

Communication on progress

This report concerns BioPorto's efforts in 2016 which focused on the ten principles of the UN Global Compact. BioPorto acceded to the Global Compact in early 2010.

BioPorto is aware of its social responsibility and endeavors to improve its social and environmental conditions. In several areas, BioPorto fulfills its responsibility solely by complying with current law, but in other areas, the company's responsibility has been expanded to include preventive activities for optimizing the various conditions. It is important to BioPorto to highlight these efforts vis-à-vis its customers, suppliers, stockholders, other stakeholders, etc., to ensure that the outside world trusts the company to live up to its social responsibility. For this reason, BioPorto continues its accession to the Global Compact, whose ten principles for social commitment as defined by the UN constitute a global frame of reference. At the same time, through our commitment, we will try to encourage the parties with whom we interact to also shoulder their share of these responsibilities.

Human Rights

- 1. Businesses should support and respect the protection of internationally proclaimed human rights; and*
- 2. make sure that they are not complicit in human rights abuses.*

BioPorto supports and respects human rights. BioPorto has no external suppliers in countries that do not respect human rights. In 2016, BioPorto did not take any special initiatives in this respect, but concurrent with the expansion of the company's activities, it may be expedient to draw up guidelines and incorporate them into supplier contracts to ensure that the company's suppliers respect human rights.

Labor rights

- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
- 4. the elimination of all forms of forced and compulsory labor;*
- 5. the effective abolition of child labor; and*
- 6. the elimination of discrimination in respect of employment and occupation.*

Danish and American traditions, culture and law mean that labor rights are naturally supported and complied with by BioPorto, both in Denmark and the United States. BioPorto has no external suppliers in countries that use child labor or forced and compulsory labor, and BioPorto deems that there is a very low risk of this taking place in areas where BioPorto might be expected to operate. In 2016, BioPorto did not take any special initiatives but concurrent with the expansion of the company's activities, it may be expedient to draw up guidelines and incorporate them into supplier contracts to ensure that suppliers comply with these labor rights.

BioPorto group has fair and equal employment terms and working conditions, including equality and non-discrimination. Both the physical and mental working environment are monitored and continually improved to avoid accidents, injury and illness.

Environment

- 7. Businesses should support a precautionary approach to environmental challenges;*
- 8. undertake initiatives to promote greater environmental responsibility; and*
- 9. encourage the development and diffusion of environmentally friendly technologies.*

BioPorto's in-house production is limited in scope and of such a nature that it has an insignificant environmental impact. An ongoing effort will be made to minimize any other possible environmental impact, including the consumption of water and electricity, which will cut costs at the same time. BioPorto's activities are primarily knowledge-based. Should these activities change, it may be relevant to draw up an environmental policy to define an approach to environmental issues.

Anti-Corruption

10. *Businesses should work against corruption in all its forms, including extortion and bribery.*

BioPorto takes sharp issue with corruption, bribery and similar methods. Suppliers and partners are chosen with care and are included in BioPorto's quality system. Corruption problems have not affected BioPorto's activities up to now, and no special measures were implemented in 2016. Concurrent with internationalization and the company's activities in new markets, it may become relevant to draw up specific anti-corruption guidelines.

Diversity

In the composition of its staff, BioPorto endeavors to achieve an equal gender breakdown as well as a diversity of educational backgrounds, nationalities and cultures. This diversity provides a dynamic workday and encourages fine interplay for the benefit of staff and company efforts alike. The company pursues a policy of providing equal opportunities for both genders. For a number of years, the company has had and still has an equal number of men and women in managerial positions, demonstrating compliance with this policy in practice. The company also seeks diversity in the composition of the Board with a reasonable age composition, in terms of nationalities and an equal gender distribution. BioPorto has defined a target that, by 2018, at least two out of four members of the Board of Directors must belong to the under-represented gender. The target is in accordance with the Danish Financial Statement Act § 99b. However, this target must not rank prior to the other competency requirements in the nomination of board candidates.

The Board of Directors currently consists of three male members. The nomination committee has a clear policy for evaluating candidates of both genders for vacant board positions, and for the election in 2016 a male candidate was found to honor the competency requirements. For future vacancies in the Board, the nomination committee will continue to evaluate candidates of both genders.

2016	Female	Male	Non-Danish
All Employees	59%	41%	14%
Head of Departments	43%	57%	0%
Executive Management (one person)	0%	100%	0%
Board of Directors	0%	100%	0%

Hellerup, Denmark, January 5, 2017
BioPorto A/S