training program.	● Have provided initial leadership training to the U.S. Sales leaders. Will be a priority in 2021.
Business ethics & transparency	Appoint a compliance officer for the company.	● Compliance officer appointed March 2020.
	Update quality and compliance manual with more focus on responsible business.	● Ongoing, to be completed in 2021.
	Implement a general risk assessment for compliance and update the company risk assessment with more focus on responsible business.	● Risk assessment for compliance done June 2020. Company corporate risk assessment updated for Board Meeting Dec 2020.
	Establish a compliance program for business ethics with focus on pharma industry guidelines and anti-corruption.	● Code of Conduct and Anti-corruption policy implemented. All employees trained. Some SOPs to be updated.
	Establish an anonymous whistleblowing channel.	● Whistleblowing channel established, e-mail or phone option. Only the phone option is anonymous. All employees trained as part of the code of conduct training.
Data protection & IT security	Keep security tickets with severity "critical" to zero.	● Zero
	Increase number of Photocure users being increasingly aware of the security situation and reporting suspicious emails and software.	● Communication to all employees in June and November 2020. "Mail Risk" functionality implemented in outlook September 2020. 45 security tickets 2020 (13 – 2019).
	Implement a refresher GDPR training in the quality and compliance training program for 2020 to make sure every employee gets a better understanding on how to handle personal data in their daily work.	● GDPR training held in June 2020.

● Complete

● Work in progress

● Not started

APPENDIX: GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND / OR URL(S)
GRI 101: FOUNDATION 2016		
GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	2
102-2	Activities, brands, products, and services	6
102-3	Location of headquarters	6
102-4	Location of operations	6
102-5	Ownership and legal form	6
102-6	Markets served	6
102-7	Scale of the organization	6
102-8	Information on employees and other workers	6
102-9	Supply chain	11
102-10	Significant changes to the organization and its supply chain	1
102-11	Precautionary Principle or approach	8
102-12	External initiatives	14
102-13	Membership of associations	8
STRATEGY		
102-14	Statement from senior decision-maker	4, 5
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	7
GOVERNANCE		
102-18	Governance structure	6, 7
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	8, 9
102-41	Collective bargaining agreements	13
102-42	Identifying and selecting stakeholders	8,
102-43	Approach to stakeholder engagement	8
102-44	Key topics and concerns raised	9
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	6
102-46	Defining report content and topic Boundaries	9
102-47	List of material topics	9
102-48	Restatements of information	2
102-49	Changes in reporting	2
102-50	Reporting period	2
102-51	Date of most recent report	2
102-52	Reporting cycle	2
102-53	Contact point for questions regarding the report	2
102-54	Claims of reporting in accordance with the GRI Standards	2
102-55	GRI content index	18, 19
102-56	External assurance	2

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND / OR URL(S)
MATERIAL TOPICS		
200 SERIES (ECONOMIC TOPICS)		
ANTI-CORRUPTION		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	14
	103-2 The management approach and its components	14
	103-3 Evaluation of the management approach	14
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risk related to corruption	14
	205-2 Communication and training about anti-corruption policies and procedures	14, 15
	205-3 Confirmed incidents of corruption and actions taken	14



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