



ESG Report

2021



THE
BLADDER CANCER
COMPANY

About this report

This is Photocure's third sustainability report and is applicable for the period January 1st - December 31st, 2021. 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 27 or the online GRI Database.

The achievements and goals are followed up quarterly with the leadership team, tracked and documented with the oversight from the Global Head of Regulatory, Quality & Compliance 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 to the internal ESG task force on behalf of the Board. The claims and data in this report have not been audited by a third party.

For information about this report and its content, please contact Photocure ASA and CFO Erik Dahl or Corporate Communications Director Maja Bergmann.

Photocure's ESG reporting journey



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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 more than half a million patients worldwide.

In 2021, as in the year before, the company had to deal with business volatility due to the global Covid-19 pandemic. 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. The pandemic has brought global attention to health and health systems worldwide. It has also affected cancer care with restrictions on hospital access and postponements of diagnostic procedures. Intervals between surveillance visits have increased due to Covid-19, making a thorough diagnostic procedure even more crucial. At Photocure, we aim to support many more patients to benefit from the procedure.

This year, we deliver Photocure's third sustainability report according to the GRI Standards core option. As assessed for the previous ESG reports, 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.

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. In 2021, Photocure became a signatory of the United Nations Global Compact (UNGC); the world's largest corporate sustainability initiative. This commitment means we are part of a global movement, striving to become a more sustainable and responsible company. As a signatory we must adhere to the ten principles of the UNGC within human rights, labor, environment, and anti-corruption.

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 quality 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.

These material topics are focused on 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 sourced, standards followed by our suppliers, 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, we 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 core values – Take Ownership, Be Passionate, Be Courageous, Be Agile, Be Curious and Work Together– have been established from within our teams. They 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. In addition, this report includes some new features detailing the corporate governance structure and our environmental and value chain responsibilities. Going forward, we will work systematically on implementing sustainability targets in our purchasing and supply chain activities. We will also continue to strengthen the focus on a safe, healthy, productive and inclusive 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, respect and inclusion, and operates with the highest level of integrity. I hope this report will provide insights about our response to the sustainability challenges and opportunities for our business and society.



"The most important impact is the positive contribution to the patients' lives, the economies and the societies in which we operate."

A handwritten signature in dark ink, consisting of a stylized 'A' followed by a horizontal line.

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.

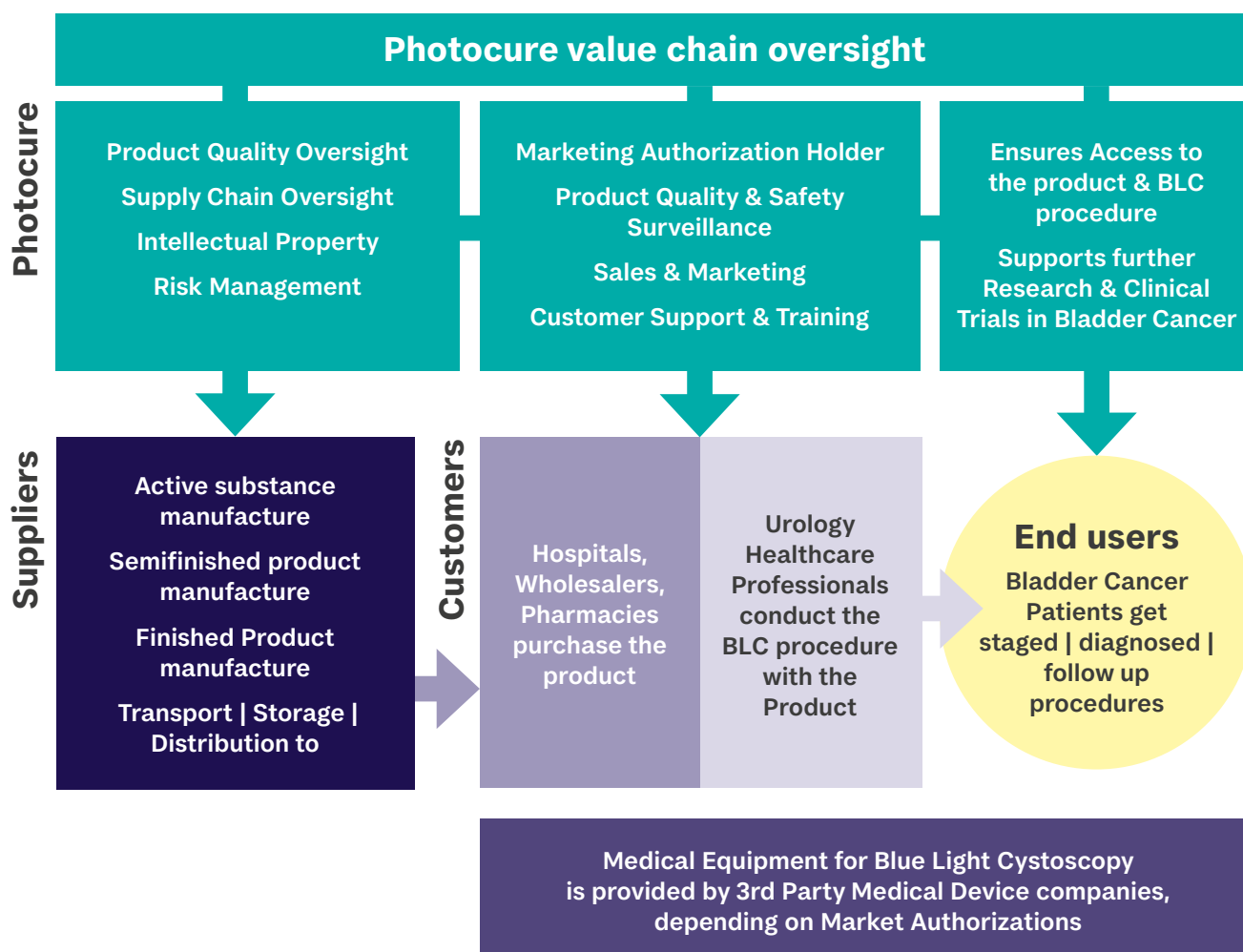
Photocure has since transformed from a technology-based focus and being a global leader in photodynamic therapy to a valued player in the bladder cancer area. Based on its experience, solid foundation and the growth of its breakthrough bladder cancer product, the company has a stepwise approach

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 II studies. Cevira is a photodynamic drug-device combination product, for non-surgical treatment of high-grade cervical dysplasia. Cevira was outlicensed to Asieris Meditech Co., Ltd in 2019.

Additionally, Photocure distributes Combat BRS and Combat BRS kits for the HiveCTM 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 2020, Photocure regained the commercialization rights to Hexvix in Europe and other territories around the world from Ipsen Pharmaceuticals. Photocure started commercial and medical activities in these new European territories on October 1, 2020. In 2021 Photocure continued its growth and business expansion: in January Photocure announced to partner with Asieris MediTech Co. Ltd for the commercialization of Hexvix® in Mainland China and Taiwan. The company also reacquired the marketing and distribution rights to Cysview® in Canada, taking effect post-period on January 1, 2022.

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 (Global headquarter), in Princeton, New Jersey (North America office) and in Düsseldorf, Germany (Europe office, opened in May 2021). In addition, Photocure has fully owned affiliates in France and Canada. Photocure ASA is listed on the Oslo Stock Exchange (ticker: PHO).

Key figures 2021

- Photocure's total revenues in 2021 were NOK 360.5 million
- Photocure's net loss in 2021 was NOK 30.9 million
- At 31 December 2021, the company's consolidated equity was NOK 502.6 million, an equity ratio of 64%
- Photocure's cash balance at the end of 2021 was NOK 322.9 million

Employees per region:

Location	Total
Oslo / Global functions	22
Europe commercial	30
Princeton / Global functions	8
U.S. commercial	38
Total	98

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. The Company will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021 and available at the Norwegian Corporate Governance Board's website www.nues.no, to the extent not considered unreasonable 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 ESG report is discussed and approved by the board.

The company discloses board and governance guidelines annually in the annual report and on photocure.com (Corporate Governance Policy and Annual Review). For more information about Corporate Governance, Nomination Committee, Audit Committee and ESG Board Advisor, please see the Photocure corporate governance policy in the 2021 annual report on pages 22-28.

Board composition, including independence, gender split, professional and committee roles can be found in the Leadership section of the company website. Information regarding remuneration is published on the Photocure website in the Management Remuneration Policy (Our Impact – ESG section). In addition, the Nomination Committee report, also available on the company website (Investors – Events & Presentations section), provides details on the Nomination Committee mandate, membership and remuneration.

Photocure's Core Values

Photocure's core values set important standards for the company, both internally and externally. Our values guide what we believe and how we will succeed. These standards ensure that we always act in a responsible way. They exist under the principle that We Care - about all that we do and all who we touch. We value diversity and are





Take Ownership

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



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



Be Agile

Adapt to changes
Demonstrate flexibility
Be responsive
Be quick



Be Passionate

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



Be Courageous

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

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.

respectful, inclusive and operate at the highest level of integrity. Our 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

Care & Respect Council:

As a result of the work on company values, Photocure set up a Care and Respect Council in 2021, in which employees serve as ambassadors helping to bring to life our Culture and Core Values. The Care and Respect Council's charter is to foster ideas and actions that creates an inclusive work environment that values the contributions of all colleagues and supports a workforce that reflects and embraces the wide range of diversity that each of us brings to the company. The council acts as an advisory body that provides insight and recommendations on matters regarding our Core Values, Diversity & Inclusion, and the engagement of our colleagues, which could include:

- **Intercultural and interpersonal communication in the workplace**
- **Awareness and appreciation of diversity and inclusion**
- **Healthy and sustainable work life balance**

The care & respect council is composed of 8 employees from different functions and regions. Membership is on a voluntary basis and for the duration of 12 months. In 2021, the council has already developed the Council's Charter, participated in an external diversity training 'Unconscious bias' and supported the development of additional value-oriented questions for the employee pulse survey.

Photocure's approach to sustainability

Stakeholder dialogue and materiality assessment at Photocure

This report covers sustainability topics that are of importance to Photocure and the company's stakeholders. Photocure's approach to sustainability reporting is based on the stakeholder dialogue and materiality assessment was first undertaken in April 2020 and continued in 2021 to include several new topics and an updated supply chain impact, risk and opportunity mapping.

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 consisted in a series of phone interviews and digital workshops, while the stakeholder dialogue was conducted through semi-structured interviews with key stakeholders. In 2021 the team did an extended supplier review and dialogue concerning human rights, environmental, social and compliance topics. In addition, an Employee Pulse Survey was used to collect data on topics concerning employee engagement and the working environment at Photocure.

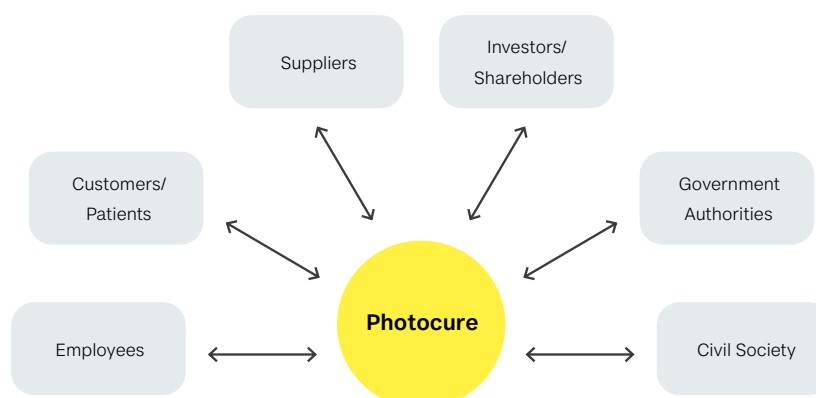
The updated materiality process in 2021 also takes into account industry level ESG topic overviews as well as Photocure's score on third-party ESG ratings and updated legal requirements for ESG reporting.

Due to the ongoing Covid-19 pandemic, impacting business priorities in all sectors, only a limited number of external stakeholders were interviewed as part of this process. As to avoid further strain on healthcare providers during the pandemic, Photocure representatives were interviewed about the interests of their specific external stakeholder groups such as customers, government and suppliers.

Consequently, the company will update the stakeholder dialogue and materiality assessment as applicable in future ESG reports.

All stakeholders consulted pointed out the impact of Photocure's product on society: patients' access to healthcare as well as comprehensive support to healthcare providers. Another topic frequently mentioned was the importance of a good working environment, diversity and gender equity in the workplace. Financial stakeholders also emphasized the importance of business ethics, as well as openness and transparency regarding products, production and research.

Photocure's stakeholders



Stakeholder descriptions: see appendix p. 26

Identified Sustainability and ESG topics

In 2021 a mapping of Photocure's value chain resulted in a list of key topics that Photocure is directly or indirectly exposed to through its value chain and business environment. The following topics are therefore included in the present report:

E

Responsible Supply Chain: Supplier Assessment on Environmental Criteria and Certifications, Scope 1 and 2 Emissions, Energy Consumption, Risk Assessment on Water

S

Product Safety, Societal and Community Impact, Access to Healthcare, Ethical R&D & Marketing, Labor Standards, Human Rights, Health & Safety in the Workplace, Photocure Office Facilities

Human Resource Management, Turnover rates, Diversity, Equality & Inclusion, Employee Engagement & Training, Privacy & Data Management, IT Security

G

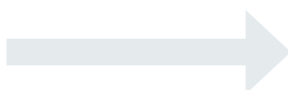
Business Ethics & Transparency, ESG Reporting, Anti-corruption, Stakeholder Relationship Management, Global Quality Management System

Board Composition, Board Structure, Audits & Risk Management, Corporate Governance Policies, Remuneration, Board Independence, Accounting Transparency

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. The materiality assessment was first created in 2020 and updated with new topics in 2021.

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



- Human Rights
- Product Quality & Safety
- Supply Chain Responsibility
- Environment & Climate Impact
- Working Environment
- Business Ethics & Transparency
- Data Protection & IT Security

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.

Human rights

As a signatory of the United Nations Global Compact, Photocure upholds the Ten Principles which are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. Committing to these principles means supporting and respecting the protection of human rights in all aspects of our business operations and making sure we encourage our suppliers and partners to do the same.

We report on aspects of human rights related to labor, safety, diversity & inclusion in the **"Working environment"** chapter.

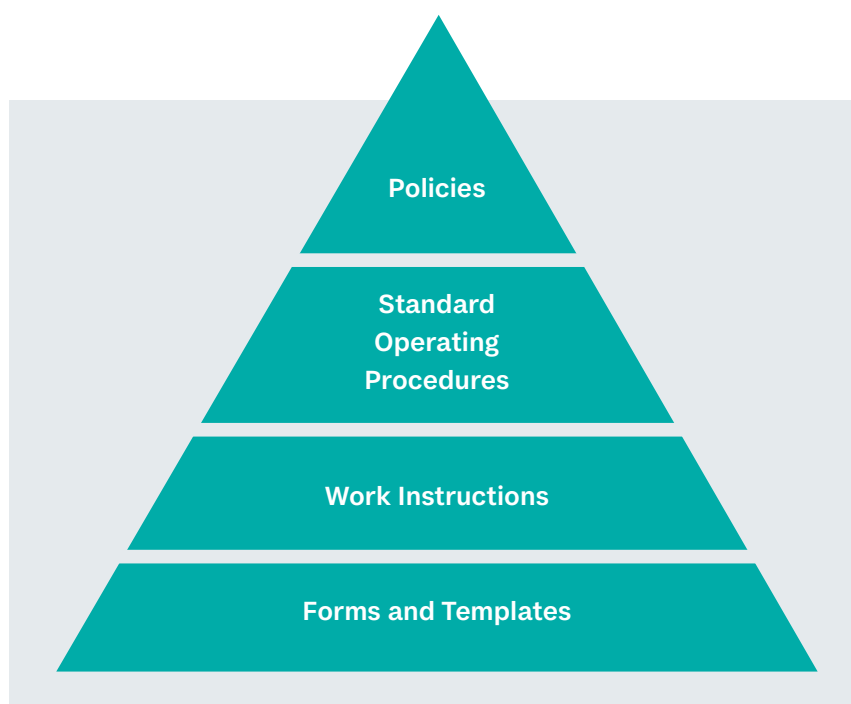
In the **"Supply chain responsibility"** chapter we report on human rights-related topics and dialogue with our suppliers.

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 North America and Europe.

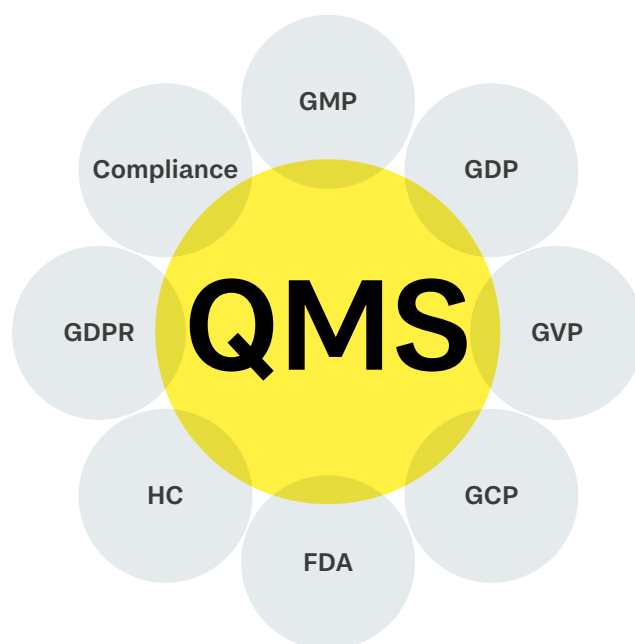
The quality policy and the quality and compliance manual are the overarching documents describing the company's quality goals and quality system.

Photocure has a quality management system (QMS) which is compliant with Norwegian, European and North American Health Authorities' rules and regulations for drug manufacturing, drug distribution, research activities and surveillance of drug safety and drug quality. The QMS also covers Norwegian and European rules and regulations for distribution of medical devices. The QMS is set of written policies, standard operating procedures, work instructions and forms managed in a validated computer system.



Abbreviations:

GMP = Good Manufacturing Practice
 GDP = Good Distribution Practice
 GVP = Good Pharmacovigilance Practice
 GCP = Good Clinical Practice
 FDA = Food & Drug Agency
 HC = Health Canada
 GDPR = General Data Protection Regulations



“For the year 2021 there were no quality and/or safety incidents that led to any market actions”

Photocure holds a manufacturing license and a good manufacturing practice certificate issued by the Norwegian Medicine Agency and available on the EudraGMDP public database. Photocure follows the EU directive for medical devices with respect to distribution of medical devices.

An annual review of all aspects of the quality system, product quality and safety are conducted 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.

Safety feature:

All Photocure 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.

For the year 2021 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.

At Photocure we aim to be accessible to any healthcare provider who needs information or wants to submit feedback regarding our product. In 2021 Photocure improved the phone service for medical information, adverse event and product complaint reporting in Europe.

Photocure's medicinal product complies with the European Falsified Medicines Directive which came into force February 9th, 2019.

Goals and targets for 2022

- 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.
- Improving the phone service for medical information, adverse event reporting and product quality complaints for North America.

Supply chain responsibility

As a business with outsourced manufacturing and logistics, Photocure relies on suppliers, individuals or organizations who provide goods and services to the company. Photocure is thereby directly and indirectly exposed to risks and opportunities in its business relations and supply chain.

Photocure has procedures in place for the interaction with suppliers, including qualification and follow-up, risk assessment, auditing and procurement. As a part of the initial and ongoing evaluation of suppliers, Photocure obtains confidence that the supplier is able to deliver the materials/ services as requested with the required quality, and that the supplier complies with all applicable laws relating to ethical and responsible standards of behavior in accordance with the United Nations Global Compact or similar. The company performs risk assessments (measures and analyzes potential risks) in its supply chain on a regular basis.

All new and revised 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.

Suppliers Business Conduct and responsible business practice is part of the agenda on business review meetings with the suppliers. In 2021, all suppliers received our Supplier and Partner Code of Conduct ("Code"). In addition, all Photocure's critical* suppliers were assessed for presence of a Code of conduct / corporate responsibility policy. Photocure has not terminated or discontinued contracts with any suppliers due to sustainability breaches.

Critical supplier screening; manufacturing and supply chain	2021
Number of critical suppliers	11
Location of the critical suppliers	Europe and North-America
Critical suppliers with Code of conduct / corporate responsibility policy available on website or shared with Photocure	9 (82%)
Critical supplier with clear statements for adherence and respecting human rights available on website or shared with Photocure	9 (82%)

Within Supply Chain several notable achievements can be reported for 2021:

- Distributed the Supplier and Partner code of conduct to all suppliers in the supply chain.
- All new or revised supplier agreements signed in 2021 included a claim that the supplier shall materially comply with all Applicable Laws and work in accordance with the principles in the United Nations Global Compact.

Goals and targets for 2022

- Include following up on environmental, social and governance topics in regular business review meetings.
- Assess the status of ESG topics-related policies from all critical suppliers.
- Encourage and support critical suppliers to implement policies in line with UN Global Compact



*Critical suppliers are defined according to internal procedure and risk matrix.

Environment and climate impact

In Photocure, we focus all our efforts and resources to improve the lives of bladder cancer patients and we recognize that we do have an economic, social, and environmental impact on our surroundings.

As a Signatory to the United Nations Global Compact and committed to the Ten Principles, Photocure supports a precautionary approach to environmental challenges; the company shall undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies. This commitment is also part of the Photocure Supplier Code of Conduct.

Photocure's business locations contribute to environmental and climate impact directly through energy use in our offices (see table to the right), waste generated at our offices, and employee business travel.

Photocure's headquarter is located in an office building in Oslo that is certified by the BREEAM Code for a sustainable built environment. It obtained "very good" in the asset performance and building management categories. The office building in Princeton, USA, has the "Energy Star" designation and the office building in Düsseldorf has a Gold Certificate from the DGNB System. The group will continue to broaden its focus on ESG criteria regarding its locations.

However, the largest impact on the environment and climate is found in Photocure's indirect impact through suppliers and raw materials.

In 2021, all Photocure's critical suppliers were screened for environmental criteria, such as the existence of an Environmental Policy and the location of their operations in high water-stress areas (see below). All 11 suppliers are in either a low or low-medium water risk area. None are located in a high-water stress area.

Goals and targets for 2022

- Include environmental topics in the monitoring of real estate providers for Photocure locations
- Continue stakeholder dialogue to assess evolving environmental and climate reporting needs

Energy use (electricity) from Photocure locations:

Scope 1: Not applicable

Scope 2: Indirect emissions from energy use (electricity & heating) from Photocure locations:

Photocure Location	Electricity 2021 [kWh]	District heating 2021 [kWh]	GHG Emissions (Scope 2, location based) [kgCO2e]
Headquarter (Oslo)	75,560	32,416	1,091 kg CO2e
Europe (Düsseldorf)	5,214*	-	1,630 kg CO2e
North America (Princeton)	48,148	-	18,631 kg CO2e

*May-Dec 2021

Greenhouse gas (GHG) emissions (in CO2-equivalents) from Photocure locations.

Calculated and validated by Variable AS (<https://variable.co>), in accordance with the GHG Protocol.

Critical supplier screening; manufacturing and supply chain	2021
Total number of critical suppliers in Photocure's manufacturing and supply chain	11
Critical suppliers with Environmental policy available on website or shared otherwise with Photocure	9 (82%)
Critical suppliers located in high-water stress area	0 (0%)

Suppliers screened for Environmental criteria – Source: Aqueduct Water Risk Atlas

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 colleagues. 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.

Photocure Location	Oslo	Düsseldorf	Princeton
Ergonomic desk (as needed)	✓	✓	(✓)
2 screens (as needed)	✓	✓	(✓)
Hybrid office home/work	✓	✓	✓
Flexible worktime	✓	✓	✓
HSE handbook	✓	✓	✓
HSE risk assessment	✓	✓	-

The company continued with hybrid remote work arrangements across its locations in Norway, Germany and the U.S. for its non-sales employees which represents approximately 42% of its global team which allowed the company to remain 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 and engaged workforce 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



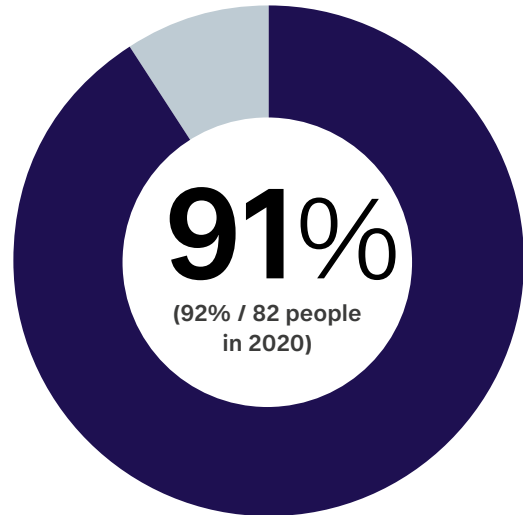
and welfare of all Photocure employees and stakeholders. Business and travel policies which supported work from home and social distance were implemented prior to governmental orders.

The Company implemented a mandatory vaccination policy in 2021 for all current employees and new hires, where allowed by local laws. This further ensures the health and safety of all colleagues and patients, and removes any potential barrier to accessing urologists, clinics, hospitals who may have implemented a vaccination requirement.

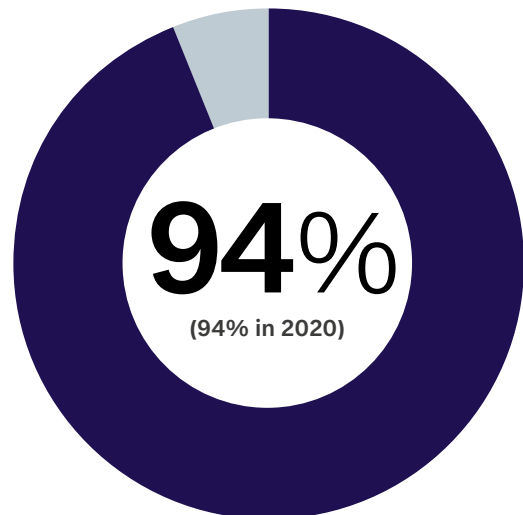
The working environment within the company is considered to be very good, measured through regular employee surveys. All global colleagues are included in this process. Participation in the 2021 survey was once again very strong with 90% of employees providing feedback. The overall results of the survey continued to be very high maintaining an overall score above 80%. Focus groups will follow up on the results and look for ways to continue to improve. The employee engagement survey will continue to be administered fully anonymously and on an annual basis.

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.

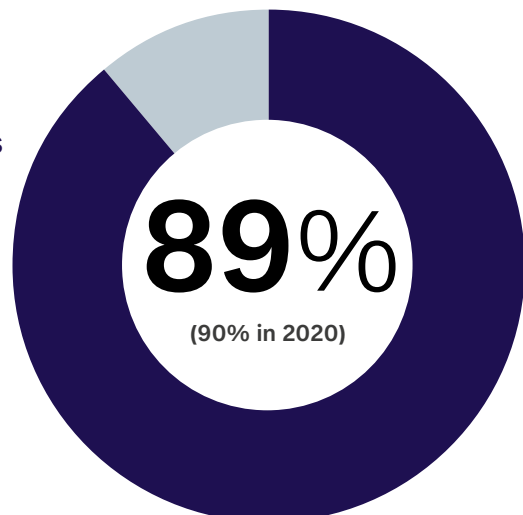
Participation rate (88 people)



Do you feel proud to work for Photocure?



Would you recommend Photocure as a great place to work?



Photocure 2021 Global Employee Survey

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 2021 was 0%.

At the end of 2021, the organization comprised of 98 employees of which 97 were full-time employees.

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.

The mid-year as well as the year-end performance appraisal for Photocure employees and management includes an assessment of the performance in relation to the company's values in addition to goal achievement.

No accidents or injuries resulting in absence were registered in 2021. Absence due to illness in the company was 1.9% of total hours (2021 reporting includes new Photocure markets in Europe). One long term illness was reported during the year. Photocure has not been in any legal proceedings regarding working environment in 2021.

Gender equality and diversity

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 43% of the senior management team at the end of 2021. Globally, Photocure employs 51% men and 49% women. Working time arrangements at the company, independent of gender, strive to enhance the individual work-life balance.

The company is reporting the following employee data:

Part-time employees, turnover, and parental leave:

Organisation	2020 (as per 31.12)			2021 (as per 31.12)		
	Men	Women	Total	Men	Women	Total
Number of FTE	46	41	87	50	47	97
Part time employees	0	2	2	0	1	1
Temporarily hired	0	0	0	0	0	0
Total of employees	46	43	89	50	48	98
Newly hired						
Total number of newly hired employees in 2020 & 2021	22	15	37	11	9	20
Employee turnover						
Number of employees who have left the company	3	4	7	8	5	13
Parental leave						
Number of employees on parental leave	0	1	1	0	0	0

Breakdown of employees and board members by gender:

	2020		2021	
	Men	Women	Men	Women
Organisation total	46	43	50	48
Board of Directors	3	2	3	2
Executive level management	3	4	4	3
Non-executive level management	7	10	10	11



Within working environment several notable achievements can be reported for 2021.

- All colleagues on-boarded have received the on-boarding training needed.
- 90% response rate in Pulse Survey
- Leadership training program initiated
- Succession planning for key functions implemented
- Care & Respect council established
- Vaccination Policy implemented

Goals and targets for 2022:

- Maintain a high employee engagement score in employee survey (>80% overall score)
- Maintain comprehensive succession plans for key functions and establish and implement detailed development plans for key successors
- Ensure all HR functions are fully backed with policies and processes to assure consistency and overall governance
- Utilize focus groups to identify improvement points for the Photocure working environment based on the Pulse Survey
- Leverage our Care & Respect Council to support our "We Care" Culture and maximize our efforts in diversity, equality and inclusion
- LEAD program: implement development programs designed to enhance the skillset of employees

Business ethics and transparency

Being part of a global value chain, Photocure is directly and indirectly exposed to ethical risks through its business operations. Therefore, Photocure has high focus on conducting the business in the most ethical and transparent way. This includes good corporate governance, commitment to local and industry specific business ethics norms, such as pharma industry associations ethical codes, ethical research, as well as anti-corruption and adherence to Photocure's core values and respect for human rights.

In 2021 Photocure became a signatory of the UN Global Compact which commit the company to respect the ten principles related to human rights, environment, labour, and anti-corruption.

The company's CEO and management team are responsible for following up business ethics and anti-corruption work at Photocure.

Each year, the Board of Directors conducts a thorough risk 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.

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.

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).

Compliance Program

Photocure has established a compliance program in line with the US "OIG Compliance Program Guidance for Pharmaceutical Manufacturers". The program has the following pillars: risk assessment, policies & procedures, training, supplier management, monitoring, and reporting and investigations.

The following policies set the frame for business ethics and compliance:

- Code of Conduct
- Anti-corruption policy
- Supplier & Partner Code of Conduct
- Quality and Compliance policy
- Quality and compliance manual

The above policies are periodically reviewed, and all employees are trained. All new employees are introduced to the content of the documents as part of their onboarding.

Annually a detailed risk assessment for compliance is conducted, the latest in June 2021. No significant business ethics risks were identified.



Ethical marketing and disclosure

Photocure's overarching goal is to comply with industry codes in all markets where 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. Written procedures are established to ensure promotional materials are reviewed and approved and that promotional and medical activities are conducted responsibly and according to industry standards.

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

Suppliers and Partners

Our Supplier and Partner code of conduct was introduced in 2021. The code was shared with all key suppliers. As our suppliers are seen as an extension of Photocure, we require our suppliers and partners, to comply with this Code which is the same as The Ten principles of the UN Global Compact. Photocure also expects its



Suppliers and Partners to require their own suppliers and subcontractors to follow these principles. 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. To strengthen the internal awareness of the importance of oversight and follow up on suppliers, a written procedure applicable for all supplier's engagement was introduced in 2021.

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.

Reporting & Monitoring

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.

As part of a compliance program monitoring the effectiveness is a key activity. During the period Photocure conducted two such monitoring activities to assess the compliance towards internal procedures. The outcome of these activities was good.

Research activities

As part of its quality management system, Photocure has established a full set 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. Animal care protocols were used in accordance with the guidelines of the European Communities Council Directive on the approximation of laws, regulations, and administrative provisions of the Member States regarding the protection of animals used for scientific purposes, the National Institutes of Health Guide for the care and use of laboratory animals, and the ASAB Ethical Committee. The studies received approval from the French Ministry of Higher Education and Research. Animal supervision was performed daily. All efforts were made to prevent animal suffering.

One non-interventional Photocure sponsored study (Blue Light Cystoscopy with Cysview® registry: Clinicaltrials NCT02660645) was ongoing in the reporting period.

Photocure has also supported investigator-initiated trials. During 2021, 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 2021 on pages 8-10.

Within Business ethics and transparency several notable achievements can be reported for 2021:

- Photocure became signatory of UN Global Compact.
- The scope of the written procedure for supplier management was expanded and communicated to all partners.
- Two compliance monitoring activities was conducted.
- The Quality and Compliance manual was updated.
- The Code of Conduct was updated.
- All employees were trained in the revised documents.

Goals and targets for 2022

- Maintain the compliance breaches with severity "critical" to zero. Maintain employee awareness including training on compliance and execution of the activities as outlined in the compliance program.
 - Review the current supplier procedures to ensure correct assessment of risk for corruption, based on location, and risk for human rights breaches
 - Strengthen the code of conduct with clearer statement for human rights.
-

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. Furthermore, Photocure's IT-provider Intility has a Security Operations Centre (SOC) which is responsible for managing all suspected and confirmed cyber security incidents 24/7/365. This is performed in close collaboration with other operational departments and renowned external security partners. Known security vulnerabilities like Windows Print Spooler and Apache Log4j have been closely monitored by Intility and risk-reducing measures have been implemented. Photocure servers have not been attacked.

The procedures and processes that Photocure has established for personal data protection are based on the Norwegian Personal Data Act and the General Data Protection Regulation (GDPR), EU 2016/679. 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 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 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 ISAE3402 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.

Notable achievements in Data protection and IT security in 2021:

- Kept security tickets with severity "critical" to zero.
- Held a GDPR refresher training to make sure every employee gets a better understanding on how to handle personal data in their daily work.

Goals and targets for 2022:

- Strive to enhance IT-security in our international organization. E.g. implement multi-factor authentication to access all Intility-based IT services
- Keep security tickets with severity "critical" to zero.
- Continue to increase awareness of the security situation and reporting of suspicious e-mails by annual reminders to all 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.

Security tickets and breaches

Security tickets and breaches	2019	2020	2021
Number of moderate security tickets registered	13	42	9
Number of critical security tickets registered	0	0	0
Number of personal data breaches	0	0	0

APPENDIX:

Goals & Targets 2021

Area	Goals and Target 2021	Action and progress in 2021
Product quality & safety	Maintain Photocure's track record of no quality and/or safety incidents that led to any market actions e.g. product recall or healthcare information letter.	● No quality and/or safety incidents with any market actions reported.
	+800 helpdesk service for medical information, adverse event reporting and product quality complaints to be implemented for Europe.	● The 800-number helpdesk service for Europe went live in February 2021.
Supply chain	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.	● All new supplier agreements signed or updated in 2021 have the applicable text included.
	Distribute to all suppliers the Supplier and Partner code of conduct.	● The Supplier and Partner Code of Conduct was approved in April 2021 and distributed to key suppliers during May/ June 2021.
Working environment	Report share of employees/new employees who have participated in company on-boarding process.	● All colleagues on-boarded in 2021 have received the on-boarding training needed.
	Maintain or improve employee engagement score.	● First half of the year sessions were conducted to better understand and act on the feedback received in Pulse Survey 2020. ● Second half the 2021 global Pulse Survey was conducted. The results garnered an 89% response rate.
	Continue to report on employee turnover rate.	● Turnover tracked and monitored throughout the year and ended lower than 2020.
	Create and implement leadership training program.	● Designed and delivered 3 training programs for people leaders during Q4.
Business ethics & transparency	Update quality and compliance manual with more focus on responsible business.	● The quality and compliance manual were updated with a section on sustainability in December 2021.
	Implement compliance monitoring activities	● Two compliance reviews (monitoring) activities done in 2021 with no major issues identified
Data protection & IT security	Keep security tickets with severity "critical" to zero.	● No critical security tickets reported in 2021.
	Continue to awareness of the security situation and reporting suspicious emails 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.	● Number of Normal security tickets is reduced from 42 in 2020 to 9 in 2021
	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.	● Annual GDPR training was done January 2022

● Complete ● Work in progress ● Not started

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.

GRI content index

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND / OR URL(S)
GRI 102: GENERAL DISCLOSURES 2016	GRI 101: FOUNDATION 2016	
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	102-2 Activities, brands, products, and services	6
	102-3 Location of headquarters	7
	102-4 Location of operations	7
	102-5 Ownership and legal form	7
	102-6 Markets served	7
	102-7 Scale of the organization	7
	102-8 Information on employees and other workers	7
	102-9 Supply chain	6
	102-10 Significant changes to the organization and its supply chain	–
	102-11 Precautionary Principle or approach	4
	102-12 External initiatives	4
	102-13 Membership of associations	22
	STRATEGY	
	102-14 Statement from senior decision-maker	4,5
	ETHICS AND INTEGRITY	
	102-16 Values, principles, standards, and norms of behavior	8,9
	102-17 Mechanisms for advice and concerns about ethics	23
	GOVERNANCE	
	102-18 Governance structure	8
	102-20 Executive-level responsibility for economic, environmental, and social topics	8
	102-21 Consulting stakeholders on economic, environmental, and social topics	10
	102-22 Composition of the highest governance body and its committees	8
	102-29 Identifying and managing economic, environmental, and social impacts	10,11,12
	STAKEHOLDER ENGAGEMENT	
	102-40 List of stakeholder groups	10,26
	102-41 Collective bargaining agreements	18
	102-42 Identifying and selecting stakeholders	10
	102-43 Approach to stakeholder engagement	10
	102-44 Key topics and concerns raised	10,11,12,26
	REPORTING PRACTICE	
	102-45 Entities included in the consolidated financial statements	7
	102-46 Defining report content and topic Boundaries	10,11,12
	102-47 List of material topics	11
	102-48 Restatements of information	–
	102-49 Changes in reporting	2
	102-50 Reporting period: 2021	2

GRI STANDARD		DISCLOSURE	PAGE NUMBER(S) AND / OR URL(S)
REPORTING PRACTICE			
GRI 102: GENERAL DISCLOSURES 2016	102-51	Date of most recent report	2
	102-52	Reporting cycle	Annually
	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	27,28,29
	102-56	External assurance	2
MATERIAL TOPICS			
200 SERIES (ECONOMIC TOPICS)			
ANTI-CORRUPTION			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	21
	103-2	The management approach and its components	21
	103-3	Evaluation of the management approach	21
GRI 205: ANTI-CORRUPTION 2016	205-1	Operations assessed for risks related to corruption	21
	205-2	Communication and training about anti-corruption policies and procedures	21,23
	205-3	Confirmed incidents of corruption and actions taken	23
300 SERIES (ENVIRONMENTAL TOPICS)			
EMISSIONS			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	16
	103-3	Evaluation of the management approach	21
GRI 305: EMISSIONS 2016	305-1	Direct (Scope 1) GHG emissions	16
	305-2	Energy indirect (Scope 2) GHG emissions	16
400 SERIES (SOCIAL TOPICS)			
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	17,18,19
	103-3	Evaluation of the management approach	17
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	403-1	Workers representation in formal joint management-worker health and safety committees	The company does not have a joint management-worker HSE committee
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	19
	403-3	Workers with high incidence or high risk of diseases related to their occupation	17
	403-4	Health and safety topics covered in formal agreements with trade unions	–

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND / OR URL(S)
SASB BIOTECHNOLOGY AND PHARMACEUTICALS SUSTAINABILITY ACCOUNTING STANDARD		
Safety of clinical trial participants		
HC-BP-210a.1	Management process for ensuring quality and patient safety during clinical trials	13,14,23
Drug safety		
HC-BP-250a.3	Number of recalls issued, total units recalled	14
Counterfeit drugs		
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	14
Employee Recruitment, Development & Retention		
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	18, 19
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/ senior managers, (b) mid-level managers, (c) professionals, and (d) all others	19
Business ethics		
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	23
HC-BP-510a.2	Description of code of ethics governing discussion and interactions with health care professionals	22



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